

Bromsgrove District Council

Draft

Affordable Housing Supplementary Planning Document



NOVEMBER 2009



Planning and
Environment Services

Bromsgrove District Council
www.bromsgrove.gov.uk

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1. Introduction

1.1 The Government believes that everyone should have the opportunity of a decent home which they can afford in a community in which they want to live and work. In Bromsgrove District there is an identified need for significant levels of affordable housing. The Council therefore intends to progress the Affordable Housing SPD to give clear guidance for the provision of new affordable housing development. Once adopted it will form part of the Local Development Framework (LDF) for Bromsgrove District Council. The guidance contained in this document is intended to supplement Core Policy 16: Affordable Housing contained within the emerging Core Strategy and build upon guidance contained within policies S15 and S18 of the Bromsgrove District Local Plan.

1.2 A significant amount of pre-consultation work has taken place over the past 4 years that has helped to inform the evolution of this document. This includes workshops, presentations and consultation on the Council's emerging Draft Core Strategy. Information has been gathered from a range of consultees and built into this draft SPD. Full details of previous consultation exercises can be found within the separate Consultation Statement.

1.3 This draft version of the SPD is now available for public consultation. The Council is seeking the views of all interested parties on this draft document and the associated Sustainability Appraisal over an 8 week period beginning on 30th November 2009. The closing date for comments is 30th January 2010. Any comment made will be considered and where appropriate incorporated into the document before the SPD is finalised. We hope to adopt the SPD by spring 2010.

Please send any comments to:

**Strategic Planning Department
Bromsgrove District Council
The Council House
Burcot Lane
Bromsgrove
B601AA**

LDF@bromsgrove.gov.uk

2. Planning Policy Context

2.1 The Planning and Compulsory Purchase Act 2004 requires that all documents within the planning system sit within a recognised chain of conformity; consequently this document conforms with all other relevant policies and plans. The most relevant plans and policies are currently PPS1 Delivering Sustainable Development, PPS3 Housing, the West Midlands Regional Spatial Strategy and the emerging Core Strategy for Bromsgrove.

PPS1 Delivering Sustainable Development (2005)

2.2 This is a key policy document that outlines the Government's vision of strong vibrant and sustainable communities in both urban and rural areas. A key element in achieving this vision is the promotion of development that creates socially inclusive communities, with a suitable mix of houses which would include an element of affordable where a local need is identified.

PPS3 Housing (2006)

2.3 PPS3 sets the national planning policies for the provision of new housing and The Government's key housing policy goal is to "ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live."

In line with PPS3 the specific outcomes that the planning system should deliver are:

- High quality housing that is well-designed and built to a high standard.
- A mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.
- A sufficient quantity of housing taking into account need and demand and seeking to improve choice.
- Housing developments in suitable locations, which offer a good range of community facilities and with good access to jobs, key services and infrastructure.
- A flexible, responsive supply of land - managed in a way that makes efficient and effective use of land, including re-use of previously-developed land, where appropriate.

2.4 Other important guidance contained within PPS3 is that concerning rural exception housing. Rural exception policies allow permission to be granted on rural sites, which under other planning controls would not be allowed. Where there is an identified local need for affordable housing permission can be granted provided the scheme is 100% affordable, is of a moderate size and the type and tenure is compatible with the local housing needs identified. Should the Council need to produce a Land Allocations DPD, this could allocate sites to meet affordable housing needs in rural communities provided that adequate evidence of such need exists and that suitable sites are available.

2.5 PPS3 reduces the minimum threshold for affordable housing down to 15 dwellings from a figure of 24 that was in the now cancelled Circular 6/98. This means that any site where 15 or more dwellings are proposed a provision of affordable housing will be required. However, Local Planning Authorities can set lower thresholds, where viable and practicable, including in rural areas.

The West Midlands Regional Spatial Strategy

2.6 The Regional Spatial Strategy for the West Midlands is currently under review. An Examination in Public was held in Spring 2009 and the Panel's Report was published in September. The Panel made a number of recommendations in relation to policy CF7: 'Delivering Affordable Housing'. The Panel concluded that 'the regional affordable housing target should be 35% of the total, equating to 7,000 dwelling per annum over 20 years'. Of this 7000, an indicative minimum target of 1200 affordable units per annum has been apportioned to the South Housing Market Area. The policy goes into further detail and states that local authorities should set an overall minimum affordable housing target. Only exceptionally should the proportion of affordable housing be either below 25% or above 40% of the total additional housing provision. The policy emphasises the importance of rural exceptions in delivering 100% affordable housing schemes that meet the needs of the local community.

2.7 The level of housing allocated to Bromsgrove District through the emerging RSS will greatly influence the amount of affordable housing that can be provided. The Panel's report recommends a net figure of 4000 units between 2006 and 2026, however this may change depending on the Proposed Changes by the Secretary of State. This housing target is based on delivering housing that meets identified local needs. A district level Housing Market Assessment commissioned by the Council identified a high level of local generated need for 2 and 3 bedroom properties, affordable housing and accommodation that is suitable for the increasing pensioner population. The Council's approach was endorsed by the Panel who stated:

'such careful targeting is encouraged within PPS3' and 'as a consequence. . . . , we consider that the approach should be applauded and used more widely to address the issue of seeking to meet local needs.' (WMRSS Phase 2 Revision: Panel Report, P.195)

2.8 The Council therefore intends to continue with its approach of carefully targeting housing to those in need. This SPD will be the first step in achieving this goal with the Core Strategy following soon after.

2.9 Policy CF2 of the RSS indicates new housing should be accommodated within and adjacent to market towns which need to be capable of creating balanced communities for housing and employment. In villages any development should support the need to meet local housing requirements, particularly the need for affordable housing. The policy emphasises the importance of prioritising development in villages which have a range of services.

Bromsgrove District Local Plan

2.10 The Local Plan is the adopted development plan for the District of Bromsgrove. Following the issue of a direction from the Secretary of State, dated 7th September 2007, most policies have been saved, and remain in operation beyond September 2007 until they are replaced by policies in new Development Plan Documents. Policy S15 'Affordable Housing in Urban Areas' and Policy S16 'Affordable Housing in the Green Belt' have both been saved. These policies set a basic framework for the delivery of affordable housing in the district. The SPD will build upon this providing a much greater level of detail. The SPD will be linked to these adopted Local Plan policies and the emerging Core Strategy until the Core Strategy reaches the adoption stage and supersedes Policies S15 and S16 of the Local Plan.

Bromsgrove's Core Strategy

2.11 Once adopted the Core Strategy will sit within the Local Development Framework and will be a material consideration for all planning applications within the district. The Core Strategy has several key components. These include a spatial vision that sets out an aspirational target of what the district will be like in 2026 and a series of objectives that are required to deliver the vision. Most relevant are the core policies that are required to ensure that the strategic objectives are achieved. One of core policies relates directly to this SPD and that is CP16: Affordable Housing. This policy outlines a framework for the delivery of affordable housing across the district. The purpose of this SPD will be to expand on the core strategy policy and provide greater detail and clarity for the private sector as to what is required on development sites.

2.12 Due to the great level of need for affordable housing across the District (this is explained in greater detail in Chapter 4) the SPD will be linked to the emerging Core Strategy. This will ensure that affordable housing delivery is maximised in the time prior to the adoption of the Core Strategy. In compliance with European Union Directive 2001/42/EC this SPD is accompanied by a Sustainability Appraisal to assess the possible impacts of the SPD against sustainability objectives.

Sustainable Community Strategy 2010-2013

2.13 Corporately the Council has identified 4 areas which are considered to be a top priority. One of these is housing, and in particular the need for affordable housing. These priorities were drawn up following feedback from consultations with the general public, Bromsgrove District Council staff and Council Members. A joined up approach is required to address the issue of housing need and therefore the Sustainable Community Strategy has a crucial role to play in this process. The Sustainable Community Strategy has the following overarching aim:

“We will make Bromsgrove a better place to live, work and visit by driving forward change”

2.14 This strategy is being driven forward by Local Strategic Partnership (LSP). This brings together local partners in order to develop a shared understanding of the particular needs and priorities of Bromsgrove. The LSP in Bromsgrove District is known as the Bromsgrove Partnership. There are six key themes identified in the Sustainable Community Strategy which have helped to inform the spatial objectives in the Draft Core Strategy. These objectives will be achieved through the implementation of policies in the Core Strategy.

2.15 One of the themes identified within the Sustainable Community Strategy is ‘Stronger Communities’. Within this theme one of the priorities is to deliver affordable housing to meet the needs of the District. The strategy also focuses on the need to create balanced communities with the provision of housing that is appropriate for the elderly and young adults. Whilst the Draft Core Strategy contains a policy on affordable housing, the need is so great that a policy needs to be in place before Core Strategy adoption to maximise delivery. The Affordable Housing SPD will address several issues raised within the Sustainable Community Strategy and will be the driving force behind the delivery of affordable housing in the district.

3. Defining Affordable Housing

3.1 There are many similar definitions of affordable housing. For this document the definition used is that contained within 'PPS3: Housing'.

- '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'

3.2 This means that affordable housing is accommodation for sale or rent that is available at a price identified as being genuinely affordable to those people living, needing to live or work in the area that are unable to access housing on the open market.

3.3 The main types of units to be provided in Bromsgrove are:

Low cost Rented Housing - Housing rented by a Registered Social Landlord at a price below the cost of renting privately

Intermediate Housing - There are 3 types of intermediate housing that are summarised below:

- Shared Ownership Housing - Housing where a tenant buys a proportion of the property from a Registered Social Landlord, and rents the rest with the option to buy an increased share of the entire property.
- Intermediate Rent - Housing is rented at prices above the price of low cost rent but below prices of the private rental market. The rent should not exceed 80% of the price of full market renting.
- Intermediate Rent to Purchase - The property is rented at a price not exceeding 80% of the full market value for 5 years. After this period of time the tenant has the opportunity to purchase a share in the property.

Defining Affordability

3.4 The 2008 Housing Market Assessment compared patterns of household income against recent and current house prices as a way of identifying the level of affordability within the housing market. The study focused on the sale price of two and three bedroom properties. As with any analysis a number of assumptions had to be made and these are as follows:

- access level property values;
- the provision of a 10% deposit although any size of deposit or none at all, can be accommodated within the calculations;
- mortgage affordability based on a loan: income ratio of 3:5 for single income households and 2:9 for couple income households, and,
- monthly repayments based on a 25 year repayment mortgage at a rate of 7.0%. Only a very limited number of discounted deals are available, and these are unlikely to be offered to lower income first time buyers.

3.5 The figure 1 identifies the estimated proportions of single income households able to access two bed full cost re-sale and new build HomeBuy entry level properties. This table clearly shows that approximately half of single income households are unable to afford 2 bedroom properties that are for sale on the open market. Naturally the percentage of people able to access homebuy schemes would be significantly higher if they were available.

Figure 1
The estimated proportions of single income households able to access 2 bed properties, figures rounded

Property type	Entry level property price Less 10% deposit)	Income required (rounded)	Proportion able to purchase	Home Buy Income required (70%)	Proportion able to purchase
2 bed new-build property	£130k	£33.4k	50%	£23.4k	70%
2 bed re-sale property	£120k	£30.9k	53%	£21.6k	72%

3.6 Figure 2 focuses on the purchase price of 3 bedroom properties. The stark reality is that little more than one third of joint income households are able to purchase a 3 bedroom re-sale property at full market value.

Figure 2
The estimated proportions of joint income households able to access 3 bed properties, figures rounded

Property type	Entry level property price Less 10% deposit)	Income required (rounded)	Proportion able to purchase	Home Buy Income required (70%)	Proportion able to purchase
3 bed new-build property	£230k	£63.5k	14%	£44.4k	32%
3 bed re-sale property	£150k	£41.4k	36%	£29.0k	57%

3.7 Two and three bedroom properties need to be accessible to a wide range of the population. Properties of this size can cater for young couples, small families and elderly couples. It is vital that all of these groups are provided for to maintain balanced mixed communities across the District. Whilst this document cannot make general market housing more affordable it is hoped that the delivery of affordable can be maximised to provide greater choice for the people of Bromsgrove.

4. Affordable Housing Need

4.1 As outlined in PPS3 it is important for local planning authorities to base any policies for affordable housing on an identified need. A high level of need has been identified through a Sub Regional Housing Market Assessment in 2007 and most recently a Bromsgrove District Housing Market Assessment in 2008.

4.2 These studies have been carried out using slightly different methodologies meaning the results differ slightly. It is widely recognised that such studies are not an exact science due to the wide ranging variables and possible sources of information. However, the most critical details to come out of each study are that there is a significant need for affordable housing across the district.

4.3 The 2007 Strategic Housing Market Assessment (SHMA) for the South Housing Market Area identified a gross annual need for 597 affordable units. Taking into consideration annual supply from re-lets and annual new supply there was an annual shortfall of 286 units. This was significantly higher than other Worcestershire districts, with the exception of Worcester City.

4.4 The recent Housing Market Assessment also identified a significant need for affordable housing throughout the district, stating a minimum of 70 affordable units should be built each year based on a new supply of 105 units per annum. However, a recent update based on annual supply of 200 units per year increases the annual need for affordable housing to 101 dwellings.

4.5 The majority of affordable housing that comes forward through the plan period will be financed by the private sector through S106 agreements. In conjunction with the recent Housing Market Assessment, consultants carried out detailed financial modeling to calculate a level of affordable housing that would generally be viable for the private sector across a wide range of sites. The model took into consideration a variety of factors including construction costs, land values, rental costs, re-sale value whilst also allowing for gross profits for the developers of 15%. The modeling work concluded that a realistic target of 40% affordable housing should be set for housing developments.

4.6 Affordable housing is allocated across Worcestershire in a fair and transparent way ensuring that applicants in greatest need are treated as a top priority. This system is called Home Choice Plus and has been developed by a number of Local Authorities and Registered Social Landlords, working in partnership. This new way of allocating social housing across the district is based upon a banding system. The banding system is graded in the following way:

→ **Priority**

Accepted a homeless duty under part VII of the Housing Act 1996

→ **Gold Plus**

Applicant must have a local connection and fall into one of the following categories:

Homeless but where there is no statutory duty to re-house

Households living in properties subject to enforcement notices or repossession

Households with very high medical need

Need to move from supported accommodation

Tenants who wish to move to smaller accommodation

→ **Gold**

Applicant must have a local connection and fall into one of the following categories:

Homeless applicants, who have intentionally become homeless

Households that suffer from harassment or domestic abuse

Overcrowded households

Households with a child(ren) who live in an upstairs flat

→ **Silver Plus**

Applicant who have no local connection and fall into one of the following categories:

Homeless but where there is no statutory duty to re-house

Households living in properties subject to enforcement notices or repossession

Households with very high medical need

Need to move from supported accommodation

Tenants who wish to move to smaller accommodation

→ **Silver**

Applicant who have no local connection and fall into one of the following categories:

Homeless applicants, who have intentionally become homeless

Households that suffer from harassment or domestic abuse

Overcrowded households

Households with a child(ren) who live in an upstairs flat

→ **Bronze Plus**

All applicants who live, work or have a local connection to the district but are not in housing need

→ **Bronze**

All applicants who have no local connection and are not in any housing need

5. Delivering Affordable Housing

5.1 The delivery of affordable housing is the major element of this guidance. As outlined above there is an identified need for affordable housing within the District. Whilst it is imperative to address this shortfall in provision it is also necessary to take a balanced approach in order to achieve successful new developments.

Targets

5.2 The RSS Panel Report identifies the annual need for affordable housing of 7,000 dwellings per annum over a period of 20 years. Bromsgrove falls within the South Housing Market Area (HMA) and it is clear that outside of the Central HMA the area has the greatest need arising from demography, 'right to buy' and re-housing due to demolitions. Accordingly Policy CF7 states that a gross minimum of 1,180 units should be provided across the South HMA each year. This figure is not broken down to district level, however all local authorities are required to set affordable housing targets between 25% and 40%, unless there are exceptional circumstances. To maximise the level of affordable housing delivery out of the total allocation for Bromsgrove under Policy CF3 the Council will impose a 40% target.

Thresholds

5.3 To address the high level of need for affordable housing, every application where there is a net increase in the number of dwellings will be expected to contribute towards affordable housing. Dependent on the size/capacity of the site this will be either on-site or as a commuted sum.

Policy AH1 **The Provision of Affordable Housing**

All schemes that propose a net increase in housing units will be expected to contribute to towards affordable housing provision in the district.

The Council will ensure that a minimum target of 40% affordable housing will be achieved onsite in all developments across the District that fall within the following threshold:

- **A net increase of 5 or more dwellings or all sites equal to or over 0.2 hectares.**

Please note that where the 40% calculation does not result in a whole number the figure will be round up or down to the nearest whole unit.

In exceptional circumstances where the applicant can fully demonstrate that 40% cannot be achieved the District Council may negotiate a different provision

On schemes that fall below the threshold of 5 units or 0.2 hectares a financial contribution will be required in line with Policy AH2.

Financial Contributions

5.4 On schemes of less than five dwellings there is likely to be less scope to provide affordable housing on site. A financial contribution will therefore be required to deliver affordable housing elsewhere in the District. Financial contributions received will be pooled in a specific affordable housing fund. This will be used by the Strategic Housing Team to fund the provision of new build affordable housing schemes in the District. The Council will not be able to hold financial contributions indefinitely and will expect to use them within ten years of receipt of the contribution unless a different time period has otherwise been agreed.

Policy AH2 Financial Contributions

For every application that results in a net increase in dwellings a contribution towards affordable housing will be required. On schemes that fall below the threshold of 5 units or 0.2 hectares a financial contribution will be calculated based on the average land acquisition and build costs for affordable housing in the district. The contribution will be negotiated on a case by case basis to ensure that schemes remain viable.

On housing schemes above the threshold it is required that affordable housing should be provided on site, the basis being that if a site is suitable for market housing then it is suitable for affordable housing. Financial contributions will only be considered in exceptional circumstances where all other options have been explored including the possibility of off-site provision in accordance with Policy AH5.

Tenure and Dwelling Type

5.5 The type and tenure of affordable housing that is provided should help to create balanced and mixed communities where people have housing choices. For many people on waiting lists obtaining a mortgage is not a viable proposition and therefore a significant level of the provision needs to be for low cost rented accommodation. However, it is essential that are opportunities available to enable people to get onto the property ladder and the provision of some intermediate housing will also be required. Policy AH3 provides an optimum breakdown of the tenures required.

Policy AH3 Tenure

The Council will seek to achieve the following breakdown of tenures affordable housing on sites:

- 2/3 low cost renting
- 1/3 intermediate housing

Whilst this breakdown provides an optimum scenario, each case will be dealt within on its own merits and there may be locations where different breakdowns will help to create more balanced and mixed communities.

5.6 The recent Housing Market Assessment identified that the housing market in the district is unbalanced with a high percentage of large detached properties. The study identified that there was a lack of smaller properties that would meet the needs of young families and the rising elderly population. To accord with the findings of the Housing Market Assessment Policy AH4 sets out the housing types needed.

Policy AH4 Housing Types

Affordable housing developments should consist of the following housing types in the proportions set out below:

- 1/3 two bedroom properties suitable for the elderly
- 1/3 two bedroom general needs properties
- 1/3 three bedroom properties

This breakdown of tenures and types may not be suitable on all housing developments. This merely provides an optimum scenario that best suits the housing needs of the district currently. Each planning application will be dealt with on its own individual merits providing the opportunity for negotiation to deliver a scheme that is most appropriate for its location.

Choice of RSL

5.7 The majority of the existing affordable housing stock in the District is provided and managed by a small number of RSLs. Planning permission will not be granted until a developer has entered into an agreement with an RSL to manage the properties upon completion.

5.8 To ensure the local housing needs in the District are best met, the Council has established a Preferred Partnership arrangement with four Registered Social Landlords (RSLs) to provide affordable housing in the District. The partner RSLs were selected through a process that involved the assessment of a wide range of matters relevant to the delivery and management of affordable housing.

5.9 In providing the required affordable housing on development sites, the Council would want private developers to work in collaboration with its Strategic Housing Team and enter into contract negotiations with a Registered Social Landlord selected as a Preferred Partner by the Bromsgrove District Council. A list of these preferred Registered Social Landlords who deliver affordable housing in the District can be found at the end of this document (Appendix B). Whilst the Council would like to encourage the use of their preferred partners other RSLs are available in the District.

5.10 Developers/ applicants are strongly advised to discuss the affordable housing requirements on individual development schemes with the Council's Strategic Planning and Strategic Housing Officers prior to submitting a planning application.

Car Parking Standards

5.11 The levels of car parking provided for affordable housing should be no different to the levels provided on general market housing and should therefore be in accordance with the Car Parking Standards provided within the Bromsgrove District Local Plan or any successor document. In the most sustainable locations lower levels of parking provision may be acceptable.

Open Space provision on Affordable Housing

5.12 Current guidelines for the provision of open space for new residential developments are contained within SPG11 Outdoor Play Space. It is recognised that the levels of provision required by this guidance may render developments containing significant levels of affordable housing uneconomical. Any open space provided for new housing schemes will be provided to reflect the nature of the development. On developments where family units are required play space must also be included, although the requirement for an element of open space should not render the development unviable. The level of open space/amenity provision will be assessed on a case-by-case basis.

Education Contributions

5.13 Education contributions will not be sought for the affordable housing element of any scheme in accordance with Worcestershire's SPG on Planning Obligations for Education Facilities. Should amendments to this guidance mean a contribution is required the Council will ask for the appropriate contribution to be made in line with the most recent policy.

Required Standard and Layout of Affordable Accommodation

5.14 The affordable housing provision should be of a high standard and must conform to the 'Design and quality standards' set out by the Homes and Communities Agency or any future replacement document issued by them. There is also a statutory requirement for affordable housing to achieve level 3 of the Code for Sustainable Homes. The Code for Sustainable Homes is a single national standard for the design and construction of sustainable homes.

5.15 All affordable housing schemes should be as well designed as possible and therefore developers are encouraged to achieve the Building for Life Standard. This is the national benchmark for well-designed housing and neighbourhoods. More information can be found at <http://www.buildingforlife.org>. Core Policy 4: Promoting High Quality Design within the Draft Core Strategy also provides up to date guidance on matters of design.

5.16 The importance of creating mixed and balanced communities in accordance with PSS3 cannot be overstated. On larger sites therefore the affordable housing will be dispersed throughout the application site. However, a balance needs to be struck between the housing management operational requirements of any affordable housing providers involved in a development site and the need to ensure mixed and balanced communities. There may be circumstances where there are Registered Social Landlord Housing management reasons for seeking a proportion of the affordable housing to be sited together but this should not prevent the remainder of the provision to be distributed across the development. The preference for the District Council is to distribute affordable housing amongst the market housing to avoid segregation.

5.17 The Council considers that in order to ensure the creation of mixed and integrated communities, that affordable housing should not be visually distinguishable from market housing in terms of build quality and design, both internally and externally, materials, details, levels of amenity space and privacy.

Policy AH5 Design and Layout

Affordable must be built to a high standard and therefore should:

- Conform to 'Design and Quality Standards' set out by the Homes and Communities Agency or any future replacement document
- Obtain a minimum of Level 3 of the Code for Sustainable Homes; and
- Where possible achieve Building for Life Standards

To create mixed and balanced communities affordable housing should:

- Be 'Pepper-potted' throughout new developments; and
- Not be visually distinguishable from market housing

Off-site Affordable Housing Provision

5.19 There is a presumption that if a site is suitable for housing development it will also be suitable to provide affordable housing on the site. Only in exceptional circumstances and where full justification is provided will off-site provision be considered to be acceptable.

5.20 Where an alternative site is identified this must be acceptable to the Council as local planning authority, and must be capable of accommodating the provision for the original site and any new provision generated by the inclusion of open market dwellings on the new site. In addition it must be in the same settlement as the original site. Further detail of off-site provision requirements are set out within Policy AH6.

Policy AH6 Off-site Provision

Where a developer feels that there are good reasons to deliver affordable housing off-site this will need to be demonstrated to the Council at pre-application stage. Details of the following should be submitted:

1. The proposed development itself
2. A reasoned justification for not making provision on-site
3. Proposals for an alternative form of provision, together with an assessment of the prospects for delivery of that alternative

Off-site provision will only be favourably considered where all of the following tests are met:

1. The applicant and the District Council have both agreed at pre-application stage that there is an exceptional and positive justification for the off-site provision
2. Agreement has been reached at pre-application stage on the quantity, type and size of affordable housing which would otherwise have been provided on-site
3. The alternative form of provision would be equal or better in terms of the quality and quantity of the provision that would have been provided on-site.
4. The Council is satisfied at pre-application stage that there is a firm prospect of securing the alternative form of provision.

Legal Agreements

5.21 Section 106 of the Town and Country Planning Act 1990 allows for the use of legal agreements to ensure the delivery of those aspects of a scheme which are necessary for the development to be acceptable, but cannot be secured through a condition on a planning permission. The agreement will normally cover the following aspects of the scheme (in relation to affordable housing):

- The number of affordable homes;
- The phasing of the construction of the affordable homes in relation to the development of the rest of the site;
- The transfer of the homes to, and management by, a Registered Social Landlord (or as otherwise agreed by the District Council);
- The allocation of the homes to persons on the Home Choice Plus lettings scheme;
- The retention of the homes as affordable housing on a rented or shared ownership basis (subject to exceptions for mortgagees in possession and people who staircase to full ownership and people who exercise their Right to Acquire);
- The sizes and tenure of the affordable homes; and
- The standards of construction of the affordable homes.

6. Rural Exception Site Policies

6.1 PPS3 advocates the use of rural exception sites. This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint. Rural exception sites should only be used for 100% affordable housing in perpetuity. The Council will implement a Rural Exceptions Policy controlling how affordable dwellings on these sites will be allocated and the conditions which will be applied to them.

Policy AH7 Rural Exception Sites

In accordance with PPS3 the Council will permit small scale 100% affordable housing schemes in rural settlements where a housing need has been identified.

Early consultation with the Council's Planning and Housing sections is recommended to ensure that key issues are taken fully into account. A Rural Housing Enabler is also available to help with the identification of rural affordable housing needs.

To gain consent any planning application must conform with both Policy AH8 and AH9.

6.2 A Rural Lettings policy has been agreed by the Council and is intended to ensure that any dwellings constructed under the exceptions policy are allocated to those who are in most need and can demonstrate a local connection. The lettings criteria can be found in appendix A.

Local Housing Needs Survey

6.3 Any Rural Exception schemes proposed must be accompanied with evidence of local need in the form of a current local housing needs assessment. The assessment must show that there is need for affordable housing rather than demand.

Policy AH8 Local Housing Needs Survey

Every application for affordable housing under the Rural Exception Site Policy must contain a Local Housing Needs Survey. This survey should identify the following:

- **A genuine need to live within the village - A local connection will be required for this e.g. employed/live within the village or need to give or receive support from a close family member who lives in the village;**
- **A proven financial need for affordable housing - The applicant must be in a position where they are unable to get a sufficient mortgage to purchase a property on the open market; and**
- **The type and tenure of affordable housing - The survey should gather information ascertaining the size of the property required and whether social rented or intermediate accommodation is needed**

Site Location and Size

6.4 PPS3 emphasises that Rural Exceptions Site Policies should enable small sites to come forward in small villages where a need has been identified. Development sites need to be preferably located within existing settlement boundaries to prevent sprawl and ensure new housing is located close to existing village facilities. Where this is not possible sites should be adjacent to the village boundary and integrate into the fabric of the village ensuring that the intrinsic character of the village is retained. Under no circumstances will housing be considered on sites that are detached from settlements that appear as isolated housing developments in the open countryside.

Policy AH9 Site Location and Size

In Bromsgrove District the Rural Exceptions policy will normally only apply to the following villages: Adams Hill, Beoley, Belbroughton, Bournheath, Blackwell, Hopwood, Fairfield, Clent, Lower Clent, Dodford, Romsley, Burcot, Holy Cross and Rowney Green. Whilst this list is not exhaustive it provides clear guidance to the kinds of settlements where Rural Exception Sites will be considered.

The following sequential test will be applied to sites:

- In the first instance sites should be located within existing settlement boundaries
- Where there is not possible sites should be adjacent to the village boundary

Under no circumstances will housing be considered on sites that are detached from settlements that appear as isolated housing developments in the open countryside.

Any proposals should be proportionate to the size of the settlement in question and therefore it is considered that schemes should not generally be larger than 10 units. Under no circumstances will schemes be permitted where the number of units exceeds the need identified in the Housing Needs Survey.

7. Monitoring Review

7.1 Every year the Council completes an Annual Monitoring Report in December. The purpose of this is to monitor adopted policies and proposals and determine the effects they are having. The numbers of affordable housing completions are one of the indicators monitored each year and this will provide a clear indicator in relation to the success of this document. The monitoring process enables documents to be reviewed and modified if the desired effects are not being achieved.

7.2 The Core Strategy is likely to be submitted to the Secretary of State in 2010 and the Examination in Public may lead to minor changes in the document. This could lead to changes in the Core Strategy and therefore it may be necessary to review this SPD once the Core Strategy has been adopted.

Appendix A

CRITERIA AND ALLOCATIONS POLICY FOR THE LETTING AND ALLOCATION OF RURAL AFFORDABLE HOUSING DEVELOPED UNDER 'EXCEPTION SITE' POLICY.(CBL Version)

The Registered Social Landlord (Housing Association) managing the affordable housing development will assess all applications made requesting the allocation of a dwelling on the scheme **in the following order:**

1. All applicants wishing to be considered for Rented Housing within the proposed scheme must be registered on the Bromsgrove District Council Housing Register. The Council will also nominate applicants registered on the Housing Register for consideration for Shared Ownership or Re-Sale Price Covenant units where applicants have specified their wish to be considered when completing their application form and have expressed an interest in the dwelling through the Choice Based Lettings Scheme.

2. The following Local Connection Eligibility Criteria will be applied:

(The first phase of eligibility will be considered initially, and only if insufficient applicants are eligible will the other phases be considered in order.)

The first phase of eligibility will be restricted to:

- i) Local residents within the parish, with a minimum term of residence who want to remain in the locality but cannot afford to do so.
- ii) Those who have previously resided in the parish for a number of years and who need to return to the parish but cannot afford to do so and who qualify as one or more of the following :
 - a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
 - b) Those who are employed within the parish.
 - c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

A second phase of eligibility would include applicants who live outside of the parish but within an immediately adjoining parish who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.
- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

A third phase of eligibility would include applicants who live outside of the parish but within the District of Bromsgrove who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.
- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation

A fourth phase of eligibility would include applicants who live outside of the parish and outside of the District of Bromsgrove who need to live in the parish but cannot afford to do so and who qualify as one or more of the following:

- a) Those who need to return to the parish to provide or receive support to / from a close family member living in the parish.
- b) Those who are employed within the parish.
- c) People with a confirmed offer of employment in the parish but who are deterred by the difficulty of finding and affording suitable accommodation.

3. Applicants who qualify under the Local Connection Eligibility Criteria (Sect 2. Above) will then undergo an affordability assessment to establish that they are not in a position to afford an open market dwelling in the area. (The process will also establish an applicant's ability to afford shared ownership and fixed equity options).

Completed forms will be assessed in accordance with:-

- ➔ Current data on house prices and rents in The Parish;
- ➔ Financial requirements of average mortgage lenders and their lending policies;
- ➔ The availability of appropriate properties to meet identified needs e.g. accommodation to meet disabilities or health issues and tenure required.

4. Where applicants have both a relevant local connection (Sect 2 above) and fit the affordability criteria (Sect 3 above), their housing need will be prioritised in accordance with the housing need banding awarded and the effective date of this banding under the Choice Based Lettings Scheme policy, with the exception of:-

- ➔ Any housing need banding that was awarded for needs which will not be met by the offer of a dwelling in The Parish e.g. medical or welfare needs which would not be improved by living in The Parish;

Applicants will be nominated for dwellings in priority of need as identified by the banding awarded to applicants under the Choice Based Lettings Scheme and where applicants have been awarded the same banding, the effective date of the banding will determine the priority of applications. In the unlikely event of cases having the same banding and same effective date then the case with the longest local connection with the parish will have priority. Where applicants are purchasing an equity share but are unable to complete within a 6 - 8 week timescale they will be given a reduced priority.

5. Applications will be further prioritised in accordance with family size to property type/size, however to promote sustainable communities, a degree of under occupation may be allowed subject to agreement with the District Council.

In the event that no households can be identified from the above criteria within 3 weeks, allocations will be made to the most suitable applicants, having regard to their reasons for seeking a home in The Parish.

Definitions

The Parish	The Parish within which the affordable housing is located.
Immediately Adjoining Parish	A Parish with a common boundary and immediately next to the parish within which the affordable housing is located.
Minimum term of residence	Normally 5 years.
Number of years	Normally 5 out of the past 15
Close Family Member	Means parents, siblings, grandparents and children and such relationships through adoption. In exceptional circumstances, at the discretion of Bromsgrove District Council, more distant relatives may fall within the definition if they give to the applicant a level of support normally associated with those listed above. (' In exceptional circumstances, at the discretion of Bromsgrove District Council, other parties may fall within the definition if they can provide evidence that they give the applicant a level of support normally associated with those listed above.')
Want	A specific reason to reside in the Parish within which the affordable housing is located.

Appendix B

PREFERRED RSL PARTNERS

Bromsgrove District Housing Trust

Buntsford Court
Buntsford Gate
Bromsgrove
Worcestershire
B60 3DJ

Contact: Mr Chris Lewis
Chris.lewis@bdht.co.uk

West Mercia Housing Group

Barnsley Hall
Barnsley Hall Road
Bromsgrove
Worcestershire
B61 0TX

Contact: Jason Macgilp
Jason.Macgilp@wmhousing.co.uk

Bromford Housing Group

9 Shaw Park Business Village
Shaw Road
Bushbury
Wolverhampton
WV10 9LE

Contact: Mr Mark Bridge
Mark.Bridge@bromford.co.uk

Servite Houses

41 Poplar Road
Kings Heath
Birmingham
B14 7AA

Contact: Mr Rob Pusey
Robp@servitehouses.org.uk



**This Document can be provided in
large print, braille, CD, audio tape and
computer disc.**



Bromsgrove
District Council

www.bromsgrove.gov.uk



Planning and Environment Services

Bromsgrove District Council, The Council House, Burcot Lane, Bromsgrove, Worcestershire B60 1AA.
Tel: (01527) 881323/881314, Main Switchboard: (01527) 881288, Fax: (01527) 881313, DX: 17279 Bromsgrove
e-mail: ldf@bromsgrove.gov.uk