



RESTORMEL BOROUGH COUNCIL

# Supplementary Planning Document [SPD] for Affordable Housing



**Adopted 15<sup>th</sup> September 2008**

web page – [www.restormel.gov.uk](http://www.restormel.gov.uk)



## INTRODUCTION & EXECUTIVE SUMMARY

The Council's highest corporate priority is the provision of affordable housing. Having set ourselves a target to provide 1,000 new affordable homes over the five-year period 2006 – 2011, we have updated our affordable housing planning guidance that was last published in 2004.

On 15<sup>th</sup> October 2007 the Council's Cabinet resolved to note a revised Local Development Scheme together with a revised set of saved Local Plan policies, including that which sets out the delivery of affordable housing through the planning process.

This SPD reflects current PPS 12 (June 2008) advice (9.1) that Saved Local Plan policies should be consistent with current National policy and (9.2 [ii]) should have regard to up-to-date affordable housing policies; its references to saved Local Plan policies also reflect the latest Housing Need data for the Borough.

This is designed to be a practical guide that explains in more detail the options available for landowners, developers, and planning applicants. In addition to our traditional partnership arrangements with Registered Social Landlords, individuals and organisations such as Landowners, Developers, Landlords, and Employers can all become directly involved in providing affordable housing. This flexibility could, for instance, extend to Landowners and Employers allocating affordable homes to employees and Keyworkers, and be based on time-limited (Leasehold) arrangements, obviating the need to permanently transfer Freehold land.

The Council will consider innovative proposals from applicants, including developments on rural 'exceptions' land, as long as proposals for affordable housing meet the fundamental dwelling type and affordability requirements outlined in this guidance. The Council also acknowledges that innovative models of housing for older people can directly or indirectly contribute to meeting affordable and special housing needs.

Following a consultation period that ended on 4<sup>th</sup> July 2008, representations and an updated SPD were considered by Policy & Scrutiny Committee (4), and Development Control Committee in August 2008. On the 15<sup>th</sup> September 2008 Cabinet resolved to adopt the SPD to replace Section 5 (Affordable Housing) of the Council's *Planning Guidance Note: Planning Obligations and Community Infrastructure* (2004). All other sections [ 1-to-4 and 6-to-12 inclusive ] of the 2005 guidance which include references to Education, Transport, and Open Space obligations remain in place.

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## QUICK REFERENCE GUIDE

### SITE THRESHOLDS FOR THE PROVISION OF AFFORDABLE HOUSING

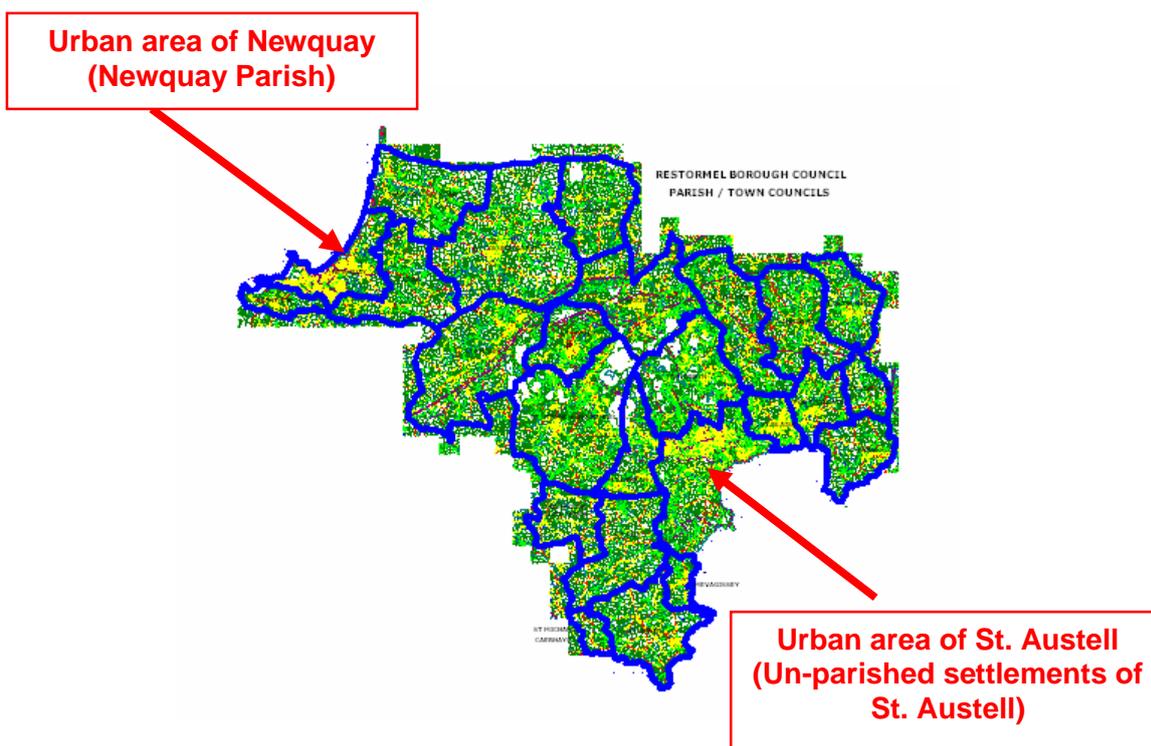
- ❑ Sites of 10 dwellings or more in the urban areas of Newquay & St Austell
- ❑ Sites of 2 dwellings or more in all other settlements

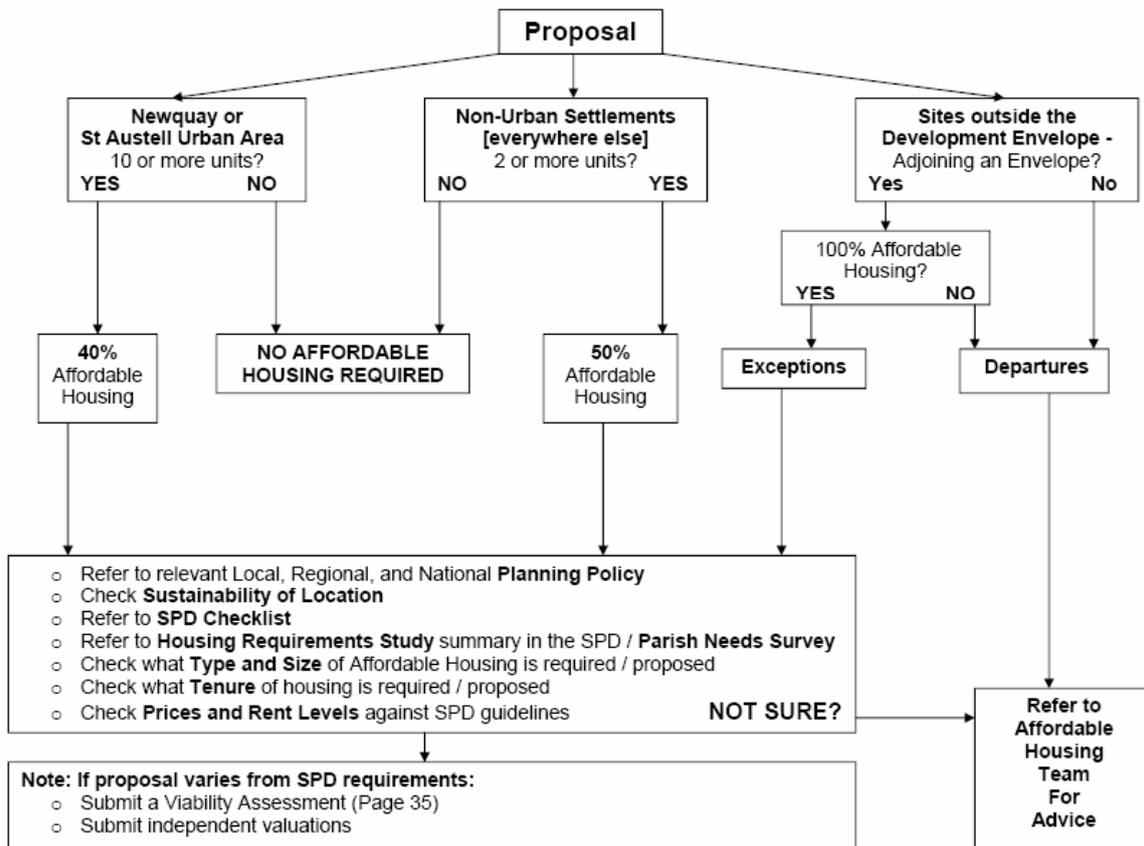
### PROPORTION OF AFFORDABLE HOUSING SOUGHT

- ❑ A minimum of 40% Affordable Housing to be included in urban areas, and
- ❑ 50% in all other settlements

### TENURE REQUIREMENTS FOR THE BOROUGH

- ❑ On sites of less than 10 dwellings; 100% Intermediate affordable housing
- ❑ On sites of 10 or more dwellings; a minimum of 30% Social Rent, with the balance comprising intermediate affordable housing





SITE SIZE Total dwellings proposed	NEWQUAY & ST AUSTELL 40%				
	Number of Affordable Homes required	of which:	Social Rent	Intermediate Rent or Ownership	
1 to 9	none				
10 - 11	4	=	1	+	3
12 - 13	5	=	1	+	4
14 - 16	6	=	2	+	4
17 - 18	7	=	2	+	5
19 - 21	8	=	2	+	6
22 - 23	9	=	3	+	6
24 - 25	10	=	3	+	7
50	20	=	6	+	14
75	30	=	9	+	21
100	40	=	11	+	29
200	80	=	23	+	57
300	120	=	34	+	86

SITE SIZE Total dwellings proposed	OTHER SETTLEMENTS 50%				
	Number of Affordable Homes required	of which:	Social Rent	Intermediate Rent or Ownership	
1	none				
2	1	=	0	+	1
3 - 4	2	=	0	+	2
5 - 6	3	=	0	+	3
7 - 8	4	=	0	+	4
9	5	=	0	+	5
10	5	=	1	+	4
11 - 12	6	=	2	+	4
13 - 14	7	=	2	+	5
15 - 16	8	=	2	+	6
17 - 18	9	=	3	+	6
19 - 20	10	=	3	+	7
21 - 22	11	=	3	+	8
23 - 24	12	=	3	+	9
25	13	=	4	+	9
50	25	=	7	+	18

## OVERALL MIX, TYPE, AND TENURE OF HOUSING

This SPD contains information from the 2007 West Cornwall Housing Requirements Study and Strategic Housing Market Assessment, which identify a mix of dwellings that would best meet needs. The study itself is available on the Council's website and may be referred to as a guide when considering overall proposals for any site in the Borough.

Figure 64 of the Study presumes a worst-case scenario where a greater need for Social Housing would arise if there were an inadequate supply of truly affordable Intermediate affordable housing products. Should this happen, the level of social housing that would be required presents an untenable situation because it would involve a public subsidy requirement of some £10m per year, which is between 200% - and – 300% greater than the likely available resources.

The Council believes that it is possible to provide an adequate range of Intermediate affordable housing to meet the different needs of a range of households with differing income levels. The tenure requirements of this SPD have therefore been drawn from Figure 63 of the Study, which presents a case for predominance of Intermediate affordable housing.

The following proportions of market and affordable housing, both intermediate and Social Rent represent the net requirement for additional housing, because the Study has already taken account of affordable housing vacancies arising within the existing stock:

Proportional Unit Mix:	Market	Intermediate	Social Rented
1 bedroom	0%	5%	0.5%
2 bedrooms	59%	61%	99.5%
3 bedrooms	41%	6%	0%
4 + bedrooms	0%	28%	0%
	100%	100%	100%

The Council recognises that some discretion is appropriate when interpreting policy into practice. For example, the study indicates that there is a sufficient current supply of 3-bedroomed accommodation for Social Rent, but proposals that include 3-bedroomed houses for Social Rent would not be rejected. They would be considered in the context of overall proposals, discussed in detail at pre-planning application stage, and the requirements checked against local housing need data current at the time.

**In addition to the Strategic Housing Market Assessment, the Council will also give full consideration to how developments can achieve the best mix of housing to create and sustain balanced communities.**

## INTERMEDIATE

### DISCOUNTED SALES

The Council will seek discounted sales to be provided at the average prices as set out in the box below.

<b>Typical Unit Type:</b>		<b>Average Entry Prices</b>
1 bedroom	£64,500 - £77,750	<b>£71,125</b>
2 bedrooms Low	£64,500 - £77,750	<b>£71,125</b>
2 bedrooms High	£80,500 - £97,250	<b>£88,875</b>
3 bedrooms Low	£80,500 - £97,250	<b>£88,875</b>
3 bedrooms High	£96,500 - £116,500	<b>£106,500</b>
4 + bedrooms	£112,750 - £136,000	<b>£124,375</b>

In order to deliver a range of prices, the Council has defined high and low values for two-bed and three-bed properties. For example, if ten two-bed properties were provided as part of a development, we would seek five at £71,125 and five at £88,875.

On small exception sites of one or two units, the Council would consider proposals based on the high value average. For example, subject to an appropriate viability assessment, two x three-bed properties could each be provided at £106,500.

### SHARED EQUITY

For Shared Equity proposals involving residual rent, the combined cost of the mortgage and rent should be within the levels indicated in the table above.

### SOCIAL & INTERMEDIATE RENTS

For those who cannot access intermediate home ownership, there are three levels of rent, according to household affordability. The table below shows how the Social Rent levels charged by RSLs compare with the lowest available open market rents, and indicates how the Council uses RSL rents as the basis for calculating acceptable Intermediate rent levels:

<b>Housetype</b>	<b>Weekly RSL Target Rents</b>	<b>Weekly Private Rent [lowest quartile]</b>	<b>Target Intermediate Affordability levels</b>
<b>1 bedroom</b>	£48.83	£103.85	<b>RSL Target Rent x 155%</b>
<b>2 bedrooms</b>	£55.60	£132.69	<b>RSL Target Rent x 170%</b>
<b>3 bedrooms</b>	£62.40	£155.77	<b>RSL Target Rent x 175%</b>
<b>4+ bedrooms</b>	£69.70	£196.15	<b>RSL Target Rent x 190%</b>

## **INTEGRATION OF AFFORDABLE DWELLINGS**

Affordable housing should not be distinguishable from other housing on a site, be visually integrated (“tenure blind”) & appropriately distributed throughout the site.

In varying degrees there is a need for a range of affordable dwelling types, so as the basis for pre-application discussion, proposals for affordable housing should aim to reflect:

- A mix of housetypes that is broadly proportional to the mix of dwellings proposed for a site as a whole

and

- a mix that reflects as far as possible the identified needs

This guidance highlights the different ways in which affordable housing can be provided, and acknowledges financial viability. Feasibility studies should explore the range of options available, and not be restricted to one particular form of affordable housing. The Council will use financial models to assess the economic implications of residential development that include affordable housing.

The information that is required for undertaking an assessment is identified in **Appendix 5** where there is an illustrative Table and examples

Applicants can use the Table in this SPD, or submit similar details using their own form of assessment or spreadsheet

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**Supporting documents & information available at [www.restormel.gov.uk](http://www.restormel.gov.uk) include:**

- ❑ Local Plan
- ❑ The Housing Needs of Restormel borough
- ❑ The Strategy for Housing
- ❑ Corporate Delivery Plan
- ❑ Community Strategy

# 1. WHAT IS AFFORDABLE HOUSING?

## 1.1 **Planning Policy Statement 3: Housing**

This replaces earlier guidance from Government and contains the following definition:

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

### **Social rented housing is:**

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

### **Intermediate affordable housing is:**

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

These definitions replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

- ## 1.2 **The South West Regional Housing Strategy 2005-09** refers to housing of a good standard, of any tenure, that is available at significantly below the normal cost of housing available on the open market, and available to those on low to moderate incomes.

1.3 **The Council's definition** of affordable housing is *'housing for sale or rent which is available at a price sufficiently below levels on the open market to allow local people in need to access housing which would otherwise not be available to them'*. This definition pre-dates PPS3, but nonetheless supports the government's position. For clarity, the Council refers to the full PPS3-compliant definitions when negotiating provision, and includes PPS3 definitions in its s106 legal agreements.

#### 1.4 **Local People in Housing Need**

**Affordable Housing provided within the urban areas of St Austell and Newquay** will be available to those who:

- Have lived or worked within a radius of ten miles of Newquay or the presently un-parished locality of St Austell, for at least 3 years within the previous 10 years, or
- Have returned, or wish to return to Newquay or St Austell and can demonstrate that they were raised there for 10 of their first 16 years, or
- At the time of birth the family was resident in Newquay or the presently un-parished locality of St Austell

**Affordable Housing provided within all other settlements** will be available to those who:

- Have lived or worked within the relevant parish or parishes for at least 3 years within the previous 10 years, or
- Have returned, or wish to return to the relevant parish or parishes and can demonstrate that they were raised there for 10 of their first 16 years, or
- At the time of birth the family was resident in the relevant parish or parishes

In much smaller settlements, and clusters of small Parishes, affordable housing provided in one parish will be available to those from its neighbouring Parishes, where the same level of qualification criterion will apply. A list of Grouped Parishes can be found in **Appendix 11**

**Additionally**, those who will qualify for Affordable Housing must;

- Demonstrate that their annual income and capital is such that they cannot afford market rents or prices for accommodation that is appropriate to their needs when spending a reasonable proportion of their income on housing costs.

Different kinds of affordable housing, and the ways in which it can be provided are further explained in **Appendix 3** of this SPD.

## 2. AFFORDABILITY

### 2.1 National Policy

The Government's department for Communities & Local Government has undertaken research to assess the implications of national and regional affordability targets for housing supply. This has included the findings of The Barker Review, a Commons Select Committee inquiry into Affordability and the Supply of Housing, and the work of the Affordable Rural Housing Commission. None of these specifically addressed costs at a local level, but all contributed to the Government's strategic conclusion that stimulating growth in development and significantly increased investment in the supply of affordable housing will together improve market stability and affordability.

### 2.2 South West Regional Housing Strategy 2005 -16

With significant variations in housing costs against household incomes throughout the south west, the Strategy recommends that the market trends and needs of households is best analysed at a sub-regional level. In Restormel this is achieved through the partnership commissioning of the West Cornwall sub-regional Housing Market Assessment.

### 2.3 West Cornwall Strategic Housing Market Assessment 2008

This is informed by the **2007 West Cornwall Housing Requirements Study** and considers affordability advice for a range of tenures.

### 2.4 Social Rent

The National Housing Federation definition is that up to 30% of Net household income is affordable. This remains relevant to those requiring Socially Rented homes and can be achieved by RSLs within Housing Corporation (now known as the National Affordable Homes Agency) Target Rent levels.

### 2.5 Intermediate Affordable Housing

Those on higher incomes might expect to contribute between 30% and 50% of Net household income. For higher earners, it is not the proportion of income that is the over-riding factor, but the amount of residual income available after housing costs.

### 2.6 Mortgageability

Emerging Government guidance \* suggests:

- Lending for single incomes at 3.5 x the income and
- Lending for joint incomes based on a multiplier of 2.9 x

\* *Strategic Housing Market Assessments Practice Guidance v2*

Savings / Parental assistance, Debts, or any Equity (positive or negative) should all be taken into consideration. Therefore:

Affordability = Savings <input type="checkbox"/> - debts <input type="checkbox"/> +/- positive/negative equity <input type="checkbox"/> + Lending amount
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In a healthy market, there is a wide range of financial products that are promoted by financial institutions, many of which can be used to fund affordable housing. Conversely, when the financial market is less buoyant, static, or in decline, funding restrictions and conditions are common, making it difficult to secure funding to enter the intermediate affordable housing market. Proposals for affordable housing need to be mindful of these risks e.g.

Lifestyle Mortgages; there is a current trend for Lifestyle Mortgages. These allow a borrower to make extra repayments, but they also allow borrowers to reduce, or even skip payments. For those on lower incomes, the temptation to take advantage of flexibility can increase the risk of not being able to maintain higher payments later, and increase the risk of repossession.

- 2.7 Data from the housing needs assessment has informed benchmarks of affordability and these are summarised in **Appendix 2**

#### **Borough-wide House Prices**

- 2.8 Land Registry house price data is used to inform policy. Tracking open market house prices in the West Cornwall Housing Market Area, the housing needs assessment found that open market prices in Restormel had increased by 163% in the period 2000-2007. In the second quarter of 2000, over 50% of all completed open market property sales were priced at less than £80,000 but sales at this level currently represent less than 5% of all sales. A summary of house price data is included **Appendix 2**

#### **Local Average Earnings**

- 2.9 The Council no longer monitors earnings by reference to data from the Office of National Statistics but instead refers to data from the 2007 West Cornwall Housing Need Assessment. Survey data household income data is more robust, and is considered more robust for the Council's affordability criterion. Income data is summarised in **Appendix 2**

## **3. HOUSING DEMAND & HOUSING NEED**

- 3.1 **HOUSING DEMAND** relates to the quantity of housing that households are willing and able to buy or rent.
- 3.2 **HOUSING NEED** is the measure of the quantity of housing required for households who are unable to access suitable housing without financial assistance.

**3.3 2008 West Cornwall Strategic Housing Market Assessment (SHMA) & The West Cornwall Housing Requirements Study 2007**

As part of the West Cornwall Housing Market Area, the Council has worked in partnership with its neighboring authorities of Carrick, Kerrier and Penwith District Councils to commission a comprehensive assessment of housing needs. In addition to a report referring to the West Cornwall sub-regional Housing Market Area, each of the partners has a district or borough-specific assessment of the housing needs that are particular to their administrative areas.

- 3.4 The findings of the Restormel study identify the level of affordable social housing that needs to be provided for those on the lowest incomes, alongside those who are able to consider forms of intermediate affordable housing, and those able to meet their own housing needs by accessing homes for rent and sale on the open market. This information supports and informs the wider West Cornwall Strategic Housing Market Assessment, and our affordable housing policies, and a summary can be found in **Appendix 2**

Both the Housing Requirements Study and the Strategic Housing Market Assessment were undertaken in accordance with guidance and both will be made available on the councils website.

**3.5 The Housing Needs of Key Workers**

The Government's definitions of key worker only includes those groups eligible for the Housing Corporation (now known as the National Affordable Homes Agency) funded Key Worker Living Programme, and others employed within the public sector identified by the Regional Housing Body (see [www.southwesthousingbody.org.uk](http://www.southwesthousingbody.org.uk)) Further details are also provided on the Department for Communities and Local Government [DCLG] website at [www.dclg.gov.uk](http://www.dclg.gov.uk)

As the Council has not undertaken any specific research into Keyworker housing needs, the Council is not proposing any specific policy in relation to Keyworker housing. However, interviews undertaken as part of the latest housing needs assessment will have included Keyworkers, and any that are registered in housing need would be considered in the normal way for affordable housing secured through general affordable housing policies.

**Housing Register**

- 3.6 An important secondary source of information about housing need, and of qualifying applicants is the Council's HomeFinder and Home2Own databases, where people who need affordable housing register their requirements and respond to opportunities.

### **Parish Housing Needs Surveys**

- 3.7 Parish Councils are encouraged to undertake housing needs surveys, sometimes in conjunction with a Parish Plan. Where Parish Councils have undertaken more detailed and qualitative local Parish Appraisals and Parish Plan work, and housing needs surveys are undertaken within three years of a Strategic Housing Market Assessment [SHMA], their more detailed and qualitative information about specific local needs will share equal prominence with the SHMA for supporting proposals for affordable housing development through Planning Exceptions, Local Plan Policies 75 & 76.

Parish Councils are advised to contact the Rural Community Council before undertaking such surveys to ensure the methodology is appropriate. Contact details in **Appendix 11**

### **3.8 Special Needs and Supported Housing**

The need for dwellings that are suitable for people with special needs, and the need for accommodation with associated care and support, rely on more specific information than that contained in housing needs surveys.

The Primary Care Trusts and Social Services are the main partnership agencies that provide care and support, and the County Council's Supporting People Team co-ordinate revenue funding for services provided to a range of client groups. Landowners and Developers are advised to contact the Council at an early stage to determine if there are any affordable housing requirements for those with particular or special needs, and how these may be accommodated. A specialist agency should be involved to provide suitable accommodation.

- 3.9 When planning new affordable dwellings, the Council will take account of any priorities identified in the current Supporting People Strategy. This is available on the County Council's website:  
[www.spkweb.org.uk/Your\\_local\\_area/GOSW/Cornwall](http://www.spkweb.org.uk/Your_local_area/GOSW/Cornwall)

## **4. PLANNING POLICY CONTEXT**

### **4.1 National Guidance**

Planning Policy Statement (PPS) 3:Housing. This defines affordable housing, as explained in Section 2, and is a material planning consideration.

### **Regional Spatial Strategy [RSS] for the South West**

- 4.2 The draft RSS contains a broad development strategy for the period to 2016, provides the framework for other strategies and programmes, and informs the delivery of the 10-year South West Regional Development Agency [SWRDA] regional strategy. The Regional Planning Body sets and monitors the strategic overall provision of affordable housing against a provisional indicator of 6,000 –10,000 units a year for the region.

- 4.3 The detailed affordable housing requirements of households of different characteristics (i.e. single person households, families, older people, Key Workers) are left to individual Councils to consider as part of their Local Plans or Schemes, where policy implementation is expected to include a realistic view about housing finance in deciding how much affordable housing can be delivered during the plan period.
- 4.4 The RSS has been the subject of consultation and is scheduled for publication in 2008. Under the Planning and Compulsory Purchase Act 2004, existing Structure Plan policies were automatically saved until September 2007, but the South West Regional Assembly (SWRA), as Regional Planning Body, subsequently secured Secretary of State's Direction to save policies until they are replaced by the published RSS. These include Policy 8: Housing, Policy 9: Mix And Affordability Of Housing, and Policy 10 Location Of Housing Development. Until the RSS is adopted, Regional Planning Guidance [RPG 10] remains a Material Consideration.

#### **Cornwall Structure Plan 2004**

- 4.5 The Structure Plan sets out broad strategic policies to guide changes in development and transport within Cornwall for the 15-year period to 2001 - 2016. These policies consider the number of new people and jobs, when and where new types of development might arise, and the number of new houses likely to be needed. The Plan indicates that 5,600 new homes should be delivered within Restormel, equivalent to an average of 370 new dwellings per year. The detail of what might be delivered, and where, is contained within our Local Plan, including the numbers of affordable housing that will be sought.

#### **Restormel Borough Council Local Plan 2001-2011**

- 4.6 The 1991 Town and Country Planning Act required all District and Borough Councils to provide a Local Plan for the whole of their administrative area. Our Local Plan covers the period 1991 – 2011 and was adopted in October 2001. The affordable housing issues identified within it remain relevant, and include:
- Unmet housing needs in the Borough
  - Very high ratios of house price to income
  - Low average incomes and high unemployment

Our adopted Local Plan policies that are designed to address these issues can be found in **Appendix 1**

#### **Overall Approach**

- 4.7 The Council will refer to its Strategic Housing Market Assessment / Housing Requirements Study in addition to any other approved Parish Plan Policy Appraisal / local Housing Needs Surveys to determine the nature and mix of affordable housing sought in association with appropriate residential schemes in the Borough. The Council would expect to see proposals for affordable housing that are seamlessly integrated (rather than obviously segregated) from open market housing.

## 5. THRESHOLDS AND TARGETS FOR THE PROVISION OF AFFORDABLE HOUSING

5.1 Appendix 4 indicates the proportions of open market and affordable housing that will meet the identified needs within Restormel. Referring to this, and to achieve affordable homes that contribute to the Local Plan target, the Council has set a higher target and two lower thresholds than those recommended in PPS3. The following thresholds and targets are the basis for negotiation:

<b>Threshold</b>	<b>Sites of 10 dwellings or more in the urban areas of Newquay &amp; St Austell, and  Sites of 2 dwellings or more in all other settlements</b>
<b>Target</b>	<b>A minimum of 40% Affordable Housing to be included in urban areas, and  50% in all other settlements</b>

### 5.2 Calculating the number of affordable dwellings

Where the calculation for providing affordable housing results in a fraction of a percentage point, the Council generally applies its policy by rounding-up the calculation. Where a fraction does occur, and where justification can be made, the Council will by exception consider a proposal for a number of dwellings calculated by rounding-down the result, plus a commuted sum, calculated as a proportion of one single affordable dwelling. The approach and calculation are explained in section 9.0 and in Appendix 9.

### 5.3 Gross provision & Net Gain

Where proposals involve the redevelopment of existing dwellings, the threshold and target for affordable dwellings will be considered against the Net gain in dwelling numbers e.g.

Location:	Non-urban settlement
Threshold:	2 x dwellings or more
Target:	50% affordable housing
Proposal:	Demolish pair of semi-detached houses (2 dwellings) Replace with a block of 8 apartments
Net gain:	6 dwellings (8 apartments less two houses)
Policy:	3 of the proposed apartments (50% of the Net gain) should be proposed as affordable dwellings

## 6. ON-SITE AFFORDABLE HOMES

- 6.1 Advice in PPS3 (paragraph 29) supports the presumption that affordable housing should be provided at the application site. This is the Council's preference and therefore on-site provision will be sought in the first instance in all cases.

## 7. RURAL AFFORDABLE HOUSING

- 7.1 Affordable housing schemes in rural areas should only be developed where a need has been identified and there is reasonable access to a local School, and a Shop or Post Office, and local public transport facilities.

### 7.2 EXCEPTIONS SITES FOR AFFORDABLE HOUSING

Where a local need for affordable housing exists, the Council will actively consider the provision of affordable housing on land outside the Local Plan boundary. Proposals that involve an Exception to policy will need to satisfy certain criterion e.g. an appropriate location that respects the character of and relates well to an existing settlement.

Remote or isolated sites will not be considered.

Detailed legal agreements are always required to ensure that properties provided under the Rural Exception policy remain available as affordable housing in the longer term, and that arrangements provide priority access for local people.

The Council wishes to encourage smaller developers to play a greater role in delivering exception sites in smaller villages, and would welcome opportunities for informal pre-application discussions.

Homes provided under the Exceptions Policy should comprise 100% affordable housing.

### 7.3 DEPARTURES FROM POLICY

As noted above, PPS3 clarifies that Exceptions proposals may only include affordable housing. As such, any proposals for 'exceptions' development that include cross-subsidy through a number of open market sales would represent a Departure to Local Plan policy, and would hence fall outside the scope of this SPD. However, the possibility of Departures proposals exists, and the Council will consider these in that context.

## 7.4 CONVERSION OF RURAL BUILDINGS

Affordable Housing provided through the conversion of barns and other agricultural buildings in rural areas will be supported where the location is considered to be sustainable, and where the proposals meet other relevant planning policy objectives.

## 8. SITE DENSITY

- 8.1 The density of all housing sites should be at least 30 dwellings per hectare or 12 per acre in accordance with PPS3. In sustainable urban locations higher densities will be encouraged. The Council welcomes proposals that make efficient use of sites but approaches to maximising density will remain flexible to respect local site constraints. The Council will also be alert to any attempts to deliberately circumvent the site size thresholds. For example, if a site is split into two or more sites, which physically abut each other, the Council will treat any which fall below the site size thresholds as one site for the purposes of affordable housing policy.
- 8.2 Where existing dwellings occupy a site that is to be redeveloped, the Council will consider proposals for affordable housing calculated against the Net gain of units i.e. the difference between what is proposed and what is already there, regardless as to whether existing dwellings are currently habitable.

## 9. OFF-SITE PROVISION & FINANCIAL CONTRIBUTIONS IN LIEU (Commuted Sums)

### 9.1 Off-site provision

This will only be considered where there are sound planning reasons why on-site provision is not possible or appropriate. Where the applicant proposes to deliver affordable housing on land that is not part of the application site, the Council will wish to be assured that the off-site provision is deliverable.

### 9.2 Financial Contributions in Lieu (Commuted Sums)

The provision of contributions in lieu of on-site or off-site provision is the Council's least preferred option, and will only be considered in exceptional circumstances. The Council will need to be satisfied that this approach will result in the provision of affordable housing. The Council's policy on commuted sums, and how they are calculated, is included in **Appendix 9** and is intended to form the basis for negotiation

## 10. COMMUNITY CONSULTATION PRE-APPLICATION DISCUSSION

- 10.1 Recent changes to the planning system have emphasised the importance of public participation and the Council shares this view. By undertaking early discussions with local communities in bringing forward suitable housing sites at the application stage, applicants can establish any support for the proposals, and dispel any misunderstanding or preconceptions.

People and organisations could include:

- ❑ The Parish or Town Council
- ❑ Local residents or tenants groups
- ❑ Local ward Councillor(s)

Provide relevant supporting information:

- ❑ Use a simple plan to clearly identify the land that you are proposing
- ❑ If you are likely to be working in partnership, with a housing association for example, it's worth considering a joint approach
- ❑ Ask whether there is a local newsletter in which you could include details of your proposals
- ❑ Consider an informal exhibition, for example display boards in a village hall
- ❑ Be ready to provide information about how people can contact you with their views, and give them a timeframe
- ❑ Even if your proposals are only brief and in-principle, it always helps to give an indication of the likely type and size of properties, and a rough indication as to their rent or purchase costs
- ❑ Provide clear advice about who will likely be responsible for maintaining and managing the affordable homes
- ❑ Familiarise yourself with who is likely to qualify for affordable housing in a given area, and be ready to advise people how they will be able to get more information at the appropriate time, and the arrangements for applying for any affordable housing.
- ❑ Expectations for delivery of affordable housing need to be realistic, and any advice about when they might be ready for occupation needs to be carefully considered, bearing in mind that new projects typically take between 12 and 24 months to get off-the-ground.

## 11. PRE-APPLICATION DISCUSSION

- 11.1 Landowners and Developers are encouraged to enter into pre-application discussions with the Council. **Appendix 6** explains how this might facilitate the expeditious determination of planning applications.

## 12. AFFORDABLE HOUSING STATEMENT & HEADS OF TERMS

- 12.1 Applicants are encouraged to provide an affordable housing statement to support their planning applications, having regard to this Guidance, and indicating how their proposals meet the Councils affordable housing requirements. The Statement, or more detailed Heads of Terms form a clear basis for preparing s106 planning agreements as explained in **Appendix 7**
- 12.2 If planning or other circumstances affect the applicants ability to provide the mix of housing that would precisely meet local needs, the statement should detail an alternative mix of dwellings for consideration, and this should meet the broader identified needs of the Borough.

## 13. IMPLEMENTATION OF POLICY

- 13.1 The delivery of affordable housing will take priority over any other obligations that are requested. In cases where viability issues are raised over the total cost of overall Developer contributions, affordable housing provision will take precedence over other items.
- 13.2 **Abnormal Costs and Competing Uses**  
The Council will consider any legitimate abnormal costs associated with development proposals when assessing the proportion of affordable housing sought, but this does **not** include the impact of standard development costs such as demolition, mining, contamination, landscaping, or archaeological and ecological surveys.
- 13.3 Abnormal costs are those that could not have been reasonably anticipated in advance. Where policy indicates that affordable housing should be included, its provision should be a fundamental part of any site feasibility study. In itself, the provision of affordable housing does not therefore represent an abnormal cost. Should an applicant wish to highlight legitimate abnormal cost issues as a viability issue in relation to affordable housing provision, those proposals must be substantiated through an open-book approach with evidence from a Viability Toolkit as explained in **APPENDIX 5**
- 13.4 **Economic Viability**  
This guidance highlights the different ways in which affordable housing can be provided. A simple comparable scheme feasibility study that considers only one particular form of affordable housing will not be considered. Comparative scheme feasibility studies must consider all possible options and all possible types, sizes, costs, and tenures of affordable housing. Forecast costs and valuations for the scheme as a whole must take account of commonly accepted levels of profit margin, and include a summary of costs against revenue with a neutral or positive (rather than negative) balance, and all evidence must be provided in a form that can be assessed independently.

13.5 The Council will use the Three Dragons Toolkit which provides an assessment of the economics of residential development for specific schemes, testing the economic implications of different types and amounts of planning obligation and, in particular, the amount and mix of affordable housing. Another acceptable method for assessment is the Housing Corporation's Economic Appraisal Toolkit, developed by GVA Grimley; see **Appendix 5**

13.6 Other than abnormal costs, there may also be instances where affordable housing provision renders a site's redevelopment for residential purposes less viable than a competing alternative use. Where a Developer wishes the Council to consider such a situation, financial evidence, to be treated confidentially by the Council, will be required to support the claim. The Council will appoint an independent valuation surveyor when viability issues are raised. A typical brief to a Valuer is included in **Appendix 8**.

### 13.7 **Other Considerations**

In assessing site suitability, the Council will take into account all relevant planning considerations. In addition to the economics of provision and abnormal costs, the Council will also take into account:

- The proximity of local services and facilities and access to public transport;
- Whether the provision of affordable housing would prejudice the realisation of other planning objectives that need to be given priority in development of the site;
- The need to achieve a successful development. Care is needed in designing and integrating affordable housing on the site and in its implementation and subsequent management.

### 13.8 **Sustainability**

Affordable homes that are developed in partnership with Registered Social Landlords, and which involve public subsidy, must be procured in accordance with the Housing Corporation's standards current at the time. These include the Code For Sustainable Homes regime, Building For Life, and Housing Quality Indicators. These address standards across all aspects of procurement & construction, which includes minimization of waste, sourcing of materials from sustainable sources, maximization of energy efficiency for occupants, and minimizing the environmental impact for everyone.

The Council recognizes that proposals for affordable housing that do not involve an RSL or public subsidy cannot achieve comparable sustainability standards without adversely impacting upon scheme viability, but this should not preclude considering positive benefits such as adequate storage space to ease and facilitate household recycling.

### 13.9 **Parking Provision**

The Council generally seeks **1.5 spaces per dwelling** within residential development schemes in accordance with PPS3. The Council will determine appropriate provision on a site-by-site and flexible basis, depending on the site's accessibility to public transport, and its location in relation to facilities and services taking into account the views of the Highway Authority. The Council will also consider the advice of the affordable housing provider and their experience locally in determining suitable provision, and any improvements to transport that the proposed development overall will deliver.

13.10 The Council will also seek to negotiate suitable provision for motorcyclists and cyclists for dwelling houses and flats. The standard is one space per unit, and these should be both covered and secure.

### 13.11 **Timing of Affordable Housing Provision within Development Schemes**

The Council wishes to encourage the integration of affordable units with open market properties, it is envisaged that delivery of the affordable units will be phased as the total development is completed. Such an approach assists social integration and the establishment of mixed communities at an early stage.

13.12 **Public Subsidy** As explained in **APPENDIX 4** Public Subsidy (be it social housing grant or other public subsidy) to provide affordable housing is limited, and cannot be expected or assumed in any proposals for the provision of affordable housing.

***Developers and Landowners should calculate the cost of contributions to affordable housing on the basis that public subsidy will not be available***

13.13 A checklist for Parish and Town Councils on how to assist the provision of affordable housing is included in **Appendix 11**. In addition, a heads of terms model legal agreement for rural exception sites developed by an RSL is set out in **Appendix 7**.

## 14. BIBLIOGRAPHY & GLOSSARY

- Adopted DETR Guide to Social Rent Reforms (March 2001);
- Affordable Rural Housing: An Opportunity for Business, the Housing Corporation (now known as the National Affordable Homes Agency) and the Countryside Agency, 2003;
- Better Places to Live by Design: A Companion Guide to PPG3 (2000);
- Cornwall County Council: Approved Structure Plan, Second Review (2004)
- DCLG, Local Housing Needs Assessment: A Good Practice Guide (2000);
- Draft RSS (March 2006);
- Housing Market Assessment
- Housing Requirements Study for West Cornwall and Restormel, 2007
- Joseph Rowntree Foundation, A Guide to Planning for Continuing Care Retirement Communities (2006);
- Local Transport Plan 2, Cornwall County Council;
- Our Countryside: The Future – A Fair Deal for Rural England (The Rural White Paper) M4909 (2000);
- Planning Obligations, Circular 5/2005, DCLG (18 July 2005);
- Planning Policy Statement (PPS) 1: Delivering Sustainable Development (2005);
- PPS11, Regional Spatial Strategies (2004);
- PPS12, Local Development Frameworks (2005);
- PPS3, Planning Policy Statement 3, Housing (November 2006);
- Regional Planning Guidance for the South West (RPG10) (2002);
- Restormel Local Plan, Adopted November 2005.
- Cornwall Supporting People Strategy 2005-2010;
- Housing Corporation (now known as the National Affordable Homes Agency), Rent Influencing Regime – Implementing the Rent Restructuring Framework (October 2001);
- Housing Corporation Scheme Development Standards, April 2003;
- Housing Corporation’s National Affordable Housing Programme 2008/2011 Prospectus (2007);
- South West Regional Housing Strategy 2005-09;

Community Self Build Agency

[www.communityselfbuildagency.org.uk](http://www.communityselfbuildagency.org.uk)

Walter Segal Self Build Trust

[www.segalselfbuild.co.uk](http://www.segalselfbuild.co.uk)

HomeBuy

[www.housingcorp.gov.uk/server/show/nav.549](http://www.housingcorp.gov.uk/server/show/nav.549) and

[www.homebuy-southwest.co.uk/pages/homeownership.htm](http://www.homebuy-southwest.co.uk/pages/homeownership.htm)

HomeBuy schemes in Cornwall

[www.home2own.org.uk](http://www.home2own.org.uk)

Community Land Trusts

[www.communitylandtrust.org.uk](http://www.communitylandtrust.org.uk)

Mutual Home Ownership

[www.cds.coop/document\\_store/Doc156.doc](http://www.cds.coop/document_store/Doc156.doc)

# GLOSSARY

**Affordable Housing** - Definitions contained in **Appendix 3** of this SPD.

**Housing Corporation** - (now known as the Homes and Communities Agency and including English Partnerships) - responsible for managing the funding and regulation of the Government's affordable housing programme through RSLs, and the delivery of urban regeneration & renewal, decent homes, housing growth & PFI.

**Key Workers** - Definition and range of types contained in **Appendix 3** of this SPD.

**Mortgagee in Possession Clause** -Where the Council seeks to impose occupancy controls, lenders of private finance often require the RSL or Developer to negotiate for the inclusion of clauses in planning obligations that would enable the lender to dispose of the property on the open market. People who buy affordable housing will often find that their Bank or Building Society will also check for the inclusion of a Mortgagee clause, and some will not lend without one. The clause is designed to ensure that in the cases of repossession, every effort is made to sell the property to a person who qualifies for affordable housing – or to an RSL, & only sold on the open market as a very last resort.

**Nomination Agreement** - Some affordable housing schemes do not involve a s106 planning agreement and, in these cases, a Nomination Agreement between the Council and an RSL or Developer is used to ensure that affordable housing is allocated to people in need of it. The Council seeks a proportion of nomination rights to all affordable housing.

**Registered Social Landlord (RSL)** - RSL refers to a housing landlord registered with the Housing Corporation. RSLs may be charities that are housing associations, industrial and provident societies and not-for-profit companies. The involvement of an RSL ensures the future occupancy of affordable housing is controlled, safeguarded through an obligation to have publicly available policies and procedures for allocating tenancies, which is part of the Housing Corporation's 'Performance Standards' for RSLs, and reinforced by the Tenant's Guarantee. Should any disposal of RSL assets become necessary, it will generally take place under Housing Corporation control, and be less likely to adversely impact on occupiers.

**Section 106 Agreements** - An agreement made under Section 106 of the Town and Country Planning Act 1990, between a Local Planning Authority and Developers specifying, for instance, that a proportion of a development site be reserved for affordable housing. S106 agreements run with the land and apply to successive owners. The delivery of affordable housing will normally be through a S106 agreement as the provisions governing the provision of affordable housing and its future retention are often too complex to be suitable for inclusion within a condition.

## **Social Housing Grant**

The Housing Corporation pays social Housing Grant to RSLs for capital investment in affordable housing (SHG).

# Adopted Local Plan Policies – Affordable Housing

## 1 Local Plan Policy in relation to Affordable Housing

### Policy 74

When proposals for housing development are being considered the Council will seek to include a reasonable provision for affordable housing, which will be available to successive as well as initial occupiers. The proportion required on each site will vary according to market and site conditions. The appropriate nature and level of affordable housing on each site may be subject to a planning obligation or condition. The Borough target for affordable housing is 2500 dwellings

## 2 Local Plan Policy in relation to Exceptions Sites for Affordable Housing

### Policy 75

Where the Local Planning Authority considers that a local need for affordable housing exists in a particular town or village listed in Policy 3 (except Newquay and St Austell) then, exceptionally, it may permit housing, not compatible with normal Local Plan policies outside but adjoining the development envelope of the town or village, if the proposed scheme will meet the local need. Such schemes will not be permitted in other villages/hamlets, on sites separated from the village, or on isolated sites in the countryside.

A planning obligation will be sought, or planning conditions will be applied to such schemes, to establish priorities for the marketing of the dwellings, to ensure local needs are the first priority, and to ensure the continuing availability of the dwellings to meet local need. Schemes that offer a discounted initial purchase price only will not be accepted under this Policy.

Schemes will still be subject to the tests of harm set out in Policy 3(2) and in Chapter 5. Such schemes will be considered against a competent local needs survey, or the Borough-wide Housing Need Survey.

*Continued /*

**3 DEVELOPMENT ENVELOPES**

**Policy 3**

The towns and villages listed in this policy will have a development envelope as defined on the proposals map. The towns and villages are:

Bugle	Roche
Charlestown	St Austell
Crantock	St Blazey
Fowey	St Columb Major
Foxhole	St Columb Road
Fraddon	St Dennis
Gorran Haven	St Mawgan
Grampond	St Stephen
Indian Queens	Stenalees
Lostwithiel	Stepaside/Hillside
Luxulyan	Sticker
Mevagissey/Portmellon	Summercourt
Nanpean	Trenance/Mawgan Porth
Newquay	Treviscoe
Par	Trewoon
Penwithick	Tywardreath
Polgooth	Whitemoor
Quintrell Downs	

Development within the development envelopes will be considered acceptable in principle provided it will not harm the rural character of villages and subject always to the more particular policies and proposals in this plan.

(2) Land outside the development envelopes is the countryside of the Borough that will be safeguarded for its beauty, the diversity of its landscape, the wealth of its natural resources and its ecological agricultural and recreational value. Development that will harm the countryside will not be permitted.

**4 HOUSING DEVELOPMENT OUTSIDE OF DEVELOPMENT ENVELOPES**

**Policy 76**

Housing development outside the development envelopes of St Austell, Newquay and the other settlements defined in Policy 3 will be limited to the following:

- (1) Infill development of one or two dwellings clearly within the built up part of settlements not listed in Policy 3.
- (2) Agricultural workers dwellings
- (3) Housing which will convert existing buildings
- (4) Extensions and replacement dwellings.
- (5) Schemes permitted under Policy 75.

Proposals to renew lapsed permissions or extend permissions on sites not consistent with (1) to (5) above will not be permitted.

# Affordability Benchmarks & Monitoring Delivery

## **The Gross Household Incomes for Restormel**

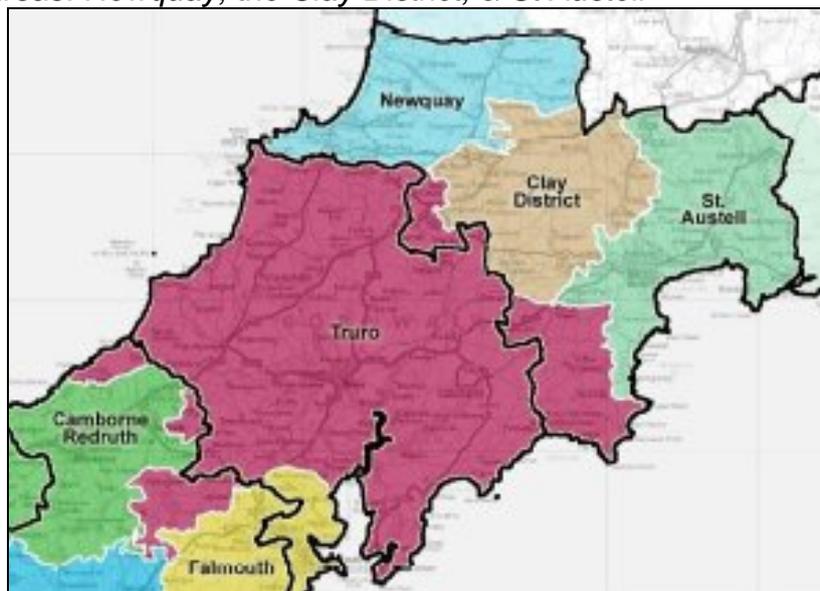
This includes income from all sources such as earnings, pensions, interest on savings, rent from property and state benefits, but does not include housing benefit. This measure of income is more important than individual earnings for housing purposes because household income gives a greater guide as to how much a household can afford to spend on housing:

- Nearly 40% of households have a household income of less than £15,000
- 28% have household incomes of £30,000 or more.
- The Clay Districts contain more households with higher incomes
- Households living in St Austell are the least likely to have higher levels of household income.

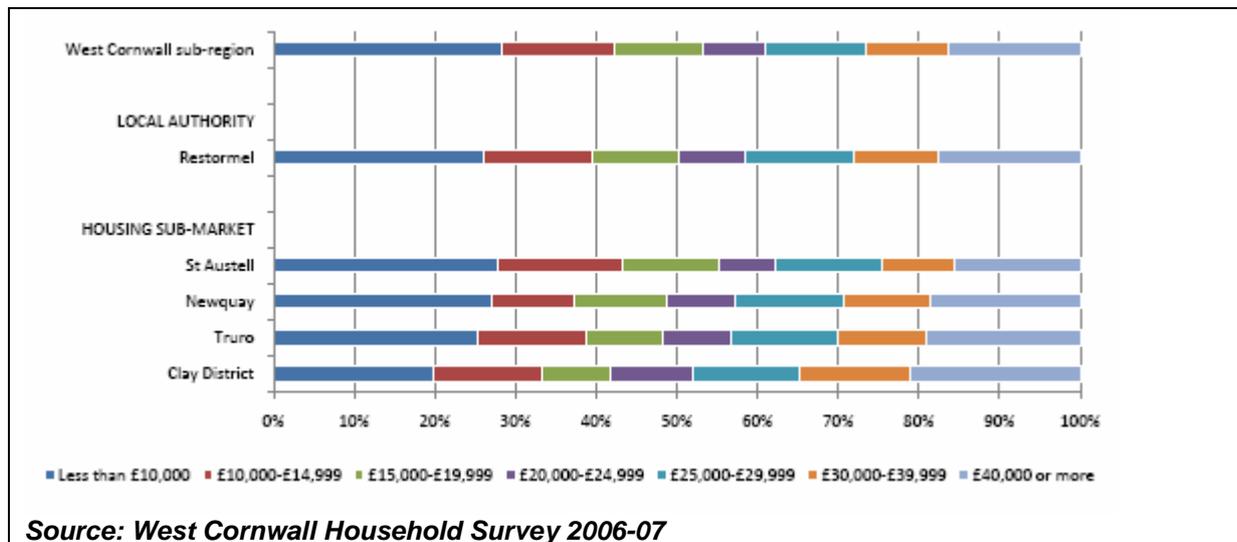
The annual household income of those who qualify for affordable housing must not exceed the levels indicated in the tables below. These indicate the affordability of different households relevant to household size and housetype. On each site, affordable homes should be produced at rents and costs that meet the full range of household affordability. Appropriate to dwelling size, these should take account of proposals for both Single and Joint Income household affordability. The Council no longer makes reference to median determined by the Annual Survey of Hours and Earnings (ASHE) from the Government's Office for National Statistics. For the implementation of Affordable Housing policy, affordability at a local level is determined through the 2007 Restormel and West Cornwall Housing Requirements Studies.

## **Housing sub-Market areas within Restormel**

The Housing Requirements Study identified differentials of affordability within three sub-market areas: *Newquay, the Clay District, & St Austell*



Data from the Study identifies different income bands for the Borough as a whole, and for the three sub-market areas within it:



The Study also provides a snapshot of the cost of purchasing open market properties in Restormel, according to property size:

Property Size	Lowest Decile	Lowest Quartile	Average	
			Median	Mean
1 bedroom	69,900	88,500	107,100	134,100
2 bedrooms	108,700	127,600	150,000	161,600
3 bedrooms	125,700	148,100	179,300	198,300
4 bedrooms	167,700	204,900	259,900	293,000
5+ bedrooms	204,900	246,800	326,000	354,500

**Source: HM Land Registry Q1 2006-Q4 2006 and West Cornwall Household Survey 2006-07**

When comparing the range of houseprices against the range of household incomes it's possible to identify the housing costs that different households can afford:

**Indicative entry costs for property based on Single and Joint Household income multipliers:**

**3.5 x Single**

Typical Unit Size - Bedrooms	Gross Income	Net Income	Max Affordable Entry Price
1 - 2	£10,000	£8,689	<i>n/a social rent only</i>
2 - 3	£15,000	£12,038	<i>n/a social rent only</i>
1 - 2	£20,000	£15,388	£77,750
2 - 3	£25,000	£18,738	£97,250
3	£30,000	£22,088	£116,500
4	£35,000	£25,455	£136,000

## 2.9 x Joint

Typical Unit Size - Bedrooms	Gross Income	Net Income	Max Affordable Entry Price
1 - 2	£10,000	£8,689	<i>n/a social rent only</i>
2 - 3	£15,000	£12,038	<i>n/a social rent only</i>
1 - 2	£20,000	£15,388	£64,500
2 - 3	£25,000	£18,738	£80,500
3	£30,000	£22,088	£96,500
4	£35,000	£25,455	£112,750

### Indicative average Intermediate Sale costs using a combination of income multipliers (2.9 x joint, 3.5 x single)

Typical Unit Type:	2.9 times – 3.5 times	Average
1 bedroom	£64,500 - £77,750	£ 71,125
2 bedrooms	Low £64,500 - £77,750 High £80,500 - £97,250	£ 71,125 £ 88,875
3 bedrooms	Low £80,500 - £97,250 High £96,500 - £116,500	£ 88,875 £106,500
4 + bedrooms	£112,750 - £136,000	£124,375

The tables indicate that the income of some households would not allow them to buy on the open market, or Intermediate affordable housing because the amount that they can afford falls below the minimum price of properties available.

Those on the lowest incomes cannot afford anything other than Social Rented Housing.

Those in between can variously afford Intermediate Affordable Housing, Privately Rented accommodation, and the least expensive Open Market Housing.

For those who cannot access open market or intermediate home ownership, the table below indicates the relative weekly affordability levels of housing for rent; for accuracy of comparison, and clarity of proposals for Intermediate Affordable Rent, all weekly amounts should be calculated on the basis of a 48 x week year:

Housetype	Weekly RSL Target Rents *	Weekly Private Rent [lowest quartile] **	Target Intermediate Affordability levels ***
1 bedroom	£48.83	£103.85	RSL Target Rent x 155%
2 bedrooms	£55.60	£132.69	RSL Target Rent x 170%
3 bedrooms	£62.40	£155.77	RSL Target Rent x 175%
4+ bedrooms	£69.70	£196.15	RSL Target Rent x 190%

\* *Housing Requirements Study 2007 (Figure 66)  
Housing Corporation Data March 2006*

\*\* *Survey of Letting Agents in West Cornwall sub-region 2006-07*

\*\*\* *PPS3 does not prescribe the differential. The council's calculation is mid-way point between RSL Target rents and lowest quartile Market rents. Similarly, the council will wish to protect against intermediate rent level proposals that have been inflated to include tenancy fees and charges etc and that the above figures are inclusive of all charges.*

## Monitoring Delivery

The table below from the Housing Requirements Study indicates the net annual requirement for each type and tenure of property across the Borough:

<b>RESTORMEL</b>				
<b>Housing Requirement</b>	<b>Type of Housing</b>			<b>Total</b>
	<b>Market Housing</b>	<b>Intermediate Housing</b>	<b>Social Rented Housing</b>	
<b>Net Annual Requirement</b>				
1 bedroom	<b>(71)</b>	11	1	<b>(59)</b>
2 bedrooms	258	138	122	518
3 bedrooms	181	13	<b>(10)</b>	184
4 + bedrooms	<b>(28)</b>	64	<b>(16)</b>	20
<b>Total</b>	<b>340</b>	<b>226</b>	<b>97</b>	<b>663</b>

The table in the *Thresholds And Targets For The Provision Of Affordable Housing* section of this guidance indicates the range of affordable housetypes and tenures that each site should provide so as to meet these targets.

The Council acknowledges that there are planning and other considerations that sometimes do not make it possible to precisely achieve a desired mix. The Council will monitor each scheme as it is submitted for planning approval to establish how it contributes towards meeting the appropriate proportions of identified needs will adjust its policy decisions on a scheme-by-scheme basis so as to achieve an equitable balance over time.

## Different Types Of Affordable Housing APPENDIX 3

Affordable Housing is **Social Housing for Rent, or Intermediate Affordable Housing**

### 1. Social Housing for Rent

The main form of affordable housing provided by Registered Social Landlords (RSLs) – formerly referred to as Housing Associations. Rents are less than those on the open market, and within the Target Rent guidelines set by the Housing Corporation (now known as the National Affordable Homes Agency). Social Housing for Rent is also provided for people with disabilities, and other special or support needs, including sheltered housing.

### 2. Intermediate Affordable Housing

This includes housing for rent that is more than housing association target rent, but less than open market rent levels. It also includes forms of discounted and assisted home ownership, where the cost of buying is less than on the open market.

- Intermediate rented Housing  
At rents that are above social rent, but below market rent
- Traditional Shared Ownership  
Long leasehold part-equity ownership, typically offering initial equity shares of 50% and options to buy further 25% shares when the occupant can afford it. In most cases, there is a subsidised rent, which is calculated as a proportion of the value of the retained equity.
- Newbuild HomeBuy  
A model of Shared Ownership branded by the Housing Corporation that commonly offers equity shares of 75%
- Fixed Equity Shared Ownership  
With the maximum level of equity ownership restricted
- Discounted Market Housing  
Properties sold at an agreed discount to open market value. A *Resale Covenant* protects the discount. If the property is sold at (e.g.) 30% less than market value, the property can only ever be sold at 70% of its market value, and to qualifying purchasers.
- HomeBuy is the Housing Corporation's model that replaces traditional Shared Equity housing. Instead of buying an equity share, the occupant owns 100% of the property, but pays only 75% of the cost. A legal charge on the property protects the 25% subsidy. Whenever the property is re-sold, the occupant must repay 25% of the (then) sale cost and can keep any profit made on 75% of the sale price. If the HomeBuy grant was paid for with public subsidy, the HomeBuy grant can be used again to help another HomeBuyer.
  - *New Build HomeBuy* – new properties provided by RSLs specifically for HomeBuy purchasers. A buyer uses savings and a mortgage to pay for 75% of the cost, and an interest free HomeBuy equity loan covers the 25% balance.
  - *Open Market HomeBuy* – using the same mechanism as New Build HomeBuy, but allowing HomeBuy purchasers to purchase a home on the open market, and the primary form of affordable housing for Keyworkers

Landowners and Developers may wish to explore whether any of their Affordable Housing obligations can be met in this way. Employers might also wish to participate and/or contribute to (and later benefit from) the provision of 25% equity. See Bibliography for further information.

- Private Sector Homes for Rent & Private Sector Leasing (PSL)  
Affordable homes provided by private landlords at affordable rent levels

- Self-build  
Self-built homes are usually constructed as part of a small group whose members have different skills. Costs are significantly reduced through self-labour ('sweat equity') and successful schemes usually rely on inexpensive land being made available. The Council does not have land readily available, but will make every effort to assist where possible in identifying and/or acquiring it. See Bibliography for details of specialist organisations to help with Feasibility, Finance, Planning, Design, Materials, Infrastructure, Training, Project and Contract Management. Self-build housing would only be considered as a form of Affordable Housing if the proposal includes a form of legal covenant that restricts the cost on any future resales.
- Sheltered Housing Self-contained flats or bungalows for older people, within a complex with warden/manager and alarm-call system. Any tenure. No nursing or care provision.
- ExtraCare – or Very Sheltered Housing Self-contained housing offered together with a range of care and support packages and options, and some common amenities and usually an off-site Home Care service for locally based older people in their own home.
- ExtraCare Village – or Continuing Care Retirement Community Similar to an ExtraCare scheme but on a much larger scale providing a fully flexible and comprehensive range of care & support options, from nil-care through to Care Home levels, together with on-site community amenities.
- Sheltered Housing / Retirement Communities The Council acknowledges that innovative models of housing for older people can directly or indirectly contribute to meeting affordable and special housing needs, and it will therefore seek an affordable housing contribution. The economics of provision of the whole scheme, the availability of revenue funding and other site specific factors will be material as to how much housing can be reserved for those with lower incomes, and how resident nomination rights can be offered to the Council.
- Community Land Trust (CLT) A mechanism for the ownership of land by a local community, of residents and businesses, who take responsibility for planning and delivering affordable housing on the land. The land is always held in trust by the CLT, and so its cost and value do not have an adverse affect on the cost of providing affordable housing for rent or sale. There is also no future impact for individuals as a result of any rising land values, but the CLT can benefit from increased values allowing it to provide more affordable homes.
- Mutual Ownership Based on a Community Land Trust model, Mutual Ownership involves buying a stake in an affordable home, but not in the land upon which it is built. Mutual Home Owners purchase a long lease and the cost of their share is calculated using an income-linked formula. Future sales ignore the land value, generate equity for leaseholders, and help sustain the Trust. CLTs generally require donated land and initial pump-prime capital.

## Note

**Care Homes** These offer non-self-contained accommodation together with Nursing or personal care for people who are, or who have been ill. Where a Care Home is included within a planning application, the accommodation that it provides is **not** considered to contribute towards affordable housing targets.

## APPENDIX 4

# Guide to the processes and mechanisms for providing Affordable Housing

### 1 Establish the Tenure of housing to be provided

In accordance with guidance set out in PPS3 the Council will seek separate targets for social rented and intermediate housing. The West Cornwall Household Requirements Study (HRS) 2007 that informs the 2008 West Cornwall Strategic Housing Market Assessment (SHMA) concludes the following proportions of market and affordable housing would best meet identified needs:

<b>Market Housing</b>	<b>51%</b>
<b>Affordable Housing</b>	<b>49%</b>
of which:	
<b>Social Rent</b>	<b>15%</b>
<b>Intermediate Housing</b>	<b>34%</b>

### 2 Consider how the site can contribute towards achieving the right mix of homes

In terms of dwelling size and tenure, the HRS/SHMA concludes that the following proportions property size and tenures would best meet identified needs:

<b>Proportional Unit Mix:</b>	<b>Market</b>	<b>Intermediate</b>	<b>Social Rented</b>
1 bedroom	0%	5%	0.5%
2 bedrooms	59%	61%	99.5%
3 bedrooms	41%	6%	0%
4 + bedrooms	0%	28%	0%
	100%	100%	100%

### 3 Undertake a Scheme Viability Assessment

The Council's approach is explained in [Appendix 5](#)

**4 Layout & Design Issues –**

**Integration / Clusters of Affordable Housing dwellings**

Affordable housing should not be distinguishable from other housing on a site and therefore be visually integrated (“tenure blind”) and individual homes or small groups of homes dispersed. Small groups or Clusters are acceptable, but these should be appropriately distributed throughout the site, and this will be more precisely determined on a site-specific basis.

**5 Environmental Standards**

The Council is also committed to high environmental standards and expects proposals for affordable housing to include high standards of energy efficiency, such as maximum levels of insulation and other initiatives, for example grey water recycling.

**6 Consider whether an RSL is to be involved**

A list of RSLs that work in the Borough is contained in **Appendix 10**

**RSL and Housing Corporation Development Standards:**

Affordable Social Housing for Rent

Where social housing for is to be owned and / or managed by a Registered Social Landlord, and where its development is supported by grant, the homes must be procured having regard to the Housing Corporation’s published Performance Standards, including the Code For Sustainable Homes at the recommended levels, current at the time.

Affordable Intermediate Housing For Sale

Intermediate Affordable Housing need not be provided by, or in partnership with a Registered Social Landlord, but where this is the case, and where it supported by grant, the homes must be procured having regard to the Housing Corporation’s published Performance Standards, including the Code For Sustainable Homes at the recommended levels, current at the time.

**7 Public Subsidy**

Social Housing Grant resources are made available by the National Affordable Homes Agency (formerly referred to as the Housing Corporation). Part of this Council’s strategic housing role involves prioritising where those resources are allocated, and this can include contributions of public subsidy from the Councils own Capital Programme. Affordable Housing obligations should be met without reliance on grant, which is only applied to schemes where clear justification for it has been made.

**8. Other Options available to landowners and developers**

The Council will consider innovative proposals from applicants, as long as their proposals for affordable housing meet the fundamental dwelling type and affordability requirements outlined in this guidance.

There are two economical viability assessment toolkits available to the Council, and these are used to test the assumptions made by planning applicants in relation to the inclusion of affordable housing within their proposals for development.

None of the cost feasibility studies should presume the availability of public subsidy.

Registered Social Landlords, landowners, developers, and their professional advisors also use the computer-based toolkits:-

### Three Dragons Affordable Housing Development Control Toolkit

This computer model is used to undertake a very comprehensive financial appraisal of residential development options that have a potential for incorporating an element of affordable housing. It was developed by Three Dragons consultancy and Nottingham Trent University, and originally for the Greater London Authority and the Housing Corporation. A model has since been developed which is specific to the needs of Cornwall, and local authorities including Restormel use this. Details available from:

Lin Cousins		Address:
<b>Telephone:</b>	01935 432990	Three Dragons
<b>Fax:</b>	01935 432990	123 Marsh Lane
<b>Email:</b>	<a href="mailto:lin.cousins@three-dragons.co.uk">lin.cousins@three-dragons.co.uk</a>	Yeovil, Somerset
<b>Website:</b>	<a href="http://www.three-dragons.co.uk">www.three-dragons.co.uk</a>	BA21 3BZ

### The Housing Corporation's Economic Appraisal Tool

The Housing Corporation (now known as the National Affordable Homes Agency) has an Economic Appraisal Tool, designed by property consultants GVA Grimley & Bespoke Property Group. It is considered a sound basis for developers and housing associations to negotiate with local authorities on the level of section 106 contributions. The assessment package is cash-flow based and provides a comprehensive assessment of both residential and mixed-use schemes so all parties can better understand the financial implications of their decisions on the planning process, particularly in relation to building viable and sustainable housing developments. The latest version of the Excel-based Economic Appraisal spreadsheet, and a PDF-based User manual are freely available from the National Affordable Homes Agency's website at:

[www.housingcorp.gov.uk/server/show/nav.2319](http://www.housingcorp.gov.uk/server/show/nav.2319)



## PRE-APPLICATION ADVICE

### Affordable Housing Team

To ensure that any affordable housing built best meets the needs of local people, we strongly recommend that discussions be held with the Affordable Housing Team at the Council before any planning applications are submitted.

The Team can advise you on the type of affordable housing that is needed in the area, and the different options that are available for providing it. They can also advise on partnerships with affordable housing providers including Registered Social Landlords.

### Local consultation

Part of the pre-application process should also involve early and informal discussion with the local community, and could include local Ward Councillors, Town and Parish Councils, and any proposed delivery partners such as a Registered Social Landlord.

## Section 106 Agreements ~ Affordable Housing

- For all planning applications that involve affordable housing, applicants will be required to submit a Section 106 Agreement. The purpose of this Agreement is to ensure that the affordable housing is of a high quality, and that it goes to people with strong local connections who need it. The Agreement also ensures that affordable housing remains affordable in the long term.
- The Council has published a template on its website at: [www.restormel.gov.uk/index.cfm?articleid=14754](http://www.restormel.gov.uk/index.cfm?articleid=14754)

This has been produced following detailed consultation with a number of key stakeholders including Mortgage advisers, high street banks and building societies, housing associations, developers and legal officers.

- For developments that include affordable housing we ask all applicants to read the guidance included on the webpage, and to use the template as the basis for their submission. This procedure saves both the applicant and the Council time and expense during the planning application process.

- Some issues that need to be considered within proposed Heads of terms:
    - The size, Type, and Tenure of affordable housing
    - Design & Layout, Parking, Eco & Sustainability issues
    - Proposals for the affordable housing delivery mechanism
    - Timescale for delivery and any triggers that relate to proportional completion of open market dwellings on the same site
    - The Aims and Objectives of any partner, e.g. Housing Association or Trust
    - Management / Maintenance arrangements, or The expertise of any Agency that is to be appointed
    - Proposals for managing the publicity, application, and nominations processes
    - The catchment area for qualifying people, and the arrangements for managing cascades of Nominations
    - Detail of any Covenants intended to protect the use of dwellings as Affordable Housing in the longer term
    - Exit / Disposals strategy
    - Methodology for calculating Rents and/or Purchase prices
- 
-

## Viability Issues ~ Independent Advice

### Suggested Brief to an independent Surveyor:

*As part of viability considerations, the emphasis is to verify that all possible forms, types, mix and tenures of affordable housing have been properly considered and assessed as part of a comprehensive feasibility study. The Council would expect the cost of the independent advice to be shared equitably between the Council and the applicant.*

Dear **XXXXX**

Re: Planning application **XXXXXXXXXXXXXXXXXXXXXX**

I am enclosing details of the above planning application. We are seeking your scrutiny, confirmation, and recommendations to include:

- Valuation for the finished scheme
- Valuation of any assets on site and the total build cost
- Consideration of all relevant planning obligations
- Proposals to provide affordable housing
- Conclusion on profitability

The Council **and/or** the applicant has undertaken a viability assessment using the toolkit(s) referred to in its SPD for Affordable Housing but has reached a point of not being able to agree or reconcile the costs with the applicant.

We are asking you to consider the viability assessments that have been undertaken, and seeking your independent advice and recommendations in respect of the inclusion of affordable housing. Importantly, you should consider whether its inclusion has been tested against the full range of affordable housing options available to the applicant, as some of these have a lesser impact on costs than others. We would ask you to comment on the assumptions that have been used, and your recommendations made in relation to each potential scenario.

Guidance about the different forms of affordable housing is contained in its Supplementary Planning Document: Affordable Housing, and further information is available from the Councils website at: [www.Restormel.gov.uk](http://www.Restormel.gov.uk)

Please contact the applicant who will provide you with the necessary information to support their application. The information is needed to support a Planning decision by the Council on **XXXXX**, and must be kept confidential.

Yours

## Commuted Sums ~

APPENDIX 9

### *Financial contributions in lieu of full or partial on-site provision of Affordable Housing*

#### **Principle**

Where it is agreed that off-site provision is appropriate, the Council will accept a financial contribution. This will be used to provide elsewhere in the Borough what the Developer is not providing on the application site. Financial contributions are held by the Council but repaid with interest if not used within 5 years of its receipt.

**A Section 106 Legal Agreement** is required to secure the contribution.

**Calculation** of the financial contribution must result in an amount sufficient to cover the cost of making provision elsewhere, and a formulaic approach is used.

**The Basis of calculation** is by reference to a notional scheme comprising the affordable dwellings that would have been provided on the application site. The notional scheme will reflect an appropriate dwelling mix, type, and tenure that would meet the requirements of this guidance. For each of the dwellings in the notional scheme, an independent Valuer will be instructed to determine its:

- *Open Market Value* and its
- *Affordable Sale Value or Affordable Rented Value (as appropriate)*

**The Affordable Rented Value** is based on the amount that an RSL could pay from its own resources (i.e. without the aid of public subsidy or grant) for the purchase of a social rented property. It is predominantly determined by the total that they are able to borrow that can be repaid from the affordable rents they receive, after allowing for their management and other expenses.

**The Affordable Sale Value** is based on the income & mortgage required to support a shared-equity purchase. Using median joint incomes and a mortgage multiplier, a maximum level of mortgage is established. This is not sufficient to buy a property at open market value, but the sum does represent the maximum equity share that could be purchased, and a property offered for equity sharing at this level would meet the affordability criteria set out in **APPENDIX 2** of this guidance. This sum represents the Affordable Sale Value. Example:-

Single income	£20,000	
Mortgage, multiplier x 3.5		
=	Maximum mortgage	£70,000 *
=	Maximum affordable equity share	£77,750
=	Affordable Sale Value	£77,750

- *Assuming 10% Deposit and 90% mortgage, the maximum affordability is just under £78,000. Where there is a combination of mortgage and rent, as is usually the case for shared ownership housing, the combined cost of mortgage and rent in this example should not exceed the cost of a mortgage of £70,000.*

## Formula

The financial contribution will be sum of the difference between the Open Market Value, and the Affordable Sale Value, or the Affordable Rented Value, as appropriate, for each unit in the notional scheme.

## Worked Example

Where an off site contribution in lieu has been agreed on a site that would ordinarily require 20 affordable homes, the notional mix for that site would have comprised:

	<b>Rented</b>	<b>Shared ownership</b>	<b>Total</b>
2 bed houses	5	7	12
3 bed houses	4	3	7
4 bed houses	1	0	1
<b>Total</b>	<b>10</b>	<b>10</b>	<b>20</b>

### Rented properties:

For the 2 bedroom dwellings, Open Market Value [OMV] **£120,000**  
Affordable rented value, based on the affordable rent **£ 45,000**  
The Developer contribution is therefore  $£120,000 - £45,000 =$  **£ 75,000**  
per rented dwelling and the total contribution for the 2 bedroomed rented dwellings is  
(5 x £75,000) = **£375,000**

For the 3 bedroom dwellings, the OMV is **£140,000**  
The affordable rented value, based on the affordable rent is **£ 50,000**  
The Developer contribution is therefore  $£140,000 - £50,000 =$  **£ 90,000**  
per rented dwelling and the total contribution for the 3 bedroomed rented dwellings is  
(4 x £90,000) = **£360,000**

For the 4 bedroom dwelling, the OMV is **£160,000**  
The affordable rented value is **£ 55,000**  
Producing a contribution of  $(£160,000 - £55,000) =$  **£105,000**

**The total rented contribution: £375,000 + £360,000 + £105,000 = £840,000**

### Shared ownership properties:

2 bedroom dwellings, open market value [OMV] **£120,000**

Affordable Sale Value, within Council's affordability criteria current at the time (say)  
**£ 64,500**

The Developer contribution is therefore  $£120,000 - £64,500 =$  **£55,500** per dwelling.  
The total contribution for the 2 bedroomed-shared ownership dwellings is  
(7 x £55,500) = **£388,500**

3 bedroom dwelling with OMV of **£140,000**  
Affordable Sales Value **£ 97,000** \*Base: Joint income of £30,000 x 2.9 + 10% Deposit  
Contribution =  $£140,000 - £97,000 = £43,000$  x 3 = **£129,000**

**Total shared ownership contribution: £388,500 + £129,000 = £517,500**

**Total off site contribution = £840,000 + £517,500 = £1,375,500**

## REGISTERED SOCIAL LANDLORDS APPENDIX 10

The following RSLs have worked in partnership with the Council, either in a Development of Housing Management capacity, or both. This is not a list of 'Preferred RSL Partners', they are potential partners for new business, but not exclusively so:

Anchor Trust	Ocean Housing Association
Christian Alliance Housing Association	Penwith Housing Association
Coastline housing Association	Places for People
Cornwall Rural Housing Association	Sanctuary Housing Association
Devon & Cornwall Housing	Sarsen Housing Association
English Churches Housing Group	Sovereign Housing Association
Guinness Trust	Stonham Housing Association
Housing 21	Westcountry Housing Association
Jephson Housing Association Group	Western Challenge Housing Association
Knightstone Housing Association	

### Other affordable housing providers:

In addition to housing associations (Registered Social Landlords) individuals and organisations such as Landowners, Developers, Landlords, and Employers can all become directly involved in providing affordable housing. The Council is very willing to explore new and innovative ways of achieving this, including developments on rural 'exceptions' land. This flexibility could, for instance, extend to Landowners and Employers allocating affordable homes to employees and Keyworkers, and be based on time-limited (Leasehold) arrangements, obviating the need to permanently transfer Freehold land. Those organizations already involved in the delivery of affordable housing include:

- Affordable Homes UK
- FirstHomeUK
- Midas Homes
- Rok Building Group
- Swan Homes
- Wain Homes
- Galliford Try

The Council also wishes to actively support specialist providers with expertise in Eco-home initiatives

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## Checklist For Parish And Town Councils: How To Assist In The Provision Of Affordable Housing

### 1 What is affordable housing?

The different kinds of affordable housing, and the ways in which it can be provided are explained in **Appendix 3** of the SPD.

### 2 Identify local housing needs

A major survey in 2007 identified a need for affordable housing across Restormel, although in some parts of the Borough, particularly in smaller and rural settlements, there were fewer survey responses. So that a more accurate picture of local need can be established, town and parish Councils are encouraged to undertake a local housing needs survey, and this can sometimes be combined with undertaking a Parish Plan process. The Council would encourage parish councils to undertake local housing needs surveys at their earliest opportunity and, where appropriate, to update those surveys that may have been already undertaken in recent years. The results can then be used to support and promote the provision of affordable housing for people local to that parish, and provide useful information about precisely what is required. The Cornwall Rural Community Council can assist in the Parish Planning process:

#### **Cornwall Rural Community Council**

9A River Street, Truro, Cornwall, TR1 2SQ

Telephone : 01872 273952 Fax : 01872 241511

email: [info@cornwallrcc.co.uk](mailto:info@cornwallrcc.co.uk)

Website: [www.cornwallrcc.co.uk](http://www.cornwallrcc.co.uk)

### 3 Parish Groupings

In rural areas, people qualify for affordable housing by having a local connection with the parish where the development is situated. However, in some of the small rural parishes affordable housing schemes might be less likely to come forward. In those parishes that have a population of less than 1,000 the Council's policy will be applied by expanding the qualifying area by 'clustering' the small parish with a neighbouring parish, as set-out below:

- |                                     |  |
|-------------------------------------|--|
| 1. Colan                            |  |
| 2. Crantock                         | 10. St Columb plus St Wenn               |
| 3. Fowey plus St Sampson            | 11. St Dennis                            |
| 4. Grampound with Creed plus St Ewe | 12. St Enoher                            |
| 5. Lostwithiel                      | 13. St Goran plus St Michael<br>Caerhays |
| 6. Luxulyan plus Lanlivery          | 14. St Mawgan                            |
| 7. Mevagissey                       | 15. St Mewan                             |
| 8. Roche                            | 16. St Stephen                           |
| 9. St Blaise                        | 17. Treverbyn                            |
|                                     | 18. Tywardreath                          |

#### **4 Consult local people**

Through parish meetings and newsletters, ensure that local people know the results of any affordable housing requirements that are identified through survey, and how the parish Council intends to react to these.

Advise local people where they can find out more about affordable housing, and what they need to do to be considered for it. There is some useful information available on the Borough Council's website:

[www.restormel.gov.uk](http://www.restormel.gov.uk)

#### **5 Identify land**

With their local knowledge, parish and town Councils are often best placed to identify potential sites and to engage with Landowners.

#### **6 Involve local people**

Keep the local Ward Councillor(s) informed, engage local people, and keep them informed of any proposals. Expectations need to be realistic. The provision of affordable housing is very possible, but new projects can take between 1 and 2 years to get off the ground.

#### **7 Exploring new initiatives & choosing a development partner**

Housing Associations are not the only providers of affordable housing. Individuals and organisations such as Landowners, Developers, Landlords, and Employers can all become directly involved in providing it, and the Council is willing to explore new and innovative ways of achieving this.

**Appendix 3** of the SPD provides more details.

Housing Associations remain the popular choice, but others can provide affordable housing as long as they have the expertise, a scheme is viable, and it meets the requirements of this guidance.

Consult the Council for advice about possible solutions, and about working with an organisation that can secure the land, obtain planning permission, design the homes, employ a contractor, and build the houses. If the affordable homes are for rent, arrangements must also include how they will be managed and maintained.

#### **8 Turn existing empty property & vacant premises into affordable homes**

Building new homes is not the only way of providing affordable housing. If you become aware of properties that have been empty for a long time, it may be possible to bring these back into use as affordable housing. Another possibility is creating affordable homes by converting the empty space over shops. Please contact the Council's Empty Homes officer:

Mandy Evans Housing Renewals Officer (Empty Homes) Restormel Borough Council e-mail: <a href="mailto:mandy.evans@restormel.gov.uk">mandy.evans@restormel.gov.uk</a> or : <a href="mailto:empty.properties@stroud.gov.uk">empty.properties@stroud.gov.uk</a> Tel: 01726 223413
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## 9 What the Borough Council can do to assist in the provision of Affordable Housing

Informal advice is always available from the Council's Affordable Housing Team. Enquiries are welcomed concerning the location and potential suitability of land, and advice on issues such as affordable housing initiatives, rural exception schemes, feasibility studies, development partners, the approvals processes, funding sources, and planning agreements. Contact details can be found the Borough Council's website: [www.restormel.gov.uk](http://www.restormel.gov.uk)

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## APPENDIX 12

# Policy Implementation

Before making an application for planning approval, consider your proposals against the requirements of the Councils Affordable Housing policies:

1. **Site Size & Location:** Urban or Rural  
40% or 50% affordable housing?
2. **All dwellings:** Housetypes and Tenures match identified needs?
3. **Affordable Housing:** Correct balance between Social Rent and Intermediate?  
  
Rents & Prices appropriate to affordability levels?  
  
Properties dispersed across the site?  
  
How will the homes be delivered?

## Worked Example

### Assumptions:

<b>Site location:</b>	Newquay
<b>Site size:</b>	Capable of providing 45 new homes
<b>Affordable Housing Threshold:</b>	10 dwellings or more
<b>Proportion of Affordable Housing:</b>	<b>40%</b>

### Example proposals that would satisfy the Council's Affordable Housing policy:

The ideal mix of open market and affordable housing that would meet housing needs:

<b>Market Housing</b>	<b>60%</b>
<b>Affordable Housing</b>	<b>40%</b>
<i>of which:</i>	
<b>Social Rent</b>	<b>12%</b>
<b>Intermediate Housing</b>	<b>28%</b>

The proportion of dwelling sizes required:

<b>Proportional Unit Mix:</b>	<b>Market</b>	<b>Intermediate</b>	<b>Social Rented</b>
1 bedroom	0%	5%	0.5%
2 bedrooms	58%	61%	99.5%
3 bedrooms	40%	6%	0%
4+bedrooms	2%	28%	0%

On the example site of **45** dwellings, this would indicate the following mix:

<b>Proportional Unit Mix:</b>	<b>Market</b>	<b>Intermediate</b>	<b>Social Rented</b>
1 bedroom	0	1	0
2 bedrooms	15	8	5
3 bedrooms	11	1	0
4+bedrooms	1	3	0

Of the **18** Affordable homes required, **five** of these should be provided for Social Rent at Housing Corporation Target Rent levels. Data from the Housing Requirements Study indicates affordability levels for intermediate home ownership for both single and joint income households. These are maximum entry prices, and assume a 10% Deposit:

### Based on 3.5 x Single Income

Typical Unit Size - Bedrooms	Gross Income	Net Income	Max House Price
1 - 2	£10,000	£8,689	-
2 - 3	£15,000	£12,038	-
1 - 2	£20,000	£15,388	£77,750
2 - 3	£25,000	£18,738	£97,250
3	£30,000	£22,088	£116,500
4+	£35,000	£25,455	£136,000

### Based on 2.9 times Joint Income

Typical Unit Size - Bedrooms	Gross Income	Net Income	Max House Price
1 - 2	£10,000	£8,689	-
2 - 3	£15,000	£12,038	-
1 - 2	£20,000	£15,388	£64,500
2 - 3	£25,000	£18,738	£80,500
3	£30,000	£22,088	£96,500
4+	£35,000	£25,455	£112,750

The **13** Intermediate Affordable Dwellings could be offered for Intermediate Rent, where rents higher than Social Rent but lower than Open Market rents, or forms of Intermediate Ownership – or a combination of the two.

The Table below indicates an approach to providing homes for Intermediate Ownership where both Single and Joint income mortgage multipliers are referred-to, and applied according to appropriate dwelling size. This approach generates indicative average costs for the proposals:

### Indicative average costs using a combination of income multipliers:

Proportional Unit Mix:	Intermediate Sale	Indicative Cost	
		2.9 times – 3.5 times	Average
1 bedroom	1	£64,500 - £77,750	£71,125
2 bedrooms	4	£64,500 - £77,750	£71,125
	4	£80,500 - £97,250	£88,875
3 bedrooms	1	£80,500 - £97,250	£88,875
	0	£96,500 - £116,500	£106,500
4 + bedrooms	3	£112,750 - £136,000	£124,375