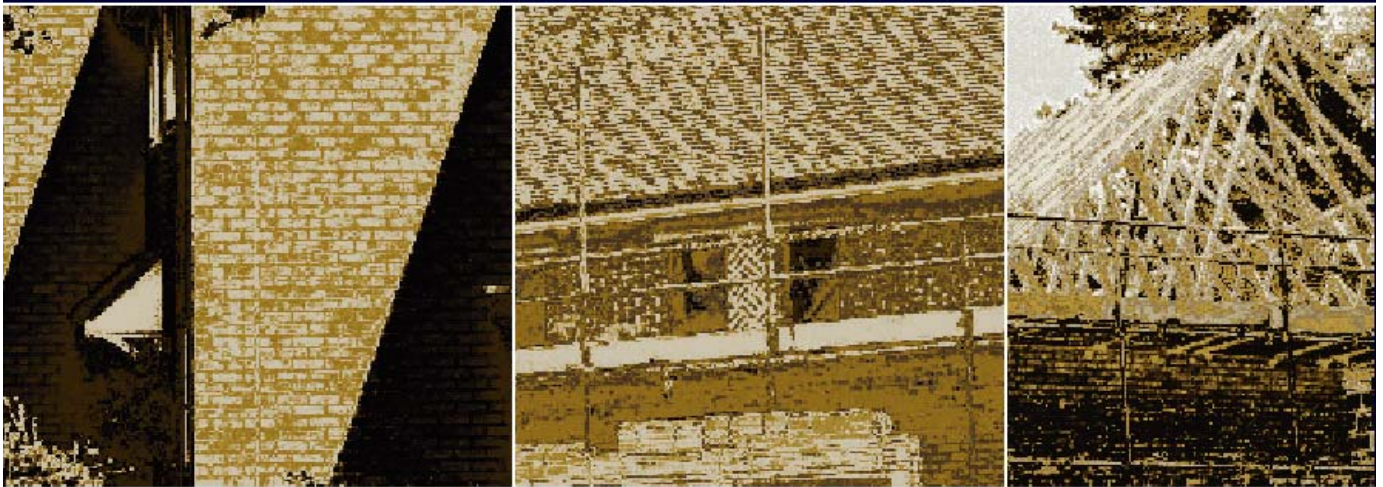


Supplementary Planning Guidance



# Housing for Local People and Affordable Housing



## **SUPPLEMENTARY PLANNING GUIDANCE**

# **HOUSING FOR LOCAL PEOPLE & AFFORDABLE HOUSING**

**FEBRUARY 2005**

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## 1. INTRODUCTION

- 1.1 The Staffordshire Moorlands District Council adopted this Supplementary Planning Guidance (SPG) on 9 February 2005. It supplements the Council's Local Plan Policies H14, H15 & H16 contained in the Staffordshire Moorlands Local Plan adopted in 1998.
- 1.2 The SPG sets out the guidelines the Council will use when securing the provision of housing in the District through the planning applications process. The aims of the SPG are to:
  - increase the availability of dwellings for local people by restricting all new dwellings to occupation by people with a local connection; and
  - increase the supply of affordable housing, by lowering the threshold at which affordable housing will need to be provided as a proportion of a housing development.

Affordable housing will also be subject to the local occupancy requirement subject to the requirements of housing legislation.

## 2. PLANNING POLICY

- National Policy**
- 2.1 Planning Policy Guidance 3: *'Housing'* (PPG3) sets out the Government's guidance on housing provision. Local Planning Authorities are advised to encourage the development of a mix of housing types in their area including affordable housing to meet local needs. These are material considerations when formulating planning policy and determining planning applications.
- 2.2 Circular 6/98: *'Planning and Affordable Housing'* provides more detail including; housing needs surveys, identifying suitable sites and securing affordable housing by involving Registered Social Landlords (RSLs) and using conditions and obligations.
- Regional Policy**
- 2.3 Regional Planning Guidance for the West Midlands (adopted in June 2004) complements national guidelines (parts of policies relevant to SPG reproduced below):

- CF2(C) ...the function of...the Region's market towns should not generally be to accommodate migration from the Major Urban Areas.**
- (D) In rural areas, the provision of new housing should generally be restricted to meeting local housing needs and/or to support local services, with priority being given to the reuse of previously developed land and buildings within existing villages enhancing their character wherever possible.**
- CF5 A) Local Authorities, developers and social housing providers should co-operate to create more balanced and mixed communities through the provision of a range of house types and tenures within new housing developments and sites across all parts of the region.**
- B) Local authorities should keep under review the need for affordable housing in their area, based on local housing needs assessments, using a broadly consistent approach the production of which will be co-ordinated by the Regional Planning Body. Both social and low cost market housing should contribute to meeting the need for affordable housing. Opportunities should be sought within the existing housing stock where this would help the creation of mixed communities, as well as through new-build. . . .**
- D) Local Planning authorities in their development plans should:**
- (i) indicate how many affordable homes need to be provided throughout their plan area;**
  - (ii) in rural areas specify the balance of affordable housing to be achieved between market towns and villages where there is a need to retain or strengthen services; and**
  - (iii) consider the need to prevent the unjustified use of affordable housing provision for general market housing purposes.**
- E) Local authorities should also consider whether there is a need for affordable housing to be sought on sites below the thresholds set out in national guidance in areas where low income households have particular difficulty in affording local general market house prices. Where local authorities can demonstrate that local circumstances, particularly the likely viability of developments, justify adopting a lower threshold, they should bring forward proposals through the development plan process. This applies especially ..... in some rural**

**areas where appropriate thresholds should be set for settlements of 3000 or less.**

### **County Policy**

2.4 The Staffordshire & Stoke-on-Trent Structure Plan 1996-2011 states:

**H8 Provision for the affordable housing needs of the local community should be a fundamental consideration in the allocation of sites and the release of land for housing on windfall sites. Local authorities should assess their needs for affordable housing and, where there is a demonstrable lack of such housing, include policies in their local plan for:**

- a) negotiating with developers for the provision of affordable housing to be made on suitable allocated or windfall housing sites of an appropriate size; and**
- b) encouraging the supply of affordable housing through other means, such as policies for the re-use and conversion of buildings for housing, mixed use development, higher densities and bringing forward affordable housing proposals on smaller sites.**

**Binding agreements should be established to ensure that dwellings for those in need of affordable homes remain available and at low cost for initial and successive occupants.**

### **Local Plan Policy**

2.5 The Staffordshire Moorlands Local Plan, adopted in 1998, emphasises the provision of affordable housing for local need:

**H14 The District Council will seek to ensure that affordable housing both for sale and to rent is available to meet the needs of pensioners, single persons, first time buyers, low income groups and those with more specialised housing needs.**

2.6 This will be achieved in two ways:

**H15 Exceptionally planning permission may be granted for affordable housing on the edge of or within villages in rural areas on land that would not normally be released for development provided that:**

- a) the scheme would meet a proven local need that would not otherwise be met;**

- b) there are secure arrangements to ensure that the benefits of affordable housing will be enjoyed by subsequent occupiers as well as the initial occupiers;
- c) any such land released will be additional to the provision made for general housing demand;
- d) the development is of a scale and of a character appropriate to the location;
- e) within the Green Belt small scale schemes may be permitted where suitable sites are available within existing settlements but only in those more extensive areas of Green Belt away from the urban fringe.

**H16** In settlements of less than 3000 people on housing sites of 25 or more dwellings or greater than 1ha and in settlements of more than 3000 people on housing sites of 40 or more dwellings or greater than 1.5ha the District Council will seek to negotiate the provision of affordable housing to meet proven local need. The Council will need to be satisfied that there are secure arrangements to ensure that the benefits of affordable housing will be enjoyed by subsequent occupiers as well as the initial occupiers.<sup>1</sup>

<sup>1</sup>. Planning Guidance published subsequently has recommended lower thresholds (see paragraphs 3.7-10).

### **Subsequent Planning Guidance**

- 2.7 Following the adoption of the Local Plan in 1998, Government Circular 6/98 *Planning and Affordable Housing* set out new thresholds for sites on which Planning Authorities could negotiate for the provision of affordable housing to meet proven local need:
- In settlements of more than 3000 people on sites of 25 or more dwellings or greater than 1 ha;
  - In settlements of fewer than 3000 people the Planning Authority should adopt appropriate thresholds based on assessments of local need and the availability supply of land for housing.
- 2.8 Planning Policy Guidance Note 3 *Housing* was revised in 2000 and confirmed the provisions set out in Circular 6/98.
- 2.9 In July 2003 the Government published a Consultation Paper on proposed changes to PPG3 *Housing*. This included further advice on thresholds:

- Affordable housing should not normally be sought on sites of less than 0.5 ha or developments of less than 15 dwellings;
  - Where affordable housing is sought on smaller sites it should be justified having regard to the size and types of sites likely to come forward including the contribution that small sites could make towards meeting the target for affordable housing
- 2.10 Government advice contained in PPG's and Circulars sits alongside the adopted Local Plan as a material planning consideration. The Planning Authority attaches great weight to this subsequent guidance and seeks to apply it where appropriate in order to maximise the number of affordable houses that are built. **The provisions of Policy H16 in the adopted Local Plan are therefore amended in this Supplementary Planning Guidance to reflect more recent Government advice.**

### 3. HOUSING NEED IN THE STAFFORDSHIRE MOORLANDS

#### Housing Supply

- 3.1 The Staffordshire & Stoke on Trent Structure Plan requires the development of 3,000 new dwellings in the Staffordshire Moorlands in the period 1996-2011. Residential land supply at April 2003 showed that 1,649 units had been completed, an allowance of 480 is made for small windfall sites and 10% flexibility added leaving a residual requirement of 958 dwellings. 728 dwellings are already committed with planning permission on large sites of which 51 dwellings are conditioned to be affordable. Since April 2003 planning permission has been granted for a further 409 dwellings of which 63 are conditioned to be affordable.
- 3.2 The Council is reviewing housing provision as part of the preparation of a new Local Development Framework. The housing requirement in the Structure Plan has been met seven years before the target date. As a result the Council proposes to delete a number of greenfield allocations in accordance with the provisions of PPG3. For the foreseeable future it is probable that the housing requirements of the District will be satisfied by development on small sites and the development of larger windfalls on brownfield sites particularly where they contribute towards market town regeneration or are associated with the preservation of a Listed Building.
- 3.3 The Regional Spatial Strategy (formerly Regional Planning Guidance) for the West Midlands (RPG11) aims to reduce the dispersal of population from major urban areas by proposing additional housing in those areas and progressively reducing it elsewhere. The annual average rate of housing provision set out in RPG11 for Staffordshire (excluding Stoke on



Trent) shows a steady decline from 2900 a year to 2007, through 2500 a year from 2007 - 2011, to 1600 a year between 2011 –2021. These figures are maxima. The Staffordshire Moorlands element of this has not yet been finalised, but is likely to decline in a similar fashion. In market towns and rural areas housing development should be provided only to meet local needs and/or to support local services. Priority will be given to the re-use of previously used land and buildings.

### **Housing for Local People**

3.4 Therefore, two significant factors combine to reduce opportunities for new house building in the Staffordshire Moorlands:

- The committed supply of housing that meets Structure Plan requirements;
- Provisions of Regional Planning Guidance.

3.5 Rising house prices (in relation to average income levels) are increasingly being seen as a severe problem in all parts of the Region, and are causing problems for local people, particularly those trying to set up a home. The Housing Needs Survey commissioned by the Council in 2003 identified that of the order of 668 new households are created each year by local people (i.e. excluding any in-migration). If the Council were to simply limit the number of houses given planning consent each year to a “quota”, in order to reduce the average annual rate of completions to RPG11 levels, then this might help to fuel house price inflation. This would increase the problem for local people trying to buy a home - not just first-time entrants into the market, but all local people. The Council does not propose to operate a quota system, but will instead ensure that the occupation of all new housing given permission is restricted to those with local connections. This will tend to reduce the value/selling price of these new dwellings, and may also affect the number of applications coming forward for new residential development.

3.6 **Notwithstanding Housing legislation, the Council therefore proposes that future approvals for residential development will be restricted to development that meets the housing needs of local people who satisfy at least one of the following criteria:**

- **They have lived continuously in the Staffordshire Moorlands community for at least five years;**
- **They have a strong local connection with the Staffordshire Moorlands by birth or upbringing, or by previous period of residence;**

- **They need to support their family currently living in the Staffordshire Moorlands or are themselves in need of family support;**
  - **They are employed in the Staffordshire Moorlands.**
- 3.7 These approvals may be expected to make a contribution towards the provision of housing which is affordable and at the lower end of the market.
- 3.8 All new residential permissions will be subject to a condition or S.106 agreement which will restrict successive occupiers of each dwelling to those satisfying at least one of the above local criteria.

#### **4. DELIVERING AFFORDABLE HOUSING**

- 4.1 The Government broadly defines ‘affordable housing’ as housing for people who cannot afford to rent or buy houses generally available on the open market.
- 4.2 This Supplementary Planning Guidance will use a definition of affordable housing based on the adopted Regional Planning Guidance for the West Midlands:

*A Housing provided by an organisation – such as a registered social landlord – allocating on the basis of need. While such dwellings will normally be made available for rent, they may also include subsidised home ownership, such as shared ownership, where a registered social landlord retains a continuing interest;*

*B Low cost market housing, helping to meet the needs of first time buyers, single people, the elderly and other low income households, who cannot afford to rent or buy houses generally on the open market*

- Affordable Housing Need**
- 4.3 In 2003 the Council employed consultants to carry out a survey of housing need. The survey was carried out using face-to-face interviews of a representative sample of the District’s population. This was supplemented by postal questionnaires.
- 4.4 The results were published in November 2003 and identified a shortfall of affordable housing throughout the District.

4.5 The survey is updated annually to reflect changes in the housing market and the cost of mortgages. The 2003 survey shows that 668 homes are required each year to meet the needs of local people who cannot afford to buy or rent houses generally on the open market. The majority of affordable houses are required in the three market towns with only modest amounts required in the rural areas.

4.6 In accordance with Government and Regional Planning guidance most new houses built in the Staffordshire Moorlands, particularly those on larger sites, will be located in the three market towns. In order to achieve a reasonable supply of affordable housing to meet the needs of local people:

**Affordable housing will be required on sites greater than 0.5ha or developments of 15 or more dwellings.**

4.7 This change to Policy H16 of the Local Plan brings it in to line with Proposed Changes to Planning Policy Guidance Note 3 (PPG3) on Housing, published in July 2003 and “Planning for Mixed Communities” Consultation Paper published in January 2005. [Due to be formalised in a new Planning Policy Statement 3 on Housing to be published imminently]

4.8 In rural areas, the Council may exceptionally grant planning permission for schemes consisting entirely of affordable housing on the edge of, or within, villages on land that would not normally be released for development. This will be subject to the provisos set out in Policy H15 of the adopted Local Plan.

4.9 Government advice stresses that planning policy for affordable housing should not favour particular types of tenure. The main tenures are:

- **Social Rented Housing** – owned and rented by a RSL with the level of rent set by the RSL being affordable to those in greatest need. RSL’s are regulated by the Housing Corporation and have a primary objective of delivering social housing. Therefore the Council does not consider it necessary to impose legal restrictions on cost, tenant allocation and future occupation except the restriction of eligibility on rural ‘exceptions’ schemes.

The Council will approve schemes for private rented housing where these are subject to the same provisions and safeguards as Social Rented schemes but will impose restrictions on cost, tenant allocation and future occupation.

- **Shared Ownership Housing** – This allows the buyer to purchase between 25-90% of the full value of the property and pay rent on the remaining part of the equity to a RSL. By assisting those who cannot afford to buy outright, more affordable rented housing will be available for those in greater need who cannot afford to buy. The local occupancy requirement will be applied to such schemes.
  - **Discounted Housing for Sale** – is available for local households in need to purchase their own property at a fixed discount below the open market value. Through a S106 agreement a re-sale covenant will be imposed to ensure that the discount applies to initial and all subsequent re-sales and therefore the dwelling remains affordable. The local occupancy requirement will be applied to such schemes.
- 4.10 The social rented housing stock in the District is relatively small comprising only 9% of the total housing stock. It is depleted each year by the right to buy.
- 4.11 The Council will require schemes to include a minimum of 33% affordable housing. The Council has evidence of need that this should be social rented housing.**
- 4.12 Where it is considered that social rented housing is inappropriate the Council will expect a minimum of 33% discounted / shared ownership housing. The maximum selling price of discounted/shared ownership housing will be determined by the Council using data from the 2003 Housing Needs Study, which is updated annually. The 2004 update of the study has concluded that £60,000 is the maximum selling price.**
- 4.13 The Council's preference for social rented housing is based on the Housing Needs Study evidence, including the fact that 86.4% of new forming households cannot afford owner occupation. The Council will require 100% nomination rights for all new affordable housing.**
- 4.14 In the S106 agreement accompanying the planning permission, a re-sale covenant will be required to ensure that the discount applies to initial and all subsequent re-sales and therefore the dwelling remains affordable**
- 4.15 The Council recognises that requiring developers to develop or to allow parts of their sites to be used for non-market affordable housing may result in a cost to the developer. Developers should assume that no social housing grant is available to support the provision of affordable housing.

Therefore, in order to offset these costs developers will be expected to take the requirement for affordable housing into account when negotiating land value with site owners.

### **Rural 'Exception' Sites**

- 4.16 Policy H15 in the adopted Staffordshire Moorlands Local Plan (see paragraph 3.6) enables the Council to grant planning permission for affordable housing for local need on small sites within and adjoining existing villages that would not normally be released for housing. This can contribute to maintaining the viability of rural communities. The Council will consider permitting such schemes where they are required to support local schools, local shops etc. This will help to meet the requirement in RPG 11 Policy CF2 (D) (see para 3.3 above) that in rural areas new housing should be restricted to meeting local needs and/or supporting local services.

### **House Types**

- 4.17 In response to identified need the Council wishes to see the provision of 2 and 3 bedroom family houses that will typically be terraced or semi-detached. Large detached or link-detached houses are not considered to be appropriate in the context of affordable housing. Affordable housing clearly needs to be a satisfactory size and suitable for the people for whom it is intended. The Council will require that the following floor areas taken for Housing Corporation guidance are used as guidelines and will be applied to all tenures of affordable housing.

<b><u>Household Size</u></b>	<b><u>Floorspace</u></b>
1 Person	34 sq.metres
2 Person	50 sq.metres
3 Person	62 sq.metres
4 Person	75 sq.metres
5 Person	87 sq.metres

### **Siting**

- 4.18 New affordable housing should be provided on site as an integral part of the development. This will help to achieve a balanced mix of houses that is recommended by Government (see paragraph 3.1). Only where there are very good planning reasons will alternatives be considered such as:

- **Provision Off Site** – In these cases the development of affordable housing will be expected to be built in tandem with, and to reflect the

provision that would have been required in, the facilitating development.

- **Commuted Sum** - the contribution towards development of affordable housing elsewhere will be expected to reflect the provision that would have been required in the facilitating development. The Council will base the calculation of the commuted sum on the amount of the Social Housing Grant necessary to secure an affordable home of an equivalent size and type on another site. The calculation of the level of grant will be at normal grant levels as calculated from the regional Total Cost Indicator (TCI) calculation based on TCI 2002/3 levels, updated by Builders Cost Information Service indices. This provides a transparent way of calculating commuted sums that will realistically lead to the provision of affordable housing off site. Money collected will be kept in a specific housing fund managed by the Council and will only be used to fund affordable housing within the District. If not used within 10 years the contribution will be returned to the developer with accumulated interest.

#### **Layout and Design**

- 4.19 Affordable housing should respect the character and local distinctiveness of the area and be properly integrated within the development rather than being designed and obviously built down to a lower standard in order to achieve affordability. Different house types and tenures should be mixed throughout the site and affordable houses should not be obviously 'cheaper' than other properties on the site. In particular they should not, as a matter of principle, be assigned to out of the way corners or environmentally unsatisfactory parts of the site. Quality should be maintained and material specifications should not be of a lower standard. Dwellings will be expected to comply with the quality aspects of the latest edition of the Housing Corporation's Scheme Development Standards and the National Federation's 'Standards & Quality in Development.' Levels of privacy should not be compromised and they should share good access to public transport/cycling/walking facilities as well as other amenities such as open spaces, local shops and other community facilities.

#### **Securing the Provision**

- 4.20 Government advice says that planning obligations have a positive role to play in the planning system. The Council has published Supplementary Planning Guidance called 'Developer Contributions' that explains the derivation and purposes of planning obligations, also known as Section 106 Agreements.
- 4.21 Circular 1/97 says that the provision of affordable housing is an appropriate use of planning obligations. Planning obligations run with the land and are therefore enforceable against the original signatory and any

one subsequently acquiring an interest in the land. The Council will therefore use planning obligations to secure the provision of affordable housing and to ensure that it is delivered and occupied as intended. The planning obligations will cover the following:

- number and size of affordable dwellings or the amount of land or financial contribution required
- location and distribution of affordable dwellings within the development site
- stage of construction and occupation of the land or affordable housing or when financial payments are required in relation to the development of the whole site
- timing and conditions for the transfer of the land or affordable housing to a RSL
- requirements that the affordable dwellings are retained in perpetuity for households in the Staffordshire Moorlands
- minimum design standards required for affordable housing

The specific details of each agreement will be drawn up on a site by site basis.

## **5. EXCEPTIONS TO THE HOUSING FOR LOCAL PEOPLE AND AFFORDABLE HOUSING REQUIREMENTS.**

### **Listed Buildings and Regeneration Schemes**

5.1 The requirement that dwellings be restricted to occupation by local people, and/or the requirement for affordable housing may be waived in whole or in part in exceptional circumstances, i.e.

- where the building is in a poor or derelict condition  
AND
- the development would result in substantial improvements to the poor or indifferent condition of the environment of the site and the area around the site  
AND
- it can be demonstrated to the Council's satisfaction that the requirement would render the redevelopment financially non-viable.  
OR
- the proposal involves the redevelopment of a listed building  
AND

- it can be demonstrated to the Council's satisfaction that the requirement would render the redevelopment financially non-viable.
- 5.2 The applicant will be required to provide evidence from the following list, as deemed appropriate by the Council, in the form of a comprehensive site appraisal:
- a valuation of the proposed dwellings from an independent valuer if either, or both, of the above requirements are applied, compared to a valuation of the proposed dwellings if the requirements were to be waived (the Council may require the applicant to commission a second valuation to verify the first);
  - details, certified by an independent accredited surveyor, of the costs of the scheme, including costs involved in overcoming any difficulties with the site, e.g. contamination, gradients, access, condition of building, etc. These should be sufficient to allow the financial viability of the scheme to be determined;
  - an independent comprehensive condition of buildings survey by an accredited surveyor;
  - the value of the land; and
  - any other information the Council considers to be relevant.
- 5.3 The Council may seek its own accredited professional advice where it believes the evidence put forward needs verification. Where opinions differ, the Council reserves the right to determine which opinion should prevail, and be used in making a decision on whether the requirement(s) should be waived.
- Mortgagee in possession cases**
- 5.4 The Council may grant a temporary suspension of the local occupancy requirement in cases where a mortgagee is forced to repossess a property. This exemption also applies to Registered Social Landlords in Shared Ownership schemes.
- 5.5 In these circumstances the mortgagee in possession will be allowed six calendar months from informing the Council of the situation to find a buyer who meets the local occupancy requirement. After the expiration of this period, the mortgagee must provide the Council with evidence of the efforts made to find a buyer satisfying the requirement. If the Council is satisfied with these efforts, the mortgagee will be free to find a buyer not meeting the requirement.
- 5.6 All subsequent buyers will, however, continue to be bound by the local occupancy requirement.



