

Swindon Borough Council

Affordable Housing Position Statement

Revision Date: 17th November 2016

Document Purpose:

This statement sets out the Council's position for adopted guidance that underpins Policy HA2: Affordable Housing in the adopted Swindon Borough Local Plan 2026 (March 2015). This is to be used as a material consideration to the determination of relevant planning applications.

At the Council's Planning Committee on 15th April 2015 a report was presented associated with the adoption of the Swindon Borough Local Plan 2026, that assessed the status of previously adopted Supplementary Planning Guidance 'SPGs', Supplementary Planning Documents 'SPDs' and Developer Contributions Guidance Notes 'DCGNs' adopted under the now superseded Swindon Borough Local Plan 2011, to the replacement adopted Local Plan policies.

Planning Committee authorised the Head of Planning, Regulatory Services, Heritage and Libraries to undertake necessary factual updates to reflect current standards, guidance and legislation to the affordable housing Developer Contributions DCGN.

The Affordable Housing DCGN formed one chapter of the wider Developer Contributions DCGN Update, adopted in November 2010. As the other chapters of the adopted 2010 DCGN have been superseded by the operating mechanism of the Community Infrastructure Levy for which charging in Swindon Borough was implemented on 6th April 2015, the full 2010 DCGN is no longer available on the Council's website.

This statement therefore forms the retained chapter (chapter 11) of the 2010 DCGN, incorporating factual updates since 2010 to ensure consistency with the National Planning Policy Framework (March 2012) and (national) Planning Policy Guidance (PPG).

The Planning Committee Report and Minutes can be viewed [here](#).

Affordable Housing Position Statement

- 1.1 This Position Statement is intended to provide more detailed guidance to developers on the implementation of the Council's affordable housing policy as contained in the Swindon Borough Local Plan 2026. This will assist developers in obtaining planning permissions by ensuring that they are aware of the Council's requirements for affordable housing and will be a material consideration in the determination of planning applications.

Affordable Housing Definitions

- 1.2 Affordable housing includes social rented, Affordable Rent, and intermediate housing provided to eligible households whose needs are not met by the market. Affordable housing is defined in the National Planning Policy Framework (March 2012) Annex 2 Glossary as,

'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.'

- 1.2.1 Social rented housing is:

'Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.'

(NPPF 2012 Annex 2 definition)

- 1.2.2 Affordable Rented housing is:

'Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).'

(NPPF 2012 Annex 2 definition)

- 1.2.3 Intermediate affordable housing is:

'Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership

and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.'

(NPPF 2012 Annex 2 definition)

Policy Framework

- 1.3 Swindon Borough Council will seek *30% of dwellings on qualifying developments* to be provided as affordable housing. This is in accordance with **Policy HA2** in Swindon Borough Local Plan 2026 (March 2015).
- 1.4 Policy HA2 stipulates a *threshold of 15 dwellings or sites over 0.5 hectare* to trigger affordable housing provision.
- 1.5 On 16th November 2016, the Government revised Planning Practice Guidance in respect of circumstances where infrastructure contributions through planning obligations should not be sought from developers. Specifically:

As set out in the Starter Homes written ministerial statement of 2 March 2015, starter homes exception sites should not be required to make affordable housing or tariff-style section 106 contributions.

There are specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development. This follows the order of the Court of Appeal dated 13 May 2016, which give legal effect to the policy set out in the written ministerial statement of 28 November 2014 and should be taken into account.

These circumstances are that;

- *Contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres (gross internal area)*
- *In designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty*
- *Affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home*

(Paragraph: 031 Reference ID: 23b-031-20161116)

- 1.6 For clarity, on sites of greater than 0.5 hectares where the number of dwellings is greater than 10 or the maximum combined gross floorspace of is greater than 1,000 square metres (gross internal area) the Council will seek affordable housing contributions in accordance with Local Plan Policy HA2.

Viability Issues

- 1.7 The Council will expect applicants to have taken into account the likely cost of providing the affordable housing alongside other development costs when purchasing land or taking up options for such. The Council will not allow a reduced affordable housing contribution if a developer has paid too much for a site by neglecting the cost of providing the affordable housing. The Council will require that land values agreed take into account the full provision of affordable housing in line with this policy. The assumption should always be that public subsidy would not be available.
- 1.8 However, any applicant who believes that 30% will be inappropriate on any particular site will need to demonstrate that fact to the Council. The applicant will also be required to meet the costs of independently assessing the scheme on behalf of the Council. Furthermore such discussions will need to take place as early in the process as possible to allow the Council to explore other funding routes such as Homes and Communities Agency Social Housing Grant or other ways of delivering affordable housing. Should this be necessary the affordable homes will need to be delivered in accordance with relevant Homes and Communities Agency funding requirements current at the date of entering into contract for the construction of the affordable housing units. This may result in a cascade agreement in the s106 dependent upon Social Housing Grant availability.
- 1.9 Should a viability assessment be required, the Council will expect the developer to have maximized its return on the affordable housing by holding a competitive process with at least 3 of the Council's most active Partner Registered Providers (to be agreed with the Council). Evidence of such a competition will be required as part of the viability assessment to ensure that the affordable housing provision is also maximised.
- 1.10 The viability assessment will include assessments of anticipated costs against anticipated income for the site to produce a residual land value. The mix, tenure and percentage can then be adjusted in line with what provision can be afforded from the outset. This will then be supported by phased and/or post development appraisal review mechanisms, secured by means of planning obligation, in the event the full quantum cannot be delivered at the outset to allow the mix and/or tenure and/or percentage to be altered on later phases, or off-site contributions to be made.

Location and Mix of Affordable Housing

- 1.11 In most cases on-site provision of affordable housing will be the preferred option so as to contribute to the creation of mixed and balanced communities. However, there may be unusual instances where the Council and applicant agree that provision should be either wholly or partly offsite. In these circumstances the Council may accept a commuted sum. These funds should be used to support the construction, refurbishment or purchase of affordable housing within the Borough.
- 1.12 It is recommended that developers engage with the Council as early as practically possible to understand the Council's affordable housing requirements arising from a specific scheme proposal.
- 1.13 Housing Needs should be based on information taken from the latest SBC Housing Register (updated quarterly), the Strategic Housing Market Assessment 2012 which will be subject to periodic review and information from the Home Buy Agent for Swindon (currently 'Help to Buy South').
- 1.14 In line with Policy HA2, developers should engage with the Council's planning and housing departments at the earliest opportunity in the formulation of the proposal to understand the current need in terms of mix and tenure that are also appropriate to the sites location and any market housing provision, preferably through the pre-application process.

Tenure Mix and Affordability

- 1.15 The total affordable housing provision will be sought on average in a 70/30 percentage split between rented housing (social or affordable) and intermediate housing (including affordable home ownership initiatives) in favour of rented to reflect the Council's wish to assist a range of incomes access affordable housing and create more sustainable communities. Swindon Borough Council will adjust this tenure ratio according to the characteristics of any particular development especially with regard to higher value areas where affordable home ownership may not be sufficiently affordable.
- 1.16 The Council is concerned about the high service charges that may be levied upon occupants of affordable housing negating some of the benefit achieved. To ensure that this is mitigated, the Council will consider options for localising the affordable housing into discrete blocks when the provision is flatted to allow the communal spaces to be designed and managed in such a way as to limit the service charge payable. This is not to be taken as a principle that affordable housing is to be clustered together in a separate part of the site and such discrete blocks would still need to be evenly distributed and integrated throughout the scheme.

Affordable Housing Providers

- 1.17 A list of Partner Registered Providers that own housing stock in Swindon and the Council has previously supported is available on the Council's website¹
- 1.18 Regardless of the identity of the provider, it will be a requirement that the affordable housing will be made available through the Council's Choice Based Lettings scheme to ensure its full contribution towards meeting local housing needs. It is expected that this will be secured in the s106 agreement through a nomination agreement.

Design Standards

- 1.19 It is imperative that the affordable housing provided through the Planning system is an enhancement to Swindon's built environment and that the design of the homes contributes to the objective of creating a sustainable community. Furthermore, good design principles will contribute to lower running costs for both occupier and landlord along with improved management and maintenance. There is also a requirement to meet certain standards in order to attract Homes and Communities Agency Social Housing Grant and there will be a requirement to comply with these standards to maximize the funding available for affordable housing leading to improved scheme viability and hence more affordable housing provided. To this end, the Council will require developers to provide the affordable housing to the following standards:
- 1.20 For development proposals that trigger the provision, compliance with adopted Policy HA3: Wheelchair Accessible Housing, to meet Building Regulations Standard M4(3), is expected to be met within the affordable housing units on site, and where appropriate a proportion of the percentage requirement within open market units.
- 1.21 For homes for rent and/or homes requiring Social Housing Grant these must be built to meet or exceed the Homes and Communities Agency Design and Quality Standards. At the time of writing these are contained in the Addendum to the HCA Affordable Homes Programme Prospectus 2015-18² or any subsequent Guidance from the HCA or other successor organisation that supersedes this.
- 1.22 To ensure the creation of mixed and integrated communities the affordable housing should not be visually distinguishable from the market housing on the site in terms of house types (i.e. semis), build quality, materials, details, levels of amenity space and privacy. The affordable housing car parking provision and arrangement should be at least equal to that provided for the open market housing.

¹ <https://www.swindonhomebid.org.uk/content/AboutUs/Partners>

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/343901/14-04-15_addendum_to_the_hca_ahp_prospectus_2015.pdf

- 1.23 The affordable housing should be tenure blind and fully integrated with the market housing. Tenure blind integration should be considered at an early stage of the detailed design and layout of the site. The requirement will be that affordable housing will be arranged in clusters of no more than 10-15 homes (to be determined by the Council depending on the size of site and number of units proposed) with a mix of both rented and intermediate in each cluster. Separation by roads will not be considered to be a separate cluster.

Commuted Sum Calculations

- 1.24 If the Council has decided in an exceptional case that a commuted sum would be applicable to a specific site, in lieu of the provision of affordable housing on site, the developer would be expected to pay the Borough a sum equivalent to 50% of the OMV of 30% of the homes the development proposal will be providing on site informed by consideration of the initial anticipated sales values supplied by the applicant. This will then be supported by phased and/or post development appraisal review mechanism or Sales Value Statement, submission to be secured by means of planning obligation to understand the difference in between anticipated sales value and the sales values achieved to ensure the commuted sum reflects the appropriate percentage of the value achieved.