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**Affordable Housing
Supplementary Planning Guidance
Adopted September 2004**

South Oxfordshire District Council

Affordable Housing Supplementary Planning Guidance

Please note that following the receipt of the Inspector's Report on the South Oxfordshire Local Plan 2011 the Council will now be seeking affordable housing on all sites capable of accommodating 5 or more dwellings in settlements of less than 3,000 population.

The threshold for sites in settlements of more than 3000 population remains the same and there is no change in the amount of affordable housing (40%) which will be sought.

Section 1

Introduction

1. A draft of this guidance was the subject of public consultation over a period from 28 May 2004 to 14 July 2004. The guidance was placed on the Council's web site, and copies of the document were sent to parish and town councils, to all parties who had made representations on the policy on affordable housing in the draft South Oxfordshire Local Plan 2011 and to local planning agents. The consultation responses were considered by the Council in September 2004. The Council resolved to make a number of changes in response to the representations and to adopt the amended document as Supplementary Planning Guidance.

2. Government policy is clear that the community's need for affordable housing is a material consideration in the preparation of Local Plans and the determination of planning applications.

3. Government guidance is set out in Planning Policy Guidance Note 3 Housing. Where there is a demonstrable lack of affordable housing to meet local needs, local planning authorities should include in their local plan a policy for seeking affordable housing in suitable housing developments. Where a local planning authority considers, having regard to national and development plan policy, that a site is suitable for the inclusion of an element of affordable housing it will be sought in respect of planning applications and will be secured by conditions on a planning permission or a legal agreement. The absence of provision to secure affordable housing can justify the refusal of planning permission.

4. The need for affordable housing has been an issue in the district for many years and led to the inclusion of a policy (H7) in the South Oxfordshire Local Plan (1997) requiring an element of affordable housing on certain housing developments. The District

Council undertook a Housing Needs Survey in 2000 in accordance with established best practice and published an update in February 2004. It will regularly review and monitor housing needs information to keep it up to date. The survey reveals a substantial need for affordable housing in the district. This is a key issue for the District Council and one of its strategic objectives is 'to meet people's housing needs'. The Community Strategy for South Oxfordshire 2004-2009 aims to increase housing provision by increasing the availability of housing for local people, in particular the amount of affordable housing. These underpin the Council's Housing Strategy.

5. This Supplementary Planning Guidance provides detailed guidance to prospective developers on how Policy H7 of the adopted Local Plan will be implemented (Policy H7 is reproduced in Section 5). It seeks to ensure that the adopted Local Plan policy reflects guidance in Circular

6/98 Planning and Affordable Housing and secures levels of affordable housing which are necessary to meet the identified need. It does not address affordable housing requirements for the major development west of Didcot, which will be the subject of separate negotiations, nor affordable housing only developments granted as an exception to normal planning policies (rural exceptions sites).

6. Revised guidance will need to be prepared to reflect changes in planning policy when the South Oxfordshire Local Plan 2011 is adopted and supersedes the existing Local Plan.

Section 2 Affordable housing requirements

Definition of Affordable Housing

7. Affordable housing is defined as housing which meets the needs of those households in the district that are living in unsuitable accommodation and

cannot afford to rent or buy housing of a suitable size. It should be affordable not only to the first occupiers but remain so in perpetuity subject to legislation (e.g. the right to acquire) to meet future needs.

Thresholds for Affordable Housing

8. The thresholds contained in Policy H7 of the Local Plan, as amended to reflect guidance in Circular 6/98, define the circumstances in which provision of affordable housing needs to be made. These are developments of 15 dwellings or more or on sites of 0.5 hectares in settlements of over 3000 population, and of 10 dwellings or more or on sites of more than an acre (0.405 ha) elsewhere. Settlements with a population of over 3000 are listed in Section 6.

9. Where land which is above the threshold is subdivided to create separate development schemes all or part of which falls below the threshold, the land will be considered as a

whole and affordable housing sought on each scheme.

Amount of Affordable Housing

10. Where affordable housing is required, the Council will seek 40% of affordable units. A lower level of provision may be acceptable where full provision would prejudice the realisation of other planning objectives that need to be given priority or would render the development uneconomic because of abnormal development costs. Normal development costs such as site clearance, archaeological and ecological investigations, drainage and flood prevention measures, infrastructure works and contributions, and the need to provide affordable housing should be reflected in the purchase price of a site. However if these or other costs render a scheme uneconomic without a reduced level of affordable housing, a full economic appraisal detailing all costs and expected returns and a valuation of the land in its

existing use should be submitted to the Council for scrutiny.

Location of Affordable Housing

11. Generally, affordable housing should be located on site as an integral part of the development. On developments of over 20 units it should be 'peppercotted' in small clusters generally of up to 5 houses or 8 flats distributed evenly throughout the development. Developers should work closely with the chosen housing provider to create flourishing communities, extracting the best from the site.

12. In some cases the Council will be willing to enter into an agreement either:

- to accept provision by the developer on another site, or
- to require a financial contribution to enable such provision elsewhere.

This will only be acceptable where on site provision would not be the best way to meet

local needs or would be impractical. This may include sites where affordable housing to meet local needs would be out of character or difficult to manage.

13. Financial contributions will be accepted only as a last resort because of the difficulty of finding suitable sites and the likely delay in securing the affordable units. The contributions may be used by the District Council to assist a Registered Social Landlord (RSL) to acquire existing open market houses for use as affordable housing.

Type, Standard and Design of Affordable Housing

14. The size and mix of affordable housing units on a site should reflect the housing needs of the locality. Two and three bedroom units should be in the form of houses only, to ensure their suitability for families. The form of housing will also need to acknowledge the character of the area and on larger developments to

ensure a mix of house types and a balanced community. It is recommended that prospective developers make an early approach to the relevant planning officers for advice. Section 7 sets out for general guidance the affordable housing need by number of bedrooms for the district as a whole, and the preferred size of units to meet that need is set out in Section 9. All units should be constructed to standards approved by the Housing Corporation and if relevant by the RSL to which the housing is to be transferred.

15. Design standards including water and energy efficiency should be no different to open market housing and higher standards of water and energy efficiency including the BRE Ecohomes "very good" standard will be positively encouraged. Guidance on this is given in Section 4 of the draft South Oxfordshire Local Plan 2011 and in the South Oxfordshire Design Guide. The affordable housing must not be

identifiable by its external appearance.

Timing of Provision

16. Affordable housing units should be provided at the same time as open market housing on a site. Where provision is to be made on another site or payment is to be made in lieu there may be some delay but the extent of delay will affect the acceptability of these methods of provision.

Occupancy

17. Affordable housing should always be occupied by households who are living in unsuitable accommodation and who on first occupation cannot afford to rent or buy housing of a suitable size on the open market.

18. The Council has a housing allocations policy for the nomination of housing applicants to properties and the Council would encourage those interested in shared ownership properties to contact the Council. With the high price of

housing in the district the Council recognises that many people in employment cannot afford to buy houses in the district and that some form of affordable housing, either shared ownership or subsidised renting is needed by them. The Council's Housing Strategy has a wide definition of key workers which is:

- any individual whose services contribute to the economic and/or social well-being of a community and who
- by the nature of that service needs to live close to the community served and who
- cannot afford to rent or buy a home to meet the housing needs of themselves and their immediate family in the open market.

The housing allocations policy states that additional priority can be given to such workers.

19. There are also Government schemes for key workers.

Under the current scheme eligible key workers are defined as school teachers, National Health Service workers, police officers, etc. but this may change. Further information can be obtained on the "Key Worker Living" website: www.keyworkerliving-sep.co.uk

20. Assistance is provided towards house purchase and details of available property can also be found on the website. Over the past 3 years (2001/02 to 2003/04) over 80 teachers, police officers and health workers have been assisted by a Starter Home Initiative similar to the new scheme.

Section 3 Delivery of affordable housing

Involvement of an RSL

21. It is the Council's preference that affordable housing should be provided through the involvement of a Registered Social Landlord (RSL) which would take responsibility for management of the properties. This is

because the purpose of an RSL is to provide for those in need of affordable housing and an RSL is the best means of securing genuinely affordable housing in the long term.

22. A developer can use an RSL of its choice but the District Council has a list of approved RSLs which is included in Section 8. The use of one of these will avoid the need for an agreement on occupiers of the affordable units. It is recommended that an RSL is involved at an early stage to ensure that affordable housing can be delivered. The site layout, building types and specifications, and terms for transfer of land or properties should also be acceptable to the RSL.

23. RSLs can only provide housing at below market price with a subsidy. Developers will be expected to negotiate with the selected RSL to determine the amount of subsidy they will need to provide. Generally this will be the gap between the total cost of the affordable units

and the funding which the RSL can secure. In the case of rented housing this is from a mortgage paid by affordable rents and by any Social Housing Grant. The table in Section 9 gives an indication of the likely subsidy for each size of property based on the likely cost of provision (the Housing Corporation's Total Cost Indicators) and the mortgage which could be funded by affordable rents. This table will be updated annually and can be obtained from the Council's Housing Service.

24. The District Council's preferred approach is for the developer to construct and convey the completed properties to an RSL.

25. If an RSL is not used, the developer will need to demonstrate ways in which the units can remain affordable in perpetuity and that occupancy will be in accordance with a nomination agreement and the Council's allocation policy.

Types of affordable Housing

Rented

26. The Housing Needs Survey has revealed that the greatest need in the area is for affordable rented housing. The provision of rented housing by an RSL is therefore the Council's preferred form of tenure and will generally need to comprise 75% of all affordable units. Other providers will be considered if they can demonstrate that they can meet priority needs in perpetuity.

Shared ownership

27. Shared ownership and shared equity schemes enable occupiers to part buy and usually part rent their properties. Current data suggests that shared ownership of up to 30% of the equity will be affordable.

Subsidised market

28. Dwellings sold at below open market value by the developer are not generally

considered to be an acceptable form of affordable housing because they would not meet the identified housing need and because of the difficulty of ensuring that on resale they would continue to meet that need.

Low-cost market

29. Dwellings sold at the lower end of the property market because of their location or size are not considered to be an acceptable form of 'affordable housing'. This 'cheaper market housing' would not meet the identified and overwhelming need for subsidised housing but has a role particularly on larger developments in securing balanced and mixed communities. It should be provided in addition to requirements for affordable housing.

Other

30. Notwithstanding the above, the Council recognises that there may be other forms of affordable housing which can make a contribution to

addressing housing need for those on the Housing Register and, particularly those not on the register but unable to purchase on the open market. As such, the Council will examine any proposals to assess how local housing needs can be best met.

Conditions and Obligations

31. Planning conditions/ obligations will be used to ensure that affordable housing is provided in accordance with this guidance.

32. Where affordable housing is to be provided by the involvement of an RSL, evidence that an RSL is willing in principle to be involved will need to be provided before completion of a planning obligation and issue of an outline planning permission. If possible the selected RSL should be party to an obligation completed prior to issue of a full permission or an approval of reserved matters to ensure that the proposed affordable housing can be delivered.

33. The Council's preferred partner RSLs have agreed a standard form of nomination agreement which meets the requirements of both the Council and the RSL. Where affordable housing is to be provided other than by an RSL with whom the Council has a nomination agreement (those listed in Section 8), the Council will seek to ensure that the units meet priority local needs.

34. 'Mortgagee-in-Possession' clauses permit lenders of private finance on default to dispose of properties on the open market without regard to such occupancy controls. These will be acceptable where an RSL is involved because they facilitate the raising of private finance and are very unlikely to be invoked due to the strict controls imposed on RSLs by the Housing Corporation.

35. Where financial contributions are made in lieu of on-site provision, these will be calculated on the basis of the funding gap in the provision

of houses which meet the affordable housing need as set out in Section 9.

Section 4 Further Information

36. For further guidance please contact the District Council's:

Housing Enabling Manager
01491 823346

Senior Planning Officers (West)
01491 823752 (or 823737)

Senior Planning Officers (East)
01491 823734 (or 823744)

Major Applications Officer
01491 823757

Section 5 Adopted South Oxfordshire Local Plan Policy H7

On housing sites which are greater than one acre or would accommodate 10 or more dwellings, the District Council will seek to reach an appropriate agreement with the landowner to ensure that a proportion of the houses will remain low-cost to local people in perpetuity.

Section 6 Settlements of over 3000 population *

Chinnor
Didcot
Goring-on-Thames
Henley-on-Thames
Sonning Common
Thame
Wallingford
Wheatley

* From The Housing (Rights to Acquire or Enfranchise) (Designated Rural Areas in the South East) Order 1997

Section 7 South Oxfordshire District housing need by property size

<u>Bedroom Size</u>	<u>Proportion</u>
1 bed	30
2 bed	56
3 bed	9
4+ bed	5

The above is for general needs and is taken from the South Oxfordshire Housing Needs Survey Update 2004. There may be a need for supported housing on which advice will be provided on a site by site basis.

Section 8 South Oxfordshire District Council registered social landlord preferred partners

The Council selected the following partners to develop and manage affordable housing in the South Oxfordshire District:

Urban

The preferred partners for the urban areas were selected in

August 2003. The partnership is due for review in 2006/07, and includes:

The Bromford Group
The Catalyst Group
Oxford Citizens Housing Association
Soha Housing
Sovereign Housing Association

Rural

The rural districts in Oxfordshire selected a consortium of Registered Social Landlords to develop and/or manage affordable housing in rural villages within Oxfordshire. The consortium consists of:

Oxford Citizens Housing Association
Soha Housing
Sovereign Housing Association
West Oxfordshire Housing Group

Further details and contact information can be obtained from the Housing Enabling Manager.

Section 9
Calculation of housing subsidy

The table lists the minimum floor area by property type. The Housing Corporation publish annually indicators for the cost of providing an affordable property. These are referred to as Total Cost Indicators and include the cost of the land, build and fees. The total cost indicators listed below are those printed for South Oxfordshire. The figures provided are guideline figures of the amount payable for affordable housing (column 5).

This table will be updated annually.

The figures vary depending on location e.g. Didcot, Henley, Thame and Wallingford. Further enquiries should be made on a scheme by scheme basis .

The table is for guidance only, and queries on a site by site basis should be directed to the Housing Enabling Manager.

1	2	3	4	5	6
Property type by bedroom size	Property Unit Size Sq.m	Annual Net Rent (£)	Total Cost Indicator 2004/2005 (£)	Less mortgage funded by net rent (£)	Funding 'gap' (£)
1 bedroom 2 person flat	46	3,173	105,640	35,540	70,100
1 bedroom house	56	3,299	121,264	37,744	83,520
2 bedroom house	76	3,899	152,396	48,281	104,115
3 bedroom house	86	4,190	167,904	53,404	114,500
4 bedroom house	96	4,520	183,529	59,189	124,340