

**Land off Kidnappers Lane  
19/00334/OUT**

**Level of Affordable Housing Provision.**

The Joint Core Strategy Policy SD12: Affordable Housing states that 'on sites of 11 dwellings or more, or sites with a maximum combined gross floor space of greater than 1000 sqm; a minimum of 40% affordable housing will be sought within the Borough of Cheltenham'.

This application will comprise of 25 residential units. Therefore at 40% we will be seeking 10 affordable housing units.

The latest LHNA that has been commissioned also requires a mix of approximately 70:30 rented to intermediate housing in Cheltenham Borough.

**Dwelling Mix**

Having regard to local needs we would therefore seek the following mix of affordable dwellings on this site:

Table 1: Required Dwelling Mix:

<b>40%</b>	<b>Social Rented</b>	<b>Affordable Rented (capped at LHA)</b>	<b>Intermediate (Shared Ownership)</b>	<b>Total</b>	<b>%</b>
1 Bedroom 2P Maisonette	4	0	0	4	40
2 Bedroom 4P House	0	2	2	4	40
3 Bedroom 5P House	0	1	1	2	20
3 Bedroom 6P House	0	0	0	0	0
4 Bedroom 7P House	0	0	0	0	0
<b>Total</b>	<b>4 (40%)</b>	<b>3 (30%)</b>	<b>3 (30%)</b>	<b>10</b>	<b>100</b>

**Viability**

The Joint Core Strategy states that where there is an issue relating to the viability of development that impacts on delivery of the full affordable housing requirement, developers should consider:

- Varying the housing mix and design of the scheme in order to reduce costs whilst having regard to the requirements of other policies in the plan, particularly Policy SD4, and the objective of creating a balanced housing market.
- Securing public subsidy or other commuted sums to assist delivery of affordable housing.

It should be noted that public subsidy cannot be secured on S.106 units under the current bidding prospectus used by Homes England's ongoing 2016-2021 SOAHP programme. A link to the bidding prospectus, which stipulates the conditions upon which Homes England can offer grant funding, can be found below:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/517678/SO\\_and\\_AHP\\_prospectus\\_13\\_04\\_16.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/517678/SO_and_AHP_prospectus_13_04_16.pdf)

If a development cannot deliver the full affordable housing requirement, a viability assessment conforming to an agreed methodology, in accordance with Policy INF7 will be required. Viability assessments will be published in full prior to determination for all non-policy compliant schemes except in exceptional circumstances when it can be proven that publication of certain specific information would harm the commercial confidentiality of the developer to no public benefit. Where necessary CBC will then arrange for them to be independently appraised at the expense of the applicant.

The council considers that information submitted as a part of, and in support of a viability assessment should be treated transparently and be available for wider scrutiny. In submitting information, applicants should do so in the knowledge that this will be made publicly available alongside other application documents.

The council will allow for exceptions to this in very limited circumstances and only in the event that there is a convincing case that disclosure of an element of a viability assessment would cause harm to the public interest to an extent that is not outweighed by the benefits of disclosure. Given the significant benefits associated with the availability of information to the public as part of the decision making process, and the other factors identified above, the councils anticipate that there would be very few exceptions.

If an applicant wishes to make a case for an exceptional circumstance in relation to an element of their assessment, they should provide a full justification as to the extent to which disclosure of a specific piece of information would cause an 'adverse effect' and harm to the public interest that is not outweighed by the benefits of disclosure. The council will consider this carefully, with reference to the 'adverse effect' and overriding 'public interest' tests in the EIR, as well as the specific circumstances of the case.

The viability of a site may enable additional levels of affordable housing to be delivered above the requirements set out in the Joint Core Strategy. In this case the authority will negotiate with developers to find an appropriate balance to deliver affordable housing and infrastructure needs.

### **Dwelling Mix/Tenure**

The intermediate housing should be shared ownership and we have proposed this tenure within a mix of dwelling types as this best meets local needs.

JCS Policy SD12 Paragraph 4.12.11 calls on local authorities and developers alike to refer to the most up-to-date evidence of housing need (the 2019 LHNA) and to take account of the local context.

Thus, utilising evidence from our most up-to-date LHNA, (the 2019 Gloucestershire LHNA) the Council will require that any 1 bedroom affordable homes will be let at Social Rented levels. Figure 31 from the 2019 Gloucestershire LHNA demonstrates that, for 1 bedroom dwellings, the maximum income that Housing Benefit will support is approximately £15,000, whereas the minimum income need for Affordable Rent to be less than 35% of a person's housing costs is £15,800. For the sake of comparison, the minimum income for a Social

Rent to be less than 35% of a person's total income is £12,600, which is comfortably covered by Housing Benefit. In essence, this means that a social housing tenant living in a one bedroom affordable rented dwelling will be required to spend above 35% of their total income on housing costs, thus increasing the likelihood of evictions on the grounds of rent affordability, thus increasing homelessness, as well as having a detrimental impact upon a tenant's quality of life.

JCS Policy SD11 calls on housing development to provide an appropriate mix of dwelling sizes, types and tenures in order to contribute to mixed and balanced communities and a balanced housing market. The Council therefore would expect that all one bedroom affordable dwellings can reasonably accommodate two people, and all two bedroom affordable dwellings can reasonably accommodate four people.

Where possible, affordable housing should be provided on-site and should be seamlessly integrated and distributed throughout the development scheme.

The Council is concerned about the following statement contained within Appendix 4 (The Draft Heads of Terms) of the submitted Outline Planning Statement, which declares that- "The Affordable Housing shall be distributed throughout the land in groups of not more than 16 dwellings". The Council's current clustering strategy outlines our expectation that affordable units should be evenly distributed across the site, with no more than 8 affordable dwellings being located contiguously to each other.

For the sake of clarity, the Council will require the Council's clustering strategy to be inserted into the agreed S.106. The clustering strategy sets out the Council's standards in relation to the location of affordable housing and its distribution. The Council's current clustering strategy can be found immediately below this paragraph.

The Council would anticipate that the affordable homes will be situated in dispersed locations across the Development with each cluster of Affordable Housing Units not exceeding eight (8) units unless otherwise agreed in writing by the Council. Moreover, the Clustering Strategy shall also ensure that no group of Affordable Housing Units will be located contiguously to any other group of Affordable Housing Units (unless otherwise agreed in writing between the Owners and the Council).

The design of affordable housing should meet required standards and be equal to that of market housing in terms of appearance, build quality and materials. For the sake of clarity, 'appearance' refers to soft landscaping, landscaping to private areas and associated parking spaces.

## **Rents**

Affordable Rents must not exceed the Local Housing Allowance rate (the rents need to be set at 80% market rent or 100% LHA if this is less than 80% market rent). The current LHA rates for Cheltenham can be found below.

<https://lha-direct.voa.gov.uk/SearchResults.aspx?LocalAuthorityId=247&LHACategory=999&Month=10&Year=2019&SearchPageParameters=true>

## **Service Charges**

Any service charges on the affordable dwellings should be eligible for Housing Benefit.

Service charges should be kept to a minimum. This can be achieved through the design of the scheme and we would be happy to refer you to RP's for further input if necessary.

### **Shared Ownership**

The intermediate housing should be shared ownership and we would expect that the shared ownership units will be let at a level that is affordable, having regard to local incomes and house prices.

A reasonable price for shared ownership units can be assessed using the benchmark assumptions, the market value of the completed units and the affordability of the total cost to the purchaser of the mortgage payments for the share purchased, the rent on the unsold equity and any service and management company charges.

The total monthly cost to the purchaser should be less than the monthly cost of purchasing a similar unit outright, and not amount to more than 45% of the net monthly household income of the purchaser. The Registered Provider will carry out affordability checks based on the Homes England Capital Funding Guide or similar methodology, attached below:

<https://www.gov.uk/guidance/capital-funding-guide/9-finance>

Provision should be made, where possible, to ensure that housing will remain at an affordable price for future eligible households, or that subsidy will be recycled for alternative housing provision.

### **Car Parking**

Parking provision for affordable homes will be expected to be made on the same basis as that provided for market dwellings.

Parking provision in the form of 'bay parking' will not be acceptable, especially if the parking for equivalent market dwellings is offered in a different form or style. The Local Authority would be happy to discuss this matter further on a case-by-case basis with the applicant if necessary.

### **Affordable Housing Standards**

We would expect all the affordable housing to meet minimum gross internal floor area size measurements, space, design and quality standards as described by Homes England.

Amendments to M4 (1), M4 (2) and M4 (3) of schedule 1 to the Building Regulations 2010 took effect on 1<sup>st</sup> October 2015 therefore we would seek the following:

All general needs accommodation should be designed to meet the 2015 amendments of M4 (1) Building Regulations 2010.

In light of the chosen dwelling mix, the Council will require that the affordable homes are built to the space standards laid out in the table below.

Table 2: Required minimum space standards for affordable housing by dwelling type:

<b>Dwelling Type</b>	<b>No. of Storeys</b>	<b>Minimum internal floor area (m2)</b>
<b>FLATS/MAISONNETTES:</b>		
1-bed 2-person Part M Cat 1	1	45
<b>HOUSES:</b>		
2-bed 4-person Part M Cat 1	2	67
3-bed 5-person Part M Cat 1	2	82

As the dwelling mix for this site has specified that the one bedroom two person social rented affordable homes are to be provided in the form of maisonettes, the Council would advise the developer to be mindful of the point that the figures provided in the table above are 'minimum internal floor areas'. This is in light of the fact that Registered Providers prefer affordable homes to have reasonable space standards and include sufficient storage space to enable them to be let to households of an appropriate size. Moreover, in line with JCS Policy SD11, which states that- "New housing should meet, and where possible exceed appropriate minimum space standards", the Council would be eager to discuss with developers how the minimum space standards mentioned in the table above can be upgraded, especially for the one bedroom social rented maisonette provision.

All ground floor flats or a proportion of dwellings (to be agreed) should be designed to meet the 2015 amendments of M4 (2) Building Regulations 2010 as a minimum.

There is no longer a requirement for a specific level of code for sustainable Homes Standard to be achieved to meet Homes England standards for new affordable homes. The Council will therefore negotiate on this matter with the developer.

Developers will be required to certify to the LPA Housing Enabling Officer that the Affordable Housing units meet, at a bare minimum, the space standards set out in the Table 2 (above).

### **Full Planning Application**

On submission of a Reserved Matters Application we would require an Affordable Housing Plan as part of the application, detailing the location of both the market and affordable homes in terms of their type and size as well as highlighting parking spaces and the dwellings they serve.

### **Registered Providers**

All affordable housing should be provided by a Registered Provider who will be expected to enter into a nominations agreement with the Local Authority, providing 100% nominations on first letting/sale and 75% of all subsequent lettings thereafter and will be marketed by Help to Buy South. This will assist the Local Authority in meeting its statutory housing duties under the Housing and Homelessness legislation.

A list of Registered Providers managing accommodation in Cheltenham can be made available if needed.

Ewan Wright  
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23<sup>rd</sup> October 2019