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# DELIVERING AFFORDABLE HOUSING IN SALISBURY DISTRICT

SUPPLEMENTARY PLANNING GUIDANCE TO THE ADOPTED SALISBURY  
DISTRICT LOCAL PLAN



## **FOREWARD**

*Portfolio Holders to sponsor the final adopted guidance in brief passage here*

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# DELIVERING AFFORDABLE HOUSING IN SALISBURY DISTRICT

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## EXECUTIVE SUMMARY

- Housing Need in Salisbury District is recognised to be on the increase. The 2002 Housing Needs Survey showed that around 895 new households per year are requiring some form of affordable housing. **(SEE APPENDIX 2)**
- Research in 2002 by the Joseph Rountree Foundation placed Salisbury District in the top 20 of a list which identified those Local Authority areas where house prices outstrip average working household incomes. Similar work prepared for this guidance concludes that an average working household in the district would need to borrow more than 4 times their income to buy even a modest home. **(SEE PAGES 7-8)**
- The Council has an up to date Housing Needs Survey which has been prepared in line with the government's best practice guidance and this is the principal justification for affordable housing. **(SEE PAGE 9)**
- The Salisbury District Local Plan currently contains three policies which are aimed at securing elements of affordable housing to meet housing needs. The principal policy is Policy H25 which seeks a proportion of affordable homes from qualifying development sites. **(SEE PAGE 12 & APPENDIX C)**
- The Local Plan includes an annual target seeking the delivery of 150 affordable homes per year. In the first 4 years of the plan period around 100 per year were secured based on a generally applied minimum proportion of 25% from each qualifying development. In order to more readily meet the prescribed target (and to address the acute levels of housing need) this guidance would suggest that proportions of up to 40% on qualifying sites may be appropriate to consider in negotiation **(SEE PAGE 14-15)**
- In Salisbury and Amesbury where housing needs are currently greatest, the Council will use this justification to seeking affordable housing provision well above the minimum 25% level set out in policy H25. **(SEE PAGES 15 & 29)**
- Subject to the provisions set out in an amended version of PPG3, the Council will be seeking an element of affordable housing on all sites of 0.5ha or more, or sites where 15 or more dwellings are to be created. **(SEE PAGE 16)**
- The Council will have regard to the viability of a development scheme when making requirements for affordable housing. However, where this is disputed by a developer a confidential, but complete, financial appraisal of the scheme will be expected to demonstrate to the Council why an appropriate level of provision cannot be made. **(SEE PAGE 16)**
- The Council will support efforts to bring forward affordable housing in appropriate rural communities through its Rural Exceptions Policy **(SEE PAGES 18-21)**
- In the New Forest, all residential proposals for more than one residential unit will be appraised for their ability to provide affordable housing **(SEE PAGES 22-24)**
- Section 6 of this guidance sets out a range of additional guidance and advice concerning the delivery of affordable housing in the district. The following points are appropriate to identify in this summary
  - It is likely that the majority of affordable homes (i.e. over 80%) will be required in a social rented tenure. Shared Ownership schemes have a limited role to play in meeting needs.
  - The transfer of affordable homes to a Registered Social Landlord remains the most appropriate means to secure provision for those in housing need.
  - There is a clear need for a larger proportion of smaller dwellings in both the market and affordable sector of the districts housing market and consideration by the Council will reflect this.
  - There is an expectation, particularly on larger greenfield sites, that affordable housing should be funded to a greater degree from developer contributions
  - Circumvention of the policy through the subdivision of land holdings will be addressed using restrictive legal agreements and conditions

## **INTRODUCTION**

### **The Status of this Document**

This document will be adopted by Salisbury District Council as Supplementary Planning Guidance. It seeks to set out, in simple and understandable terms, additional guidance to all those concerned with the delivery of affordable housing in Salisbury District. At the broadest level it sets out the requirements of the Adopted Local Plan which qualifying developments will need to conform to, however in addition it outlines a process and sufficient detail (e.g. *information requirements, legal expectations, contacts*) to inform all parties what is expected of them.

Paragraph 3.16 of PPG12 states that, 'While only the policies in the development plan can have the status that Section 54A of the 1990 Town & Country Planning Act provides in deciding planning applications, Supplementary Planning Guidance may be taken into account as a material consideration. The Secretary of State will give substantial weight in making decisions on matters that come before him to SPG which derives out of and is consistent with the development plan, and has been prepared in the proper manner.'

### **Consultation Arrangements**

The formulation of this Supplementary Planning Guidance has taken account of a wide spectrum of views and background information. In the research stage the formulation of the content was significantly informed by the findings of the Council's Affordable Housing Scrutiny Group. This review, undertaken in 2002/03, took in a number of face to face meetings with policy makers, Registered Social Landlords, developers and other authorities to understand the issues involved in securing and delivering more affordable housing.

In drawing up this guidance the Forward Planning service, in conjunction with Housing Strategy service, has closely examined a wide range of national research and guidance to inform this guidance. At a local level, housing needs data, income levels and the local housing market have been reviewed to ensure that the justification for affordable housing remains as up to date as possible. In addition, officers have examined more detailed matters such as existing funding regimes, the variety of tenures and design issues to ensure that many of the observed difficulties with delivery of affordable homes can be addressed. Other specialist advice has also been drawn in from legal advisors and development control officers to ensure that the overall guidance reflects the ability of the development industry to bring forward new sites.

In terms of consultation on the content of this guidance, this document was published for a 6 week consultation period which ran from 26<sup>th</sup> February to 8<sup>th</sup> April, 2003. In seeking to ensure that a wide a spectrum of interests were consulted, the District Council notified around 70 different individuals and organisations which ranged from developers and agents operating in Salisbury District, national organisations including government departments, the House Builders Federation, and the Housing Corporation, as well as local groups, particularly Parish Council. Further to this the guidance was publicised in the local press and made available online and at local libraries.

The consultation exercise resulted in the submission of 20 individual representations were received from interested parties and the District Council would take this opportunity to thank those individuals and organisations for participating. As part of the post consultation scrutiny process all the issues raised by consultees, whether in support or objection of the draft proposals, were carefully considered and a copy of the analysis is available on request from the Forward Planning service.

## THE NEED FOR AFFORDABLE HOUSING

### 1.0 Background

The District Council's requirement for affordable housing is not an arbitrary one. The requirements set out in the Local Plan are based on periodically reviewed Housing Needs Surveys which have revealed that there are increasing numbers of individuals or households (*a family or cohabiting group*) who are unable to compete in the housing market in Salisbury District.

Being able to compete refers to the ability of individuals or households, based on their incomes, to gain access to a suitable form of housing. In the owner occupied sector of the market this typically means that individuals or households cannot afford to borrow enough to purchase a reasonable home, whilst in the rented sector it is more straightforward in that local rent levels exceed the proportion of income which a household can afford. The term reasonable is underlined above as this is an important factor. Those in housing need can come from all walks of life, not just those at the lowest reaches of the income spectrum. For example, a family of five confined to a two bedroom house represents as much a group in need as a single person or young couple who may be seeking to start out on their own.

*“An inadequate supply of decent housing can have a detrimental impact upon the social, economic and environmental well being of an area. Employee recruitment may be affected by the lack of suitable accommodation, health may deteriorate due to living in unsatisfactory housing conditions and newly forming households may be forced to move away if they are unable to buy or rent a suitable home in their local housing market area. The [recent] rapid rise in house prices had led to more people being unable to meet their housing needs through the market...”*

The South West Regional Housing Strategy 2002-2005

The provision of affordable homes is therefore an important social responsibility which Government requires local authorities to be concerned with and this is set out in Circular 06/98 (Planning & Affordable Housing) as quoted below

*“Local planning authorities have a responsibility to allocate sufficient land for housing in their development plans. Whilst the primary objective will be to ensure that there is enough land for housing to meet the agreed needs in terms of numbers, local planning authorities should also ensure that there is a mix of dwelling types and sizes - whether through new house building or conversions -to cater for a range of housing needs; and should encourage the development of mixed and balanced communities in order to avoid areas of social exclusion.”*

## 1.2 **Defining Affordable Housing**

The Salisbury District Local Plan is required to provide a definition of what constitutes affordable housing. This guidance sets out a clear definition which draws together the key strands which this Council understands affordable housing to be. This definition takes in many key points from the provisions set out in Government Circular 6/98.

“Affordable housing is housing (including low cost market and subsidised houses (irrespective of tenure/ownership/financial arrangements)) which is available, in perpetuity, to those households who are financially unable to compete in the local market (for rent and for sale) to secure a suitable home.”

The underlined sections of the definition are considered important and may be subject to a variety of interpretations. In order to clarify their meaning, the following comments can be made.

- ***including low cost market and subsidised houses (irrespective of tenure/ownership/financial arrangements)*** makes reference to all forms of housing which might be available to address those in housing need. This ensures that all options remain open to consideration, although the type of housing required will be expected to cater for the identified need.
- ***In perpetuity*** – this term refers to the need to secure affordable homes on a permanent basis to meet the ongoing problem. If affordable homes are not controlled they can easily be released to the market whereby inflated values will mean they are no longer affordable.
- ***Households*** in this sense are those individuals, couples or families who are capable and willing to occupy a domestic residence.
- ***Unable to compete*** - As considered in section 1.3, house prices/rent levels have grown to exceed what can realistically be afforded through incomes. Clearly if income levels of individuals/households are not sufficient to borrow against, that individual or household cannot hope to compete in the market.
- ***Local Market*** is the supply of all types and tenures of housing within a local area. In and around Salisbury this will constitute a fairly clear market area, but in more peripheral parts of the district housing markets of adjacent centres may become more influential.
- ***Suitable Home*** is one which meets the real physical needs of the occupant. For example a family of 3 housed in a 1 bedroom flat would not occupy a suitable home.

The definition above is based around the requirements set out in government guidance. In simple terms however, the Council would consider the following three types of property to be ‘affordable’– subject to them addressing the matters considered above.

**Social Rented** - properties made available to persons in housing need through a Registered Social Landlord (such as a Housing Association) who will offer properties at an affordable rent level which is fixed by Housing Corporation rules.

**Shared Ownership** – These are properties, again administered by a Registered Social Landlord which are made available on a part ownership basis. For example a nominated individual can buy a share of normally 20-50% of the property value, whilst paying a nominal maintenance rent on the remainder to the Registered Social Landlord. This tenure does allow owners to eventually buy out 100% of the property, however it should be noted that the capital receipt is then recycled to build new affordable homes. Furthermore there are restrictions – particularly in small rural settlements where housing supply is very limited – which can be put in place to prevent tenants buying out.

**Low Cost for Sale** – These are properties which are made available for sale to nominated individuals in identified housing need at a price which reflects local income levels. In this district at the current time a maximum price of £80-85,000 is likely to be appropriate. In order to ensure that this discounted value is maintained, covenants in the property deeds placing limitations on transactions involving the property will be required to be registered at the Land Registry to ensure abuses do not take place.

More details about these housing types, and the arrangements associated with them, are set out in section 6.1 and 6.2 of this guidance.

## 1.2 Salisbury District's Affordability Problem

This guidance will not seek to set out in great detail the basis for requiring affordable housing as this is the primary focus of the District's Housing Needs Survey. However, as indicated in Circular 6/98 (para. 9a), affordable housing policy should be underpinned by an understanding of the pressures leading to Housing Needs in Salisbury District which relate to the differential between Incomes and House Prices.

### Quantifying the Affordability Gap

Affordability, in its most basic definition, can be said to be the maximum price at which one is able to offer to buy a commodity. In the Housing Market, this can be phrased in terms of what mortgage a household can secure based on their income levels. At a broadbrush level, mortgage lenders are prepared to lend in the region of 2.5 to 3 times a person or household's income. Thus, as an example, a household on a £20,000 income can expect to secure a £50,000-£60,000 mortgage. In the current climate, it is acknowledged that lenders are prepared to lend more than 3 times a person's income, however this guidance would assert that this trend is unsustainable and will still fail to enable households earning under £20,000 per year to compete in the housing market.

Table I below brings together findings of some analysis of incomes and house prices. The average household income data is drawn from a report by the Joseph Rountree Foundation in 2003 which particularly focuses on household incomes of 20-39 year olds – the primary household forming cohort of the population. The house price information is based around Land Registry House Price Data for 2002. It is made up of an average of prices for flat, maisonette and terraced properties, which in crude terms could be said to represent the value of a modest property in the district.

Table I : Comparative House Price to Income Ratios

	JRF Working Household Income (2002) (A)	Average House Price (2002) Flats/Terraced Only (B)	Income to House Price Ratio (B/A)
<b>Salisbury</b>	<b>29,612</b>	<b>123,215</b>	<b>4.16</b>
Kennet	38,723	127,145	3.28
North Wiltshire	31,089	99,883	3.21
Swindon	32,510	97,208	2.99
West Wiltshire	33,283	89,363	2.68
<b>Wiltshire</b>	<b>33,043</b>	<b>107,417</b>	<b>3.25</b>
Former Avon	33,467	117,438	3.51
Cornwall	25,475	96,705	3.80
Devon	25,440	95,895	3.77
Dorset	28,359	118,962	4.19
Gloucestershire	30,713	99,394	3.24
Somerset	29,152	84,558	2.90
<b>SOUTH WEST</b>	<b>29,626</b>	<b>106,386</b>	<b>3.59</b>
Hampshire	37,417	119,482	3.19
<b>SOUTH EAST</b>	<b>38,478</b>	<b>119,943</b>	<b>3.12</b>
<b>ENGLAND</b>	<b>34,197</b>	<b>97,335</b>	<b>2.85</b>

The figures in the final column above show that new buyers in Salisbury District will be required to borrow over 4 times the typical household income to purchase a modest property. In terms of taking out a 'normal' mortgage (i.e. based around 3 times a households income) households would need to earn around £41,000.



As indicated at the start of this section, the figures used in table 1 are by no means an accurate assessment of the affordability gap. However, the following factors would suggest that, if anything, this appraisal understates the situation

- the Council's Housing Needs Survey undertook an appraisal of local incomes which concluded that average income levels for earning households was in the region of £25,600 rather than the £29,600 shown in table 1.
- House prices may be debated upwards or downwards depending upon factors including .
  - the size of property being focused on as a 'modest dwelling'
  - whether one considers lowest market prices or uses an average.

Clearly these, and other factors can be interpreted in a number of ways but overall, one needs to bear in mind that since these figures were prepared in 2002/03 house price inflation has continued at a rate in the region of 10%+ per year.

Hence, all things being equal, this methodology represents a means, over time, to compare on a like for like basis, the level of affordability. As a guide it brings together the facts that Salisbury District's housing market is an expensive one to buy into and that local incomes are increasingly insufficient to enable households to gain access to an adequate mortgage to buy in that market.

This methodology can be equally applied to the rented sector whereby weekly/monthly rent levels can be compared to household income levels.

In this case, the comparator (similar to the 2.5-3.0 mortgage lending level considered in the previous section) is 30% of the monthly household income. Thus, in 2001, the average monthly income for a Salisbury District household (after tax and national insurance) was £1488, whilst the average market rent for a 2 bedroom property was £528 (Source : HNS, 2002). As a proportion of monthly income this represents 35.4% of the household income – 5.4% above the accepted 30% margin. For a family home, a typical 3 bedroom house is let at around £638 per month which, when equated with the same household income levels, represents a 42.8% proportion.

### **1.3 The Assessment of Housing Need**

Section 1.2 has set out a broad analysis of the problem which faces the District which, to a greater or lesser extent, afflicts many other parts of Southern England. However, in terms of justifying affordable housing requirements which are expected through Local Plan policy requirements, (to be negotiated through the planning application process), the following sources of information will be the primary means of assessment.

- a) The **Housing Needs Survey** – This document is a central pillar in the District Council's justification for affordable housing. The extensive survey provides key estimates (based on a significant sample of primary data) regarding the numbers and types of households in some form of housing need, and how needs levels are likely to change in the future. The needs survey's main focus is the affordability of housing and it quantifies more precisely the matters considered in the previous section, namely the relationships between house prices and incomes which currently reveal a strong justification for Affordable Housing sought in the Local Plan. Housing Needs Surveys are prepared in line with a standard methodology as set out in the DTLR's 'Local Housing Needs Assessments: A Guide to Good Practice.'

A full summary of the Council's current Housing Needs Survey's findings are set out in Appendix B of this document, however the key points can be summarised as follows

- In terms of pure numbers, **895 new affordable homes are needed each year in Salisbury District to meet the identified level of need**
  - **87% of the need is for Social Rented properties** with the remainder (13%) required as properties for Shared Ownership. Unless the prices of Low Cost for Sale units could be fixed at a level of around £70-80,000, this type of property was not considered to meet affordable housing need.
- b) The **Housing Waiting List** – represents a listing of individuals in actual housing need. As a basis for determining affordable housing provision its value is limited as there are issues such as apathy and social stigma associated which effectively acts to exclude individuals. Nevertheless, the Housing Waiting List quantifies those households who are in direct and immediate need and is therefore useful as a means to allocate housing to those in need.
  - c) **Local Needs Assessments** - In some parts of the district, communities have been undertaking their own Housing Need Surveys, termed Local Needs Assessments. These surveys are especially valuable in support of applications for Rural Exception schemes considered in section 4 of this guidance. Advised by the Council's Housing Service to ensure the consistency of approach, more of these surveys are being encouraged to be undertaken (or supported) by Parish Councils, particularly in the more rural parts of the district. In recent years the development of Parish Plans has provided a wider means through which community objectives can be researched and addressed, and there is no reason why a Local Needs Assessment cannot be undertaken under this wider banner. Through such a process landowners can also be more involved and this could facilitate the release of land to provide 'homes for locals'.

As a new resource to assist in finding housing solutions, Wiltshire as a whole, now has the services of a "housing enabler", who will be able to help communities to undertake local surveys specific to individual development sites more rapidly.

All of these sources of information are available on requests in writing from the Council's Housing Development Manager. Contact Details are set out in **Appendix A**

## THE POLICY FRAMEWORK

### 2.0 Background

The context for housing provision in general is set out in,

- National Guidance (PPG's, Circulars and good practice guides)
- RPG10 : Regional Planning Guidance for the South West (2001)
- Wiltshire Structure Plan 2011 (2001)
- Salisbury District Local Plan (2003)

The policy background is examined in this section.

### 2.1 National. Regional & Strategic Planning Guidance

#### National Guidance

**Planning Policy Guidance Note 3: Housing** (PPG3) states,

*“A community's need for a mix of housing types, including affordable housing, is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing. Where there is a demonstrable lack of affordable housing to meet local needs - as assessed by up-to-date surveys and other information - local plans and UDPs should include a policy for seeking affordable housing in suitable housing developments.”*

This passage of guidance underpins the delivery of affordable housing through the planning system. Underpinning PPG3 is **Circular 6/98** entitled 'Planning and Affordable Housing' which was drawn up with the intention to;

- help local planning authorities to adopt a realistic and consistent approach to preparing plan policies and handling planning applications involving affordable housing;
- encourage a co-operative approach to preparing affordable housing policies, which ensures that the views of all those involved in delivering affordable housing are taken into account;
- clarify that affordable housing policies should be based on a clear and up-to-date assessment of local need for affordable housing;
- provide guidance on securing and controlling the occupancy of affordable housing; and,
- ensure that affordable housing delivered through the planning system is likely to be attractive to lenders of private finance.

The means of securing affordable housing through the planning process is normally through a planning obligation in the form of a Section 106 Agreement (*in accordance with s106 of the 1990 Town & Country Planning Act*). Planning obligations and, less often, conditions can legitimately be used, where justified, to achieve the development and use of land in a way which ensures that some of the housing built is occupied, either initially or in perpetuity, only by people falling within particular categories of need for affordable housing. This aspect is considered further in section 6: Specifics.

There is a range of **good practice guidance** which has been issued by the DoE/DTLR and ODPM which is relevant to this document. For example,

- Local Housing Needs Assessment: A Guide to Good Practice – DETR (now ODPM) July 2000 – this guidance is at the heart of the Housing Needs Survey prepared by Fordham Research.
- Delivering Affordable Housing Through Planning Policy - DTLR (now ODPM) February 2002.
- Evaluation of the Low Cost Home Ownership Programme – ODPM September 2002

### Emerging Guidance

Of increasing relevance is the **review of PPG3** which, at the time of writing, is intended to incorporate and effectively supercede Circular 6/98. The majority of proposed changes formally pick up on many aspects which Local Planning Authorities already adhere to, as well as expressing the roles of Regional Planning and Housing Bodies. However, most significantly reductions of the site size thresholds for affordable housing are proposed.

### Regional Guidance

At a regional level, **Regional Planning Guidance (RPG10)** requires that 20,200 new dwellings are built in the South West each year in the period 1996-2016. In line with policy HO3 : Affordable Housing, a provisional range of 6,000-10,000 dwellings are expected to be affordable and the policy sets out a number of tools for Local Planning Authorities to incorporate within their planning policies to help deliver affordable housing. The basis for this figure lies in the level of households in the region on Local Authority housing waiting lists which are in housing need which prior to the issue of RPG10 in 2001 was in the region of 60,000-70,000 households.

### County Structure Plan

The **Wiltshire Structure Plan** pre-dates the new regional guidance in RPG10, however, Policy DP 8 sets out a requirement for the provision of affordable housing to meet local needs. More relevantly however, it sets the context for housing provision in Wiltshire, namely that between 1991 and 2011, about 67,000 new homes should be built in the County. Salisbury District's share of this amounts to 9,500 new homes. For the remainder of the period (i.e. 1999-2011) the adopted Salisbury District Local Plan is therefore required to provide for 5,500 new homes.

## **2.2 Other Strategies and Guidance**

In 2002, the Regional Assembly, in conjunction with the Housing Corporation and the Government Office for the South West (GOSW) published the **South West Regional Housing Strategy 2002-2005**.

The vision of the strategy seeks to

- Make existing homes decent and improve the design and quality of new homes.
- Build sufficient new homes, and in particular affordable homes, to meet current and future needs; and
- Contribute to the social, economic and environmental well being of the region.

In February, 2003, the Government announced in **Sustainable Communities: Building for the Future** that the existing guidance on planning for affordable housing would be updated and supported with practical advice about what works well and where. In particular, the Communities Plan said the Government would consult on allowing local authorities to seek affordable housing on smaller sites where this is justified ensuring that communities are balanced in terms of property types, sizes and tenures.

The **Council's Corporate Plan** is the main means by which the District Council defines its priorities for action and improvement. Within this plan a handful of priorities are identified where focus is particularly concentrated. Within this group of priorities, it is unsurprising, given housing needs data summarised later in this guidance, that the delivery of more affordable housing remains as one of the top priorities on the corporate agenda and the principal of this guidance is underpinned by support across the political spectrum.

The Council's own housing policies, as set out in the **Housing Strategy** are also highly relevant. Whilst much of its operational focus is related to the ongoing letting and upkeep of its own stock in line with its social objectives, many of the priorities set out are based on new provision of affordable housing through the planning system. This guidance, in part, therefore represents an interface between the development in the private sector and how that can address widely recognised housing need acknowledged by the Council.

The District Council is responsible for drawing up a **Community Strategy** to address local issues raised in Community Plans. In the emerging plans researched and consulted upon in 2003/04, 5 of the 6 community areas in the district raised the issue of affordable housing as being a priority.

## **2.3 The Salisbury District Local Plan**

### **General**

In accordance with the national, regional and strategic guidance set out above, the basis for affordable housing policies is well established providing that there is an identifiable need. As set out in section 1, housing needs data for Salisbury District is derived from a number of defined sources and this will be the justification underpinning requirements. Should the identified sources of needs data show, in the future that housing needs have been met, the application of this policy will be considered accordingly.

Thus, in considering planning applications for housing development, the District Council will have regard to its policies *and the written justification* set out in the Salisbury District Local Plan, which for the purposes of this guidance is the document adopted in June 2003.

In the case of specific housing allocations, a clear requirement is set out for affordable housing. Provision on such sites is intended to provide a supply of affordable homes for the principal settlement to which the site relates.

In the case of other sites coming forward for residential development (i.e. windfall sites), policy H25 is the key means by which the additional amounts of affordable housing will be secured where there is a demonstrable need. Also of relevance is policy H26, and in the New Forest Area, Policy HA2 which deal both with affordable housing provision in rural parts of the district.

These policies and their supporting text are set out in full in **Appendix C**, however, they can broadly be summarised as follows.

**Policy H25** - This sets out the general requirement for Affordable Housing in the district. Subject to the identification of need, the policy identifies qualifying thresholds for sites, which if met by proposal will trigger the requirement for a proportion of affordable housing. Furthermore, it seeks to ensure that new affordable housing is secured in the long term for those in housing need, normally through the involvement of a Registered Social Landlord (RSL). The supporting text identifies an annual target of 150 affordable units

**Policy H26** – This sets out the specific requirements related to the provision of affordable homes on exception sites. The term exception relates to the fact that such sites would not be released for general housing in normal planning circumstances, however by virtue that approved schemes would be only made available to local people, demonstrated to be in housing need, consent may be granted subject to the proposal meeting the set out criteria.

**Policy HA2** – This policy restricts new development in the New Forest Heritage Area to single new dwellings reflecting the potential for impact from residential intensification in this sensitive environment. However, in line with Policy H26, sites capable of providing more than one dwelling can be developed providing that additional units are made available as affordable housing. Paragraph 8.5 of the Local Plan sets out this exceptional arrangement.

Sections 3, 4 and 5 of this guidance relate specifically to how the District Council will apply and implement provisions set out in these policies.

## **POLICY H25**

### **AFFORDABLE HOUSING ON ALLOCATED AND WINDFALL SITES**

#### **3.0 Key Components**

Policy H25 is the adopted Local Plan policy which addresses the need to secure affordable housing from development sites in the district where there is an identified need for such provision. In breaking down the policy, the following elements are essential to note.

- Where there is an identified housing need, the District Council will seek an element of affordable housing on appropriate sites.
- Appropriate sites, for the purposes of the policy are defined by a size threshold, but also by the number of units.
- There is a requirement that affordable houses provided are secured in perpetuity and that the most appropriate means of doing this is through the involvement of a Registered Social Landlord (RSL).
- Regard will be given to the ability of the development scheme to bring forward provision in the light of other obligations and on site requirements.
- On allocated sites, a general target of 25% affordable housing is identified. However, with reference to site specific policies, such as those listed below, a minimum or at least 25% is specified.

Salisbury – Policies H2D, H2F, H2G

Downton - Policy H11A

Durrington – Policy H12

Tisbury – Policy H14

Wilton – Policy H15

- The stated objective of the Local Plan is to achieve 150 affordable units per year.

The following sections will set out what the Local Plan policy is seeking to achieve and clarify how the Local Planning Authority intends to

- implement the policy,
- achieve its identified target of 150 units per year, and;
- consider planning applications where affordable housing is expected.

### 3.1 Defining the Affordable Housing Requirement

In light of the increased importance of affordable housing against a backdrop of spiraling house prices and the tensions this imposes on commercial viability of housing development, all parties in the development process (including developers, Registered Social Landlords, elected members and members of the public) have sought to define their own expectations of what the Local Plan's affordable housing requirement should mean. Clearly this approach has led to wildly divergent viewpoints and hence in order to establish some clarity it is appropriate for this guidance to set out what the Council, informed by the views of stakeholders, will interpret this to mean.

The Adopted Local Plan simply states in policy H25 that

**Where there is a demonstrable lack of affordable housing to meet local needs, the Council will seek an element of affordable housing on appropriate sites....**

In examining what 'an element of affordable housing' means, the supporting text provides some guidance. The overall aim of the plan policy is to achieve provision to an identified target of 150 units per year. In order to achieve this, the text refers to a 'general target' of 25% on allocated sites, although the term 'general' should be informed by the site specific policies, such as those listed on the previous page, which identify that 'a minimum' or 'at least' 25% affordable housing is required. For Windfall sites there is no specific guidance for appropriate affordable housing proportions but it has been established, through negotiation on a number of development sites, that the general 25% requirement is equally appropriate and achievable.

In order to achieve its target of 150 units per year it is already apparent that a basic 25% affordable housing requirement will not deliver the expected level of provision. In terms of identifying a more appropriate level of provision to meet this target, table 2 shows how current levels of development are expected to bring forward affordable housing based on required development levels in the remaining 7 years of the plan period (i.e. 2004-2011).

The first column of the table shows the principal site based sources of development which consist of,

- a) Remaining Local Plan Allocations – Allocated sites which have yet to secure planning permission, and
- b) Windfall Sites – Unidentified sites which come forward for development. Distinctions, based on historical trends, are made reflecting the site sizes which can realistically be expected to be assessed under the criteria set out in Policy H25. In the case of sites under 0.5ha a general assumption has been made based on the delivery of affordable housing by Registered Social Landlords outside of the requirements in Policy H25

The second column then shows the expected levels of affordable housing provision based on a 25% requirement. This analysis clearly shows that affordable housing provision is likely to fall short of the expected annual target of 150 units by around 35 units per year which is a significant amount.

Table 2: Identifying Sources of Affordable Housing Supply (based on WCC data)

	Remaining Structure Plan Housing Quantum 2004-2011	Affordable Provision at a 25% Proportion	Potential Affordable Provision at a 40% Proportion
Remaining Allocations	1315	329	526
Estimated Windfall (Sites over 1ha or 25 dwellings) (18% of Historical Windfall)	341	85	136
Estimated Windfall (Sites 0.5-1.0ha/15-25 dwellings ) (8% of Historical Windfall)	151	38	61
Estimated Windfall (Sites under 0.5ha) (74% of Historical Windfall)	1401	360 Underlying Housing Association Development at 30units/year	
TOTAL	3208	812	1083
<b>Average per year (2004-2011)</b>	<b>458</b>	<b>116</b>	<b>155</b>

By incrementally increasing the proportion of affordable housing, it was identified that a level of provision at around 40% would deliver a level of provision of about 150 units per year which is now seen as a crucial level of delivery in light of the Housing Needs Survey which is summarised in Appendix B.

It is clearly not appropriate for this guidance to set out a rigid overall requirement for 40% affordable housing, however, having accepted that the acute need for affordable housing provision is a significant material consideration there is no reason why negotiation around the general 25% requirement should not extend up to 40% on a site by site basis.

**Accordingly, by means of clarification, it would be appropriate to identify for all parties concerned with the application of Policy H25 that the District Council considers a minimum of 25% to be the basic affordable housing requirement.**

**However, in light of material considerations related to housing need, the Council may negotiate for proportions of up to 40% on qualifying development sites in order to address the established target in the Local Plan to provide 150 affordable dwellings per year.**

**All parties should note that the Council will assess affordable housing provision on a case by case basis and, in line with what is already set out in the policy, requirements will be balanced against site suitability and the economics of provision (including the costs of other planning obligations) which are required to achieve the delivery of successful housing developments.**

A final point to note in relation to the overall level of affordable housing provision is that landowners and developers should be under no illusion that the District Council will be moving towards higher requirements for affordable housing in subsequent plan policy reviews if affordability in the local housing market does not improve. This statement should make it clear that land deals (usually in the form of options) should take account of development viability in light of future requirements. For developers, this message should be acted upon by focusing more on what the local housing market actually needs rather than by what they are looking to sell.

#### The Geography of Housing Need.

Section 6.3 of this guidance examines the distribution of Housing Need in each of the Community Areas based on the findings of the Housing Need Survey. As set out in the section above, the Council may seek a variable proportion of affordable housing, and it is appropriate that one of the factors to be taken into account is the locational disparity of housing needs in the district.

By means of a guide (in summary of section 6.3) the highest levels of need are exhibited in the Salisbury and Amesbury Community Areas. In these areas, sites coming forward can expect to provide elements of affordable housing which are significantly higher than a general 25% target, although regard will be had to the other components of policy H25 where it is appropriate to do so. Conversely, in the Mere and Tisbury Community Areas, where housing need is observed to be less overwhelming (based purely on the housing Needs Survey Data), an element of affordable housing nearer to 25% may be appropriate. Finally, and in line with policy H25 as it already stands, where the Housing Need information points to no identified need, the requirement for affordable housing will be waived.

#### Tenure

Whilst it is accepted that affordable housing tenure on any site is the subject of negotiation in light of Housing Need information, it has already been stated in section 1.3 that Social Rented properties will remain in highest demand from developments in Salisbury District given the acute problems faced. Section 6.1 deals more fully with types of tenure and what role each can play in meeting the District's Housing Needs.



### **3.2 Qualifying Sites**

Policy H25 of the Local Plan defines two threshold sizes which will determine whether sites will be expected to provide Affordable Housing in line with the requirements set out in the previous section. These current thresholds are as follows.

- a) In larger settlements with populations of over 3,000 all sites of over 1 hectare in area or capable of accommodating 25 dwellings or more.
- b) In settlements of under 3,000 in population, all sites of greater than 0.5 hectares or capable of accommodating 15 or more dwellings.

**The proposed changes to PPG3 “Housing – Influencing the Size Type and Affordability of Housing” published July 2003 proposes that all developments of 0.5ha or 15+ dwellings, irrespective of the size of settlement, make provision for a proportion of affordable housing. Readers should note that this change to guidance is not, at the time of adoption of this guidance, an adopted part of the PPG, but will be utilised when it is formally published.**

It should be noted that the District Council is currently examining the size thresholds for inclusion in the Districts first Local Development Framework (LDF) which will coincide with an update of the Housing Needs Survey programmed to be undertaken by 2006. This may well involve a further reduction in the size thresholds where it can be justified.

### **3.3 Securing Affordability and Eligibility of Occupancy.**

It is expected that all affordable units provided under this policy will be secured for use by those in housing need via appropriate means. At the current time the involvement of Registered Social Landlords represent the most secure means to make properties available. In terms of occupancy, affordable units secured by the Council will only be made available to those who are recognised to be, or demonstrate to the satisfaction of the Council that they are, in a suitable form of housing need.

Both of these matters are considered as issues relevant to other parts of this guidance and accordingly are dealt with under a separate heading in section 6.

### **3.4 Relevance of other Planning Obligations and Other Site Costs.**

The Council is not blind to the economics of housing provision. In simple terms, the price of new houses reflects the costs of development (which invariably must include a level of profit in order for the house building industry to make it worthwhile developing the land), plus the cost of the land on which they are built. The District Council is also mindful of the need to deliver attractive, sustainable and balanced residential environments, which make provision for good quality infrastructure and facilities.

Nevertheless, developers and landowners within Salisbury District need to be reminded that affordable housing provision represents a key part of the social infrastructure standing alongside other requirements such as open space, education and design.

The Council accepts the principles of Government Circulars 1/97 and 6/98 that there is a point where the level of planning obligations imposed upon a scheme may make development unviable, and accordingly negotiation and dialogue is important in the early stages of preparing a scheme if this is an issue. However, for the vast majority of sites in the District, the requirements set out in this guidance, (linked with other planning obligations which would normally be expected) do not represent an overwhelming burden which would compromise a viable residential development.

**The District Council will pursue the normal processes of negotiation in the agreement of affordable housing (and other planning obligations). However, where developers fail to provide adequate information leading to a loss of trust in the negotiation of requirements, it will be expected that the developer should provide a full assessment, able to be properly appraised by an independent specialist in planning gain to demonstrate their case. The cost of any such appraisal will be borne by the developer.**

### **3.5 Detailed Matters**

The preceding sections have set out the principle policy basis for affordable housing provision. However there are a number of detailed considerations which are relevant in the implementation of proposals. The following list of headings should be used to guide and inform readers of other relevant issues and highlight specifics which are dealt with in section 6 of this document.

- Tenures of affordable housing
- The Geography of Need
- The role of Registered Social Landlords.
- Legal Agreements
- Types, Size and Mix of dwellings
- Design Issues
- On Site /Off Site Provision
- Funding
- Timing & Penalties
- Key Workers
- Application Process
- Comprehensive Development and the Efficient Use of Land.

### **3.6 Summary**

Policy H25 is the main means by which the District Council will secure affordable housing through the planning process. Its stated intention is to secure in the region of 150 new affordable units each year.

The key requirements of this Supplementary Planning Guidance can be summarised as follows.

- The Council will have regard to the latest Government Guidance in applying site size thresholds which should provide an element of affordable housing, where there is established need in the local area
- That on qualifying sites a 'general target of' or 'minimum of' 25% affordable housing will be sought, but that where material considerations are demonstrated, this proportion may extend to 40% to enable the Council to meet its expressed target of providing 150 affordable homes per year.
- A significant consideration in the variation of affordable housing requirements will be localised disparities in Housing Need. In Salisbury and Amesbury where need is currently greatest, proportions of affordable housing negotiated may be well above the general/minimum requirement set out in the policy.
- Whilst subject to negotiation and reflective of changing needs, Social Rented is likely to remain the most desirable form of tenure. Shared Equity/Ownership has a lesser role to play in meeting needs.
- That all affordable housing should be secured in the long term for occupancy by those in housing need, or, in the case of Low Cost for Sale housing, secured as best possible to maintain its affordability in the long term.
- That housing secured under this policy will be occupied by those considered by the Council to be in housing need.
- That during negotiations prior to and during the planning application process, regard will be had to the range of other planning obligations and costs associated with a particular development.
- Where there are disagreements between the Council and a developer on issues of viability, it will be expected that the developer should provide a full assessment, able to be properly appraised by a independently commissioned specialist in planning gain at their own cost, to demonstrate their case.

## RURAL EXCEPTIONS POLICY

### 4.0 Basis

The principle of 'Rural Exception sites' for affordable housing is well established. Its basis lies in the fact that new development is not being focused towards many smaller communities, largely as a result of their relatively unsustainable locations. However, this restrictive stance has limited the supply of dwellings in these communities and accordingly the prices of properties have increased to a level which is often significantly greater than a comparable property in a more urban setting. The result of this has been that certain groups of local people, namely the young, and those working in rural areas for relatively lower wages, can no longer afford to rent or buy properties. The effects of this can include,

- A greater degree of reverse commuting by workers employed in rural enterprises who are forced to live elsewhere as a result of their inability to buy.
- An erosion of family and community ties as younger family members are forced to move away.
- A shift in the demographic balance which has impacted upon the ability of local services, particularly schools, to maintain their patronage, and subsequently, their overall viability.

Accordingly, Rural Exceptions policies, which are now a common element contained within Local Plans, seek to provide a means whereby housing for local people can be provided where normal open market housing would not normally be allowed.

### 4.1 Suitable Settlements and Locations

From the outset it must be noted that exception sites will only be considered appropriate in settlements where there are a **range of local facilities**. Basic facilities will vary from place to place, but there should at least be a primary school, access to a regular public transport service and a shop meeting a range of daily basic needs. The presence of other amenities such as a pub and recreation area will also be important.

Providing the community is well served by facilities and amenities to support local people, careful consideration then needs to be given to the location of the site. Firstly, it is important that the exception site is **well related to most of these amenities**, typically being within a 10 minute walk of most or all of the available facilities. The basis for this expectation is that exception sites should be located within the community, not in a peripheral location away from the main focus of activity.

Secondly, the site must be in a position which largely **conforms with planning policy**. The exceptions policy still requires that well planned and good quality development is provided, and accordingly issues such as poor access, risk from flooding and landscape impact remain as important as they would be to any other proposal.

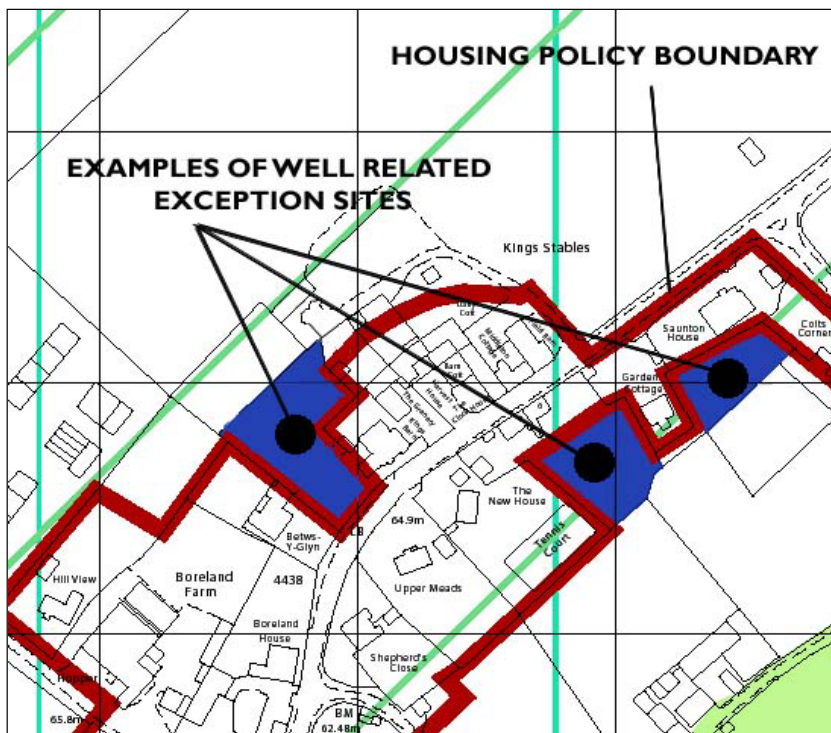
However, as the "rural exception" title suggests, some flexibility from normal planning policies does exist in relation to the sites position relative to the settlement boundary, or Housing Policy Boundary. A Housing Policy Boundary (HPB) can be defined as a boundary around a settlement inside which new residential development is considered acceptable, subject to detailed matters such as appropriate access, good design, impacts on neighbouring amenity, etc.

Inside these HPB's, available plots are normally sold for open market housing. Completed properties or suitable land will normally be sold at a price reflecting the prevailing market conditions which, more often than not, are beyond the means of young first time buyers or rural workers.

Outside of the HPB, residential development is strictly controlled, and accordingly the land value reflects the use. In many rural settlements, surrounding land will typically be in agricultural use and accordingly its value is a fraction of that of land within the HPB. The rural exceptions policy takes advantage of this lower land value to enable the delivery of affordable homes. Whilst some premium on the land value can be expected by the landowner, the maximum price for a rural exception site should not exceed £75,000 per hectare or £2,500 per building plot. This ceiling, which should be seen only as a guide, will enable the land value, and the resultant housing to be provided cheaply, in turn, ensuring that rental/shared equity levels can be within the range of the incomes of those in housing need.

Taking into account the proximity of services and facilities, as outlined above a **suitable rural exception site for affordable housing will normally be located just outside of a Housing Policy Boundary, and would be expected to be closely related to the existing built up area.** Map 1 shows examples of well related sites, however, as stated above, just because they are well related does not automatically make them suitable.

Finally, a **rural exception site will normally consist of no more than 10 dwellings, and for smaller settlements only one or two dwellings might only be appropriate.** As considered in the following two sections, supply will be determined by identified needs and the availability of the properties will be maintained in perpetuity for local people, normally through the involvement of a Registered Social Landlord.



Map 1: An indicative plan showing potential rural exception sites that are well related to the existing settlement pattern.

Anyone seeking to promote or facilitate a site for development as a rural exception is advised to arrange a meeting with a member of the Forward Planning service to discuss the potential in planning terms ahead of any further considerations. A final point which must be clearly made is that under no circumstances will the policy be relaxed to permit market housing on exception sites, even as a minority proportion.

## 4.2 Identifying Local People in Housing Need

Other parts of this guidance refer to those individuals or households in housing need. In the case of a rural exception site, the need must relate directly to a village, parish or cluster of parishes. At a district level, the Council's Housing Needs Survey cannot, for reasons of production time and cost, relate down to a local level and so Local Needs Assessments will need to be undertaken to make a case for rural exception schemes.

A Local Needs Assessment is a mini Housing Needs Survey which seeks to understand local housing conditions, incomes and property values, as well as identifying whether there are households or individuals who need or wish to remain resident in the community but are unable to gain access to suitable housing on account of its cost. The relevant Local Plan policy, H26, defines the types of persons which exception schemes would cater for.

- (a) people who already live in the local area and are seeking separate or more suitable accommodation;
- (b) people whose work provides important services (e.g. *key workers & carers*) and who need to live closer to the local community; or
- (c) people who used to live in the local area and wish to return for reasons of employment or family connections; or
- (d) people who have found permanent employment in the local area but who live elsewhere;

**Appendix E** sets out a good example of a Local Needs Questionnaire to give an impression of the investigation which needs to be undertaken. A further requirement of a Local Needs Assessment will be to assess whether identified housing needs could be met in any other way.

Any Local Needs Assessment must be undertaken under the advisement of the Council's Housing Service to ensure the findings can be relied upon in a subsequent planning application. The contact details of the Housing Strategy Officer and other relevant contacts are set out in **Appendix A**. The most authoritative means for a Local Needs Assessment to be undertaken is through the Parish Council. Whether undertaken as a one off exercise or as part of a formal Parish Plan, the involvement of the Parish should reassure residents and promote a higher response rate which will contribute to its value making a stronger case for any exception schemes coming forward.

A Local Needs Assessment will normally have a shelf life of up to 2 years, and accordingly if needs are recognised to be persistent there should be some means for review. Aside from a biennial survey, a confidential local register could be established, although proper custodianship of this data will be essential in order that the subject does not become a stigma locally.

### **4.3 Securing Affordability and Eligibility of Occupancy.**

Criteria vii) and the supporting text to policy H26, as set out in Appendix C, clearly state that dwellings on rural exception sites will be secured to ensure that they are always available to local people in housing need. This requirement is essential to ensure that properties do not find themselves being sold on the open market. The District Council will require that an applicant can fully demonstrate that affordability is secured prior to planning consent being granted. The preferred and most appropriate means of doing this is through the transfer of land or completed properties to a Registered Social Landlord. Potential applicants are advised to get in touch with a Registered Social Landlord (such as a Housing Association) at an early stage in the research of exception schemes.

Occupancy of dwellings provided under this policy will also be restricted. In the first instance, dwellings will only be made available to local people, as identified initially in the Local Needs Assessment. However should vacancy arise that cannot be met locally, properties will be offered to individuals or households in need from adjacent localities. Ultimately, properties cannot be allowed to stand empty as a result of a lack of demand in the immediate community.

A final point of significance in terms of securing affordability in the long term is the role of Mortgagee in Possession clauses which allow property to be sold on the open market by a lender where a borrower defaults on repayments. The release of rural exception properties onto the open market is not considered acceptable in any circumstance and hence such clauses will not be acceptable.

Both of these matters are considered further under separate headings in section 6.

### **4.4 Design**

In the first instance it should be noted that Housing Corporation standards of design will apply to any affordable homes where grant funding is secured. However, more generally, properties secured under the rural exceptions arrangement will, in common with all new development, be subject to the normal design considerations in the Local Plan. Although rural exception housing is expected to be cheaper than market housing, this can be achieved by virtue of the reduced land value, not as a result of poor quality materials and design. It will be expected that the quality of the design should reflect local styles and characteristics, although innovative approaches will not be discouraged where they are appropriate. Layout, materials and associated landscaping should also ensure that properties are fully integrated into the surroundings.

### **4.5 Future Variations**

In its Planning Policy Statement 3 (PPS3) consultation paper the government is seeking to put in place a mechanism to allow Local Planning Authorities to make affordable housing allocations in rural areas within Local Plans (or their Local Development Framework replacements) in addition to the Rural Exceptions scheme outlined in this section. This move is welcomed as it provides the opportunity for the Council and its Parishes to work more proactively to identify sites where there is an expressed need in the community. Any houses built as part of this approach will only be made available for local people in housing need and the involvement of a Registered Social Landlord will be essential to ensure that future occupancy is restricted to such people.

#### **4.6 Detailed Matters**

The preceding sections have set out the principle considerations for affordable housing provision on rural exception sites. However there are a number of detailed considerations which are relevant in the implementation of proposals. The following list of headings should be used to guide and inform readers of other relevant issues and highlight specifics which are dealt with in section 6 of this document.

- Tenures of affordable housing
- Securing Affordability and the role of Registered Social Landlords.
- Legal Agreements
- Types, Size and Mix of dwellings
- Design Issues
- Funding
- Application Process
- Occupancy Controls
- Access to services and Facilities

#### **4.7 Summary**

Policy H26 is the main means by which the District Council will consider applications for affordable housing through rural exception schemes. Where there is a demonstrable local need, clearly identified in a Local Needs Assessment, the District Council will actively assist communities, to progress suitable exception schemes where they conform with the policy.

The key requirements of the policy can be summarised as follows.

- An application for a rural exception must be supported by a proper Local Needs Assessment which identifies needy local households or individuals, and which shows that this need could not be met by any other means.
- That in broad planning terms the proposed site and eventual scheme is acceptable with regard to other policies in the Local Plan.
- That the site in question is well related to the existing settlement pattern.
- That the site in question is well placed to allow current and future occupants to make use of basic facilities such as a primary school, public transport service and shop meeting a range of basic daily needs.
- That the land in question is made available at a nominal cost.
- That all dwellings allowed are made available in perpetuity to meet local housing needs, normally through a formal arrangement with a Registered Social Landlord.
- That housing secured under this policy will be occupied by local people recognised by the Council to be in housing need.
- That during negotiations prior to and during the planning application process, regard will be had to the range of other planning obligations and costs associated with a particular development.
- That, as a result of the exceptional case being made, the design of the properties is fully in keeping with the prevailing local style and character of existing development.

## AFFORDABLE HOUSING IN THE NEW FOREST

### 5.0 Basis

Policy HA2 of the Salisbury District Local Plan is set out in Appendix B. This policy allows for modest and incremental housing growth in identified areas within the New Forest Heritage Area. Infilling, subdivision, changes of use and redevelopment represent typical types of development which are acceptable under this policy, however, in recognising the sensitivity of the Forest to cumulative pressures, the policy explicitly states that development should be limited to single additional units. Such a policy effectively limits the potential for larger speculative housing schemes, in turn protecting the sensitive forest environment from the impacts of residential intensification. The only exception to this policy is clearly set out in paragraph 8.5 of the supporting text as quoted below.

*“...The restriction of infilling, subdivision and change of use to a net increase of only one dwelling is necessary to protect the character of the villages and to protect the New Forest from cumulative additional pressures arising from residential development. Where a site or building is reasonably capable of being developed or redeveloped to provide more than a single new dwelling, such a site should normally be developed in accordance with policy H26 – local needs affordable housing.*

The stance of the policy and supporting text were considered by the Local Plan Inspector (para. 8.1, p.291) and now form part of the adopted Plan.

In the previous Local Plan, this policy operated without a requirement for affordable housing which restricted development to an incremental pattern of single dwellings. This limited the growth of new residential in the area, which is in line with the need to protect the New Forest Heritage Area however, the restriction to single new dwellings led to a prevalence of larger houses being built, often for speculative purposes. The knock on effect has been that fewer small units are being provided which can address local needs, which in turn means that those born and bred in the Forest (typically on modest to low incomes) are increasingly being displaced to Salisbury, Romsey or Southampton, for example, as a result of the lack of affordable accommodation. The supporting text to Policy HA2 seeks to address this by providing opportunities for larger sites to be developed for more than one unit, providing that the units are made available exclusively to meet local housing needs.

Readers of this guidance should also refer to section 4 of this guidance which more specifically deals with rural exception sites.

### 5.1 Considerations for Developers and Planners

The first matter to be considered is whether the application conforms with the main bulk of policy HA2 and any other relevant policies in the plan. If any of the set out criteria in HA2 are not met (or other policy requirements are not fulfilled), the application should expect to be refused. In all cases the primary fact to take account of is that the Forest environment is the overall focus. This consideration will address points i), ii), iii) and iv) of policy HA2 (and, for multiple unit sites, points i) and iii) of policy H26)

Assuming the general policy position is met, the next point which will be considered is the number of units being applied for. In the case of a plot capable of accommodating a single unit, no further policy conditions would apply, leaving the normal DC considerations to be weighed up prior to determination.

**For proposals on a plot capable of achieving more than one unit, the requirement for affordable housing is clearly set out and justified above, but from the outset any provision will be based upon three preconditions, namely,**

#### **a) There is an identified need for local affordable housing in the community concerned.**

If no need can be demonstrated, there can be no requirement by the Council for the applicant to provide affordable housing. Information from the Housing Strategy service, namely the Housing Needs Survey, a Local Needs Survey or waiting list data, will be means used to assess those in housing need.

This consideration will address points iv), v) and vi) of policy H26

**b) There is an RSL who can commit to securing the long term affordability.**

An RSL will ensure that affordability is maintained in perpetuity. Their involvement is therefore an important consideration. The Housing Strategy service should be consulted on whether an RSL (Registered Social Landlord) would have an interest in the site which could then be conveyed to the applicant. If an RSL is not interested, Low Cost for sale or some other form of mechanism could be investigated taking into account advice from Housing Strategy and Forward Planning officers, however additional safeguards will need to be considered, normally based around sound legal mechanisms to ensure that affordability and appropriate occupancy is maintained in perpetuity.

Information should be sought from the Housing Strategy service at the earliest stages, and the onus is on potential applicant, to write or arrange meetings with regard to Housing Needs to confirm the information which must ultimately form the basis of the application.

Negotiation will then be required to secure suitable units with suitable legal agreements, which realistically should involve a Registered Social Landlord (normally in the form of a Housing Association), SDC Housing, SDC Legal and Planning representatives. It is envisaged that a legal agreement will consist of the following components.

- The unit/s will remain as affordable housing for people with local connections in perpetuity
- Definition of mechanisms for the transfer of properties to a Registered Social Landlord
- There may be a requirement for the affordable unit to be built to approved Housing Corporation Standards

This consideration will address point vii) of policy H26

**c) That the location of the site is well related to existing community facilities.**

Criteria ii) of Policy H26 seeks to ensure that affordable housing is provided in villages with some basic facilities (e.g. A shop, school and public transport). The purpose of this requirement is twofold in that, firstly potential occupants are socially integrated into the community (i.e. not placed in locations distant from local amenities), and, secondly, that they are not required to rely on the private car to meet the most basic of needs. The thrust of this criteria can be related back to criteria i) and iii) of policy G1 and ultimately to the objectives of the Plan as a whole. Officers will need to assess the settlement concerned to determine whether a reasonable range of basic facilities are available (including school bus services to local schools) and hence whether the site is well related.

In cases where settlements are highly dispersed, the extent of the village could be said to be a barrier to reasonable access. Hence, as an interim guide, suggested walking distances (derived from “Sustainable Settlements” (UWE/LGMB, 1995)) can be applied whereby the following distances are suggested for access to basic services and facilities.

Playing Fields – 1000m  
Public House, Local Shop – 800m  
Primary School, Playground - 600m  
Bus Stop - 400m

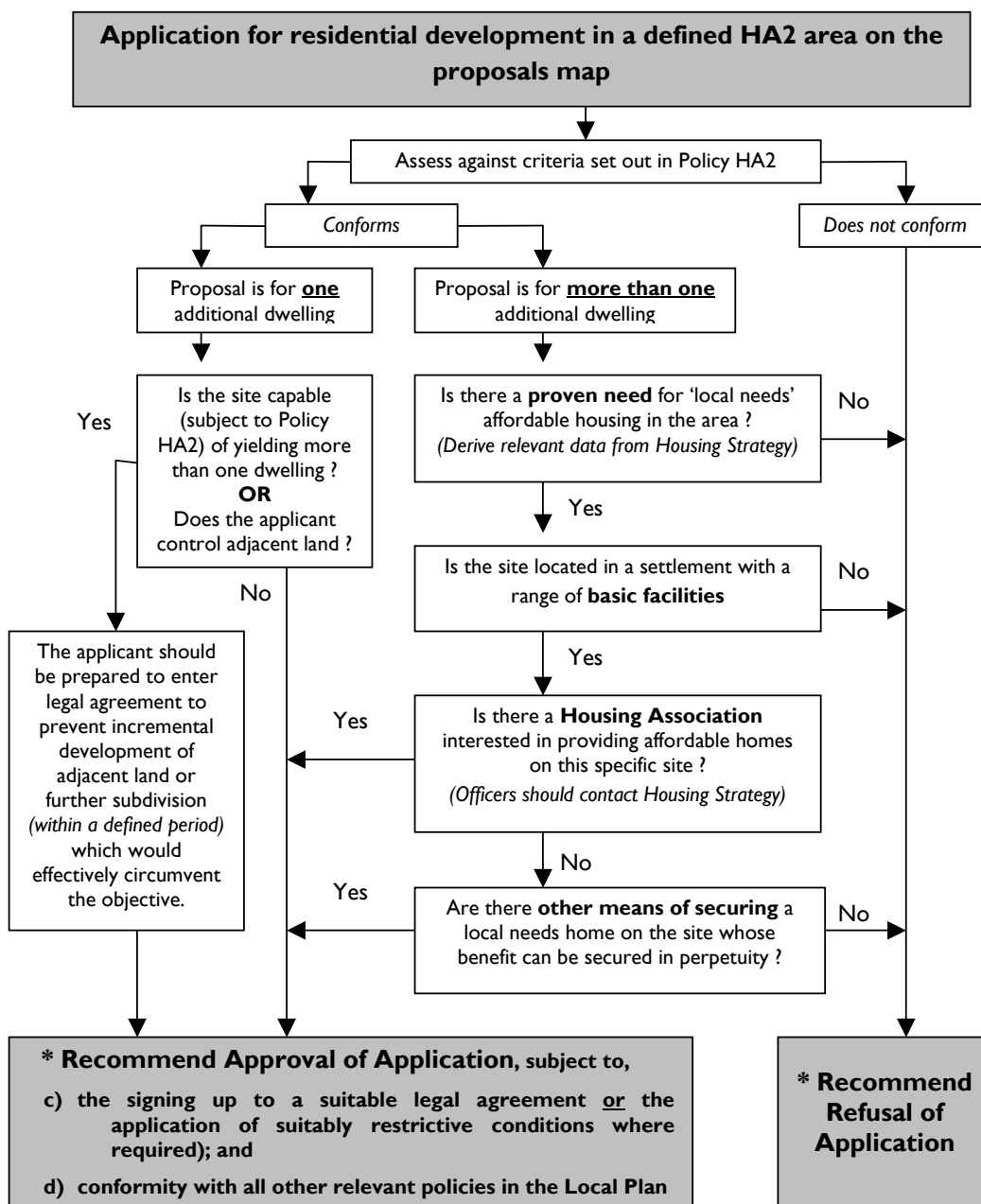
Given that these distances were devised principally for an urban environment, flexibility in their interpretation should be applied within the rural Heritage Area environment. The basis for this is that those living in rural locations would perhaps expect to walk/cycle slightly further (up to 10 minutes) than might be appropriate in an urban setting. Having said this, the intention is that affordable units are within suggested ranges at least some of these amenities to comply with the criteria set out in H26

This consideration will address point ii) of policy H26



**Figure 1 : The normal consideration process for planning applications under policy HA2**

The process set out in the text above should aid applicants and planners in understanding expectations in applying for more than one dwelling in the New Forest Heritage Area. The diagram below seeks to illustrate the process in a simplified manner.



\* Subject to the consideration of other policies in the Local Plan and other material considerations

## SPECIFICS

This Section will address a range of issues associated in the implementation of affordable housing on all types of site.

### 6.0 **Contents**

- 6.1. Tenures of affordable housing  
*Shared Ownership, Social Rented, Low Cost for Sale, Other arrangements*
- 6.2. Securing Affordability and the role of Registered Social Landlords.  
*RSL Definition, Arrangements, Partner Associations,*
- 6.3. The Geography of Need  
*Distribution of Housing Need*
- 6.4. Legal Arrangements  
*S106 agreements, mortgagee in possession clauses*
- 6.5. Types, Size and Mix of dwellings  
*Building types, Bedroom numbers, Site positioning,*
- 6.6. Design Issues  
*Layouts, Housing corporation standards*
- 6.7. On Site /Off Site Provision  
*Expectations, Exceptions, Commuted sums*
- 6.8. Funding  
*Without subsidy provision, LASHG, Subsidy priorities*
- 6.9. Timing & Penalties  
*Trigger points for delivery*
- 6.10. Key Workers  
*Definitions and Income Ranges*
- 6.11. Application Process  
*Process milestones and timetable*
- 6.12. Monitoring  
*Housing Needs Survey, Local Plan Monitoring*
- 6.13. Access to Services and Facilities.  
*Locational requirements, Social Inclusion.*
- 6.14. Occupancy Controls  
*Eligibility, Nomination of occupants*
- 6.15. Comprehensive Development and the Efficient Use of Land.  
*Site severance, reduced densities*

## **6.1. Tenures of Affordable Housing**

Section 1.2 defined affordable housing, in technical terms and, as an aside, went on to indicate the types of provision which would meet that definition. This section expands upon the details of what is meant by,

- Social Rented
- Shared Ownership
- Low Cost for Sale

The Council will consider other tenure arrangements providing that they meet some form of identified and quantified housing need, and that the benefit of the affordability can be maintained over time.

Under the following headings a proportion of the affordable housing component expected on each site is attributed to each tenure, however the differential between each may be varied from each site depending on the types of need prevalent in each locality.

### Social Rented

This form of housing is characterised by below market rents (and some service charges) which is normally paid weekly. It must also be the case that these properties are made available on a permanent basis to be let for those in a housing need. In Salisbury District all new social rented housing is managed and let by a Registered Social Landlord. Any new social rented housing will normally be expected to be provided in partnership with an RSL whose characteristics are set out in section 6.2.

According to the Housing Needs Survey, 87% of affordable properties provided should be of Social Rented tenure as this continues to be the tenure where demand is likely to remain the highest. At the time of any application, this situation will be reviewed in light of local conditions, but given the prevailing conditions the Council will have very limited scope to reduce this requirement.

A further distinction to be made is that these properties are not Council Houses. Council properties continue to remain available, as social rented units, to also meet local housing needs.

An extension of this tenure type is Intermediate Market Rent. The principal difference from Social Rented is that this tenure is a form of private rented property. Tenancy arrangements for nominated occupants are controlled through legal mechanisms to preserve rent levels at a level which may be above Social Rented levels, but is significantly lower than market rates. In terms of operating this type of tenure, the Council remains unconvinced that such properties can be adequately secured to meet housing need in the long term and will investigate this further before identifying very small scale opportunities to pilot the approach.

### Shared Ownership

Shared Ownership can best be described as a stepping stone between the rented sector and purchased market housing. Normally, the property's equity is split between an RSL and the occupants. On the RSL's component, the occupant will pay a relative level of rent, whilst also paying a more affordable level of mortgage, in turn gaining some capital value which can later be sold back to the RSL to be remortgaged to a new occupant or directly to a new qualifying applicant. This allows the vacating occupant to have a capital sum to then go on and invest in an open market property, in turn meeting their housing need. The precise arrangements of these schemes may vary between different RSL's and it is therefore recommended that their advice is taken.

One potential drawback of Shared Ownership is that, with the exception of rural schemes, in time an occupant can 'staircase' their share of the property to the point that they can gain outright ownership. The Council would accept that this arrangement meets a housing need, however by doing this the ability of future occupiers to enjoy this arrangement – in effect getting a leg up into the market – is lost. It should be noted that the capital receipt forthcoming from a staircased sale can be recycled by the Registered Social Landlord involved to fund new building, however it remains that the supply of land which the District Council has access to remains limited. New schemes termed 'restricted equity' shared ownership will define a maximum share which an occupant can buy into and the Council is keen, in certain locations, that this type of arrangement is made between developers and RSL's in securing this type of affordable home.

In terms of a proportion of the basic affordable housing requirement on each site (i.e. excluding low cost for sale properties), it is expected that 13% will be in the form of shared ownership although this will be reviewed in light of changing circumstances in the local housing market.

### Low Cost For Sale

This form of affordable housing consists of properties offered for sale at a discounted price which reflects a balance between the levels of income of those in housing need and local house prices. Overall, the intention in this tenure type must be to create smaller properties able to meet demand at the lower end of the market, most importantly for first time buyers looking to get onto the housing ladder.

In providing this type of property, all parties should be aware of the following issues.

- a) Observed income levels amongst those in housing need will mean that very few would be able to take advantage of this arrangement unless the discounted value was below what mortgage lenders were prepared to loan a qualifying household. Accordingly, it will be essential for developers seeking to provide houses in this form of tenure to demonstrate and assure the Council that properties can be offered at prices which relate to incomes at a local level. **Appendix D** sets out a typical range of discounts which would be expected.
- b) Low Cost for Sale housing is exactly that - properties for sale on the open market. Quite obviously, this means that, without some form of restriction, the initial occupant would be the only beneficiary of the discounted sale price. In selling the property on, a full market value could be asked and then the affordability secured would be lost. The District Council will expect that Low Cost for Sale provision is made available on a secured basis which will mean that its resale value will be fixed in relation to incomes or as a proportion of open market value. This matter is considered further in section 6.2 which discusses arrangements for securing affordability.
- c) Controlling occupancy – The properties will only be made available to individuals or households in housing need as identified or nominated by Salisbury District Council. This matter is considered further in section 6.12. For this type of tenure occupancy control will relate to the initial occupant and subsequent occupants through the involvement of a third party in any transaction of the property.
- d) The basis of providing housing within this tenure is to increase the supply of cheaper starter homes to assist those households who are just outside the reach of the open market. More often than not households in this group will be made up from young couples and families who are looking to get onto the housing ladder. Accordingly, any provision within this tenure will normally be expected to be only of one and two bedroom properties.

## **6.2. Securing Affordability and the role of Registered Social Landlords.**

This section addresses three areas.

- General Considerations
- Defining what is meant by a Registered Social Landlord
- Specific Arrangements for Low Cost for Sale properties.

### General Considerations

Affordable Housing will be provided on the basis that it remains affordable and available to those in housing need. In determining any application concerning the delivery of affordable homes, the District Council will need to be satisfied that appropriate arrangements are in place to ensure this is the case. Applicants will be expected to sign up to a Section 106 agreement prior to the issue of planning permission which clearly sets out the means by which affordability will be secured. This agreement will relate to the land in order that subsequent purchasers will remain subject to this requirement.

The District Council considers that the most appropriate arrangement to secure affordable housing is through the transfer of land or properties to a Registered Social Landlord (RSL), typically in the form of a Housing Association. These organisations are bound by rules which ensure that properties are let and maintained in perpetuity to meet local housing needs through below market rents and other means, such as shared ownership schemes. The District Council is aware that there are private organisations which consider themselves to be

RSL's, however their rules and constitution do not guarantee the security of affordable homes. Where non-RSL organisations are put forward by an applicant, it will be expected that they demonstrate their credentials as a social landlord taking in all of the criteria set out in the following part of this section.

In terms of other means to secure affordable housing, the same points as set out above would apply. Conditions and restrictive resale covenants can be applied, however they are considered less satisfactory. Any such arrangements should be outlined and agreed prior to the submission of a planning application to ensure that time is not wasted during the determination process. Applicants should note that a failure to establish effective arrangements for the securing of affordable housing prior to submission of a planning application may constitute an immediate reason for refusal.

#### Defining what is meant by a Registered Social Landlord (RSL)

Paragraph 27 of Circular 6/98 states,

*“An effective way of achieving control over future occupancy of affordable housing will be to involve a registered social landlord. The body's continuing interest in the property should ensure control over subsequent changes of ownership and occupation.”*

This view of RSLs is based upon a number of key criteria which form part of their constitutions. Any organisation hoping to operate affordable housing in Salisbury District will be expected to demonstrate how they conform to the following criteria.

- As a part of the Housing Corporation's "Performance Standards" for social landlords, (reinforced by the "Tenant's Guarantee" issued under statute) such bodies must have publicly-available policies and procedures for allocating tenancies. These should be "open, fair and based on housing need".
- Should disposal of assets become necessary, this will take place under Housing Corporation controls as set out under sections 39-50 of the 1996 Housing Act.

Further to this it will be required that the organisation will accept and honour the District Council's right of nomination of occupants as set out in section 6.12 of this guidance.

In light of much wasted time and effort in warding off an attempt by one developer in the recent past to involve an organisation without such credentials, Salisbury District Council is still of the opinion that the involvement of a RSL, subject to the full range of Housing Corporation rules and regulations, is the only guaranteed means to secure affordable housing in perpetuity. To this end it has worked closely with a partnership with 5 Housing Associations in recent times who have aided in the delivery, management and letting of affordable housing in the social rented and shared ownership sector.

This group represents organisations which have, for some time, worked with the District Council and accordingly have good knowledge and understanding of the arrangements expected by the Council. It should be noted that they operate on a basis independent from the Council, concerned only with providing and managing housing in line within their own constitutions. All the partners operate suitable and increasingly innovative schemes and thus, whilst not requiring a developer to work with one or more of them, the Council would recommend their involvement. Alternatively, developers can make use of other designated RSL's, however, as stated above, they must be subject to the full range of Housing Corporation standards and rules which govern their status and title as Registered Social Landlords.

A final point of note in respect of Registered Social Landlords is the need to get them involved early in a scheme, at the very latest at the pre-application discussion stages. Involvement at this stage will help to influence successful designs and layouts, but more importantly perhaps, enable the RSL to look into grant funding sources which will help to ensure that the viability of smaller schemes is not undermined.

#### Low Cost for Sale Arrangements

The District Council will need to be satisfied that any Low Cost for Sale provision is made available on a secured basis which will mean that its value remains affordable to those in need. The value at which properties should be made available initially, and for a subsequent period, must represent a level which reflects the mismatch between local incomes and property values. One approach to this matter is considered in **Appendix D**

In order to ensure that this arrangement is perpetuated, one suggested method is that the resale covenant will include a requirement that the District Council, or a Registered Social Landlord, should be a notifiable party in any transactions of such properties. Such a requirement will also be important as it will be the case that Low Cost for Sale homes will only be made purchasable by those households considered to be in an identified form of housing need.

Where demand for this type of tenure is no longer required, it is reasonable that properties will be sold to a Registered Social Landlord for social housing purposes using the same resale price arrangements as set out above. If demand in this sector does not exist, properties will be purchased by the District Council under the same price arrangements and sold on the open market with any net proceeds being ringfenced for future affordable housing projects.

### **6.3. The Geography of Need**

The table below shows housing needs distributed by community areas in Salisbury District. The data shows that over the next five years all of the community areas are expected to face a shortage of affordable housing. In relative terms, Mere and Tisbury community areas show the lowest levels of need, whilst it is quite clear that the Salisbury, Amesbury and Downton areas are in the greatest need.

Community Area	Overall shortfall in affordable housing (per year)	Estimated number of h'holds in sub-area
Salisbury City	331	17,014
Amesbury	223	11,457
Tisbury	21	2,926
Wilton	92	4,233
Downton	163	8,789
Mere	64	2,160
<b>TOTAL</b>	<b>895</b>	<b>46,579</b>

In negotiation on the proportion of affordable housing requirements on individual sites, the District Council will be mindful of the varying levels of need in each community area. As a result, requirements on sites in the Salisbury and Amesbury areas (where the highest housing need is known to exist) may be significantly above the general 25% target set out in policy H25. By the same token, in the Mere and Tisbury areas a lower proportion, perhaps even below the 25% level, might be considered appropriate in light of limited housing need.

### **6.4. Legal Agreements**

Where affordable housing is to be provided in accordance with Policies of the Local Plan, planning obligations will be used to secure provision of the appropriate affordable units. In essence, the developer will be required to enter into a s106 legal agreement associated with any scheme (referred to as such on account of section 106 of the 1990 Town and Country Planning Act) which will seek to formalise many of the aspects set out in this guidance

Key items for s106 agreements to address would normally include: location (e.g. on site), the number of units to be provided, unit sizes and standards, tenure mixes (i.e. proportions of Social Rented/Shared Ownership), measures to ensure the properties are secured in perpetuity, the programme and timetable for provision (phasing), and service level charges. Clearly individual schemes may have differing requirements and an early approach to the Council will ensure that Heads of Terms can be agreed ahead of detailed legal work being required.

In drawing up legal agreements with developers and/or landowners, the District Council will require that the timing of the transfer of land, houses or financial contributions is clearly set out. Whilst the Council will have regard to the Developers programme of development and the timing of other planning obligations on the development the Council will generally expect the delivery of the affordable housing at an early stage.

A final key point which should be noted is the use of Mortgagee in Possession clauses. These clauses are often expected by lenders to ensure they can sell a repossessed property if a borrower seriously defaults on repayments. The District Council will not accept that such clauses are required, especially where a proper RSL is involved in the provision of the affordable homes because of the financial safeguards which the parent Housing Corporation offers.

## 6.5. Types, Size and Mix of dwellings

The 2002 Housing Needs Survey highlights that by 2006, some 10,076 households will be in some form of housing need. This section aims to give an insight to developers as to the size and type of housing which it is appropriate to provide in Salisbury District.

### Size and Mix of Dwellings – Affordable Homes

Just under half of the 10,076 requirement relates to need associated with the affordability of housing which the majority of this guidance is concerned with. The table below breaks down the overall total of 4475 households in terms of their property size demands and adjusts this with regard to the existing level of supply in the market and an expected degree of acceptance of market conditions by households. Housing waiting list figures (First choice requests only) are also shown to identify detailed needs at 1<sup>st</sup> March 2004.

	Affordable Sector	Waiting List Data (1/3/04)	% of Demand
One bedroom	2,010	1240	47%
Two bedrooms	1,950	785	39%
Three Bedrooms	0	358	6%
Four or More Bedrooms	515	31	8%
<b>TOTAL</b>	<b>4,475</b>	<b>2,414</b>	<b>100%</b>

The table clearly demonstrates that there is a considerable shortfall in the number of smaller properties available. In examining the consequences of this, the Housing Needs Survey comments on this by stating (para 11.10)

“In addition, the balance of sizes of dwellings built will be of great importance in both affordable and private sector. It is most likely in the private sector that developers will attempt to build more larger dwellings than suggested by the figures in this chapter. This would have the obvious effect of limiting the supply of homes for local people and would probably increase out-migration of households looking for smaller dwellings and increase in-migration of better off households. This could well have the effect of polarising the social structure of the District.”

Thus, in line with the observed levels of demand for appropriately sizes housing, the District Council will negotiate for Affordable Housing provision generally in line with the proportions set out in the table above. The term generally is applied here as Housing Waiting List data represents the most current form of information about actual housing needs and accordingly by using this information the supply of Affordable Homes can be better matched to demand.

### Distribution of Affordable Homes within a Larger Development

In terms of creating a mix within individual developments the Council will seek to ensure that affordable housing is distributed across any particular site in a measured fashion. The approach taken will vary from site to site, however it is observed to be best practice that affordable homes are clustered, for ease of management, in groups of no less than 8 or 10. In the interests of creating a balanced social mix, particularly on larger development sites, groupings of greater than 20 units will be resisted with the overall aim being to prevent the creation of affordable housing ‘enclaves’ or ‘ghettos’

### Dwelling Type

The District Council has no strict preferences concerning the nature of dwelling types, aside from social and operational concerns for future tenants. Houses, whether terraced, semi detached or even detached, are normally acceptable, although in some cases high demand from impaired mobility tenants may require that occasional bungalows are provided. Whilst flats are considered less attractive, particularly where there is a mix of tenures, they do have a role to play in the provision of smaller units. Management arrangements will need to be clearly established (and funded where appropriate). In terms of unit size, flats for family groups are considered inappropriate on upper floors. Ultimately, unit types will be derived from needs assessment data, normally in the form of the Council’s own waiting list

**Size and Mix of Dwellings – Market Housing**

The Housing Needs survey, aside from examining demand in the affordable housing sector also considered demand levels in the market sector which should be of significant interest to housebuilders. The information gathered revealed that there were nearly 6,000 households who could afford to solve their own housing problems; however supply of suitable properties was identified as being the issue to address. The table below shows the breakdown of demand by unit size

	Market Buyers	% of all Demand
One bedroom	2,507	45%
Two bedrooms	2,312	41%
Three Bedrooms	744	13%
Four or More Bedrooms	38	1%
<b>TOTAL</b>	<b>5,601</b>	<b>100%</b>

Clearly, if the market was better able to match supply to the identified demand the overall impact on affordable housing need is likely to be positive. Hence, developers should be encouraged, using the figures above, to bring forward schemes better reflect the demands which have been expressed.

Further to this, the Council is currently undertaking a review of balanced housing markets and, without prejudging its outcomes, it may be appropriate in the future to introduce further guidance which more clearly sets out the requirements in market housing provision if there is a perception that the market is unable to deliver.

**6.6. Design Issues**

The design of Affordable Housing will be subject to normal policy considerations set out in the Local Plan as well as any additional guidance on this subject which may become available. In many instances Development Briefs and Design Statements will also be applicable to guide the form and character of development.

Affordable dwellings will also be required to be constructed to ensure that it is indistinguishable from market housing units, and where relevant will be required to conform to the minimum standards specified in the Housing Corporation publication 'Scheme Development Standards' or other guidance set out by the Housing Corporation and any successor/equivalent bodies. In the case of Low Cost for Sale, affordability may be built in by allowing some standards to be relaxed, but overall this should not create dwellings which are deficient in terms of basic space requirements or in areas of building construction standards.

Other design considerations should be incorporated where it is appropriate, such as the Home Office publication "Secured by Design" as well as other relevant sources as advised by officers in the Council's Development Control and Housing services.

**6.7. On Site /Off Site Provision**

Whilst Circular 6/98 accepts that a financial contribution to affordable housing on an alternative site may be made in some cases, the Council is of the view that there are very few instances where this is likely to be acceptable and to date there are no instances where this has been the case.

Where exceptional circumstances deem that off site provision or the payment of a commuted sum is warranted, any off site provision should be located within the immediate locality of the development to ensure the affordable housing contributes towards the housing needs of that area to which the 'parent' application relates and to improve the mix of residential accommodation. Commuted sums will be calculated on the basis of land values (and construction costs) of the required affordable housing tenure in the local area. Additionally, commuted sums will only be accepted where the developer can demonstrate that there is availability of purchasable land.



## **6.8. Key Workers**

Key Workers, normally in public sector, undertake jobs which, if undone, would lead to a significant detrimental impact on the quality of life of residents across the District. It is now widely recognised that low wage levels amongst these types of workers is affecting their ability to compete in the local housing market. In many cases these workers are single and newly qualified which means that their lone incomes are even more insufficient to compete expensive housing areas such as Salisbury.

In the last few years, this problem is recognised, nationally, to have become more serious, and locally there is anecdotal evidence from the Health Authority and Police Service that recruitment is being affected by the availability of suitable priced accommodation. In response to this the Housing Corporation's South West Region has set aside around £250m of funds to aid in the delivery of Key Worker schemes in association with approved Housing Associations.

In seeking to address this problem, the District Council has already allocated an area of land at Salisbury District Hospital (see Policy H2E of the Adopted Local Plan) to accommodate health service staff, however it is recognised that there are other groups in similar need. Accordingly, in providing affordable housing through planning obligations, the District Council will encourage the provision of key worker accommodation within all tenure types where it can be ensured that the properties provided will be secured for key worker occupancy and that they are provided at a price or rent which is affordable. Providers should be aware that key worker provision will be sought as a balanced proportion of the total affordable housing requirement on any site, not as a blanket replacement for other affordable housing types which may well be in equal or greater need.

In terms of defining Key Workers, the ODPM's current definition includes, nurses and other NHS staff, teachers in schools and colleges, police officers and their support staff; prison service and probation service staff; social workers, planners (currently only in London), occupational therapists employed by local authorities and sections of the fire and rescue services.

The Council, through its Local Strategic Partnership (The South Wiltshire Strategic Alliance) will seek to identify other employers whose recruitment and retention is being undermined by the inability of employees to gain access to suitable housing.

## **6.9. Funding**

### **Current Position**

Since April 2003, the Council's ability to assist in the funding of affordable housing schemes has been curtailed by changes to the Local Authority Social Housing Grant (LASHG). The system previously allowed the refunding of grants made for affordable housing from the Housing Corporation enabling a certain amount of freedom to meet housing needs

Although still evolving, the new Regional Housing Body (RHB) will emerge as the lead organisation in determining priorities for grant funding of affordable housing schemes. From information already released from this source it is clear that the RHB is likely to focus its resources in line with its spatial planning framework. Thus, it will be essential for Salisbury District Council to work in partnership with adjacent authorities to highlight the critical shortages of affordable housing which afflict this part of the region.

In the period from 2004-2006, during which time the RHB will establish its funding in more detail, the Government has introduced transitional arrangements which will provide around £1.5bn for Affordable Housing subsidies.

### **Funding Priorities and Value for Money from the Public Purse**

The Housing Corporation have already indicated that there is likely to be little or no funding available for affordable housing secured through planning obligations. Where there are available funds, the Housing Corporation will only consider releasing funds where a developer approaches a Registered Social Landlord at the very beginning of its involvement to ensure that issues such as design and layout allow for the full integration of affordable units.

The Council accepts that this situation has the potential to undermine the viability of smaller development schemes and/or schemes which involve brownfield land. Accordingly, the District Council will work with developers and Registered Social Landlords to secure funding from central government, the regional assembly and other sources in assisting the delivery affordable homes.

However, in light of the fact that funding support is being gradually withdrawn, applicants should be aware that value for money in the implementation of affordable housing schemes is likely to be encouraged to secure what monies that are available. **Thus, developers should be under no illusion that land purchase deals must reflect a move towards a minimised amount of public subsidy, or indeed a position where public subsidy will not be available at all.**

Where resources are available to the Council, it will prioritise the use of funds according to the following hierarchy.

- Rural Exception Schemes
- Brownfield Sites
- Greenfield Sites where 80%+ Social Rented is being sought
- Other Greenfield developments.

#### Normal Funding Arrangements

The Council will work from the starting point that completed affordable housing units should be transferred to a Registered Social Landlord at a price which they can afford to pay. This amount will consist of the amount secured as a mortgage on future rental income, or sales of property shares. This level is likely to be around £30,000 for Social Rented units and £75,000 for Shared Ownership schemes

Developers must therefore make arrangements, before planning permission can be properly granted, for the securing of affordable housing for those in need. In the event that public subsidy cannot be secured to make up the gap between the build cost, there will need to be a clear approach by a developer to the Council (both Planning and Housing departments) to identify any sources of funding or other means to and the funds available.

Where funding is not available, or where funding will be insufficient to meet the expected demands of a site, discussions will need to take place between the Council, the developer and the partner RSL to determine how properties can be provided without subsidy.

#### Affordable Housing Delivery Statement

In the past it has been the case that developers have approached the Council with development schemes without any serious consideration being given to where affordable housing will fit into the scheme, who will deliver it and particularly how it will be funded. This approach has not only contributed to delays in processing planning applications, but also in bringing housing sites forward for development.

**Accordingly, this SPG will require that all schemes submitted by developers include a clear Affordable Housing Delivery Statement which will set out how provision will be delivered.** The statement will be expected to set out which Registered Social Landlord is to be involved, how the housing will be provided (i.e. tenures, mix, groupings, management, etc) and demonstrate how this will be funded and whether this has been investigated. The schemes will also obviously need to address the proportions of affordable housing expected on the site and outline why the level of provision is submitted as it is.

Without such a statement, or insufficient detail within such a statement, applications may be immediately refused. In summary, this approach seeks to require developers to give better consideration of the issue of affordable housing delivery (not provision) and undertake liaison with parties involved in that delivery process – namely Housing Officers, RSLs, the Housing Corporation and any other relevant parties.

#### **6.10. Monitoring**

The District Council will keep under review sources of information relating to the requirement for affordable housing. This will include appropriate updates of,

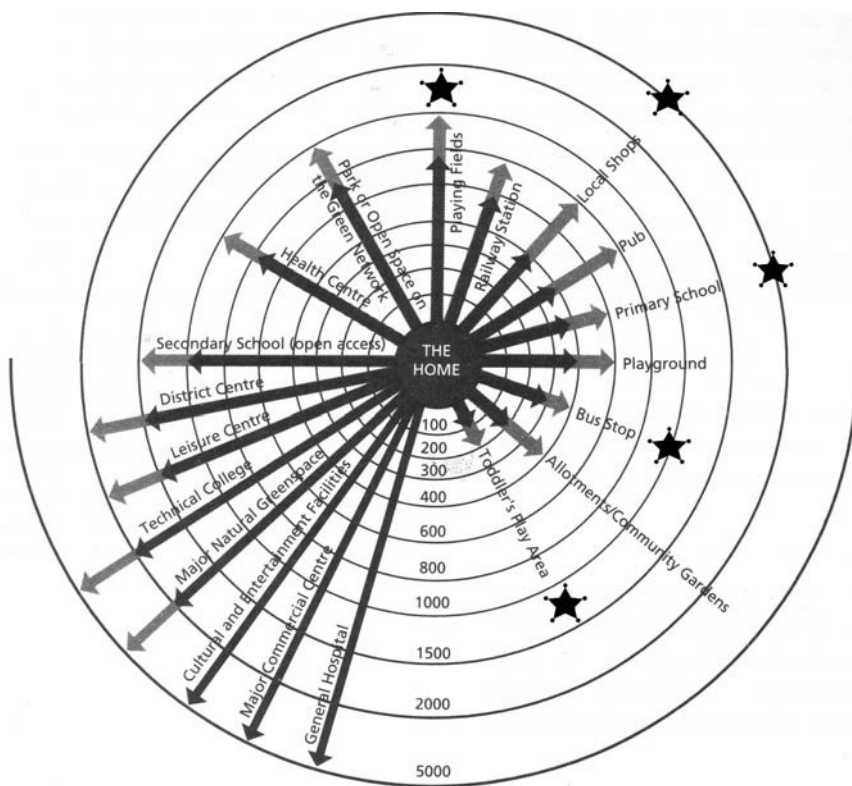
- The Housing Needs Survey
- Annual Levels of Affordable Housing completions and new consents
- Average local house prices
- Average income levels

Furthermore, the Council will keep under review national and regional policy guidance to ensure that the Affordable Housing is secured in the most appropriate manner and at a level which addresses identified local needs.

### 6.11. Access to Services and Facilities

The diagram opposite shows some suggested maximum distances in metres which a normal person would be expected to walk or cycle to make use of the services or facilities in question. Taken from a document called “Sustainable Settlements”, it seeks to quantify, in a generalised manner, how far people will be prepared to travel without requiring the use of a car.

Affordable homes provided in the district will be expected to be located on sites which fall within the ranges of the key facilities marked with stars on the diagram above, and ideally be within the inner or preferred distances (show as darker arrows). In more rural settlements, some flexibility must be applied to these ranges given that this diagram was based on a more urban environment where it is assumed that facilities are more readily available.



### 6.12. Occupancy Controls

Where a landowner/developer proposes to develop and manage the affordable homes without the involvement of a RSL, planning obligations will be sought to ensure that the occupancy criteria set out in planning policies are complied with and the houses provided are occupied only by people in local housing need. The District Council will expect to retain the right of nomination of an occupant.

### 6.13. Comprehensive Development and the Efficient Use of Land.

The District Council will closely examine all development proposals to identify whether the provision of affordable housing is being avoided. For example:-

- a) Subdivision (including the selling on) of landholdings into parcels which would not entail a proportion of affordable housing and the subsequent submission of multiple applications.
- b) Submission of applications on urban sites not meeting the size threshold for 14 dwellings, but which would be appropriate for development at a density whereby the number of dwellings provided would exceed the dwelling number threshold. (i.e. underdevelopment of the site)

In other cases, good planning practice would dictate that certain areas of land adjacent to a site would warrant development together (e.g. if access could not be gained via any other means) and accordingly this may mean that a requirement for affordable housing may be triggered on account of site size or the number of dwellings considered appropriate.

The Council may refuse planning permission or impose conditions on planning consents to ensure that affordable housing is provided and the density of development is appropriate to the setting.

## **APPENDIX A : CONTACT DETAILS**

### **Salisbury District Council**

#### Forward Planning

(Policy information about affordable housing schemes and requirements of policy)

61, Wyndham Road,

Salisbury.

SP13AH

forwardplanning@salisbury.gov.uk

#### Development Control

(Preliminary discussions about development schemes and the determination of planning Applications) -

61, Wyndham Road,

Salisbury.

SP13AH

developmentcontrol@salisbury.gov.uk

#### Strategic Housing Services

(Housing Need Information, Housing Association Liaison, scheme coordination)

26, Endless Street

Salisbury.

SP1 1DP

HSGmail@salisbury.gov.uk.

### **Other Organisations**

#### Housing Corporation (SW)

2nd Floor, Beaufort House

51 New North Road

EXETER, EX4 4EP

Versha Koria

#### South West Regional Housing Body

C/o Government Office South West

2 Rivergate

Temple Quay

Bristol

BS1 6ED

## APPENDIX B : 2002 HOUSING NEEDS SURVEY SUMMARY

### 1. INTRODUCTION

This document provides a Summary Overview of a housing needs survey carried out on behalf of Salisbury District Council by *Fordham Research*. The survey was carried out in conjunction with a stock condition survey, in order that a number of analytical links could be established between the two surveys.

Housing needs surveys have become, over the past decade, a standard requirement for local authorities across Britain. The publication by the *Department of Transport, Local Government and the Regions* (DTLR) of '*Local Housing Needs Assessment: A Guide to Good Practice*' (July 2000) has standardised the form of such assessments which are designed to underpin housing and planning strategies. Most importantly the guidance sets out a model for defining housing need.

### 2. KEY POINTS FROM HOUSING NEEDS GUIDANCE

The DTLR Guide provides a detailed basis for housing needs assessment. It culminates in an assessment of the net annual need for new affordable housing. The method put forward in the Guide is, in most important respects, similar to the approach previously used by *Fordham Research*. However the approach has been fine tuned so as to conform as closely as possible to the Guide.

The *Basic Need Assessment Model* suggested in the DTLR guidance sets out 18 stages of analysis to produce an estimate of the annual requirement for additional affordable housing. The model can be summarised as three main analytical stages with a fourth stage producing the final requirement figure. The stages are:

- Backlog of existing need
- Newly arising need
- Supply of affordable units
- Overall affordable housing requirement

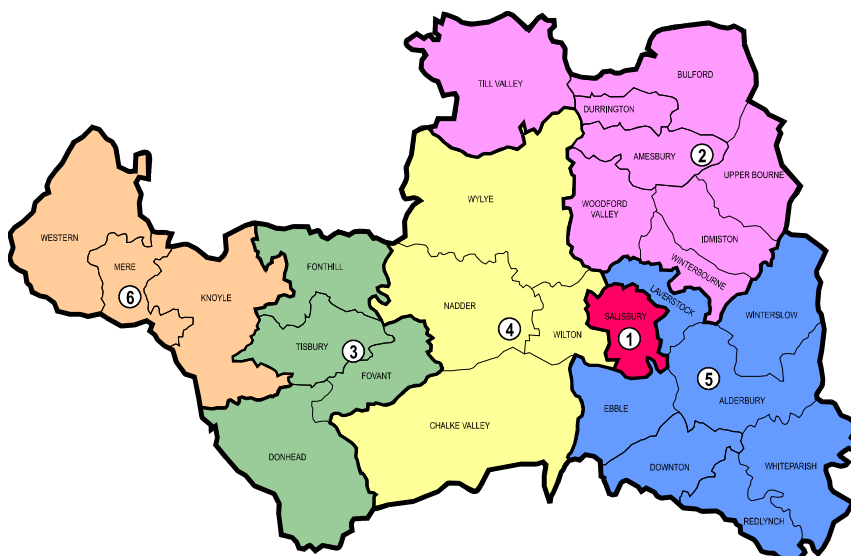
The first two of these added together minus the third stage produce the fourth: an overall annual shortfall or surplus of affordable housing. A more detailed discussion of the model can be found in the main housing needs survey report.

### 3. SURVEY WORK AND VALIDATION

The survey covered all areas and tenure groups within the District, and the analysis of housing need is based on a total of 3,659 responses – 1,001 personal interviews and 2,658 postal surveys. The survey sample – drawn at random from the Electoral Register – was stratified in such a way as to allow analysis within the District of six sub-areas (Community Plan areas).

The survey data was weighted to make it representative of all households in Salisbury – this

#### Salisbury District Council - Community Plan Areas



was done in terms of the number of households in each sub-area and within six main tenure groups. It was estimated that there were 46,579 households in Salisbury at the time of the survey; of these 72.5% are owner-occupiers, with 15.4% social renting tenants and 12.1% in the private rented sector (including those in tied accommodation).

#### 4. LOCAL HOUSING MARKET STUDY

A crucial part of any housing needs survey is an assessment of households' ability to afford private sector housing. One of the main inputs for this is an assessment of local private sector housing costs for both purchase and rental. The Local Housing Market study was carried out by means of a series of interviews with local estate and letting agents. The main purpose of the exercise was to estimate the minimum (entry-level) prices of housing in the area, which is crucial when assessing whether or not a household can afford to access private sector housing.

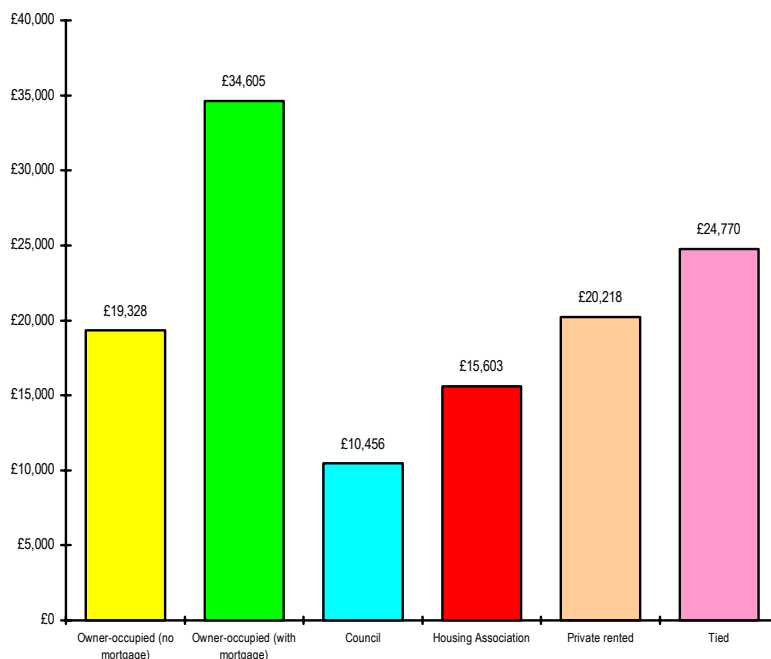
<b>Minimum prices/rents in Salisbury (July 2001)</b>		
<i>Property size</i>	<i>Minimum price</i>	<i>Minimum rent (£/month)</i>
1 bedroom	£58,500	£398
2 bedrooms	£84,500	£487
3 bedrooms	£115,500	£558
4 bedrooms	£148,000	£713

The survey estimated that entry-level prices ranged from approximately £58,500 for a one bedroom home to £148,000 for four bedrooms. Minimum rents were estimated to be from £398 to £713 per month. The minimum purchase prices were around 10% - 20% less than average prices in the area.

#### 5. FINANCIAL INFORMATION

The survey estimated that average earned household income was £24,489 per annum. Excluding households with no earned income this figure was £25,643. The data excludes benefits; it is important in assessing housing need to exclude benefits, as they are ignored for mortgage lending purposes (and, in many cases, by prospective private landlords).

The survey data showed considerable differences in income levels between tenure groups. The lowest average incomes are those who rent from the Council (at £10,456). Owner-occupiers with no mortgage have an average household income considerably lower than those with a mortgage. The survey also showed that pensioner and lone parent households had incomes significantly below the District average.



Average gross household income by tenure

## 6. AFFORDABILITY

Bringing together the local housing market data and the financial information collected from each household (and including further information about size requirement) it is possible to estimate which households can afford to access the private sector housing market. This is done by assessing whether or not each household can afford either to buy or privately rent suitably sized housing in the District. The affordability measures used in the assessment are set out below.

**MORTGAGE AFFORDABILITY:** A HOUSEHOLD IS NOT ELIGIBLE FOR A MORTGAGE IF IT HAS A GROSS HOUSEHOLD INCOME LESS THAN ONE THIRD ITS MORTGAGE REQUIREMENT.

**PRIVATE RENTAL AFFORDABILITY:** A HOUSEHOLD IS UNABLE TO AFFORD PRIVATE RENTED HOUSING IF RENTING PRIVATELY WOULD TAKE UP MORE THAN 30% OF ITS NET HOUSEHOLD INCOME.

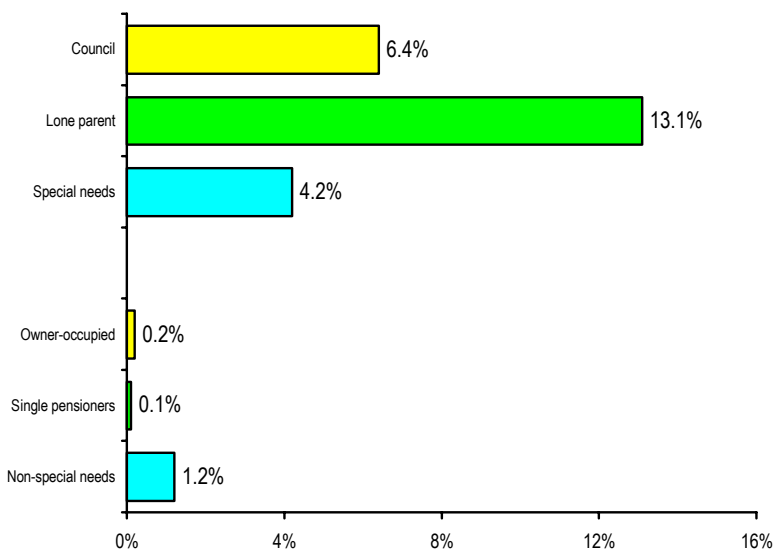
The affordability assessment also takes account of the equity available to owner-occupiers who are identified as being unable to afford minimum priced market housing. Where an owner-occupier has stated they could afford a home of a suitable size if they had to move (even though they have failed the main affordability test) they are assumed to be able to afford market housing.

An assessment is also made of the ability of potential households (namely persons who currently live as part of another household) to access the private sector housing market. The affordability of potential households is assessed using the judgements of respondents; an approach in line with DTLR Guidance and one which is more likely to under-state need arising from household formation.

## 7. BACKLOG OF EXISTING NEED

The survey highlighted a series of potential situations, which would make housing unsuitable for the occupants. In total it is estimated that 2,480 households are currently living in unsuitable housing (5.3% of all households). Further analysis indicates that households renting properties, lone parent households and those with special needs are more likely to be living in unsuitable housing. Of those in unsuitable housing 55.7% needed to move to different accommodation to solve the problem, representing 1,383 households. Of these 1,088 would be looking to remain living in the District.

Of the 1,088 households living in unsuitable housing (and requiring a move within the District) an assessment of affordability was made involving the consideration of local property prices, size requirement and their financial situation. It is estimated that 65.4% could not afford local market housing of a suitable size making for an estimated 712 existing households in housing need (1.5% of all households). Further analysis indicates that households in the Council, Housing association and private rented sectors are most likely to be in need as are lone parent households and households with special needs.

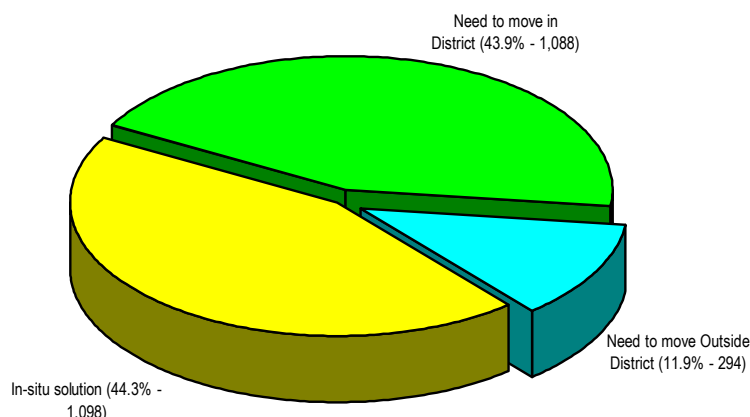


Household groups with  
high/low levels of housing need

When looking further forward to the additional affordable housing requirements of these households we remove households currently living in social rented and tied housing to produce a final figure of 259.

The final element of backlog need considered the needs arising from potential and homeless households. The survey estimates that there are 1,012 potential households who state a need or are likely to move now. When account has been taken of those joining up with other persons and those who would be looking to remain within the District, this number is reduced to 482 households. Using information about whether or not potential households could afford market housing, it has been estimated that a total of 369 potential households are in housing need (representing 76.6% of those potential households who need or are likely to move now).

### Unsuitable housing and in-situ requirements



### Homeless households accommodated by local authority (quarter ending 31<sup>st</sup> March 2001)

Category of temporary accommodation	Number
Directly with a private sector landlord	0
Private sector housing leased by authority	105
Private sector housing leased by RSLs	7
<u>Within Council's own stock</u>	<u>0</u>
<u>RSL stock on assured shorthold tenancies</u>	<u>0</u>
<u>Hostel</u>	<u>0</u>
<u>Women's refuges</u>	<u>3</u>
<u>Bed and breakfast</u>	<u>23</u>
<u>Other</u>	<u>0</u>
Homeless at home	80
<b>TOTAL</b>	<b>218</b>

After considering the various homeless categories, it was decided there were six which should be included as the additional homeless element. These have been underlined in the table. The data shows that of the homeless households accommodated by Salisbury District Council at the 31<sup>st</sup> March 2001, 26 should be included as an additional element.

Combining these two elements together make for 395 additional households in need.

Bringing together all the factors of the backlog of housing need (as defined by the DTLR and followed by *Fordham Research*) it is estimated that there is an overall backlog of need of 654 affordable homes. Annualised, assuming a 20% reduction per year suggests an annual need to reduce the backlog of 131 dwellings.



## 8. NEWLY ARISING NEED

In addition to the backlog of existing need there will be newly arising need. This is separated into three main categories - each of these based on annual estimates of additional need. The three categories are as follows:

1. New household formation ( $\times$  proportion unable to buy or rent in market)
2. Existing households falling into need
3. In-migrant households unable to afford market housing

It is estimated that there will be an additional 713 households forming per year in the District. Of these it is estimated that 76.9% cannot afford private sector housing (without housing benefit). This makes for 548 additional households in housing need per year.

The newly arising need from existing households is based on information about previous household moves. Groups excluded from potentially being in need are those who will move to owner-occupation (as they are able to afford market housing), those who previously lived with parents, relatives, or friends (included in the household formation element) and households moving within the social rented sector (additional needs arising from within the social rented stock will be net zero), households currently living in tied accommodation (mostly M.O.D.) have also been excluded. It is estimated that the number of households falling into need within the District is 326 households per annum.

The final element of newly-arising need are households currently living outside the District but who are expected to move into the District but cannot afford suitable private sector housing. The survey estimates that a total of some 265 households per annum fall into this category.

Elements of Newly Arising Need		Combining the various elements of the newly arising need together, the survey reveals a requirement for 1,139 units per annum.
<i>Element</i>	<b>Total</b>	
New household formation	548	
<i>plus</i> existing h'holds falling into need	326	
<i>plus</i> in-migrant h'holds unable to afford	265	
<i>equals Newly arising need</i>	<b>1,139</b>	

## 9. SUPPLY OF AFFORDABLE UNITS

Having made estimates of the numbers of households both currently and projected to be in housing need it is important to assess the likely future supply of affordable housing to meet this need. Affordable housing is taken to be relets (excluding transfers) available from the Council and Registered Social Landlords (RSLs). Information for this has been taken from Housing Investment Programme (H.I.P.) returns for the last three years.

The table shows an average supply for the past three years. The overall average supply of relets over the last three years is 511 lettings per year. The number of relets shows some variation over time, other information suggests that the number of lettings to homeless households has been increasing over the period.

Council and RSL lettings (1998 - 2001)	
<i>Year</i>	<i>Total lettings</i>
1998-99	546
1999-2000	467
2000-01	520
<b>AVERAGE</b>	<b>511</b>

The estimated supply of affordable housing is therefore 511 dwellings. From this figure we need to deduct lettings made to new dwellings. As one of the main purposes of the survey is to estimate any surplus or shortfall of affordable housing, it is important to avoid double counting by not including likely future supply through additions to the stock from RSLs (although these new properties will themselves in time produce some relets). Data from the H.I.P. return for 2001 (Section O) indicates an average of 136 new RSL completions per year between 1998/99 and 2000/01. Therefore the estimated supply of affordable housing is 375 per year (511-136).

There is also the issue of whether vacant dwellings can be brought back into use. As of April 2001, there were 55 vacant dwellings in the social rented stock, this represents around 0.8% of all social rented stock in the District. This is considered to be a low frictional vacancy rate and so it is assumed that there is no pool of vacant units available for letting.

Finally it is important to consider likely changes in the future level of available affordable housing. For the purpose of this survey, it is assumed that the losses from the social rented stock (i.e. through right to buy) would be offset by the gains from additional relets from the RSL sector. In addition, on the basis of the information currently available it is assumed that the new build programme will continue at its present level.

It is assumed, therefore, that the future supply of affordable housing will be 375 units per annum.

## **10. BASIC NEEDS ASSESSMENT MODEL**

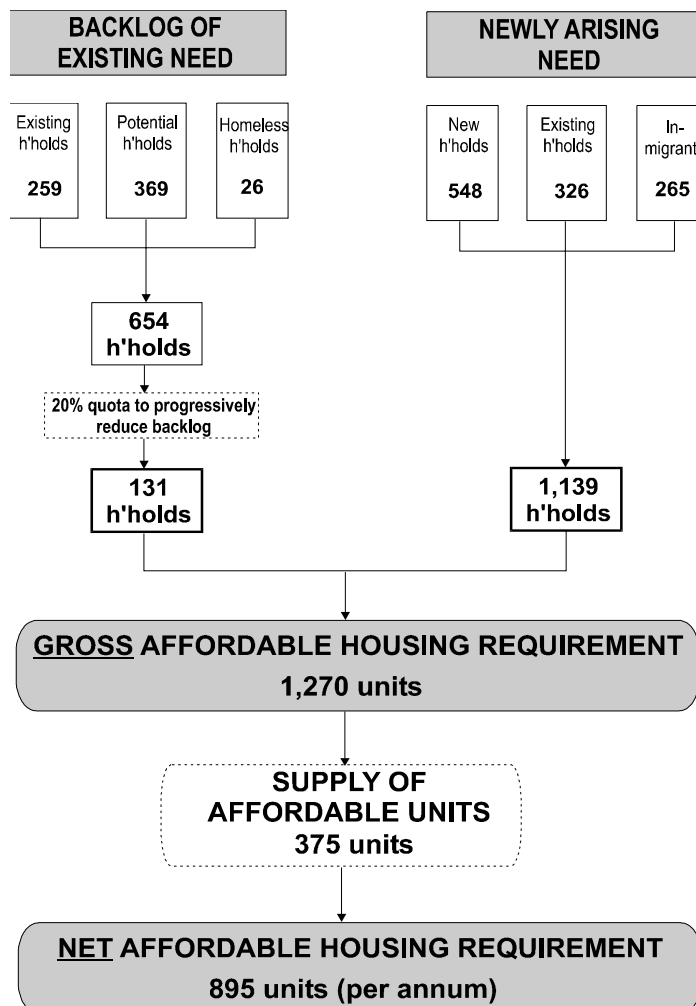
Having made estimates of the numbers of households currently in need and those projected to fall into housing need in the future along with projected supply it is possible to arrive at an estimate of the total requirement for additional affordable housing to meet housing need.

The first element is the backlog of existing need. This is an estimated 654 households – made up of 259 existing households, 369 potential households and 26 homeless households. The final stage is to include a quota to progressively reduce this backlog. This is a somewhat novel concept introduced by the DTLR guidance. A reduction in the backlog of need of 20% per year has been assumed in Salisbury. The annual need to reduce the backlog is therefore 131 dwellings per annum.

The newly arising need is estimated to be 1,139 households per year – this is made up of 548 from household formation, 326 from existing households currently living in the District and 265 in-migrant households.

In total it is estimated that there is an annual need over the next five years for 1,270 affordable homes (131+1,139). The supply to meet this need is estimated at 375 dwellings per annum. Therefore there is an estimated annual shortfall of 895 affordable homes

## Summary of housing needs situation (per annum 2001 – 2006)



## 11. MARKET HOUSING REQUIREMENTS

In addition to the affordable housing requirements in the District the survey briefly considered likely market demands. The survey highlighted that over the next five years there will be a shortage of 5,601 owner-occupied homes – most notably this shortage appears to be for smaller (one and two bedroom homes). There was no apparent shortage of private rented dwellings, largely due to aspirations for home ownership. Including the need for additional affordable housing the survey suggests that there will be a shortfall of 10,076 dwellings over the 5 years to 2006 if all market and affordable needs are to be met. The affordable housing requirement accounts for 44.4% of this shortfall.

## 12. AFFORDABLE HOUSING: HISTORY & EVOLUTION

Affordable housing negotiated under the relevant Government guidance has become, in most parts of the country, the main source of new housing to address housing need. The housing needs survey therefore provides guidance to the Council on Local Plan policies and the scope for obtaining affordable housing subsidy through negotiation under Planning Policy Guidance Note 3 (2000) and the preceding Circular 6/98.

There have in the past been four major shortcomings in the Government guidance:

- No definition of housing need
- No coherent definition of affordable housing
- No indication of how targets relate to need
- No indication of the nature or level of subsidy involved

The first of these (a definition of housing need) has been addressed in the DTLR guidance. However, the other three have not been addressed, and so it is very difficult for councils to achieve both consistency with Government guidance and a result that addresses the problem.

### **13. WHAT TYPES OF AFFORDABLE HOUSING**

The housing needs survey provides a wealth of data about exactly how much housing should cost to be affordable to households in housing need. The analysis suggests that low-cost market housing cannot meet any housing need whilst shared ownership might be able to help a small fraction of households in need (around 12.9%), for the remainder only social rented housing will be of any use.

The data also suggests that setting new RSL rents in line with the Housing Corporation benchmarks would mean that 34.8% of households in need could afford housing without the use of housing benefit – reducing rents to £10 per week below benchmark would allow a further 7.7% of households in need to afford such housing without the assistance of housing benefit.

### **14. AFFORDABLE HOUSING POLICY**

Results from the housing needs analysis indicate a total requirement for new affordable housing over the next five years of 4,475 dwellings (895 × 5). Unless total provision of housing over the next five years is in excess of 8,950 dwellings then an affordable housing target of 50% on suitable sites would be justified in securing a relevant overall contribution to meeting needs.

In terms of site thresholds, the minimum which government guidance currently contemplates seems to be 15 dwellings/0.5 ha (or 2+ in areas with a population below 3,000). The analysis would support the Council reducing thresholds at least to this figure. Given the amount of additional housing required it would be fair to assume that the Council would want to secure affordable housing on all sites regardless of size. Hence we would suggest a site threshold of 15+ dwellings/0.5 ha on all allocated and windfall sites (or 2+ in areas with a population below 3,000). The scale of target and site size thresholds are both ultimately matters for policy decision by the Council, through the Local Plan process.

## 15. SUMMARY AND CONCLUSION

The housing needs survey in Salisbury provides a detailed analysis of housing needs issues in the District. The survey followed the *Basic Need Assessment Model* suggested in DTLR guidance. This sets out 18 stages of analysis to produce an estimate of the annual requirement for additional affordable housing. The model can be summarised as three main analytical stages with a fourth stage producing the final requirement figure. The stages are:

- Backlog of existing need
- Newly arising need
- Supply of affordable units
- Overall affordable housing requirement

Using this 'model' it has been estimated that there is a requirement to provide an additional 895 affordable dwellings per annum if all housing needs are to be met (for the next five years). Over the five year period to 2006 this represents a need to provide an additional 4,475 dwellings.

Although the survey does not consider in any detail the possible solutions to the housing need problem it would be sensible to suggest that in the light of the large requirement shown, the Council will need to maximise the availability of affordable housing from all available sources (including new-build, acquisitions, conversions etc.). This therefore provides the justification for a 50% affordable housing requirement on all eligible sites. Attention should also be paid to the cost (to occupants) of any additional housing to make sure that it can actually meet the needs identified in this survey.

## **APPENDIX C : CURRENT LOCAL PLAN POLICIES**

### **Salisbury District Local Plan (Adopted, June, 2003)**

#### **Affordable Housing – General**

- 4.54 The Local Planning Authority recognises that lower income groups find it difficult to buy or rent homes in the District, particularly in the villages. The local plan therefore includes policies which aim to increase the provision of affordable housing. Guidance in Circular 6/98 refers to affordable housing encompassing both subsidised and low cost market housing.
- 4.55 A housing needs survey undertaken in 2001, which will be published later this year provides a detailed analysis of housing needs issues in the District. The survey followed the Basic Need Assessment Model suggested in DTLR guidance (Local Housing Needs Assessment: A Guide to Good Practice, July 2000). The report indicates that by 2006 – part way through the current plan period - housing needs in the District will increase to a total of 9,586. Of this total, an need of 5,601 will be derived from private sector sources – representing those who are (or will be) occupying unsuitable dwellings – whilst the remaining 3,985 represents the number of households who will be unable to afford to purchase a dwelling. In terms of those in immediate need of affordable housing, there are an estimated 1,793 households. To tackle this growing problem, the Council's Housing Strategy Statement (2001) identifies an annual target of 150 affordable units. Work has been undertaken in respect of the different types of affordable housing tenure appropriate to the District. This work indicates that there is insufficient justification for low cost market housing as only a few persons identified as being in need would be able to afford to purchase such properties. The highest need is for social rented housing, although there is also limited need for shared equity schemes. In order to meet housing need in the District, the Local Planning Authority will therefore be seeking the majority of affordable housing associated with new developments to be social rented. It is also recognised that there is a significant shortfall in the supply of smaller dwelling units serving the needs of 1 or 2 person households. PPG3 states that the majority of growth will come from these smaller sized households and thus densities should be increased to overcome the inefficient use of land .
- 4.56 In accordance with Circular 6/98, this Local Plan seeks a proportion of affordable housing on sites of 1 hectare or more, or developments of 25 or more dwellings. However, the majority of the settlements in the District are small, with limited opportunities for development of this size. A proportion of affordable housing will therefore be sought on smaller sites of 0.5 hectare or 15 dwellings or more, in settlements with a population of 3000 or less, and where a local need can be demonstrated. On allocated sites, a general target of 25% is considered appropriate, although sites will be assessed individually to ensure that the figure is suitable taking into account other relevant factors. Policy H25 is intended to ensure that affordable housing is provided on sites that are capable of accommodating a reasonable mixture of types and sizes of housing. In addition, the appropriate mix of subsidised and low cost market will be negotiated with flexibility to ensure that conditions and planning obligations are able to more effectively meet housing needs in specific localities. Systems will be established to monitor the implementation of affordable housing in relation to all development schemes.
- 4.57 Whilst Circular 6/98 accepts that a financial contribution to affordable housing on an alternative site may be made in some cases, the Local Planning Authority is of the view that there are very few instances where this is likely to be acceptable.
- H25 Where there is a demonstrable lack of affordable housing to meet local needs, the Council will seek an element of affordable housing on appropriate sites provided that:**
- (i) in urban areas the site is 1 hectare or more, or more than 25 dwellings are to be provided;**
  - (ii) in settlements with a population of 3000 or less, the site is 0.5 hectare or more or more than 15 dwellings are to be provided;**
  - (iii) the site is well related to local services, facilities and access to public transport;**
- and in the case of subsidised housing:**

- (iv) the proposed development will be for persons unable to compete in the existing local housing market who are in need of accommodation and who are resident or permanently employed in the local area, or who used to live in the local area and wish to return for reasons of employment or family connection;**
- (v) arrangements will be made to ensure that the benefit of affordable housing is enjoyed in perpetuity, (i.e. not only by the initial occupiers of the dwellings provided, but also by their successors) through the management of the property by a Registered Social Landlord (such as a housing association, trust or similar organisation) and/or by the use of planning obligations and conditions.**

**The application of this policy will take into account any particular costs associated with the development, any planning objectives relevant to the site and the need to achieve a successful housing development.**

## **Affordable Housing – Rural Exceptions**

- 4.58 Policy H26 concerns the provision of affordable housing in rural areas and, in exceptional circumstances, allows for the release of small sites within or adjoining settlements which would not otherwise be allocated for housing. The definition of a small site will vary in accordance with the size of a particular settlement, as explained in paragraph 4.41. To be acceptable, the sites should be located in villages which have adequate facilities such as a school and shop, and access to public transport. It is important that the proposed development will integrate with the surrounding landscape, which is of a high quality throughout the District, and that the style and character of the housing is in keeping with local building styles. For planning and social reasons, development sites should be well related to an existing settlement and adjacent to existing development. Such development will not count against the Structure Plan housing allocation as it is not practical to predict at the start of the plan period how much affordable housing will be released in these exceptional circumstances. However, when the plan is rolled forward the contribution which affordable housing has made to overall housing requirements will be included in the calculation of the housing need which remains to be met.
- 4.59 The housing scheme proposed must be wholly intended to meet local requirements and it will be necessary to show that there is a need for such housing in the particular local area. The need is best established through a housing needs survey undertaken by the potential developer, the Parish Council or another responsible organisation. Guidance in this respect is contained in the NAC Rural Trust's "Practical Guide to Providing Affordable Village Housing" and advice is also available from the District Council's Housing Enabling Officer. The success of any scheme will depend upon the availability of funding, particularly that of the Housing Corporation, and the District Council's Housing Department will advise on this aspect also.
- 4.60 In dealing with proposals for local needs housing, the Local Planning Authority will expect a number of criteria to be met. The occupancy of the houses will generally be confined to first time buyers and to people seeking rented accommodation. It should be demonstrated that no alternative accommodation can be made available, and that the persons concerned are not able to compete in the existing local housing market. An assessment of affordability will require information relating to local house prices and average incomes, and to the land, building and management costs of the proposed housing development. This is important as the object is to provide homes, whether for rent or shared ownership, at a cost which is below those available on the open market. In the rural areas, "local" will normally be defined as meaning the parish in which the proposed development is located, and housing need should be established on this basis. However, in the event of there being insufficient "local" applicants once the development is constructed, "local" will be defined as meaning the parish in which the development is located, together with adjoining parishes. Where a parish abuts the District boundary, this may include parishes from outside the District. In Salisbury, "local" will be defined as meaning within the City boundaries and adjoining parishes.
- 4.61 It is important for schemes to ensure that the benefits of low cost provision pass not only to the initial occupants but to their successors as well. The most successful methods of achieving this to date are by means of rental or shared-equity purchase and the most usual way of ensuring this is by the involvement of a registered social landlord or other social body (e.g. a trust). The body's continuing interest in the property will ensure control over subsequent changes of ownership and occupation. Outright purchase

or staircasing to full ownership will be unacceptable unless it can be demonstrated that benefits of low cost provision will be transferred to successive future occupants. A legal agreement will be sought as a pre-requisite of any planning permission being granted, and prospective developers for such schemes are strongly recommended to discuss their proposals at an early stage with the Local Planning Authority.

- 4.62 Great care should be taken in the initial preparation of an affordable housing schemes on exception sites as, in view of the importance of ensuring that the housing is reserved for local needs in the future, the Local Planning Authority will not be prepared to terminate agreements or relax conditions in order for any units to be offered for sale for full value on the open market if a scheme is subsequently found to be unviable. To do this would be contrary to other policies of the local plan by breaching Housing Policy Boundaries and Housing Restraint Areas, so establishing a precedent for such development and generating hope value amongst landowners.

**H26 In exceptional circumstances, proposals for affordable housing for local people may be acceptable on small sites within or adjoining settlements, including land outside defined housing policy areas where housing development would not otherwise be permitted. Such proposals will only be acceptable where they meet the following criteria:**

- (i) the site is acceptable in landscape terms and there are no overriding environmental objections;**
- (ii) the site is located in a settlement which has a reasonable range of facilities and access to public transport;**
- (iii) the proposed development is in a style and character which is in keeping with its surroundings;**
- (iv) the proposed development is for persons unable to compete in the existing local housing market;**
- (v) the proposed development is for:**
  - (a) people who already live in the local area and are seeking separate or more suitable accommodation;**
  - (b) people whose work provides important services and who need to live closer to the local community; or**
  - (c) people who used to live in the local area and wish to return for reasons of employment or family connections; or**
  - (d) people who have found permanent employment in the local area but who live elsewhere;**
- (vi) the applicant is able to demonstrate that a particular local need for affordable housing exists which cannot be met in any other way; and**
- (vii) the benefit of affordable housing can be enjoyed by successive as well as the initial occupiers of the property.**

## **Residential Development in the New Forest**

- 8.5 The housing policies aim to protect the New Forest from additional pressures arising from increases in the resident population and the amount of built development, while recognising the need for some development, particularly to meet essential local needs. Housing Policy Areas identify where new residential development will be considered in the Forest villages. Within these areas however development will be limited. The restriction of infilling, subdivision and change of use to a net increase of only one dwelling is necessary to protect the character of the villages and to protect the New Forest from cumulative additional pressures arising from residential development. The extent of a residential curtilage will be taken to be as of September 1993 when the South Eastern Parishes Local Plan was adopted. Where a site or building is reasonably capable of being developed or redeveloped to provide more than a single new dwelling, such a site should normally be developed in accordance with policy H25 – local needs affordable housing. The additional considerations recognise the importance of ensuring that any development is compatible with the existing, and that important open areas and features which contribute towards the character of the area are not eroded.



**HA2** Within the New Forest villages of Bohemia, Hamptworth, Landford, Landford Common, Landford Wood, Lover, Nomansland and Redlynch, new residential development will be permitted within defined Housing Policy Areas provided that no more than one additional dwelling is created by either:

- (i) the subdivision of an existing residential curtilage; or
- (ii) the subdivision of an existing dwelling to form one additional dwelling; or
- (iii) the infilling of a gap in a built-up frontage, provided that the gap is not substantially larger than adjoining residential curtilages; or
- (iv) the change of use of an existing building .

Any proposals will also be subject to the following criteria:

- (i) there will be no adverse impact on the character of the settlement;
- (ii) there is no loss of an open area which contributes to the character of the area;
- (iii) the loss of features such as trees, hedges and walls, which contribute to the character of an area, is kept to a minimum; and
- (iv) the development will be in keeping with the character of neighbouring properties.

## APPENDIX D : LOW COST FOR SALE HOUSING ARRANGEMENTS

Section 6.2 of this guidance outlined the case for and securing of Low Cost for Sale Housing as a form of affordable housing. However, the District Council is wary that Low Cost for Sale schemes are open to abuse and may not be sufficiently discounted to maintain the affordability amongst groups who might be able to take advantage of this type of provision.

This appendix is concerned with setting out the price at which Low Cost for Sale properties will be made available in the first instance, and then a formula which defined the price at which subsequent resales will be required to be in line with.

The principal means by which this Council will maintain the affordability of Low Cost for Sale housing is to relate house prices to the level of local incomes. For example,

	Initial Sale (e.g. 2001)
Average household income for a Salisbury District Household ( <i>as defined in the HNS</i> )	£25,643
Maximum borrowings via a mortgage lender ( <i>based at 3x household income</i> )	<b>£76,929</b>
Typical minimum 2 bedroom House Price	£85,000
Expected discount to bring property within range of buyers on an <u>average</u> income	£8,071
Discount expressed as a % of market value	9.5%
Low Cost Property Value	<b>£76,929</b>

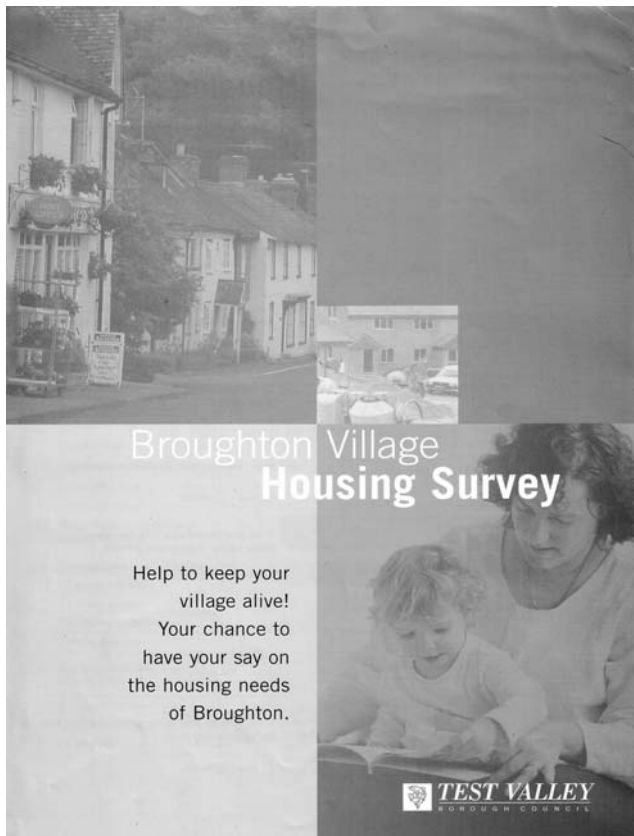
The key figure in the table above is the maximum borrowings available to a household or individual. This is the level at which low cost for sale properties must be provided to be acceptable within this tenure. This amount will be reviewed annually in line with the Office of National Statistics' New Earnings Survey to establish the price at which Low Cost for Sale units must initially be offered for sale.

Low Cost housing will be required to be sold with a resale covenant which defines the house price in terms of local average incomes as set out in the New Earnings Survey. In this way, the property will be sold on the basis of local incomes. The examples below illustrate this, building upon the example above.

	Future Sale (Example A)	Future Sale (Example B)
Average household income for a Salisbury District Household ( <i>as defined in the HNS</i> )	£29,000	£29,000
Max. borrowings via a mortgage lender ( <i>based at 3x household income</i> )	<b>£87,000</b>	<b>£87,000</b>
Typical 2 bedroom House Price	£110,000	<b>£75,000</b>
Nominal discount to bring property within the range of average incomes - ( <i>Average House Price – Average Income</i> )	£23,000	£0
Discount as a % of market value	21%	0%
Property Value	<b>£87,000</b>	<b>£75,000</b>
Profit/Loss from Sale (and %) ( <i>based on the £76,929 purchase price</i> )	<b>£10,071</b> <b>(+11.5%)</b>	<b>-£1,929</b> <b>(-2.5%)</b>
Relative open market performance	<b>+22.7%</b>	<b>-13.3%</b>

In example A, house prices have grown considerably more than incomes which means that whilst the seller does make a financial gain from the sale, it is only relative to the increase in incomes, not the underlying level of house prices. In example B, house prices have fallen to a level below the level of average incomes. In this case, it is unlikely that a buyer would pay the price relative to incomes (£87,000) and so the market will dictate the price at £75,000. As in the market therefore, Low Cost for Sale buyers are subject to losses should house prices fall to a level which makes them competitive relative to average incomes.

## APPENDIX E : AN EXAMPLE OF A LOCAL HOUSING NEEDS QUESTIONNAIRE



**Broughton Village Housing Survey**

Help to keep your village alive!  
Your chance to have your say on the housing needs of Broughton.

**TEST VALLEY BOROUGH COUNCIL**

**Broughton Village Housing Survey**

**Why is this survey form so important?**  
Whether local housing is built in Broughton or not will depend on the results of this survey.

**Who should complete this form?**  
We would like everyone to complete and return this form as your opinion is valid even if you do not require alternative housing.

**If housing is built in the village in the future who would it be built for?**  
Local people who need affordable housing. The council's planning policy states that small developments of affordable housing can be built specifically for people with a strong local connection.

**What type of affordable housing could be built in the future?**  
This depends what local people want. Filling in this form will enable you to tell us what type of housing you would want. Here are the options:

**Affordable housing to rent:**  
This is allocated to people on the housing needs register who have a strong local connection with the village.

**Shared Ownership:**  
This is where the purchasers buy a share of the value of the property (normally 25%, 50% or 75%) and pay rent to a housing association on the portion they have not bought.

**Discounted homes for sale to local people:**  
This is where homes are sold at prices approximately 20% lower than the market value. At the time of resale, the owner must approach the council who will nominate a buyer with a strong local connection.

**Housing Survey**

**A. Where you live now**

1a. Do you currently live in the village?  
☐ Yes ☐ No

1b. If yes, how long have you lived in the village?  
☐ Years ☐ Months

2. If you do not live in the village but have done in the past, how long did you live there for?  
☐ Years ☐ Months

3a. Do you have a close family member living elsewhere in the village?  
☐ Yes ☐ No

3b. If yes, how long have they lived in the village?  
☐ Years ☐ Months

4. If you have moved away from the village, please tell us why you wish to return.

5. If you currently work in the village, how long have you been working there?  
☐ Years ☐ Months

6a. Do you give or receive support from a relative who lives elsewhere in the village?  
☐ Yes ☐ No

6b. If yes, how long has your relative lived in the village?  
☐ Years ☐ Months

7. Please provide the name and address of any family members who have moved away from the village but wish to return, so we can send them a form:

8. Please indicate what type of accommodation you live in:  
☐ House ☐ Flat ☐ Bungalow  
☐ Mobile home ☐ Maisonette  
☐ Room in shared house ☐ Bedsit  
☐ Other, please state

9. Please indicate whether your accommodation is:  
☐ Private rented ☐ Owned by you  
☐ Housing Association  
☐ Shared ownership  
☐ Living with family/friends  
☐ Other, please state

10. How many bedrooms does the property have?  
☐ Bedsit ☐ 1 Bedroom  
☐ 2 bedrooms ☐ 3 bedrooms  
☐ 4 bedrooms ☐ 5 bedrooms +

**B. Your views**

11. What type of housing development (if any) would you support?  
☐ A small development of housing to rent from a Housing Association  
☐ A small development of discounted housing to buy for local people  
☐ A small development of shared ownership homes  
☐ A small development including a mix of the above options  
☐ I would not support any housing development in the area

12a. Are you aware of a site in the village that would be suitable for a small affordable housing scheme?  
☐ Yes ☐ No

12b. If Yes, please give details

**C. Your future housing aspirations**

13. When do you anticipate wanting or needing to move house?  
☐ As soon as possible  
☐ In 2 to 5 years  
☐ In more than 5 years  
☐ Do not know

**PLEASE NOTE:**  
IF YOU DO NOT INTEND TO MOVE HOUSE IN THE NEXT TWO YEARS YOU CAN PROCEED TO QUESTION 21 WHICH HELPS US ENSURE THAT NO ONE IS DISCRIMINATED AGAINST AND EVERYONE IS REPRESENTED.

**Equal Opportunities Monitoring**

Test Valley Borough Council operates policies designed to ensure that everyone receives equal treatment regardless of their race, colour, ethnic or national origins. By completing this, you will help us ensure that no one is discriminated against and everyone is represented.

22. Please indicate how you would describe your ethnic origin  
White - European: ☐  
White - Other: ☐  
Black - African: ☐  
Black - Caribbean: ☐  
Black - Other: ☐  
Indian: ☐  
Pakistani: ☐  
Bangladeshi: ☐  
Chinese: ☐  
Asian - Other: ☐  
Mixed race: ☐  
Other, please specify

14. Please indicate why you need/wish to move house in the next two years.  
☐ I wish to set up my own home  
☐ My home is in poor condition  
☐ I would like/need a smaller home  
☐ I would like/need more bedrooms  
☐ My housing costs are too high  
☐ I have difficulty with stairs/steps  
☐ I don't have any kitchen/bathroom facilities  
☐ I would like a garden  
☐ I would like to have more security  
☐ Other, please state (e.g. you only have a short term tenancy)  
☐ I have a health problem which means my home is unsuitable. Please give details

15. Please indicate which of the following options you would most prefer:  
☐ Renting from a Housing Association  
☐ Renting from a private landlord  
☐ \*Buying a discounted home  
☐ \*Shared ownership  
☐ Buying a home on the open market

\*These options are explained at the front of this form.

16. Please indicate where you would like to live:  
☐ In the village  
☐ Elsewhere in Test Valley  
☐ Elsewhere in the U.K.

17. Please indicate what type of housing you would prefer to live in:  
☐ Flat ☐ Bungalow ☐ Bedsit  
☐ House ☐ Maisonette

**D. You and your household**

18. Please indicate which gross annual income band you are in:  
☐ Under £15,000 ☐ £15,001-£20,000  
☐ £20,001-£25,000 ☐ £25,001-£30,000  
☐ £30,001-£40,000 ☐ Over £40,000

19. Please indicate how much you spend on your rent/mortgage each month:  
☐ Under £300 ☐ £301-£400  
☐ £401-£500 ☐ £501-£600 ☐ £601+ 0

20. Please indicate your approximate level of savings:  
☐ Under £5,000 ☐ £5,001-£10,000  
☐ £10,001-£20,000 ☐ Over £20,000 0

21. Please give details of your current household:

Relationship to you (e.g. child/partner)	Gender	Age	Is this person to be housed with you?
	Male	Female	Yes
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you have any queries about this survey, please contact Catherine Pratt, Housing Policy Officer at Test Valley Borough Council on 01264 366337. We will be pleased to help.

**Thank you for completing this form. Please now return in the pre-paid envelope provided. Please return the form by 31st August.**  
If you require additional forms for household members who wish to set up their own home in the village, please do not hesitate to contact us so we can provide them to you.

## REFERENCES

### ODPM/DETR/DTLR Publications

Planning Policy Guide Note 3: Housing:

Circular 6/98 – Planning and Affordable Housing

Circular 1/97 – Planning Obligations

Sustainable communities: Building for the future

Delivering Affordable Housing Through Planning Policy

Local Housing Needs Assessment: A Guide to Good Practice

Evaluation of the Low Cost Home Ownership Programme

### Other Policy Documents

Salisbury District Local Plan, SDC, 2003

Wiltshire Structure Plan, WCC, 2001

RPG10 : SW Regional Planning Guidance, GOSW, 2001

### Other Publications

Sustainable Settlements, UWE/LGMB, 1995

Rural Housing Signposts: the path to better delivery of Affordable Housing - LGA & Countryside Agency, 2003

Can work – can't buy - Steve Wilcox/ Joseph Rowntree Foundation (2003)

Regional Housing Strategy 2002-2005 - Government Office for the South West & Housing Corporation, 2002

Planning Gain and Affordable Housing: Making it Count. -

Crook, Currie, Jackson, Monk, Rowley, Smith and Whitehead, Joseph Rowntree Foundation, 2002

Working Together - A Guide for Planners and Housing Providers - The Royal Town Planning Institute, (2001),

Developing Affordable Housing: A comprehensive guide to commissioning and building new homes.-

National Housing Federation, June 2001

Delivering Affordable Housing Through the Planning System - RICS Policy Unit / Housing Corporation (2001)

Delivery of Affordable Housing Through Planning Obligations - Orbit HA/Housing Corporation, (2001)

Partners in Strategy: RSLs, the local authority strategic role and the shape of the sector - Chartered Institute of Housing, June 2001

### Other Supplementary Planning Guidance

By local authority area - Note some references may include draft versions

Kennet DC  
North Wiltshire DC  
Swindon BC  
Bristol CC  
Bournemouth BC  
Islington BC

West Wiltshire DC  
Bracknell Forest BC  
Oxford CC  
Restormel BC  
Borough of Poole  
Stroud DC