



*Basingstoke
and Deane*



Affordable Housing Supplementary Planning Document



July 2007

Introduction

1. Introduction	4
2. Preparation of SPD	4
3. Monitoring and Review	5
4. Objectives of SPD	5
5. Definition of Affordable Housing	7
6. Key Workers	9
7. Site-size thresholds	9
8. Proportion of Affordable Housing to be negotiated	10
9. House-size and tenure mix	11
10. Specific needs	12
11. Rural Exceptions	13
12. Delivery – Funding and S106 Agreements	14
13. Options for provision e.g. on-site/ off-site	15
14. Design and Accessibility Standards	16
15. References	16
16. Other Documents	17

Appendices

Appendix 1 Policy Context	19
Appendix 2 Housing need, Affordable Housing and Key Workers	22
Appendix 3 Further Information and Contact Details	26

1. Introduction

1.1

Supplementary Planning Documents (SPDs) were introduced by the Planning and Compulsory Purchase Act 2004 as part of the reforms to the planning system. Although not forming part of the statutory development plan, one of the functions of an SPD is to provide further detail on policies and proposals within the development plan. SPDs must be consistent with national and regional planning policies as well as the policies set out in the development plan.

1.2

The SPD will be a material consideration in the determination of planning applications. The Planning and Compulsory Purchase Act 2004 includes a requirement for all Local Development Documents to contribute to the achievement of sustainable development. Planning Policy Statement 12 'Local Development Frameworks' states that local planning authorities must undertake a sustainability appraisal throughout the preparation of a Supplementary Planning Document. To this end a Sustainability Appraisal has been produced to inform the preparation of the SPD. The Sustainability Appraisal Report accompanies this document.

2. Preparation of SPD

2.1

This SPD has been prepared in accordance with the requirements set out in the Local Development (England) Regulations 2004. Issues and Options were published for public consultation in November 2005. 8 representations were made, details of which are set out in the accompanying Public Consultation Statement. This consultation statement also sets out the Council's response to the issues raised.

2.2

As part of the preparation of the Sustainability Appraisal, a Scoping Report was published for public consultation in September 2005. 5 representations were received, details of which are set out in the accompanying consultation statement.

2.3

The preparation of this SPD has been undertaken in accordance with the procedures outlined in the Council's adopted Statement of Community Involvement.

3. Monitoring and Review

3.1

Local Planning Authorities are required under the Planning and Compulsory Purchase Act to prepare an Annual Monitoring Report (AMR) to assess the implementation of the Local Development Scheme and the extent to which policies and objectives in Local Development Frameworks / Local Plans are being achieved. The Council will monitor the provision and delivery of affordable housing as part of the AMR and advise on the outcomes to Members. This SPD will be reviewed as and when necessary in light of all material information.

4. Objectives of SPD

4.1

The Council Plan 2007-2010 seeks to meet housing need and assist those in need of help with access to decent homes under its priorities to maintain and enhance local community well-being, and to build and sustain a strong focus on inclusion. It is therefore an important function of both the Local Plan and the Council Plan to secure the provision of affordable housing. Information on housing need and affordability is provided at Appendix 2 to this SPD.

4.2 The main objectives of this SPD are:

- to clarify the policy framework for affordable housing as set out in the adopted Local Plan 1996-2011 to enable developers, the public and other interested parties to understand how such housing is to be provided in the Borough;
- to ensure that this framework meets the Council's priorities of providing people with affordable, decent homes; and
- to increase housing choice and encourage better social mix in order to reduce social exclusion.

4.3

The Council's planning policies on affordable housing are set out within Policies C2 and D8 of the Adopted Local Plan.

Policy C2 Affordable Housing

The Council will negotiate provision of an element of affordable housing on all the housing sites above the thresholds set out below, taking into account the circumstances of each site (including the viability of development); the particular need for affordable housing in that locality and in the Borough; the practicality of delivering the affordable housing (including funding); and the achievement of other planning objectives.

The level of affordable housing provision may vary depending on the specifics of the site; however, the Council's intending starting point for negotiations will be 40%.

- Within the settlement policy boundary of Basingstoke town, the minimum threshold is 25 dwellings, or 1.0 hectare;
- Within settlements of at least 3,000 population outside Basingstoke town area, the minimum threshold is 15 dwellings, or 0.5 hectare;
- Within settlements with fewer than 3,000 population, the minimum threshold is 7 dwellings, or 0.2 hectare.

Planning conditions will be imposed or a legal agreement sought to ensure that the affordable housing provided remains affordable for so long as there remains a need for it.

Policy D8 Rural Exceptions

As an exception to the general protection of the countryside adjacent to rural settlements, planning permission will be granted for development which the Council is satisfied will meet a genuine local need such as affordable housing, health, education, a similar community need or to provide small-scale employment premises. Development proposals should complement the character of the rural settlement, the character of the surrounding landscape and not be harmful to the rural environment.

The provision of affordable housing on rural exception sites will be permitted only where the following criteria are met:

- i the housing will provide affordable accommodation and will be managed to ensure that it remains available for so long as there remains a need for it to those not otherwise able to compete in the private housing market; and
- ii the site does not exceed 0.4ha except in the larger settlements of Baughurst, Bramley, Kingsclere, Oakley, Overton, Pamber Heath, Tadley and Whitchurch where, in general, a site should not exceed 0.8ha.

4.4

The main aims of policy C2 are:

- To maximise the provision of affordable housing through the planning process
- To ensure a mix of housing on development sites
- To ensure the provision of affordable housing that meets the priority need locally
- To ensure that the affordable housing remains affordable for so long as there remains a need for it

4.5

The main aims of policy D8 are:

- To enable the provision of affordable housing that will meet local needs in rural areas where there would otherwise be few opportunities for the development of such housing
- To ensure the provision of affordable housing that meets the priority need locally
- To ensure that the affordable housing remains affordable for so long as there remains a need for it

4.6

Policy C2 broadly seeks the provision of an element of affordable housing on all appropriate housing sites over a certain size, taking into account the viability of the development, the need for affordable housing in that locality and the practicality of delivering affordable housing. Policy D8 makes provision for small affordable housing developments adjacent to rural settlements as an exception to the normal planning policies that apply to development in the countryside. This SPD document refers to the background and justification for these policies, but its main focus is on assisting with their implementation.

4.7

Information on the planning policy context for the Local Plan policies is at Appendix 1.

5. Definition of Affordable Housing

5.1

The adopted Local Plan contains the following definition of affordable housing, based on the 2004 borough-wide Housing Needs Assessment.

'Affordable housing is that provided, with subsidy, both for rent and low cost market housing, for people who are unable to resolve their housing requirements in the general housing market because of the relationship between local housing costs and incomes. The types of affordable housing which comply with this definition are:

- Units for rent from a Registered Social Landlord (RSL);
- Shared ownership with subsidy;
- Shared equity where land value is retained to provide housing for sale at below market levels and where this discount can be maintained; and
- Discounted market rented housing.

Subsidy includes not only public funding, but also the provision of serviced land by developers for free or at a discount.'

5.2

This definition is considered to be consistent with the recently published definition in PPS3:

'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative social housing provision'.

5.3

PPS3 also defines Social Rented Housing as:

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

5.4

Intermediate affordable housing is defined as:

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

6. Key Workers

6.1

The Glossary to the Local Plan Review contains the following definition of key worker housing:

‘Employees in essential, universally accessible public and private services, without whom those services would operate at below optimal levels whose income is insufficient to allow them to access reasonable accommodation in the private market, but do not qualify to receive priority assistance through the relevant housing legislation.’

6.2

Key worker housing provision may therefore form part of the affordable housing provision (but should not reduce the amount of priority social rented housing unless there are specific site circumstances). The Council is not prescriptive in the way in which key worker housing should be provided and measures could include shared ownership, shared equity and intermediate renting.

7. Site-size thresholds

7.1

Policy C2 of the Local Plan requires that affordable housing is provided as part of any development of:

- 25 or more dwellings or on a site of 1 hectare or more, within Basingstoke town.
- 15 dwellings or 0.5 hectares within settlements with a population of at least 3,000 outside Basingstoke town; and
- 7 dwellings or 0.2 hectares for those settlements with fewer than 3,000 population.

Those settlements outside Basingstoke town with a population of at least 3,000 and to which the 15 dwellings or 0.5 hectare threshold will apply are identified as:

Bramley
Kingsclere
Oakley
Old Basing
Overton
Tadley/ Baughurst / Pamber Heath
Whitchurch

7.2

In considering whether a development meets the threshold for providing affordable housing, the Council will consider the net increase in the number of dwellings on site. Policy C2 also applies to the conversion of any building, whether or not it is already in residential use. The Council will be mindful of any attempt to circumvent the proper operation of Policy C2, for example through the artificial sub-division of a site.

7.3

Since adoption of the Local Plan, 'PPS3: Housing' has been published which introduces more flexibility in the setting of minimum site-size thresholds above which affordable housing will be sought. It sets out a national indicative minimum site-size threshold of 15 dwellings and allows Local Planning Authorities to set lower minimum thresholds, where viable and practicable, including in rural areas. On this basis, the minimum site size threshold applied to sites in Basingstoke Town will now be 15 dwellings, as per PPS3, rather than the 25 dwellings set out in the Local Plan policy. This is based on the evidence of need set out in Appendix 2. The Central Hampshire and New Forest Housing Market Assessment will provide an analysis of the impact on viability of market sites of alternative thresholds, with recommendations. This will be used to inform any review of the thresholds or revision of the policy (through an appropriate Development Plan Document).

8. Proportion of Affordable Housing to be negotiated

8.1

Local Plan Policy C2 confirms that the Council will negotiate the provision of an element of affordable housing on all housing sites above the identified threshold taking into account the specific circumstances of each site. Whilst accepting that the level of affordable housing provision may vary depending on the individual site, Policy C2 confirms that the Council's starting point for negotiations will be that 40% of the total dwellings on a site should be provided as affordable housing. This was predominantly based on the recommendations in the latest (and previous) Housing Needs Survey update (see Appendix 2). Although it was recognised that this proportion of affordable housing would not provide enough affordable housing to meet all of the need, it is an amount that will maximise the provision of affordable housing without inhibiting development and the achievement of other planning objectives. This target has been explored and agreed through the Local Plan process.

8.2

The Council will take into account the range of other planning obligations and costs associated with a particular development as part of negotiations on the proportion of affordable housing to be required. Where there are disagreements between the Council and a developer on issues of viability, the developer will be expected to provide a full financial appraisal to demonstrate their case which will be audited by an expert, the cost of which will be borne by the developer. If a developer can demonstrate (through "open book accounting") that a particular site is not financially viable (if all the Affordable Housing and Community Infrastructure

initially required by the Council is provided), then the Council may need to prioritise the Affordable Housing and Community Infrastructure contributions sought. It is likely that the provision of affordable housing, and in particular social rented housing, will remain a high priority.

8.3

If the Council is satisfied that the financial appraisal confirms that the affordable housing cannot be provided in line with Policy C2, the Council will agree to an alteration in the tenure split requirement in the first instance (see section 12 below) and if the proposal is still not considered viable, may subsequently agree to a reduction in the overall affordable housing requirement. The Council will apply this order of preference until the proposal is considered viable.

8.4

It is expected that all affordable units provided under Policy C2 will be secured for use by those in housing need. The control of affordable housing by a RSL will ensure the proper long-term management of affordable housing. If a RSL is not to be involved, then detailed mechanisms for the control of the affordable housing will need to be set out in planning conditions or a legal agreement.

9. House-size and tenure mix

9.1

The precise amount, type, size and standard of affordable housing will be subject to negotiation with the developer and will be dependent upon the housing need at the time of the planning application, based on a consideration of the Housing Register, Housing Needs and Market assessments, and Rural Housing surveys. The Council encourages prospective developers to contact Housing Services at the earliest opportunity prior to the submission of a planning application to discuss the appropriate mix for a particular site, taking into account matters such as local need etc.

9.2

In terms of the tenure mix, there are various tenure arrangements that would fall within the definition of affordable housing. In broad terms these include:

- Social Rented – properties made available to persons in housing need usually through a RSL (such as a Housing Association) who will offer properties at an affordable rent level, which is fixed by Housing Corporation rules.
- Shared Ownership – properties administered by a RSL (or other approved body), which are made available on a part ownership basis. Typically, the normal starting levels are 40% or 50% ownership with the shared owner paying an affordable mortgage and proportionate (nominal) rent payment on the remainder.
- Shared equity – where land value is retained to provide housing for sale at below market levels and where control of the ‘equity discount’

(normally 25% or 30%) can be retained in perpetuity by the owner/ developer, Trust or a RSL.

- Discounted market rented. Intermediate rent is defined by the Housing Corporation (National Affordable Housing Programme 2006-2008: Invitation to bid) as homes for rent let on assured shorthold tenancies. The rents must not be set higher than 80% of local market levels.

9.3

The latter three examples would fall within the term 'intermediate housing', as defined in PPS3 (set out in Section 8 above). The Council will not preclude other alternative tenure arrangements providing that they meet an identified and quantified housing need, and that the benefit of the affordability can be maintained over time

9.4

As identified in the Housing Needs Surveys, the priority need for affordable housing within the Borough is for rented accommodation and the starting point for negotiation is that 25% of each development site should comprise affordable housing for rent and that a further 15% should comprise shared ownership / shared equity affordable housing ('intermediate housing'). However, the precise split attributed to the various different tenures will be the subject of negotiations and may vary between sites depending on the types of need prevalent in a particular locality, the financial viability of sites (including availability of grant funding), and site characteristics.

9.5

The Council has produced a Housing Mix and Lifetime Mobility Standards SPD to provide additional guidance for developers in respect of new housing development. This applies to the private housing element of a development.

10. Specific needs

10.1

The 2001 Housing Need Survey provided a comprehensive assessment of the level and nature of special housing needs across the borough. Further surveys have also been undertaken by the Council in order to address the needs of specific groups such as older people, single people and key workers. The results of these surveys and any future surveys will be used to inform negotiations on the appropriate tenure and type of affordable housing.

10.2

Developers will be expected to consider the inclusion of housing to meet the needs of specific sectors of the population on appropriate sites. This is not intended to be in addition to the requirement for general affordable housing.

10.3

The requirement for affordable housing extends to all types of residential (and mixed use) development, including sheltered retirement housing, subject to an identified need.

11. Rural Exceptions

11.1

The principle of 'rural exception sites' is well established as a mechanism for meeting the housing needs of local people who can no longer afford to rent or buy properties in rural settlements. Accordingly Policy D8 of the Local Plan seeks to provide the means whereby housing for local people can be provided where open market housing would not normally be allowed.

11.2

Outside settlement policy boundaries, residential development is strictly controlled. Land is often in agricultural use, the land value of which is a fraction of residential land. The rural exceptions policy takes advantage of this lower land value to enable the delivery of affordable homes.

11.3

As set out in policy D8 of the Local Plan, rural exception sites for affordable housing should be located adjacent to the rural settlement and should be closely related to the existing built up area in order to ensure that the development is not harmful to the rural environment. The style and character of such housing should be in keeping with its surroundings, and particularly with local building styles. In the smaller rural settlements (those below 3,000 population), sites should not exceed 0.4ha; for the larger settlements (those over 3,000 population) sites should not exceed 0.8ha. Rural Exception sites will not be accepted adjacent to Basingstoke Town.

11.4

In accordance with Policy D8, rural exception sites will only be released in order to meet an identified local need for affordable housing. This need must relate directly to a village, parish or group of parishes and is likely to include:

- People already resident in an area who are seeking separate or more suitable accommodation; or
- People who used to live in the local area and wish to return for reasons of employment or family connections; or
- People who are employed in the area but live elsewhere.

11.5

Evidence of local need should be submitted alongside any planning application and must be prepared in accordance with advice from the Council's Housing Services. The target for delivery of affordable housing in rural areas as set out in the Housing Strategy will also be taken into account.

11.6

General market housing, or mixed developments consisting of high-value housing used to cross-subsidise affordable housing on the same site, are inappropriate on exception sites.

11.7

The Council will seek to ensure that adequate arrangements are in place to secure the availability of properties for subsequent occupiers for as long as the need exists. Both planning conditions and planning obligations may be used for this purpose. The inclusion of clauses in planning obligations which would enable lenders of private finance to dispose of property in the open market as a last resort, if a borrower were to get into financial difficulties, are unacceptable in respect of housing schemes on exception sites.

11.8

The Hampshire Alliance for Rural Affordable Housing (HARAH) has been established to take a strategic view on the funding and provision of rural exception sites.

12. Delivery – Funding and S106 Agreements

12.1

The Council has published Interim Planning Guidance on Section 106 Planning Obligations and Community Infrastructure (adopted July 2005, revised November 2006). This provides additional information on the legal and policy basis for negotiating planning obligations in respect of policy C1, and provides the local context for the provision of facilities, community infrastructure and affordable housing through development proposals.

12.2

The presumption is that affordable housing, where provided, will primarily be for rent and should form part of the development proposal, including the provision of serviced land at no extra cost. In the absence of Social Housing Grant from the Housing Corporation, the Council would expect developers to not only provide land for affordable housing, but also to provide sufficient funding to Housing Associations / RSLs to 'bridge the gap' between:

- The cost of delivering affordable housing on the site concerned;
less
- The amount of finance that the Housing Association/RSL can reasonably raise (via loans/charge/mortgage etc) in respect of the particular affordable housing development.

12.3

The Council recognises the need for, and welcomes, early negotiations with prospective developers and RSLs on the most appropriate delivery mechanisms for affordable housing on any specific site.

12.4

The Council will adopt the following approach in order of priority (the 'cascade' approach):

- Secure the provision of land and affordable housing, mainly for social rent, without the need for public subsidy;
- Secure a financial contribution towards the cost of providing the affordable housing (mainly for social rent), in addition to securing the transfer of the land required to a housing association [or other approved affordable housing provider]. This would have the affect of reducing the public subsidy required per unit, with the hope that this would make the scheme more attractive to the Housing Corporation in the event that grant funding is forthcoming;
- Secure the transfer of free land to a housing association [or other approved affordable housing provider]. This would require a grant from the Housing Corporation, or funding from a different source, in order to enable the provision of affordable housing to proceed.
- In the event that there is still a shortfall in funding, the Council will consider an alternative type and mix for the affordable housing.

12.5

The Council has also produced a Best Practice note on Affordable Housing and Community Infrastructure (www.basingstoke.gov.uk/council/legal/notes/_default.htm). This provides an overview of what the Council seeks to achieve and its procedures for the planning application and S106 Agreement process relating to affordable housing and community infrastructure. It is intended to help developers, Housing Associations/Registered Social Landlords and Council officers through the process. The document also includes specimen S106 Agreements for detailed and outline consents, which will form the basis for all S106 Agreements, and speed up the legal process and delivery on the ground.

13. Options for provision e.g. on-site/ off-site

13.1

The Council considers that where a requirement for affordable housing is considered appropriate, it should be provided on-site as part of the development. However, there may be exceptional circumstances that would justify a financial or other contribution towards the provision of the required element of affordable housing on another site in the Borough. Any off-site provision should be located in close proximity to the parent application so that it contributes to the housing need of that particular area and helps create mixed and balanced communities.

13.2

Commutated sums will be calculated on the basis of land values (and construction costs) of the required affordable housing tenure in the local area and will only be accepted where the developer can demonstrate exceptional reasons for not providing the affordable housing on site, and that there is local availability of

purchasable land for the off-site provision. The Council must be satisfied that such arrangements would actually result in the provision of affordable housing that would not otherwise be provided in the area.

14. Design and Accessibility Standards

14.1

The Council will seek to ensure that issues of design and accessibility are taken into account in the provision of affordable housing.

14.2

In order to ensure developments contribute to the creation of balanced and mixed communities, affordable housing on new developments should be fully integrated within the open market housing. The Council therefore expects the affordable housing to be 'pepper potted' in small groups throughout a development and to be indistinguishable in design terms from open market housing.

14.3

In order to ensure that rented properties are sustainable in the long term, and to ensure the development qualifies for any grant funding which might become available, all affordable housing should conform to the latest Housing Corporation Standards.

14.4

The Council will encourage developers and RSLs to provide affordable housing that meets the highest viable EcoHomes standards. Four ratings can be achieved from Pass, Good, Very Good and Excellent. All new developments funded through the Housing Corporation's National Affordable Housing Programme 2006-08 are required to achieve an EcoHomes 'Pass' rating. Housing Associations must achieve an EcoHomes 'Very Good' rating (to get grant funding). The Housing Corporation have recently announced that in the forthcoming bid round (2008-2010) EcoHomes will be replaced with the Code for Sustainable Homes as the energy/sustainability measure (this will be at a level of the Code that is roughly comparable with the EcoHomes 'very good' standard). The Code measures the sustainability of a home against design categories rating the whole home as a complete package within one of six levels with level 6 being zero-carbon. It introduces minimum standards for energy and water efficiency requiring higher levels of sustainability. It also includes areas of sustainable design such as Lifetime homes and the inclusion of composting facilities. The Council is currently drafting a Design and Sustainability Supplementary Planning Document.

14.5

Developers must comply with the Council's adopted Statement of Community Involvement when making an application.

15. References

DCLG/ODPM/DETR/DTLR Publications

Circular 05/2005: Planning Obligations (July 2005)

PPS3: Housing (November 2006) including Delivering Affordable Housing

<http://www.communities.gov.uk>

Government Office for the South East

Regional Planning Guidance for the South East: RPG9 (March 2001)

<http://www.go-se.gov.uk>

South East England Regional Assembly

The South East Plan (March 2006)

<http://www.southeast-ra.gov.uk/southeastplan/>

Hampshire County Council

Hampshire County Structure Plan (adopted January 2000)

<http://www.hants.gov.uk/structureplan/>

Basingstoke and Deane Borough Council

The Council Plan 2006-2009

Draft Council Plan 2007-2010

Basingstoke and Deane Borough Local Plan 1996-2011 (adopted July 2006)

Best Practice Note: Affordable Housing and Community Infrastructure (Summer 2006)

Interim Planning Guidance on Section 106 Planning Obligations and Community Infrastructure (November 2006)

Annual Monitoring Report 2004/05

Housing Strategy 2004-2007

Draft Statement of Community Involvement (May 2006)

Housing Mix and Lifetime Mobility Standards SPD (Issues and Options Paper)

<http://www.basingstoke.gov.uk>

16. Other Documents

Housing Needs Assessment, (2001) David Coultie Associates

Housing Needs Update Survey (2005) David Coultie Associates

<http://www.basingstoke.gov.uk>

Key Worker Survey, Portsmouth Business School (2001)
Weatheralls Key Worker Study (2001)
Weatheralls Key Worker Study Update (2003)

Rural Housing Needs Survey Report Executive Summary (Community Action Hampshire, 2003)

Single Persons Housing Survey (David Couttie Associates, 2000)

Housing Survey of Ethnic Minorities in Basingstoke (2006)

Pride in our Place: The Community Strategy for Basingstoke and Deane 2006-2016
<http://www.basingstokelsp.org>

Housing Corporation Scheme Development Standards
<http://www.housingcorp.gov.uk>

EcoHomes 2006 The Environmental Rating for Homes (April 2006)
http://www.breeam.org/pdf/EcoHomes2006Guidance_v1_2_April2006.pdf

Hampshire Alliance For Rural Affordable Housing (HARAH) - Hyde Housing Association
www.hyde-housing.co.uk

Appendix 1

Policy Context

1. Government Guidance

Planning Policy Statement 3

1.1

Planning Policy Statement 3: Housing was published in December 2006 and replaces both PPG3 and Circular 6/98. One of the key objectives outlined by the Government in PPS3 is to deliver a better balance between housing demand and supply in every housing market and to improve affordability where necessary. It defines affordable housing as including social-rented and intermediate housing, but specifically excludes low cost market housing.

1.2

PPS3 has introduced a national indicative minimum site-size threshold of 15 dwellings. It also introduces more flexibility in the setting of minimum site-size thresholds above which affordable housing will be sought. Local Planning Authorities may depart from the indicative minimum threshold of 15 dwellings where it can be justified, taking into account the level of affordable housing to be sought, site viability, the impact on the delivery of housing provision and the objective of creating mixed and sustainable communities.

1.3

PPS3 also includes a rural exception site policy to enable local planning authorities to allocate or release small sites within and adjoining existing small rural communities which may be subject to policies of restraint and would not be released for market housing. It confirms that rural exception sites should only be released for affordable housing secured as such in perpetuity.

1.4

The government have also produced accompanying guidance on 'Delivering Affordable Housing' which outlines the policy challenges and delivery mechanisms available. An additional note on identifying sub-regional housing market areas is due to be published.

2. Regional Planning Guidance (RPG 9) for the South-East of England

2.1

RPG9 recognises the strong demand for affordable housing in the South East. It also highlights the current household projections, which indicate the growing proportions of one and two person households. Policy H4 requires the provision of a range of dwelling types and sizes, including affordable housing, to meet locally assessed need.

The Draft South East Plan (March 2006)

2.2

The draft South East Plan notes that rates of new affordable housing provision in the region have been running well below the rate required to meet existing needs. Policy H4 requires Local Development Documents to set targets for the provision of affordable housing, taking account of the results of housing need and market assessments, and having regard to the overall regional target that 25% of all new housing should be social rented accommodation and 10% other forms of affordable housing. It is expected that the South East Plan will be adopted in 2008.

Regional Housing Strategy (2006)

2.3

The Regional Housing Strategy highlights the housing priorities for the region's two year budget. These include increased provision of new affordable housing and upgrading of existing stock, prioritising of social rented accommodation, support for key workers and support for the principle of meeting housing needs across a sub-regional housing market area.

3. Hampshire County Structure Plan 1996-2011 (Review)

3.1

The Structure Plan identifies that affordability of housing is a major issue across the County with many people unable to afford house prices or rents on the open market. Policy H7 of the Structure Plan seeks to make provision to meet the different needs of the community in terms of the size, cost and tenure of new housing. Policy H8 requires that, where there is an identified need, local planning authorities negotiate for a proportion of affordable housing to be provided on sites, having regard to the overall need for such housing, the local housing market and the suitability of the site. Policy H9 allows for small-scale housing developments within or adjacent to rural settlements where there is an identified local need. However, the Structure Plan will not be saved after September 2007 although some policies may be saved until the South East Plan is adopted.

4. Community Strategy

4.1

Under the Local Government Act 2000, all District and County authorities have a duty to prepare community strategies. Local Development Documents, such as this SPD, should express those elements of the community strategy that relate to the development and use of land. The Community Strategy for Basingstoke and Deane '*Pride in our Place*' has been prepared by the Local Strategic Partnership and sets out a medium to long-term vision for the Borough. Access to and provision of affordable housing is identified as a key priority.

5. Housing Strategy

5.1

The Council's Housing Strategy 2004-2007 (adopted July 2004) sets out the Council's current and future objectives, priorities and actions for housing. The Strategy identifies four priorities for the Borough:

- Increasing the supply of social rented accommodation
- Increasing the supply of affordable housing for ownership or part ownership
- Addressing homelessness in the Borough
- Physical and social improvement of the Borough

5.2

The issues associated with the first two priorities in particular show the contribution of the planning system in meeting these priorities, and policy C2 of the Local Plan is particularly relevant. The Housing Strategy will be reviewed following the outcome of a Housing Market Assessment which is due to be concluded in October 2007.

Appendix 2

Housing Need, Affordability and Key Workers

1. Housing Needs Assessment

- 1.1 In 2001, David Couttie Associates (DCA) carried out a Borough-wide Housing Needs Assessment, and desktop updates have been carried out in 2003, 2004 and 2005. The original report concluded that about 1,070 affordable dwellings would be required up to 2006 in order to house everyone on the Council's Housing Need Register in 2001, together with all households in need of subsidised affordable housing projected to emerge over the subsequent five years. This level of development exceeded the overall rate of housing completions of all types and tenures projected in the Borough for the same period. It was recognised that this was not economically deliverable, nor would it meet the Government objective of creating mixed and inclusive communities to meet the existing and projected affordable housing needs in their entirety within market housing developments. Nevertheless, the Housing Needs Updates have consistently demonstrated a substantial need for affordable housing which considerably exceeds any realistic expectation of being fully met.
- 1.2 In 2005, DCA carried out an update to the Housing Needs Assessment. The report concludes that access to market housing has become more difficult for new households than it was in 2004. This is as a result of house price increases above wage inflation, increasing the need for subsidised housing especially in the higher priced rural areas. The total affordable housing need annually is now 1,238 units. Net re-lets of the existing social stock after the Right to Buy impact average 522 units, based on the average of recent years (2002/03 – 2004/05). Even after allowing for this level of supply, there will still be an annual affordable housing shortfall of 708 units a year. The Housing Needs Assessments therefore highlight the need to maximise the provision of affordable housing through the planning system.
- 1.3 A Housing Market Assessment is currently being progressed for Central Hampshire and the New Forest (including the Basingstoke and Deane Borough Council area). The final report is due in late summer 07. This will help set the strategic context for shaping the housing market(s) within the area and will inform the development of future local housing strategies and planning policies.

2. Rural Housing Needs Survey

- 2.1 The Council is working with Community Action Hampshire to facilitate rural housing development in the rural area. A sub-regional rural housing strategy is being discussed within the partnership. A borough-wide Rural Housing Need Survey was undertaken in 2003 which found that 18% of the rural population considered themselves to be in housing need and that 86% of that need is for single adults and couples without children.

3. Housing Register

3.1

The Housing Register is the focal point for all applicants and existing social housing tenants who seek re-housing. It facilitates the process of prioritising and selecting applicants for long-term social housing tenancies on the basis of housing need. It also provides an excellent mechanism for assessing and gauging levels of housing need and actual demand for accommodation throughout the Borough, particularly at a micro level within specific localities.

Table 1: Numbers on Housing Register

	Total on Housing Register	Numbers in Need (excluding transfers)	% of Total Register in Need
2002	4281	2512	59
2003	4497	2743	61
2004	4764	3010	63
2005	4937	3262	66
2006	5058	3454	68

Source: Housing Services, Basingstoke and Deane Borough Council

3.2

Analysis of the Housing Register shows that the demand for affordable rented accommodation is increasing year on year despite the build programme delivering over 200 new dwellings per year. As a result, there is an increased need for temporary homeless accommodation because new houses are not being provided quickly enough. Whilst there are those on the Housing Register who would prefer home ownership, the majority would not be in a position to purchase, even at a significantly reduced market price. On this basis, the priority for affordable housing provision continues to be rented accommodation provided by registered social landlords, as this is the type of housing that most appropriately responds to local need.

4. Affordability

4.1

In defining housing requirements, the Housing Needs Assessment (HNA) has taken into account demand, need and preferences. Households that can enter the general market without intervention of any sort can be defined as demand, whereas those households unable to enter the general market without some form of intervention can be defined as having a housing need. Preferences take into account the costs of buying in the Borough but also reflect the impact of changing employment patterns and lifestyle changes in tenure choices. Affordability is defined by the relationship between local incomes and the local general housing market. Therefore, the ability of a household to satisfy its own housing

requirement is fundamentally a factor of the relationship between local house prices and households income.

5. Purchase Income Thresholds

5.1

More importantly, the distribution of earnings (ASHE 2005) showed that 10% of the County earned less than £13,084, 25% earned less than £17,573, and 50% earned less than £25,000.

5.2

The 2005 update to the Housing Needs Survey confirmed that the income needed to enter the housing market in the main settlements in the Borough ranged from £28,500 to £58,400 (Table 3.1 Housing Needs Survey Update - 2005). These figures are derived from an assessment of the cheapest entry-level prices of the smallest units and are based on 95% mortgage availability and a 3x gross income to lending ratio (although it is acknowledged that some lenders are now offering higher ratios than this, the 3x income lending ratio is still seen as the norm, providing a realistic level of repayments with some allowance for fluctuations in interest rates).

5.3

The 2005 update provides information on 'concealed households', which illustrates a particular example of the housing need (it is also useful to look at an example of purchase/rental income thresholds for households rather than individuals). Concealed households represent, in the main, young people who are about to leave the parental home to set up a home of their own. The survey shows that 70.6% of concealed households have an income of less than £22,120. This means that 83.5% of concealed households would be unable to buy a one bed flat in the cheapest area of the Borough and 96.7% of concealed households would be unable to afford a two bed terraced property in the most expensive area of the Borough (Table 3.6 Housing Needs Survey Update – 2005).

5.4

Overall, average house prices in the Borough have grown from 5.1 times average earnings in 1998 to nearly 7.3 times in 2005. For those who do not earn their own homes, the situation is worsening more rapidly than these figures imply. Focussing on the lower quartile house prices (approximately £150,000 in 2005) and median earnings (which provide a better indication of middle ranking income), the relationship has grown from 3.3 times to 5.7 times over the same period.

5.5

It is apparent that high house prices have had a major impact on households' ability to access the local housing market. Given that 50% of the population of Hampshire earn less than £25,000, it is clear that even entry level housing is beyond the reach of a high proportion of earners (even taking into account the salaries of two people on low incomes wishing to share the purchase of a property). This indicates that low-cost market housing, without subsidy, would not meet the needs of those on the housing register on lower incomes.

6. Rental Income Thresholds

6.1

Rental income thresholds were also calculated as part of the 2005 update. This confirmed that the income levels needed to enter the private rented market in the Borough ranged from £25,200 for a one bed flat to £33,600 for a two bed terraced property. These figures are based on an assessment of the cheapest rental prices of the smallest units based on rent at 25% of gross income (equivalent to 30% of net income) (Table 3.3 Housing Needs Survey Update - 2005). Again, given the average income, and distribution of earnings in the County, the private rental market will still not be accessible to those on lower, and indeed average, incomes.

6.2

As an example, the Housing Needs 2005 update confirms that 74.5% of concealed households would be unable to rent a one bed flat in the cheapest area of the Borough and 89.5% would be unable to rent a two bed terrace in the most expensive area of the Borough (Table 3.7 Housing Needs Survey Update -2005). These surveys consistently show the need for more social rented housing and discounted market rented housing to provide for those who cannot afford to rent privately.

6. Key Workers

6.1

Atis Real Weatheralls undertook a Key Worker Housing Needs Survey of the Borough in 2003. The study was prepared on the basis that housing need occurs when a key worker's income is insufficient to allow them to access reasonable accommodation in the private market, or their income and circumstances are such that they cannot receive priority assistance through the relevant housing legislation. Based on this research, the total number of key workers in housing need was estimated to be in the range of 177 to 412 households a year. Key worker housing is therefore considered to be one element of the wider housing need.

Appendix 3

Further Information and Contact Details

Forward Planning

Anne Shattock, tel: (01256) 845464,
e-mail: anne.shattock@basingstoke.gov.uk

Housing

Michael Shepherd, tel: 01256) 845759,
e-mail: michael.shepherd@basingstoke.gov.uk

Legal Services

Lisa Batchelor, tel: (01256) 845345,
e-mail: lisa.batchelor@basingstoke.gov.uk

Development Control

Giorgio Framalico, tel: (01256) 845440,
e-mail: giorgio.framalico@basingstoke.gov.uk



This Basingstoke and Deane Borough Council Supplementary Planning Document is available from:

**The Basingstoke and Deane Borough Council's website:
www.basingstoke.gov.uk/planning/localplan/spd.htm
& The Civic Offices and all Libraries in the Borough**

For a hard copy of the document, or for additional information on the Affordable Housing Supplementary Planning Document, please contact:

Forward Planning and Transport Team
Basingstoke and Deane Borough Council

Civic Offices, London Road
Basingstoke,
RG21 4AH

Telephone: 01256 845464 E-mail: anne.shattock@basingstoke.gov.uk

If you would like further information about this document, or any aspect of the emerging Basingstoke and Deane Local Development Framework (LDF) please contact us. If you wish, your details will be added to our LDF consultation database, and you will be kept informed about Local Development Documents as they are produced.