A Guide to Affordable Housing in St Edmundsbury

Produced in partnership between

flagship
Housing Group

St Edmunds
BOROUGH COUNCIL

Orwell
Housing Association Limited

JEPHSON EAST

Hastoe
Group

Circle Anglia

Suffolk Housing Society

ICENI homes Future Living

HAVEBURY HOUSING PARTNERSHIP
Foreword

The borough of St Edmundsbury is an attractive place for people to live where residents enjoy a good quality of life, a wide range of good local services and a rich historic and natural environment. These factors and others besides mean that housing on the open market has, for many people, been out of reach and that the need for affordable housing in all parts of the borough has remained strong.

2009 has proved a challenging year for the delivery of housing. The Borough Council and registered providers operating in St Edmundsbury remain committed to providing high-quality and attractive housing in the places people want to live for people priced out of the open housing market. Even taking into account the recent drop in house prices, open market housing has remained inaccessible to many, especially first-time buyers, and the credit crunch has meant that access to finance and mortgages has also proved difficult.

This guide operates in this environment and explains the approach that the council and registered providers are taking toward tackling current housing delivery challenges. The guide also looks ahead to the anticipated economic recovery when the council will be keen to ensure that as much affordable housing as is viable can be delivered to meet the ongoing need.

We believe the delivery of affordable housing is crucial to the cohesion of communities, especially in rural areas, and to the long-term sustainability of villages and their services. It is with this in mind that the council and registered providers provide this guide with the aim of making the process of delivering much-needed affordable housing as easy as possible. Above everything, developers are encouraged to contact the St Edmundsbury Planning or Strategic Housing services to discuss their plans and ideas at any time.

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Leader of the Council Chief Executive Portfolio Holder - Community

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1. Introduction to the Affordable Housing Guide

(a) Purpose
Preparation of the St Edmundsbury Local Development Framework is currently underway; this will include a new affordable housing policy and will also include a thorough affordable housing economic viability assessment. Until the relevant Development Plan Documents in the Local Development Framework are completed and adopted, the Council will continue to follow the affordable housing policy contained in the Replacement Local Plan, which was adopted in 2006.

St Edmundsbury believes that this guide will provide a fair basis for constructive discussions about the application of that policy and any future policy. The guide is intended to assist developers in preparing their planning applications and will therefore help to resolve some of the difficulties surrounding this important subject.

(b) Status
The guide is not new policy, but is a guide to existing council policy and other national and regional policy. The guide also refers to current evidence of local housing need and explains the council’s aims and its preferred approach to the provision of affordable housing. It is therefore a practical guide rather than a policy statement.

National affordable housing policy is contained within the government’s Planning Policy Statement 3: Housing (November 2006). Regional affordable housing policy is contained within the East of England Plan (the Regional Spatial Strategy or RSS) which was published in May 2008. Evidence of local housing needs for the period 2005-2010 is contained within the St Edmundsbury 2005 Housing Requirements Study and the Cambridge Sub-Regional Strategic Housing Market Assessment (March 2008).

(c) Weight of the Guide
The importance of a document in making planning decisions, such as the grant or refusal of a planning application, is known in local authority language as “weight”. The guide is not intended to carry the same weight as adopted planning policy, because it is a practical guide. However, it is a guide to the interpretation and application of council, national and regional policy and to local evidence of housing need, which will carry significant weight themselves. Therefore, ignoring or straying from the guide in the preparation of a planning application may result in a proposal that is found to be unacceptable.
2. National, regional, sub-regional & local context

**Definition of affordable 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’.

(Planning Policy Guidance Note 3: Housing)

For the purposes of this document, intermediate housing also includes shared ownership (see the appendices for more information).

(a) Replacement Local Plan - Affordable Housing Policy

**POLICY H3: AFFORDABLE HOUSING**

Developers will be expected to allocate land within sites to ensure that 40% of the proposed number of dwellings constitutes affordable housing in respect of proposals which in themselves, or as part of a wider but contiguous site, relate to:

- Sites of 0.5 hectares and above or 15 dwellings or more, in settlements of 3,000 population and above.
- Sites of 0.17 hectares and above or 5 dwellings or more, in settlements, of less than 3,000 population.

Conditions or legal obligations will be used to ensure that affordable housing is secured and retained for those in housing need.

The Local Planning Authority will consider issues of development viability and mix, including additional costs associated with the development of brownfield sites and the provision of significant community benefits, and may be willing to negotiate a lower percentage of affordable housing.

**Note: This policy applies to both new build and conversion housing schemes.**

The Council is currently seeking a revision to this policy through the Local Development Framework process. The Core Strategy and the Development Management Development
Plan Documents (DPDs), containing a revised Affordable Housing policy will be out for consultation in August 2009. In support of this, the council is currently undertaking an Affordable Housing Economic Viability Assessment to provide an evidence base to guide this policy. This assessment will be published at the same time as the above DPDs.

(b) Planning Policy Statement 3: Housing (PPS3)

The government’s national housing and planning policy objectives are expressed in PPS3, which not only provides the context for development plans, but is also a material consideration in deciding individual planning applications. The government’s key goal is to ensure that everyone has the opportunity to live in a decent home, which they can afford, in a community where they want to live. Amongst other things, this means providing a wide choice of high quality affordable and market housing to address the requirements of the community, increasing the supply of housing and creating sustainable, inclusive, mixed communities in urban and rural areas. The planning system needs to deliver a mix of housing – a mix of market and affordable, tenure and price – to meet the needs and demands of a wide variety of households. (PPS3 paragraphs 8 to 10).

In deciding planning applications, the council must have regard to:

- achieving high quality housing, including open spaces;
- achieving a good mix of housing, reflecting the requirements of families and older people in particular;
- using land efficiently, by avoiding inappropriately low densities of development. (PPS3 paragraph 69);
- 15 dwellings is the national indicative minimum site size threshold at which affordable housing should be required and the national indicative minimum density for housing development is 30 dwellings per hectare (PPS3 paragraphs 29 and 47).

(c) Regional Spatial Strategy (RSS) – East of England Plan 2008

The East of England Plan or Regional Spatial Strategy (RSS) sets out the regional strategy for planning and development in the East of England to the year 2021. It covers economic development, housing, the environment, transport, waste management, culture, sport and recreation, mineral extraction and more and is available at www.gos.gov.uk/goeast

The RSS has a key role in contributing to the sustainable development of the region. It sets out policies which address the needs of the region and key sub-regions. These policies provide a development framework until 2016 that will influence the quality of life, the character of places and how they function, and inform other strategies and plans. One of the most important things about the RSS is that it identifies the significant investment that will
be needed in social, environmental, economic and transport facilities ('infrastructure') if it is to achieve its desired results. That investment will come from a variety of sources, including central and local government funding and private developer funding.

St Edmundsbury is one of five growth areas identified in the East of England as part of the revised spatial strategy with its 20 year vision to deliver housing in the region. The strategy increases projections for new homes from 478,000 to 508,000 by 2021. The target across the whole region is that at least 35% of these homes will be affordable, although it is recognized that at a more local level evidence could suggest higher targets that will need to translate to local planning documents (Policy H2).

(d) Regional Economic Strategy and Joint Implementation Plan
The Regional Economic Strategy (RES) for 2008 - 2031 was published in 2008. A Joint Implementation Plan is now being developed to set out how both strategies can be jointly turned into action. This will include some housing issues and investment.

(e) Cambridge Sub-regional Housing Strategy 2008-11
With the five Cambridgeshire districts and Forest Heath in Suffolk, St Edmundsbury is part of the Cambridge sub-region.

The Housing Strategy for the sub-region was updated in 2009 to cover the period 2008 - 2011. It includes past achievements in the sub-region, identified needs, priorities, resources and an action plan.

The Sub-Regional Strategy can be found on St Edmundsbury's website www.stedmundsbury.gov.uk/housing
3. Housing Needs in St Edmundsbury

In 2008 the St Edmundsbury housing Strategy was reviewed and refreshed to cover the period 2008 - 2013. The strategy, and the complementary Homelessness Strategy 2008 - 2013, can be viewed at www.stedmundsbury.gov.uk/sebc/live/hsg-strategy.cfm. The Strategy identifies the following strategic objectives for St Edmundsbury:

- to ensure a variety of appropriate housing is available to meet the needs of the community;
- to ensure sufficient affordable housing is provided to meet needs;
- to provide good quality secure self-contained housing for homeless families and those in priority need while limiting the use of temporary accommodation;
- to meet the needs of vulnerable people in our community;
- to ensure every residential property provides a safe and healthy environment for any potential occupier or visitor.

In identifying these objectives, the strategy is based upon the following contextual information which remains the most up-to-date articulation of the housing need in the borough:

(a) The issue of affordable housing
St Edmundsbury Borough Council believes that everyone residing in the district should have the opportunity to live in a decent and affordable home. The Council is committed to helping local people who cannot afford to rent or buy homes on the open market to access an affordable home which meets their needs and resources.

(b) Issues and trends in St Edmundsbury
There are currently in the region of 5000 households on the housing register, approximately 50% of which are single person households, approximately 40% are families, and 10% are older people, specifically requesting housing for older people.

There is an increased need for supported housing, especially from older people. (Source: St Edmundsbury Borough Council Housing Register) However, the current direction of national policy does not encourage sheltered housing schemes but instead has a preference for older people being supported in their own home.

More people are being priced out of market housing which is putting more strains and demands to deliver more affordable housing. At the end of 2008:

- average sale price of market housing in St Edmundsbury is £218,000;
- average household income is £450 a Week (£23,400 a year);
- house purchase affordability ratio is now nearly 8 time average earnings;
- necessary household income to afford the cheapest market property in the region of £52000 - £53000.
(Source: Nomis - ONS Labour Market Statistics)
Whilst property prices have dropped in 2009, affordability remains an issue as statistics indicate that average household incomes have decreased and access to credit and mortgages has become more difficult, especially for first-time buyers.

(c) Housing requirements
Housing requirements for St Edmundsbury are drawn from both the Housing Requirements Study 2005 and from the council’s experience of the housing market and what is reflected in the Housing Register. St Edmundsbury’s Housing Strategy states that figures from the Housing Requirements Study are sensitive to changes in trend, particularly in the balance between the social rented and intermediate tenures.

St Edmundsbury Borough Council will expect developers coming forward with schemes to make strong reference to the Housing Requirements Study but also, as with the other details of any affordable housing scheme, to discuss the suitability of their scheme in this regard with the housing enablers.

(d) St Edmundsbury Housing Requirements Study 2005
Opinion Research Services (ORS) was commissioned by St Edmundsbury Borough Council in 2005 to identify existing and future housing needs across the area in the context of overall housing market requirements.

The study was comprehensive in considering the different components of housing requirements and supply. In addition to households identified as currently being in housing need, the study identified the future housing requirements of established and newly forming households across the area together with inward migrants from within the UK and abroad. These gross housing requirements were offset against the likely supply of housing from within the existing stock to yield a net requirement for additional housing.

The study concluded that:

- Between 2005-2010 there is a need for an additional 3064 homes in the borough (this equates to 613 homes a year)

- It is recommended that of these 3064:
  - 21% are social housing (643) (129 a year);
  - 25% are intermediate housing (766) (153 a year);
  - 54% are market housing (1655) (331 a year).

- Whilst there are considerable gross requirements for all sizes of housing across all sectors, the net requirement is predominantly for 2-3 and 4 bedroomed properties.

- There is a need for larger homes (4 bedroomed or more) in the social housing sector.

- The results are sensitive to changes in trend, particularly around the balance between social rented housing required, and intermediate housing required; however, the overall need for affordable housing remains at around 40-50% of the total requirement.
In this context, the council’s target to achieve 40% affordable housing on new developments remains appropriate.

It should be noted that the analysis identifies that 40% of all housing provided should be affordable housing, though affordable housing sought through the planning process will only cover certain qualifying sites. It will be more important for the council to secure affordable housing on as many sites as possible (without compromising the viability of any sites) in order to maximise affordable housing delivery across the borough.

(e) Strategic Housing Market Assessment 2008
A Strategic Housing Market Assessment (SHMA) is a collection of data and survey information about all parts of the housing market in a particular area. Amongst other things, it helps develop a long-term view of housing need and demand to inform planning policies. All sub-regions across the country have to produce one and they are at various stages of completion.

As part of the Cambridge sub-region, St Edmundsbury has been working with the six other local authorities in the sub-region to manage and administer our SHMA. It was completed in April 2008 and a link to it is shown below. One of the key messages for the sub-region is to meet the challenge of significant housing growth to create mixed, balanced and sustainable communities across the sub-region, while respecting our environmental assets and existing communities. Because the document is so large, it is available as separate chapters. The SHMA will be updated regularly as new research and data becomes available.

http://www.cambridgeshirehorizons.co.uk/programme_det.asp?id=3678&sec_id=912

The SHMA has begun to replace the Housing Requirements Study as the principal research tool to assess housing need in the borough. St Edmundsbury has recently upgraded its status in the SHMA and is working with Cambridgeshire Horizons to produce the next iteration of the research which will draw out far more detail on the borough’s housing needs than the previous assessment.

The outputs considered household affordability in terms of the ability to afford appropriate market housing, the ability to afford more than social rented housing without being able to afford appropriate market housing, and the inability to afford any more than the appropriate social rent. Therefore the requirements for market housing, intermediate housing and social housing were comprehensively covered. The Housing Requirements Study was published in 2005.

(f) Rural housing need
The Borough Council works closely with the Rural Housing Enabler (RHE), who is based with Suffolk ACRE, to identify local housing need in our parishes. Working with the council the RHE carries out detailed surveys across all households in the parish to determine what the level of need is at that time and up to five years ahead. Working with housing associations, parish councils and local landowners, suitable exception sites are then identified where a small number of properties can be built for people with a local connection. They will remain thus in perpetuity, allowing local people to benefit in to the future.
This kind of development is often built adjacent to the village boundary, as an exception site. This is a piece of land where planning permission for open market residential development would not normally be given. As an exception to the rule, permission can be granted for a few affordable housing units to meet an identified local need.

The Replacement Local Plan contains a policy to address the need for affordable housing in rural areas through an exception site approach.
Policy RU8 states:

As an exception to the provision made in the Plan for general housing demand, the local planning authority will permit rural affordable housing schemes adjoining but outside a Housing Settlement Boundary or built up area of a village provided that:

i) The development will meet or assist in meeting a proven and specific need for affordable housing in the locality which could not otherwise be met;
ii) The development is on the edge of a village, well related to existing community services and facilities and is sympathetic to the form and character of the settlement;
iii) The site is the most suitable to meet the identified need and, in particular, the need could not be met on any site which would better meet criterion (ii); and
iv) Secure arrangements are made to ensure that initial and subsequent occupation of the dwellings can be restricted to those having an identified local need for affordable housing through the use of appropriate safeguards, including conditions or legal obligations.

For more details about village settlements Housing Settlement Boundaries please refer to the Replacement Local Plan  www.stedmundsbury.gov.uk

(g) Recent housing market conditions

Whilst there was a market slowdown across the borough since 2008, lack of affordability remains an issue in the borough. At the same time as house prices dropping, access to credit and mortgages has become an increased issue, especially for first-time buyers.

The council is committed to maintaining, where possible, the delivery of affordable housing through the current housing market conditions. To enable this, we are willing to explore innovative solutions to support the delivery and through-flow of new housing and we would encourage any developer to speak to us early on in the development of any new schemes as to how we can work together to achieve this.

The Homes and Communities Agency is providing a number of funding schemes to kick-start stalled housing schemes which will deliver affordable housing but bids for this funding usually need to come direct from developers. The council is keen to explore
opportunities to access such funding with developers and will support them wherever possible is applying for funds.

For more information about these schemes, please see www.homesandcommunities.co.uk
4. **The Council’s Aims and Approach**
The amount and type of affordable housing to be provided and the mechanism by which it will be secured should be determined by negotiation between the Council and developer at the pre-application stage. Negotiations should take into account the various factors that may influence the proportion of affordable housing that can realistically be achieved, such as:

- scheme economics
- prevailing market conditions
- the availability of Social Housing Grant
- site conditions
- other planning requirements being placed on the site
- any alternative opportunities for meeting local housing needs; and the various factors that may influence the type of affordable housing that is appropriate for the site, such as:
  - the extent and nature of local housing needs,
  - the site’s location relative to local services and facilities,
  - the accessibility of public transport.

(a) **Threshold, percentage and density**
The council's policy is for:

- a minimum of 40% affordable housing
- on sites of 0.5 hectares and above or 15 dwellings or more, in settlements of 3000 population and above, and
- on sites of 0.17 hectares and above or 5 dwellings or more, in settlements, of less than 3000 population
- developed at a density of 30 dwellings per hectare or higher (in line with PPS3's national indicative minimum density for housing development); whilst acknowledging that:
  - financial viability may impact upon the proportion of affordable housing that can be achieved on some sites,
  - less than 30 dwellings per hectare may be appropriate in some locations, depending on the character and appearance of the area and the need for sensitive, high quality design and open space, and
  - very high densities may be appropriate in only a limited range of circumstances.

Where the 40% target generates a requirement for a fraction of a dwelling, fractions of 0.4 or lower will be rounded down and fractions of 0.5 or higher will be rounded up to the nearest whole number. However, the 40% minimum target may prevent rounding down where this would result in less than 40% provision: for example, a development of 16 dwellings would generate a requirement for 6.4 affordable dwellings, which would have to be rounded up to 7 dwellings in order to meet the minimum 40% target. Of course, the 40% target may be reduced if it is not viable to achieve the target on a particular site.

In determining whether or not a particular site falls above the size threshold, the council may need to assess the site's relationship to any other land in the locality, particularly adjoining land, and whether it would be reasonable to regard all of the land in question as a single site. The council will be especially alert to any deliberate attempt to sub-divide
land, which should properly be regarded as a single site, in order to avoid the provision of affordable housing.

(b) Viability

The provision of affordable housing within market housing developments is often viewed as an additional cost to the developer, because the developer must sell the affordable units at a significantly reduced price. If a developer believes that the cost of providing affordable housing is likely to undermine the economics of a scheme – effectively making the site undevelopable – then viability will become an issue.

In favourable circumstances, there should be a reasonable prospect of achieving the Council’s normal target of 40% affordable housing. However, circumstances are not always favourable and if those affecting a particular site give rise to legitimate concerns about viability, which can be properly justified by means of a Financial Viability Assessment, the council will consider reducing its 40% target to an achievable level.

Financial Viability Assessments need to cover all costs and expected receipts arising from a development and the profit margin to which the developer operates (which may vary), in order to provide the necessary net residual valuation.

The council will work with developers to explore the issue of viability on a site-by-site basis and will expect the process of partnership, information sharing and negotiation to meet the following schedule:

| i. Site or building acquisition cost: | How much the developer has paid or is proposing to pay for the land or building, net of any site abnormalities and including VAT if applicable. |
| Information to be provided by the developer: | Whether the site or building has been fully acquired at this price and when exchange of contracts took place (‘full acquisition’ would not normally mean exchange of a conditional contract or entering an option agreement). |
| Action to be taken by the council: | The council, operating on an open book valuation basis, will conduct an in-house valuation of: |
| | • the value of the site or building in its existing use. |
| | • the value of the site or building for the proposed residential use. |
| | • the value of the site or building for any realistic alternative uses. |
### ii. Construction costs:
*Information to be provided by the developer:*

- How much the developer is estimating to pay for all aspects of the construction of the development including abnormals, siteworks, houseworks and estate completions. Abnormals should be itemised and costed individually and general construction costs should also be expressed as a price per m$^2$ or ft$^2$ of proposed built form.

- What allowances are made within the estimated figures for building cost inflation.

*Action to be taken by the council:*

- The council, operating on an open book basis, will conduct and in-house valuation of:
  - the reasonableness of the estimates for general construction.
  - The reasonableness of the estimated abnormal costs and the construction solutions which underlie them.
  - What assumptions were made in the original price paid for the land and evidence that these abnormal costs were identified.

### iii. Fees and other on-costs
*Information to be provided by the developer:*

- An itemised breakdown of the main development and sales related fees and other costs the developer expects to incur including fees for design, engineering, planning, building control, surveying, warranties and such like, legal fees, introduction fees, marketing and direct sales costs and interest charges where identified at a scheme level.

*Action to be taken by the council:*

- The council may obtain independent advice from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates.

### iv. Projected sale prices for dwellings
*Information to be provided by the developer:*

- How much the developer is proposing to sell the completed dwellings for broken down by dwelling type.

- What allowance if any has been made by the developer for inflation on values up to point of sale when compared to prices applicable at the time of compiling the information.

*Action to be taken by the council:*

- The council may obtain an independent opinion from a qualified professional valuer with local market knowledge of both the proposed sale prices compared to reasonable market expectations and the assumptions on house price inflation.
v. Gross margin

Information to be provided by the developer:

As a percentage of the proposed gross sales value of the development, what contribution the developer is assuming to achieve for overheads and profit, combined.

The council may obtain independent advice from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates.

vi. Other costs and receipts

Information to be provided by the developer:

How much the developer has allowed, by item, for any other contributions or costs associated with the development including planning gain contributions for education, transport, local facilities and such like.

How much the developer has allowed in its assessment of viability for receipts attributable to providing affordable housing in accordance with the Council’s policy expectations, broken down by dwelling numbers, types and tenures.

Action to be taken by the council:

The council will compare the estimated figures with its own knowledge on levels of planning gain contributions sought and affordable housing required and prices attributable to this. When appropriate, the council may seek advice from suitably qualified external consultants to validate certain cost or receipt assumptions.

(c) Grant subsidy

Assessments of site viability should start from the presumption that there will not be any grant subsidy available to support the development of affordable housing. Once this has been explored and established, developers should investigate the availability of subsidy which can then be used to ‘top up’ the level of affordable housing provision with the intention of meeting the council’s policy of 40%.

The most significant subsidy is Social Housing Grant, which may be available to help fund the actual provision of affordable housing and is awarded by the Homes and Communities Agency (which replaced the Housing Corporation in December 2008).

Typically, a grant is used to fund additional numbers or more suitable types of affordable homes than could otherwise be achieved. The availability of grant funding may therefore be an important factor when a Financial Viability Assessment has shown that 40% affordable housing cannot be achieved on a particular site. The additional subsidy provided by Social Housing Grant could bolster viability to such an extent that the 40% target can be achieved (or even exceeded, if agreeable to the developer). These matters should be discussed with the Affordable Housing Development Manager during pre-application discussions.
(d) Off-site provision
As PPS3 stresses the importance of creating sustainable, inclusive, mixed communities and of achieving a mix of housing, both market and affordable, in all areas, it is appropriate that affordable housing should be provided on the same site as general market housing. Paragraph 29 of PPS3 states that: “In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area.”

Therefore, bearing in mind the presumption for on-site provision and subject to robust justification and agreement, affordable housing may be provided on a suitable alternative site in the area, either directly by or through a payment-in-lieu from the developer. Justification may be based upon, for example, scheme viability or a localised over-provision of affordable housing. However, there may be practical difficulties in finding and securing suitable alternative sites in a rural district like St Edmundsbury, where developable land in sustainable locations is scarce. It may also be impractical for the Council to accept a payment-in-lieu without knowing there was suitable alternative land available to satisfy the need for affordable housing. Given the potential for such difficulties, developers seeking the council’s agreement to off-site provision may expect a request to:

- make direct provision on a suitable alternative site; or
- provide suitable alternative land for affordable housing development; or
- provide the required number of suitable properties by acquiring them on the open market.

In the case of developments of flats or apartments, the council may agree to off-site provision where it is possible to provide affordable housing that is more suitable for family occupation.

(e) Tenure
Analysis of the data provided by the St Edmundsbury 2005 Housing Needs Assessment indicates that 46% of households in housing need can only afford social rented housing and that intermediate housing is an option for the remaining 54%.

Generally the council aims for the provision of affordable housing according to this 46:54 ratio (46% social rented: 54% intermediate), but in exceptional cases the particular characteristics of a site or local community may warrant a variation from this. The exact ratio to be provided on each site will need to be discussed at the pre-application stage.

However, as explained elsewhere in the guide, the balance between these two types of tenure are very sensitive to market trends and the council will expect developers to make an early approach to seek guidance on what type of tenure mix would be suitable.

(f) Registered Providers (RPs)
Whilst RPs (or housing associations) are not the only organisations that can provide new affordable housing, they have been the main providers since the transfer of housing stock
in 2003. The council aims to have new affordable homes, built within general housing developments, transferred on completion to RPs or equivalent organisations.

Early round table discussions between the council, developers and potential providers (RPs) can help to ensure that the provider is acceptable to all parties. Discussions will need to include how the affordable housing can be provided and long term management arrangements secured. The Council will be interested in the standards achieved by providers – in such areas as development, management, local presence and cost – and can identify a number of RPs that have already provided a satisfactory service to date. All have affordable housing stock within the district, offer good value, ensure that affordable homes are delivered to local people, provide a consistent service to developers and have established partnering arrangements with the council, details of which can be provided by the Affordable Housing Development Manager. They are:

Circle Anglia Housing Group
Anglia House
6 Central Avenue
St Andrews Business Park
Norwich
Norfolk NR7 0HR
Phone: 01603 705070
Fax: 01603 700404
Website: [www.circleannglia.org.uk](http://www.circleannglia.org.uk)

Flagship Housing Group
Keswick Hall
Keswick
Norfolk NR4 6TJ
Phone: 01603 255414
Fax: 01603 255410
Website: [www.flagship-housing.co.uk](http://www.flagship-housing.co.uk)

Hastoe Housing Association
Rectory Farm Barns
Little Chesterford
Saffron Walden
Essex
CB11 4FE
Phone: 01799 533490
Fax: 01799 531039
Website: [www.hastoe.com](http://www.hastoe.com)

The Havebury Housing Partnership - Bury St Edmunds Area Office
Havebury House
Western Way
Bury St Edmunds
Suffolk IP33 3SP
Phone: 01284 722000
Fax 01284 722155
Website: [www.havebury.com](http://www.havebury.com)
The Havebury Housing Partnership - Haverhill Area Office
Havebury House
Manor Road
Haverhill
Suffolk CB9 0EP
Phone: 01440 718400
Fax 01440 718499
Website: www.havebury.com

Jephson Housing Association
5 Mill Square
Featherstone Road
Wolverton Mill South
Milton Keynes
Buckinghamshire MK12 5ZD
Phone: 01908 226555
Fax: 01908 226759
Website: www.jephson.org.uk

Orwell Housing Association
Crane Hill Lodge
London Road
Ipswich
Suffolk IP2 0BE
Phone: 01473 218818
Fax: 01473 286818
Website: www.orwell-housing.co.uk

Iceni Homes Ltd
Unit 13
Forbes Business Centre
Kempson Way
Bury St Edmunds
Suffolk IP32 7AR
Phone: 01284 723834
Fax: 01284 725478
Website: www.icenihomes.co.uk

Suffolk Housing Society
Old Mission House
St Botolph’s Lane
Bury St Edmunds
Suffolk
IP33 2AX
Tel: 01284 767224
Website: www.suffolkhousing.org

This is not an exhaustive or restrictive list.
The council’s Affordable Housing Development Manager can assist developers by introducing them to suitable RSL partners, once the numbers and types of affordable housing have been agreed. RSL partners can then assist developers in ensuring that all affordable homes meet the appropriate Homes and Communities Agency standards and can provide advice and guidance on other design matters to ensure a successful development.

**(g) Eligible households**

It is necessary for affordable housing to be available for those in local need and to initial and successive occupiers for as long as the local need exists. This can be achieved by transferring social rented and intermediate housing to a Registered Provider, which will take responsibility for all lettings, marketing and sales (including monitoring of any re-sales).

A household’s eligibility to occupy an affordable home is assessed according to a set of eligibility criteria. These criteria are those contained within:

- A joint Allocations Policy agreed between local RPs and the council as strategic housing authority; and
- Planning obligations (section 106 agreements) between the developer and the council as local planning authority.

The Allocations Policy provides criteria for assessing a household’s need for affordable housing. In small rural exception sites planning obligations may provide additional criteria for assessing a household’s connection to the local area, such as a family connection, a period of residence or employment within the relevant parish, parishes or district.
5. Applications for planning permission

(a) Site suitability
Sites and buildings that are suitable for residential development should be suitable for affordable housing, whether that be social rented housing or intermediate housing, subject to the borough’s Affordable Housing Policy.

The type of affordable housing to be provided should be discussed with the council at the pre-application stage, taking into account the nature of housing need and the location of the site relative to services, facilities and the availability of public transport. In some rural locations for example, residents may be at risk from social exclusion if they have no car and a very limited income. In these locations, therefore, the appropriateness of provision in the form of intermediate rather than social rented housing, will be considered. (Whilst eligible households may not be able to afford market housing, they may have sufficient income to maintain a reasonable lifestyle in that location.)

(b) Design, Layout and Integration

Integration: The integration of affordable homes within market housing developments works towards social inclusion and against segregation, in accordance with government aims for balanced, mixed and sustainable communities. In order to achieve effective integration, affordable units should not be grouped together in a single large cluster, but should be evenly distributed across the entire site in groupings of up to 15 units. This does not necessarily mean that every second or third home should be affordable, but the overarching principles of social inclusion and so on should always be upheld. On some sites, a high degree of dispersal might be unduly problematic – for example in a development of flats where the transfer of a single block might avoid management and maintenance problems for an RSL. The appropriate distribution of affordable housing within a proposed development should be discussed between the developer and the council at the pre-application stage.

Design: Good design is fundamental to the development of high quality new housing, which contributes to the creation of sustainable, mixed communities (PPS3). Affordable housing should be of similar size, type and design quality to open market housing and should be visually indistinguishable as far as practicable. Affordable dwellings should be designed to meet the identified housing needs and minimal space and amenity standards provided by the Homes and Communities Agency (or such variation as may be agreed by the council and Registered Provider). If affordable housing is to be grant-aided, developers will be required to meet the more comprehensive Homes and Communities Agency Design and Quality Standards as a condition of the grant. By 2010 this will include meeting level 4 of the Code for Sustainable Homes.
In early 2009, the Home and Communities Agency and the Commission for Architecture and the Built Environment (CABE) undertook a survey of affordable housing to create a new design benchmark. The Agency's intention is to incorporate the Building for Life standard further into the grant application system to drive up design standards in affordable housing.

As a Growth Area, St Edmundsbury Borough Council has to monitor and report against CABE’s Building for Life standard, which includes 20 criteria to assess the quality of any development scheme. It is expected that the assessment against the Building for Life standard will start to play a bigger role in the determination of planning applications. A policy on the Building for Life Standard will also be included in the council’s Development Management DPD as part of the Local Development Framework.

The council will expect developers to have regard to the Code for Sustainable Homes and the Building for Life standard in putting forward any scheme, even if they are not seeking any grant funding from the Homes and Communities Agency.

RPs will be able to provide advice and assistance to developers in identifying and achieving the relevant standards and developers are encouraged to enter into early discussions with the Council regarding the details of their scheme. More information about these standards can be found at:

**Building for Life:** [www.buildingforlife.org](http://www.buildingforlife.org)

**Code for Sustainable Homes:**

As with open-market housing, affordable housing units should be provided with car, motorcycle and cycle parking spaces in accordance with the council's standards and with consideration to the location and accessibility of the site to services, amenities, employment opportunities and so on.

The level of car parking may be reduced to take account of the proximity to public transport services and essential facilities (such as shops, schools and leisure facilities). However, an appropriate number of car parking spaces should be located close to the affordable homes to meet the needs of people with disabilities.

In developments of flats or apartments, parking provided for affordable homes should be equal to that provided for market homes of comparable size. Parking should generally be free of charge.

**Layout:** For full planning applications, the location and number of affordable homes should be clearly shown on layout plans. Details of the size and number of bedrooms...
within each dwelling should be clearly marked up and different colours used to identify
different tenures across the site. The council will expect schemes to provide good sized
bedrooms which adequately fit the description of the plans, (that a 3 bedroom unit has 3
clear, well-sized bedrooms, for example).

In developments of flats or apartments the affordable dwellings should be shown in the
same way on floor plans. In the case of outline applications, the delivery of affordable
housing needs to be agreed in principle: this should include the numbers and types of
affordable housing to be provided and should be set out within a planning obligation
(section 106 agreement).

**Other standards:** The council does not have a specific policy on management standards
but it is expected that all affordable housing will be managed in accordance with the
Regulatory Code which is now the responsibility of the Tenant Services Authority following
the dissolution of the Housing Corporation. More information can be found at
[www.tenantservicesauthority.org](http://www.tenantservicesauthority.org)

**(c) Existing and new dwellings**

When there are existing dwellings on a site, the council will take the following approach to
determining the number of new dwellings proposed in a development; whether the site
falls above the size threshold for providing affordable housing; and what the number of
affordable homes should be.

If existing dwellings are to be cleared and the land redeveloped, all of the proposed
dwellings will be new. Therefore, negotiations on a proposal to demolish 10 dwellings and
replace them with 20 dwellings will be based on the 20 dwellings to be provided and not
the net difference of 10.

If existing dwellings are to be retained they will not be new. Therefore, negotiations on a
proposal for the retention of 2 dwellings and the construction of a further 15 dwellings will
be based on the 15 additional dwellings.

If a single large dwelling is to be converted into 5 flats and 10 dwellings are to be
constructed in the grounds, all of the proposed dwellings will be new and negotiations will
be based on the total of 15 dwellings.

Negotiations on housing density (dwellings per hectare) will exclude existing dwellings
and their curtilages, if they are to be retained in their existing form.
6. **Planning procedures**

The council aims to conduct pre-application discussions about each proposal for 15 or more dwellings and to ensure that the resulting planning applications are supported by an Affordable Housing Pro-Forma, a Financial Viability Assessment and a draft planning obligation, as necessary.

**(a) Pre-application discussions**

Pre-application discussions are critically important and benefit both developers and local planning authorities in ensuring a better mutual understanding of objectives and the constraints that exist. In the course of such discussions proposals can be adapted to ensure that they better reflect community aspirations and that applications are complete and address all the relevant issues. Local planning authorities and applicants should take a positive attitude towards early engagement in pre-application discussions so that formal applications can be dealt with in a more certain and speedy manner and the quality of decisions can be better assured.

**Planning Policy Statement 1 (PPS1): Delivering Sustainable Development**

Before a planning application is made, the developer and council officers should meet to discuss the proposed development, the scale and type of affordable housing to be provided, and the mechanism for delivering that affordable housing.

Pre-application discussions will help developers make informed land acquisitions, which take into account the costs of providing affordable housing. Developers should not expect affordable housing provision to be reduced or waived simply because the associated costs were not taken into account when the land was purchased. Pre-application discussions should also reduce the likelihood of decisions on planning applications being delayed.

If the issue of viability arises during an initial pre-application discussion and cannot be resolved immediately, it may be necessary to adjourn the discussion in order that the developer may prepare a Financial Viability Assessment. Once the assessment has been prepared and independently appraised, the discussion may resume.

The delivery of affordable housing – through a Registered Provider or other mechanism – may involve a legal agreement between the council and developer known as a planning obligation (or section 106 agreement). The form and content of planning obligations should be included in pre-application discussions.

Whilst pre-application discussions will provide helpful and valuable guidance, it must be remembered that they are an expression of officer opinion and are offered without prejudice to the council’s determination of any planning application.

Opportunities for discussion do not end once a planning application has been submitted.
Additional matters may require discussion during the application process.

(b) **Contact details**

If you wish to discuss national and regional planning policy and the provision of affordable housing within general housing developments, please contact the following officer at St Edmundsbury Borough Council:

Kevin Marshall  
Senior Housing Development Officer  
West Suffolk House,  
Western Way,  
Bury St Edmunds,  
Suffolk  
IP33 3YU

01284 757606

Kevin.marshall@stedsbc.gov.uk
Appendix

Definitions of types of affordable housing:

(a) Social rented
A nominated Registered Provider purchases completed homes from a developer at specified values, which are agreed with the Homes and Communities Agency and achieve the government’s ‘target rent’ levels. Current values to developers are set out below - these vary according to the size and type of dwelling. Values are revised periodically and are posted on the St Edmundsbury Borough Council website. Dwellings should be constructed to the relevant Homes and Communities Agency development standards – a nominated Registered Provider is able to help in identifying the relevant standards and should have an input into the design of the affordable dwellings. Homes are owned and managed by the Registered Provider and occupied by local people in housing need.

(b) Intermediate
Sub-market housing substantially above Homes and Communities Agency target rents, but substantially below open market levels. ‘Intermediate housing’ is a now very wide ranging term and the Homes and Communities Agency now recognises the following as coming under the definition:

- discounted sale
- shared ownership
- intermediate rent
- Rent to HomeBuy

In the case of shared ownership and discounted sale, homes are sold, on completion, to an agreed Registered Provider, at the same purchase price as for social rented dwellings.

With discounted sale, dwellings are immediately sold, on a long leasehold basis, by the Registered Provider to a local purchaser, at the purchase price plus an amount to cover on-costs. The Registered Provider retains rights that are intended to ensure that the discount on market value is preserved each time the dwelling is sold on.

In the case of shared ownership, dwellings are offered to eligible households on a part-rent, part-buy basis. Whilst the Registered Provider retains part-ownership, occupiers may, after 2 years, buy the dwelling outright (not the case on ‘exception sites’). Relevant Homes and Communities Agency development standards will apply.

Intermediate rent is a service where good quality private accommodation is partly funded by the Homes and Communities Agency and so can be offered below the full market value, often at 70-80% of the current rate.
Rent to HomeBuy is a newer form of intermediate housing, established in response to the credit crunch where people may want to own their own home but are unable to access the necessary credit for a mortgage or have not yet saved up a large enough deposit. Under such schemes people are able to rent a property at an affordable discounted rate (usually up to 20% lower than average local market rents) for between three and five years. In the future as, circumstances change, they can purchase shares of the home or buy it outright.