

AFFORDABLE HOUSING STRATEGY

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1. Introduction

This document seeks to provide clear guidance to developers and Housing Associations of what is involved when providing affordable housing in the District. It builds on the Council's policy H8 set out in the Local Plan 2005, which has increased affordable housing provision in the district in recent years. It will also give information of influences at National, Regional, Sub-regional and Local levels as well as detailed requirements for developing an affordable housing scheme in the Uttlesford District.

Affordable housing is low cost housing for sale or rent, from a housing association, to meet the needs of local people who cannot afford accommodation through the open market. This document will show that there is a high need for all property types across all tenures of affordable housing within the district. A definition of affordable housing can be taken from Planning Policy Guidance 3 (PPG3), which states:

'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'

In addition to this, PPG3 also establishes the difference between social rented housing and intermediate affordable housing:

- Social rented housing is:

'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

- Intermediate affordable housing is:

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent.'

2. The Uttlesford District

Uttlesford is a sparsely populated rural locality in Northwest Essex. The District borders Hertfordshire to the west and Cambridgeshire to the North. It is the largest district in Essex at 63,752 hectares and is mainly rural in

character with four market towns - Saffron Walden, Great Dunmow, Stansted Mountfitchet and Thaxted and 56 parishes. The attractive rural nature of the district and its good accessibility to employment opportunities has led to high house prices. There are some members of the population, particularly younger people and those on low to modest incomes, unable to access the housing market. This has led to an increasing pressure for more subsidised affordable housing. The average house price in Uttlesford is £302,756 (Local Knowledge, March 2007) significantly higher than the national average of £183,626 (Local Knowledge, April 2008).

High housing costs have also led to a growing number of households who do not necessarily require subsidised affordable housing but, due to inflated house prices, are financially restricted from entering the private housing market. This applies particularly to 'Key Workers' and other workers on modest incomes who are key in providing public services and supporting the commercial businesses on which sustainable economic growth depends.

3. Policy Context

- National Policy

It is recognised at a national level that everyone should have the opportunity to live in a decent home at a price they can afford and in a community where they feel safe and want to live and work. Policy guidance and legislative changes developed at a national level have set the framework for action at a local level. The Homes and Communities Agency (HCA), which forms part of the Government, has recently been established, replacing both the Housing Corporation and English Partnerships as a centralised department.

In 2006 the Communities and Local Government department published *Delivering Affordable Housing*, setting out proposals for providing high quality homes for those in need within mixed sustainable communities, further widening home ownership opportunities and offering greater choice and flexibility for those who rent. That year also saw the publication of *Planning Policy Statement 3 (Housing)* aimed at improving the supply of housing including affordable housing through the planning system and reinforcing the drive to create sustainable and prosperous communities.

In July 2007 the Government published its Housing Green Paper -*Homes for the future: more affordable, more sustainable*- in which it set out proposals for tackling housing supply. The paper proposed a significant increase in new homes, with an additional three million units by 2020 (240,000 p.a.), and 70,000 more affordable homes p.a. up to 2010/11 of which 45,000 will be social rented units. The Green Paper also introduced a new housing and planning delivery grant to encourage Councils to identify land for housing development and increase supply in their areas, and set a requirement for all new homes to be carbon neutral by 2016.

In February 2008, the government published *Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for Housing in an Ageing Society*, with an aspiration for all new housing to be built to Lifetime Homes Standards by

2013, and emphasising the importance of disabled facilities grants to provide adaptations to allow continued independence at home.

- Regional Policy – The East of England Plan

The Communities Plan introduced Regional Housing Boards in 2003 and the first East of England Regional Strategy 2003-2006 was published in June 2003. The second Regional Housing Strategy for the East of England 2005-2010 sets out the strategic direction for the delivery of housing in the East of England. It aims to meet the challenges of growth and regeneration in the Region, and inform the recommendations for public investment in affordable housing in the region. The Eastern Regional Housing Forum have steered the development of the Regional Housing Strategy, with the East of England Regional Assembly (EERA) Housing and Sustainable Communities Panel agreeing and endorsing the final Strategy in May 2005.

The Regional Housing Strategy 2005-2010 is based on a vision of the region where "everyone can live in a decent home which meets their needs, at a price they can afford and in locations that are sustainable". The Strategy recommends investment themes for public money allocated from the Single Regional Housing Pot to the region and how the money should be distributed across the themes and also to the sub-regions. The themes are:

- Growth
- Local Needs/homelessness
- Regeneration
- Rural
- Key workers
- Supported Housing
- Existing stock
- Black and Minority Ethnic

These themes are also key to the delivery of both the sub regional and local housing strategies.

- Sub-regional Policy

Since the last sub-regional housing strategy the extent of joint working between the local authorities across the sub-region has increased significantly. A sub-regional approach has been adopted in tackling many issues, including developing more affordable homes. All of the districts are now involved in identifying and understanding local housing markets, with the knowledge that as issues vary across the sub-region, so too will the levels and type of responses required from each district and its partners. Uttlesford sits within the London Commuter Belt sub-region and the 2005-2008 Strategy identifies five priorities:

- Maximising the delivery of affordable housing
- Developing the intermediate market
- Improving stock condition

- Meeting the needs of vulnerable groups
- Achieving social inclusion

All the sub-regional partners are currently in the process of developing a Sub-Regional Housing Strategy for 2009 and onwards.

- Local Policy

The local context is set out in Policy H8 of the Uttlesford District Local Plan which reflects the guidance given in the PPG3. The requirements of this policy are set out below:

Settlement Population	Site Size	Housing Mix
3,000 and above	0.5 hectares and above or 15 dwellings or more	Target of 40% dwellings to be affordable. In addition significant proportion to be 2 and 3 bed
	0.1 hectares to 0.5 hectares or 3 to 15 dwellings	Significant proportion to be 2 or 3 bed
Less than 3,000	0.17 hectares and above or 5 or more dwellings	Target of 40% dwellings to be affordable. In addition significant proportion to be 2 and 3 bed
	0.1 hectares to 0.17 hectares or 3 to 5 dwellings	Significant proportion to be 2 or 3 bed

The need to provide a suitable level of affordable housing on a development site is a consideration in determining a planning application. Failure to provide suitable affordable housing on site or in certain circumstances (with agreement from the planning, housing and legal departments within the Council) a commuted sum for the provision of off site affordable housing will result in the refusal of planning permission.

4. Housing Need

A Housing Needs Survey was carried out by David Couttie Associates (DCA) in 2002 and the update was carried out in 2005, which identifies the housing need within the District. In total it is estimated that there is an annual need of 744 affordable homes. The supply to meet this is estimated as 174 dwellings per year. Therefore there is a shortfall of 570 affordable homes per year. This survey will be updated by the Strategic Housing Market Assessment (SHMA) which is currently being undertaken. The SHMA analyses the entire local housing market, which is likely to be wider than the local authority boundaries.

It forms a crucial part of the evidence base that informs the Local Development Framework.

Uttlesford District Council lies within the Eastern region for planning purposes, and is part of the London Commuter Belt (LCB) sub region. The research used secondary data from sources such as the UK Census, HCA, HM Land Registry and the Office for National Statistics, along with a qualitative consultation programme with a wide range of stakeholders. A draft report was published in November 2008 and the key findings are as follows:

31,100 households are considered to be unsuitably housed, including 3,300 in Uttlesford. The term 'unsuitably housed' is used to encompass households that are homeless or have insecure tenure; households that are 'mismatched' to the dwelling they live in; households living in dwellings that lack amenities or are in a poor condition; housing with social needs that can only be resolved through a move.

5.5% of households in the LCB M11 east are overcrowded.

It is predicted that across the study area there are 4,800 households in housing need, 400 of those are Uttlesford residents.

Around a quarter of all households contain only pensioners while nearly 50% contain an adult couple with or without children. Over a fifth of households contain only one adult in the form of a single person or lone parent. Younger people tend to dominate the private rented sector.

Over the 25 year period between 2004 and 2029 it is projected there will be an additional 62,000 people living within the SHMA study area. In Uttlesford, the number of people aged 65 or over is projected to increase by 8,400 over the period, 3,700 of those people being aged 80 or over. There will also be a small gain of those aged 20 -29.

The research has shown that Uttlesford has gained population from all other authorities in the study area. It has also gained 2760 population from London.

(Figures on housing requirement and size still awaited from the research).

The Councils Housing Needs Survey identifies that the overriding need in the District is for socially rented housing. Current market conditions have seen an increase in applicants on the Housing Register. As at June 2008, there were 1367 applications on the housing register, of those applications, 1099 were in housing need and had been allocated points. This number has increased considerably over the last 12 months. Moat HomeBuy currently administer a register for applicants interested in shared ownership properties, and there are households eligible for this tenure.

Aside from social rented and shared ownership, affordable housing covers a range of other tenures, including housing intermediate rent, low cost market housing, and key worker housing, all of which are available to assist those with differing levels of housing need. However, as stated in our Local Plan (6.18), low cost market housing is unlikely to address housing need in

Uttlesford due to the high cost of new build properties in the District. Those households on the borders of being able to meet their housing needs will be purchasing second hand towards the bottom end of the price band.

5. Provision of affordable housing

In terms of developing new affordable housing the Council's role is that of an 'enabler' which consists of identifying housing need and bringing together key partners to generate new opportunities for affordable housing development. As part of the planning submission, applicants will be expected to demonstrate how the affordable element will be realised within the overall development. The Council encourages landowners and developers to meet their affordable housing requirements through forming partnerships with Council preferred Registered Social Landlords (RSL). These RSL's, listed at the end of this document, are familiar with the Council's requirements and able to secure grant from the HCA. This however does not stop developers bringing in their preferred partner RSL or other appropriate provider.

The objective is to provide socially balanced integrated and mixed schemes with no noticeable difference in quality of residential environment between the private market housing and the affordable element. Affordable units should therefore be pepper potted throughout the scheme in groups of no more than twenty units, however each scheme will be considered and assessed on its merits.

- Requirements

The Council will seek the provision of 40% affordable housing, of which the following tenure structure is required:

- 70% of units to be for affordable rent
- 30% of units to be for intermediate housing, either:
 - for shared ownership at flexible initial purchase levels
 - for an intermediate rent at 30% below market rent levels

These units should be provided in the following proportions of each size of property, however this would be subject to change when the document is reviewed annually:

- 30% 1 bedroom (2 person)
- 35% 2 bedroom (3 & 4 person)
- 30% 3 bedroom (4 & 5 person)
- 5% 4 bedroom (6 & 7 person)

It is accepted that 1 bedroom units would usually be in the form of a flat, and that 3 and 4 bedroom units would be in the form of houses. There is a high requirement for 2 bedroom houses, so it is expected that at least 60% of 2 bedroom units provided on a site will be houses, with the remaining 40% as flatted accommodation, to ensure sustainable lettings for small families.

To ensure the needs of the elderly and disabled residents are met, all affordable housing developments should meet the criteria set out in the Council's accessible homes and playspace supplementary planning document. It is expected these units will be provided as bungalow accommodation in a size that will be decided through discussions with the Housing Strategy section. In addition, it has also been agreed that lifts need to be provided in all new developments of flats above 2 storeys.

Where there are other genuine costs associated with a site, the Council will expect full financial details or a development appraisal to be provided which will then be independently appraised. The provision of affordable housing is a key priority for the Council and the policy will be applied consistently. Only in exceptional circumstances where the appraisal demonstrates that particular or environmental constraints or other local plan requirements would make the provision of 40% affordable housing on site unviable will other options be considered.

(Details on the acceptance of commuted sums to follow)

It should not be assumed that grants or funding will be available. The Council will however usually support an application for grant funding, where appropriate discussions have taken place between the Council, developer, housing provider and if necessary, the funding body. If grant is required it should be no more than the current sub-regional averages and no grant will be available for shared ownership units, unless it is proven that the scheme would be unviable without it.

The recent increase in house prices have priced many people wishing to purchase a property, especially first time buyers, out of the market. It is therefore essential that the shared ownership properties provided meet the requirements of this group of people. It is expected that no more than 30% on total household income should be spent on housing costs, so shared ownership prices will need to reflect this. This figure also includes the rental charge for the unowned equity, which will not exceed 2.75%.

(Figures on shared ownership incomes to follow).

- Affordable Housing Programme

The Council has an ambitious programme of affordable housing to deliver over the next three years. These schemes will be delivered by key housing association partners working in the District. These include Circle Anglia, Chelmer Housing Partnership, English Rural Housing Association, Flagship, Hastoe, Moat, and Swan. The Council will continue to work with partners to develop innovative ideas and solutions aimed at providing affordable homes within Uttlesford.

Our targets as set out in the LAA (NI155) no of affordable homes delivered reflect the forecasts for development. This figure will be reviewed following the outcome of the strategic housing market assessment in early 2009. The Council is on target to meet the 2008/09 figure.

Year	No of units
2008/09	100
2009/10	120
2010/11	130

The following developments are planned for 2008/11 and will contribute to the LAA targets for the District:

Scheme	Number of units	Timescale
The Poppies, Little Dunmow (Flagship)	35	2008/09
Dunmow Road, Leaden Roding (Rural)	10	2008/09
Priors Green, Takeley (Flagship)	11	2008/09
Rochford Nurseries, Stansted (Moat)	71	2008/9 – 2009/10
Rochford Nurseries, Stansted (Circle Anglia)	79	2008/9 – 2009/10
Priors Green, Takeley (Swan)	50	2009/10
Broomfields, Hatfield Heath (Swan)	6	2009/10
Dunmow Library, Great Dunmow (Circle Anglia)	10	2009/10
Langley Upper Green (Rural)	8	2009/10
Village Centre, Little Dunmow (Moat)	39	2010/11
Weaverhead Lane, Thaxted (Chelmer Housing Partnership)	14	2009/10
Coney Acre, Rickling (Flagship)	3	2009/10
Manor Road, Stansted (Flagship)	4	2009/10
Bell College, Saffron Walden (Hastoe)	25	2010/11
Bell College, Saffron Walden	Unconfirmed	2010/11
Holloway Crescent, Leaden Roding (Swan)	Unconfirmed	2010/11

These figures are subject to change dependent on the housing market and current economic climate.

6. Rural Exceptions sites

The Council will also exceptionally release suitable land in rural areas for affordable housing. These are known as a rural exception sites and are for local needs housing that would not otherwise normally receive planning permission. Policy H11 of the Local Plan states that development of affordable housing will be permitted outside settlements on a site where housing would not normally be permitted, if it would meet all the following criteria:

- a) 100% of the dwellings are to be affordable and provided through a Registered Social Landlord;
- b) The development will meet a particular local need that cannot be met in any other way;
- c) The development is of a scale appropriate to the size, facilities and character of the settlement; and
- d) The site adjoins the settlement.

When considering a rural exception site, it is important to establish that a need exists and then to ensure that accommodation is made available for those people who have a genuine need for housing in the locality that cannot be met in the market. The people to benefit from such a scheme would include existing residents who need separate accommodation locally, those who provide an important local service, or people who have longstanding links with the local community, such as people who used to live in a village but were forced to move away because of a lack of affordable housing, and elderly people who need to move back into a village to be near relatives.

(Information on local connection lettings policy to follow)

Exception sites should be discussed at an early stage with the relevant departments within the Council, those being Housing Strategy and Planning Policy, and Development Control. This is essential as work will have to be carried out in the form of a Housing Needs Survey in conjunction with the Rural Housing Enabler (RHE), who will work with an RSL to establish the housing need for that area.

7. Partnership working

In January 2003, Uttlesford District Council approved a planning agreement enabling Stansted Airport Ltd (STAL) to develop the existing runway at Stansted Airport to serve 25 million passengers per annum. Under the terms of the planning agreement STAL has agreed to provide a £2.2m fund for the provision of an affordable housing scheme to make available, through a Registered Social Landlord (RSL), social rented accommodation, assisted home ownership and equity loans within a defined area comprised of Uttlesford and Harlow Districts and parts of Braintree and East Hertfordshire Districts.

This funding stream has provided a significant opportunity for the Stansted Area Housing Partnership (SAHP) to be developed, coming at a time when the Government is looking for a 'step-change' in the delivery of affordable

housing, and offers a unique opportunity to explore various ways of attracting additional funding/investment from other organisations/agencies.

The members of the SAHP are:

- ❖ Uttlesford District Council
- ❖ Harlow District Council
- ❖ East Hertfordshire District Council
- ❖ Braintree District Council
- ❖ HCA
- ❖ Circle Anglia Housing Group
- ❖ Moat Housing Group

The two RSL's (Circle Anglia & Moat) were chosen following a robust selection process and they are working together to ensure co-ordinated and consistent delivery within the overall partnership framework.

The Partnership will ensure that 60% of the original funding stream of £2.2m will be spent on providing affordable housing within the Uttlesford District.

8. Key contacts

Affordable Housing –

Sophie Walker
Housing Enabling & Development Officer
(01799) 510633
swalker@uttlesford.gov.uk

Development Control –

Duty planning officer
(01799) 510617
planning@uttlesford.gov.uk

RSL Partners –

Carl Hockey
Chelmer Housing Partnership
(01245) 613109
carl.hockey@chelmerhp.org.uk

Helen Frost
Circle Anglia
(01279) 714762
hfrost@anglia.org.uk

Chris Moor

English Rural Housing Association (ERHA)
cmoor@btconnect.com

Helen Shackleton
Flagship Housing Group
(01603) 255426
helen.shackleton@flagship-housing.co.uk

Ulrike Maccariello
Hastoe Housing
(01799) 533497
umaccariello@hastoe.com

Jason Amos
Moat Homes Ltd
(0845) 3596535
jason.amos@moat.co.uk

Marc Blackie
Swan Housing Group
(01277) 844713
mblackie@swan.org.uk

Rural Housing Enabler (RHE) –

Moira Groborz
Essex Rural Community Council
(0844) 4773938
moira.groborz@essexrcc.org.uk