

report

resolve106

AFFORDABLE HOUSING CONSULTANCY

Affordable Housing
Statement

Land at Burlow Road and
Heath Nook Road, Buxton

On Behalf of:
Barratt Homes Manchester

November 8th 2017

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1.0 Introduction

- 1.1 We act as expert consultants in matters pertaining to planning and affordable housing on behalf of Barratt Homes Manchester in respect of land South of Macclesfield Road, Whaley Bridge ("the application site").
- 1.2 The site is located in the administrative area of High Peak Borough Council ("the Council").
- 1.3 This Statement accompanies an application for reserved matters approval prepared following the grant of Outline planning permission (Application Ref: HPK/2014/0403) for residential development of up to 275 dwellings, public open space, a creche, sports pavilion, access & associated infrastructure.
- 1.4 By reference to the S106 Agreement the following definition is provided in respect of 'the Affordable Housing Scheme':

"a scheme for the provision of Affordable Housing within the Development which shall be submitted by the Landowners to the Council in accordance with Clause 2.2 which shall contain details of the following:

- (a) the exact numbers, type, and tenure of the Affordable Housing Units to be made; and*
- (b) the location of the Affordable Housing Units and its phasing in relation to the occupancy of the Commercial Dwellings*

- 1.5 By way of context Clause 2.2 states:

"Prior to submission of each and every Reserved Matters Submission for a phase submit for approval to the Council the Affordable Housing Scheme for that Phase. The Affordable Housing shall be provided in accordance with the Affordable Housing Scheme."

The reserved matters submission comprises a single application for 275 dwellings as a single phase of development and therefore this is the only Affordable Housing Scheme that will be submitted.

1.6 'Affordable Housing' is defined as;

"subsidised housing that will be available to persons who cannot afford to rent or buy housing generally available on the open market and which will comprise 30% of the total number of Dwellings to be erected on the Site and shall comprise 60% Affordable Rented Housing and 40% LCHO Housing or as may be agreed in accordance with the Affordable Housing Scheme"

1.7 Section 2 of this Statement provides the information required in order to satisfy parts (a) and (b) of the Affordable Housing Scheme.

1.8 Sections 2 and 3 also provide a justification for proposed amendments to the wording of the S106 agreement in relation to the following:

- 1) The phasing of the delivery of the affordable housing relative to the market housing.
- 2) The definition of 'Rent'.
- 3) Provision of Discounted Market Sale Units to satisfy the LCHO requirements.
- 4) Cascade provisions to allow Affordable Rented Housing to be provided as Discounted Market Sale Units if there is no demand from Registered Providers.
- 5) Amendments to Shared Ownership Eligibility Criteria to reflect government policy.

Barratt Homes intend to secure these amendments by way of a Supplemental Planning obligation and in this respect this Statement should be treated as an application to vary the existing S106 Agreement.

1.9 Section 4 requests agreement to amend the defined affordable housing Specification as permitted under the terms of the S106 agreement.

2.0 Affordable Housing Scheme Details

(a) the exact numbers, type, and tenure of the Affordable Housing Units to be made;

- 2.1 The reserved matters layout encompasses 275 dwellings. In accordance with definition of 'Affordable Housing' 30% of these (83 dwellings) will comprise Affordable Units with dwellings for Affordable Rent shaded [] and those for LCHO shaded [].
- 2.2 The proposed affordable housing comprises 24 x 2 bed apartments, 38 x 2 bedroom houses and 21 x 3 bedroom houses. The proposed mix of housing type by tenure is scheduled in the table below:

Table 1: Affordable Housing Mix by Type and Tenure

Plot No.	Dwelling Type	Bedrooms	Tenure
70	House	3	LCHO
71	House	3	LCHO
98	House	2	LCHO
99	House	2	LCHO
111	House	3	LCHO
112	House	3	LCHO
113	House	3	LCHO
114	House	3	LCHO
115	House	2	LCHO
116	House	2	LCHO
117	House	2	LCHO
118	House	2	LCHO
121	House	3	LCHO
122	House	3	LCHO
123	House	3	LCHO
124	House	2	LCHO
125	House	2	LCHO
126	House	2	LCHO
127	House	2	LCHO
128	House	2	LCHO
129	House	2	LCHO
130	House	2	LCHO
131	Apartment	2	LCHO
132	Apartment	2	LCHO
133	Apartment	2	LCHO
134	Apartment	2	LCHO

135	Apartment	2	LCHO
136	Apartment	2	LCHO
137	Apartment	2	LCHO
138	Apartment	2	LCHO
139	Apartment	2	LCHO
140	Apartment	2	LCHO
141	Apartment	2	LCHO
142	Apartment	2	LCHO
144	House	2	Rent
145	House	2	Rent
149	House	2	Rent
150	House	2	Rent
153	House	2	Rent
154	House	2	Rent
155	House	2	Rent
156	House	2	Rent
159	House	3	Rent
160	House	3	Rent
161	Apartment	2	Rent
162	Apartment	2	Rent
163	Apartment	2	Rent
164	Apartment	2	Rent
165	Apartment	2	Rent
166	Apartment	2	Rent
168	House	2	Rent
169	House	2	Rent
170	House	2	Rent
171	House	2	Rent
180	House	3	Rent
181	House	3	Rent
195	House	3	Rent
196	House	3	Rent
202	House	2	Rent
203	House	2	Rent
204	House	2	Rent
205	House	2	Rent
206	House	2	Rent
207	House	2	Rent
214	Apartment	2	Rent
215	Apartment	2	Rent
216	Apartment	2	Rent
217	Apartment	2	Rent
218	Apartment	2	Rent
219	Apartment	2	Rent
220	House	2	Rent
221	House	2	Rent
222	House	2	Rent

223	House	2	Rent
230	House	3	Rent
231	House	3	Rent
242	House	2	Rent
243	House	2	Rent
244	House	2	Rent

2.3 The tenure split of the Affordable Housing Units equates to 50 dwellings for Affordable Rent (60%) and 33 dwellings for LCHO (40%). Again, this is in accordance with the definition of 'Affordable Housing'.

ii) the timing of construction of the Affordable Housing Units and their phasing in relation to the occupancy of the Market Housing Units;

2.4 Paragraph 2.3 of the S106 Agreement states that:

"no more than 50% of the Commercial Dwellings within a Phase shall be Practically Completed until the Affordable Housing Units have been completed and transferred to a Registered Provider in accordance with the criteria set out in Schedule 1 of this agreement and are available for occupation in accordance with those criteria."

2.5 In recognition that;

- a) Development of the site will be undertaken as a single Phase;
- b) That significant concerns surround the financial capacity of Registered Providers to acquire additional affordable dwellings in High Peak; and
- c) That the requirement to transfer to a Register Provider would preclude other forms of LCHO delivery;

It is requested that this provision be amended as follows:

"no more than 70% of the Commercial Dwellings within a Phase shall be Occupied until all of the Affordable Housing Units are build complete and available for occupation."

3.0 Amendments Sought to S106 Agreement

- 3.1 In order to facilitate delivery of the affordable housing the following changes (in addition to paragraph 2.5 above) are requested to the S106 agreement. These would be secured through a Supplemental Deed.
- 3.2 **Definition of 'Rent'**. The definition of 'Rent' would permit letting of a rented dwelling on either a social rented basis (through reference the target rent formula) or an Affordable Rent at 80% of the local market rent. Both approaches are in accordance with Annex 2 NPPF but the definition used then seeks to limit the Affordable Rent to the Local Housing Allowance level for the Peaks and Dales Broad Rental Market Area.
- 3.3 There is nothing in either NPPF or policy H4 of the High Peak Local Plan (adopted after the S106 agreement for this site was executed) that refers to the limitation of an Affordable Rent to Local Housing Allowance levels. It is therefore requested that this wording is removed from the agreement.
- 3.4 **Discounted Market Sale**. A definition of 'Discounted Market Sale Price' is provided which equates to a discount of 30% from Open Market Value. However, the arrangements in respect of how Discounted Market Sale Units can be delivered is uncertain as the provisions in relation to the submission and approval of an Affordable Housing Scheme creates a requirement for all Affordable Housing Units to be transferred to a Registered Provider.
- 3.5 It is acknowledged that paragraphs 27 and 28 of the First Schedule permit '*Any other form of intermediate affordable housing that meets the criteria of Annex 2 of the NPPF*' to be included in the submitted Affordable Housing Scheme. For the avoidance of doubt, it is requested

that the S106 agreement be amended to provide a specific linkage between the definition of Discounted Market Sale Units and the ability for the Owner to include these within the Affordable Housing Scheme.

- 3.6 It is proposed that detailed provisions in relation to the resale covenant documentation which will secure the Discounted Market Sale Units in perpetuity will be incorporated into the Supplemental Deed.
- 3.7 **Cascade Mechanism.** As identified, the S106 agreement envisages all the Affordable Housing Units being delivered by a Registered Provider (subject to the changes requested in relation to Discounted Market Sale Units). However, it is considered that the scale of affordable housing provision required for this site, combined with other approved sites in the immediate locality, (and High Peak more generally) is likely to exceed the available financial capacity of Registered Providers to acquire them.
- 3.8 Consequently there is a very real risk that no purchaser may be found to take some, or all, of the Affordable Housing Units for rent, which in turn could prejudice delivery of the market housing on-site.
- 3.9 It is therefore requested that the S106 agreement be amended so as to provide that any Affordable Housing Units for rent which it has not been possible for the Owner to enter into a binding contract for sale with to a Registered Provider within 6 months following commencement of development (despite having used reasonable endeavours to do so) shall by default convert to Discounted Market Sale Units and be sold in accordance with the details to be agreed as part of the Supplemental Deed.
- 3.10 The NPPG advised that Local planning authorities have the option to set additional technical requirements in the form of an optional Nationally Described Space Standard ("NDSS") provided they have evidence to

determine whether there is a need for additional standards in their area, and can justify setting appropriate policies in their Local Plans.

- 3.11 **Shared Ownership Eligibility Criteria.** The government has broadened access to Help to Buy: Shared Ownership for potential purchasers. Outside London, anyone with a household income of less than £80,000 is now eligible, and there are no nationally or locally defined prioritisation criteria (excepting a prioritisation for current and former members of the British Armed Forces).
- 3.12 Homes funded by the HCA as part of the SOAHP 2016 to 2021 must be marketed in accordance with the new position. Therefore, Registered Providers would not be able to count any Shared Ownership dwellings as 'nil grant' units in their HCA programme which may limit demand and provide further incentive for the Owner to deliver the LCHO Housing Units on a Discounted Market Sale basis.
- 3.13 An amendment to the S106 agreement is therefore requested to provide that each shared ownership unit within the Development shall initially and at any time subsequently upon a vacancy arising, be available to purchase by eligible persons who meet the HCA Shared Ownership Eligibility Criteria or equivalent thereof.

4.0 Agreement of Specification

4.1 The S106 agreement provides the following definition in respect of 'Specification':

"means the Housing Quality Indicators that the Affordable Units should be completed to as a minimum as contained in the most recent Homes and Community Agency Design and Quality Standards (currently April 2007) or an alternative standard as agreed in writing between the Owner and the Chief Executive of the Council"

4.2 However, Housing Quality Indicators are no longer used by the HCA in the assessment of schemes subject grant funding and consequently the 2007 guidance (which was never updated) has been withdrawn.

4.3 Furthermore, as identified in the preceding section, local planning authorities are only permitted to impose additional technical standards in respect of water efficiency, access and internal space nearest equivalent new national technical standard, and where there is a relevant current Local Plan policy. The High Peak Local Plan is silent in this regard in relation to affordable housing.

4.4 Therefore, a policy requirement for Affordable Units to comply with HCA Housing Quality Indicators would be contrary to national planning policy.

4.4 Consequently it is requested that the Chief Executive of the Council provides their written approval to an alternative standard which comprises the affordable housetypes incorporated within the reserved matters application and scheduled in Table 1 above.

- 4.5 A comparison of the housetypes proposed with the minimum HQI standards in relation to dwelling size is set out in Table 2 below.

Table 2: Comparison of HQI and Proposed Housetypes

Type/Occupancy	HQI Size m ²	Barratt Housetype	Barratt Size m ²	Pass / Fail
2b/3p Apartment	57 - 67	T6B	50	Fail
2b/3p House	57 - 67	T67	65	Pass
3b/4p House	67 - 75	Barton	66	Fail

- 4.6 The proposed 2 bedroom houses clearly meet the minimum size requirements under HQI.
- 4.7 The 2 bedroom apartments fall short of the minimum HQI size requirements but in this regard it should be noted that in discussion with a potential Registered Provider partner they expressed concerns regarding demand for 1 bedroom apartments and suggested that provision of 2 bedroom apartments would be more sustainable, even though they did not envisage allocating these dwellings for full occupancy by 3 persons.
- 4.8 Therefore it is considered more appropriate to benchmark the 2 bed apartment against the minimum HQI size requirement for a 2 person dwelling (45-50m²) with which it would comply and approval to the use of this housetype as an alternative standard to that defined by the Specification is requested.
- 4.9 In respect of the 3 bedroom houses whilst it is acknowledged that they fall short of the minimum HQI size requirements in absolute terms, the degree of shortfall equates to only 1.5% of the overall internal floor area.

Consequently, approval to the use of this housetype as an alternative standard to that defined by the Specification is requested.

APPENDICES

1.0 Affordable Housing Plan – Site A

2.0 Affordable Housing Plan – Site B

