



Affordable Housing Advice Note

July 2005



Directorate of Environment & Development Services and
Community Services

STATUS OF THIS GUIDANCE

1. This Affordable Housing Advice Note forms non-statutory guidance to supplement the policies and proposals of the City of York Local Plan Incorporating the Fourth Set of Changes (also known as the Development Control Local Plan). This was adopted for development control purposes on 12th April 2005, and the changes to affordable housing policy are included in this Affordable Housing Advice Note.
2. Only the policies of the Development Plan can have the special status afforded by Section 54A of the Town and Country Planning Act, 1990 (as amended) in deciding planning applications. However Supplementary Planning Guidance may be taken into account as a material consideration, the weight accorded to it being increased if it has been prepared in consultation with the public and has been the subject of a Council resolution.
3. This Draft Affordable Housing Advice Note was approved for consultation purposes by Planning Committee Members in June 2004, and put on deposit for 8 weeks of public and statutory consultation in June and July 2004. On June 30th 2005, Committee Members approved this Advice Note as Supplementary Planning Guidance to Local Plan policy H2a, for progressing planning negotiations, applications and Section 106 agreements.
4. The guidance interprets policy H2 of the City of York Local Plan, as revised by Policy H2a in the Fourth Set of Changes (and as now part of the approved Development Control Local Plan), and has been compiled in accordance with government guidelines as set out in PPG3 (Housing) and Affordable Housing Circular 6/98. It supersedes the current advice note 'Private Housing and the Negotiation of Affordable Homes', September 2000.

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1. SUMMARY

1. This document supersedes the Council's current Planning and Housing Advice Note "Private Housing Development in York and the Negotiation of Affordable Homes" which was published in October 2000.
2. It does not apply to rural 'exceptions' sites where planning permission may be granted on sites on the edge of rural settlements, which would not normally be acceptable, provided they meet a proven local housing need. This issue is covered in Development Control policy¹, and will be expanded upon in a separate note.
3. The Advice Note is aimed at all groups involved in affordable housing - including Councillors, development control officers, developers, Registered Social Landlords, landowners, agents, parish councils and local interest groups - and has been jointly prepared by Officers of the City of York Council's Environment & Development and Community Services Departments. It aims to build on past experience and best practice at national, regional and local level and will form the basis for a realistic and consistent approach to the handling of planning applications involving affordable housing.
4. The guidance amplifies the Council's affordable housing policy² by setting out the background against which the policy has been developed. It identifies the existing and projected need for affordable housing in York, explains current policy and emphasizes the need to build more affordable rented properties in the city. The Advice Note also includes more detailed guidance on the protocol and expectations for affordable housing negotiations, and proposes that new applications for housing development include an Affordable Housing Plan.
5. A copy of the Council's affordable housing policy is set out in Section 3. The guidance also includes the Council's approved Marketing Policy and Referrals Procedure, which must be closely followed when fulfilling any Section 106 agreement obligations relating to affordable housing. It has been developed in the context of York's regional and sub regional significance as an urban centre and economic driver. It also takes account of the regional housing strategy that identifies affordable housing as a key issue for York and North Yorkshire.

¹ Policy GB9 City of York Local Plan, incorporating Fourth Set of Changes, 2005 (the Development Control Local Plan)

² See Section 3 of this Advice Note

2. INTRODUCTION

1. The City of York Council wishes to ensure that a consistent approach is taken to the implementation of its affordable housing policy. Developers can feel confident that they are working within a fair and consistent policy framework, based on government guidance.
2. The planning system has a clearly defined role to play in securing the provision of affordable housing and that role has been reinforced and strengthened in recent years. This Advice Note is intended to provide clear and up-to-date guidance and advice on how to include affordable housing in development schemes. It also aims to set out a protocol for developers and others to follow in progressing individual site negotiations.
3. The following section sets out the background to national and local affordable housing policy, and explains the Council's approach in terms of Development Control Local Plan policy H2a.
4. Other sections of the Advice Note explain the need for affordable housing in York, initiatives being progressed to address this need, the process of negotiation for affordable housing on private development sites, and the requirements and benefits of a standard Affordable Housing Plan to be submitted as part of new planning applications.

3. AFFORDABLE HOUSING AND PLANNING POLICY

1. Current Government guidance on how the planning system can contribute to the overall supply of affordable housing is provided in PPG3 (Housing), March 2000. This incorporates advice in Circular 6/98, which remains in place.
2. PPG3 recognises that it may be desirable in planning terms for new housing developments to incorporate a reasonable mix and balance of house type and size to cater for a range of housing needs within a community. It states that a community's need for affordable housing is a material planning consideration, which should be taken into account in formulating development plan policies and in deciding planning applications.
3. The City of York Council, as with other authorities across the country, is expected to interpret national policy guidelines and, since reorganisation in 1996, has aimed to set out a clear policy framework on affordable housing together with practical advice to house builders on delivery mechanisms.
4. The City of York Development Control Local Plan (April 2005) sets out the current policy background in the form of Policy H2a. This was reinforced and explained in greater detail through the approval of the Council's Advice Note 'Private Housing Development in York and the Negotiation of Affordable Homes' in October 2000. Robust and up-to-date housing needs information is provided through the Housing Waiting List and 2002 Survey of Housing Needs³.
5. Revisions to national affordable housing policy between 1996 and 2000 reflect the dynamism and importance of affordable housing at a time of escalating house prices. House prices now far outstrip local incomes, and there is evidence of a weak response of housing supply to demand changes. The wealth gap between homeowners and others is widening⁴.
6. Initiatives to address the affordable housing shortage are limited by resources. Whilst there may be more opportunities for York in terms of Social Housing Grant through the Regional Investment Scheme, current grant opportunities are limited in comparison with the overall housing need. Council initiatives such as Homes Above Shops, although making a contribution, are time consuming and small scale in terms of output.
7. Many local authorities in England are raising their targets for affordable housing on private development sites. 50% has been achieved in Harrogate, Oxford (50% + 20% key worker), Plymouth (55%), many London Boroughs and more are following suit⁵. In order to further

³ CYC 2002 Housing Needs Survey, July 2002, Fordham Research

⁴ Barker Review, March 2004, ODPM

⁵ CYC 2002 Housing Needs Survey, Fordham Research (Table 14.2)

maximise opportunities for affordable housing provision, site thresholds are being lowered in line with national policy revisions, in order to include smaller sites.

8. This Council has monitored the success or otherwise of affordable housing policy in the city and, with further justification from the Needs Survey Housing Consultants⁶, has revised policy H2a as set out below.

Development Control Local Plan Policy H2a Affordable Housing¹

The City of York Council will seek to ensure, through negotiation and agreement, that proposals for all new housing development of 15 dwellings/0.3 hectares or more in the urban area, and 2 dwellings/0.03 hectares or more in villages with less than 5,000 population, will include affordable housing in line with the Council's Second Housing Needs Survey April 2002.

In order to achieve the maximum reasonable proportion of affordable housing, the following targets have been set on all suitable allocated and windfall sites in York:

45% for affordable rent, plus 5% for discounted sale, to address priority housing needs in the city (re. York Housing Waiting List). Where properties offered for discounted sale are not purchased it is appropriate that these are used for affordable rent.

Lower targets previously agreed in Local Plan allocations or where clearly set out in approved Development Briefs will be reassessed down from 50% where the developer can demonstrate financial loss against previous land acquisition price.

⁶ CYC 2002 Housing Needs Survey, Fordham Research (paragraphs 14.4-14.7)

4. HOUSING NEED IN YORK

1. Within the City of York there is very clear evidence of housing need.

Waiting List

2. As of 30/06/05 the York Housing list stood at 3479 applicants. Demand on this list is mainly for rented accommodation, 37% of which is for family housing, with some interest in low cost home ownership schemes.

Housing Needs Survey

3. In August 2002 the City of York Housing Needs Survey was published. The survey is based on an 18 point procedure which assesses the backlog of existing need, newly arising need over the next 5 years, and the supply of affordable housing in order to arrive at the gap between the need for and supply of affordable housing in York. The study fully accords with the methodology set out in the DLTR Good Practice Guidance on needs surveys⁷.

(Copies of the City of York Needs Survey can be purchased from the Housing Development Team on York 554199 for a cost of £75.00 plus p+p. Alternatively, an Executive Summary is available for £5.00 plus p+p.)

4. The survey was carried out on behalf of the Council by Housing Consultants 'Fordham Research' who have considerable experience of needs surveys throughout England. The study was commissioned in September 2001 with survey fieldwork completed in January 2002. The final report was published in July 2002 and reported to Members of the Council's Planning and Housing Committees in September 2002.
5. Apart from identifying house prices, incomes, stock suitability and housing need, the study clearly highlights the need to review the affordable housing policy operating in York. As a headline summary, the study identifies a need for 954 additional affordable homes per annum over the five year period to 2007 to meet the city's housing needs, i.e. a total requirement for 4,770 more affordable homes.
6. The survey concludes that, of all existing households who require affordable housing in York, 97.5% earn £20,000 per annum or less⁸ and those household incomes had failed to keep pace with rising house prices. The average price of a property in York was £121,528 at the time of the survey. In the last quarter of 2004 this had risen to £185,191.⁹

⁷ Local Housing Needs Assessment: A Guide to Good Practice, Department of Transport, Local Government and Regions (July 2000)

⁸ Source: Table A4.2 p157, York HNS 2002

⁹ Source: HM Land Registry

7. The survey also assesses the number of bedrooms required by households in housing need. The table below shows that many of those requiring family accommodation have very low incomes and cannot realistically afford mortgages even for substantially discounted homes. For the majority of these households, affordable rented accommodation is the only option.

Extract from City of York HNS, 2002, p157

Table A4.3 Bedroom Requirements according to income- existing households requiring affordable housing

Gross annual household income (excluding benefits)	Bedroom requirement				
	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total
£0-£5,000	33.2%	38.2%	21.8%	6.9%	100.0%
£5,000-£10,000	22.8%	58.1%	10.7%	8.4%	100.0%
£10,000-£15,000	65.2%	12.6%	22.2%	0.0%	100.0%
£15,000-£20,000	6.1%	49.2%	12.9%	31.8%	100.0%
£20,000-£25,000	0.0%	0.0%	100.0%	0.0%	100.0%

8. In addition to stressing that the overwhelming need in York is for rented properties for those on very low incomes, the survey concludes that, based on discounts of 25% from Open Market Value (OMV), low cost market housing will not meet the housing needs identified. Shared ownership, the study adds, might be able to help a small fraction of households in need.

Discounts

9. Whilst the conclusions of the Housing Needs Survey are based on a 25% discount from OMV the Council has, in recent years, been successful in negotiating discounts of 50-55% with developers. However, because house prices have increased so much, these homes are still beyond the reach of the majority of people identified as being in housing need.

York House Prices 2000-2004¹⁰

Type of dwelling	Average Price October-December 2000	Average Price October-December 2004
Detached	£137,293	£275,512
Semi Detached	£82,713	£167,090
Terraced	£79,064	£170,885
Flat/Maisonette	£82,333	£149,169
All properties	£94,011	£185,191

10. House prices in York have risen steeply since 2000. The table above shows that the average price for a house in York in the last quarter of 2004 was £185,191 compared to £94,011 at the same time in 2000. More significantly, for those homes sought by first time buyers, the Housing Market: Lower quartile house prices in York (based on Land Registry data) indicates a figure at the end of 2004 of £134,000.¹¹ Demand for homes is outstripping supply and agents report up to 200 customers for any one first-time buyer home.

The Private Rented Sector

11. The private rented sector has also seen steadily increasing prices with low-income households experiencing difficulty accessing this sector. There is a high demand for private rented accommodation both for students and for workers who are unable to afford high property prices. Recently, investors have bought large numbers of apartments in the city directly from developers with a view to renting them to professionals working in the city on a short-term basis as an alternative to hotel accommodation, further fuelling rental price increases. Left to its own devices the private housing market is clearly not meeting housing need in York.

¹⁰ Source: HM Land Registry

¹¹ Source: HM Land Registry

5. INITIATIVES TO PROVIDE MORE AFFORDABLE HOUSING IN YORK

Development of an Empty Homes Policy

1. The Council supports the Government's view that bringing empty homes back into use can assist in addressing housing need across tenures and will help to provide good quality affordable or market housing.
2. York does not have a high number of empty homes. The 2001 Census recorded 2130 unoccupied homes in the city but, based on a common estimate that 2% of the housing stock is vacant at any time, as many as 1500 of these may have been transactional dwellings i.e. being actively marketed or prepared for occupation or clearance. Indeed, York has the third lowest percentage of empty homes in the region (2.77% of the housing stock in the city) and, along with Ryedale DC, the lowest percentage of homes empty for over six months (0.8% of the housing stock) and the fifth highest percentage rate for bringing back into use or demolishing homes empty for over six months (6.2%).
3. Clearly then, York has very few empty homes compared to many local authorities in England and, whilst bringing these back into use will provide some additional affordable housing, it will do little to affect the overall high housing needs of the city.

Homes Above Shops

4. Homes Above Shops initiatives offer the opportunity to reuse vacant and disused properties over shops and to bring life and vitality to city centres. There have been a number of Homes Above Shop schemes in York in the past few years, as set out in the table below, but they have produced only a small number of additional affordable homes.

Scheme Address	Date completed	Number of affordable dwellings
Rougier Street	1998	4
Micklegate	1999	8
Strensall Library	2003	2
The Shambles	2001	5
Burton Stone Lane	2002	4
22 Goodramgate	On-going	2
67 Micklegate	2004	7
TOTAL		32 flats

5. Producing good quality affordable housing – through Homes Above Shops schemes tend to be very small scale and extremely time-consuming in terms of Officer research and delivery. Negotiations with landlords will often be protracted and funding sources are limited. Furthermore, because of their size and location, Homes above Shops schemes do not provide much needed family accommodation.

Housing Corporation Annual Development Programme

6. The Housing Corporation allocation for schemes in York for 2004/5 will only fund 50 affordable homes through the Annual Development Programme.
7. York does not have the same housing issues/priorities as the large metropolitan authorities within the Yorkshire and Humber Region, nor does it share the housing problems of the more rural shire districts. As such, it has fared relatively poorly in terms of Housing Corporation priorities. What little Local Authority Social Housing Grant that was available in the Yorkshire and Humber Region in the past has now been abolished. It is therefore unrealistic to expect grant funded schemes to make a significant contribution towards meeting the city's housing needs.

Planning Gain on private housing sites

8. Circular 6/98 "Planning and Affordable Housing" acknowledges that 'a community's need for affordable housing is a material consideration which may be properly taken into account in formulating development plan policies and deciding planning applications'. It also requires local planning authorities to ensure that they cater for a range of housing needs and encourage the development of mixed and balanced communities.
9. The Circular requires affordable housing policies to be based on rigorous, robust and up to date assessments of housing need, to provide mechanisms for ensuring that the affordable homes remain for local needs in perpetuity and that the homes are also attractive to the lenders of private finance.
10. It also allows local planning authorities to adopt site thresholds of 15 dwellings or 0.4 of a hectare in urban areas, and lower in settlements of 3,000 or less population. It advises local planning authorities to set targets for the amount of affordable housing required on specific sites in the Local Plan.
11. 855 affordable homes on 40 individual development sites in York have been negotiated through planning gain since 1996. 593 of these homes have been for affordable rent and 262 for Discounted Sale. This has been achieved through a policy of 25% affordable housing provision on sites of 25 or more dwellings in urban areas and 15 or more in settlements of 3,000 population or less. Revised policy H2a has now increased this figure to 45% affordable housing provision for rent, plus 5% for discounted sale

on urban sites of 15 dwellings/0.3 Ha or more, and on 2 dwellings/0.03 Ha or more in villages with less than 5,000 population.

12. Affordable housing negotiated on private development sites will continue to be a vital tool in addressing York's housing needs in the future. The revised increase in affordable housing provision and the lowering of site thresholds means that opportunities for increasing the number of affordable homes in York are maximised.

6. THE PROCESS OF NEGOTIATION FOR AFFORDABLE HOMES AND BEST PRACTICE

Pre-application Discussions

1. Negotiations where affordable housing is involved often require considerable input. Contact should be made with the Council's City Development and/ or Housing Development Teams at the earliest opportunity, well in advance of any planning application being submitted.

Site thresholds

2. Revisions to policy H2a, in line with national policy revisions, have lowered site thresholds to include smaller sites, further maximising opportunities for affordable housing provision,
3. Policy H2a of the Development Control Local Plan follows Government guidance in terms of site suitability and viability, and states that affordable housing will be required on housing developments of 15 or more dwellings or residential sites of 0.3 hectares or more, irrespective of the number of dwellings. The site area of 0.3 hectares is set slightly lower than Government guidelines in order to reflect increased density expectations in the city, in line with Development Control Local Plan policy H5a and PPG3.
4. In settlements of less than 5,000 people, affordable housing will be required where the proposed development is on a site of 0.03 hectares or more, or for 2 or more dwellings (from a development of 2 new homes, one of them will need to be affordable). Villages around York where this threshold applies are listed in this Advice Note at Annex 1, and have been defined through the Development Control Local Plan¹² as those physically separate from the urban area of York. These villages lie within open countryside and have settlement limit boundaries defined around them, outside of which development is very strictly limited.

Site targets

5. Following the monitoring of house building and affordable housing policy in the city and with further justification from the Needs Survey¹³, the Development Control Local Plan (Fourth Set of Changes) maximises the opportunities for providing affordable housing through the revised site targets of 50%. This is considered to be in line with national policy aims and consistent with current Local Plan Inquiry Inspector's decisions¹⁴.

¹² City of York Local Plan (Fourth Set of Changes, 2005), Proposals Map (the Development Control Local Plan)

¹³ CYC 2002 Housing Needs Survey, Fordham Research (paragraphs 14.4-14.7)

¹⁴ See, for example, Harrogate Local Plan Inspector's Report (paragraphs 4.13-4.20), December 2003

Funding for affordable housing

6. Developers must make arrangements for the securing of affordable housing on a long-term basis before planning permission can be granted.
7. The cost of providing affordable housing, together with other planning obligations and overcoming development constraints and land assembly, should be accounted for in the land purchase price. The Council does not accept situations where developers purchase land with the assumption that the requirements for affordable housing will be residualised in order to ensure financial viability.
8. To help developers make informed land purchase arrangements, the Council has a clear policy framework, and will engage in early discussions with developers and their agents about the scale and type of affordable housing required.

Site viability and abnormal development costs

9. The Council recognises that requiring developers to allow part of their site to be used for non-market housing will result in a cost. In order to offset these costs, developers will be expected to take the requirement into account in negotiating realistic land values with site owners.
10. There may be exceptional circumstances where particular costs associated with the development of a site may need to be taken into account in order to agree the amount of affordable housing and tenure mix. Negotiations will be carried out on the assumption that the development site has been acquired at a price, which reflects all the known development costs, and only costs which are proven to be unforeseeable at the time of site acquisition will be taken into account for the purpose of negotiation and any subsequent lowering of targets.
11. Known site requirements and development constraints will include costs of site demolition, preparation, retaining walls, piling, infrastructure provision and/ or diversion, highways works, servicing, flood mitigation measures, archaeological remediation, and decontamination (unless costs can be demonstrated to be so high as to make site development totally unviable with the provision of affordable housing).
12. Planning related requirements such as financial contributions towards park & ride, education and community facilities, children's play areas and other areas of public open space, public art, and affordable housing will, likewise, be seen as known costs. The onus will be on developers and their agents to negotiate reasonable site acquisition costs with the landowner in order to offset these requirements. Planning permission will not be granted without meeting these requirements and, consequently, there should be no unreasonable expectations from landowners.

Developers will be expected to make land acquisition bids conditional upon gaining planning permission in order to reinforce this protocol.

13. Architectural details and expression, including vaulted roofs, lifts, high quality finishes and more expensive materials needed to meet conservation requirements will be expected to be reflected and recouped in open market values.
14. Where an applicant proposes to demonstrate particular or 'abnormal' costs the onus will be on them to show, through detailed and open book financial assessments, that these are genuine additional costs that cannot be offset by depreciated land value and were not known prior to purchase or cannot be recouped in the open market sale price of the new homes.
15. Financial statements will be treated in confidence by the Council but will be referred to property and financial consultants where there is disagreement over appraisal conclusions. Where abnormal costs can be demonstrated to the satisfaction of the Council, a negotiated deduction may be agreed either to the overall scale of affordable provision or to size and/ or tenure.

Priority for on-site provision

16. The need to include an element of affordable housing on suitable housing sites is a material consideration in determining planning applications¹⁵. Failure to provide affordable housing as part of a planning application can justify the refusal of planning permission¹⁶.
17. Only in very exceptional circumstances will off site provision or commuted payment be accepted, and only with full agreement from both the developer and City Council. If the particular design and layout of a proposed housing scheme suggests that affordable housing cannot be accommodated on site, but the site itself is considered suitable, there will be an expectation on the developer to redesign the scheme in order to accommodate affordable housing. Similarly, sub division of plots will not be accepted if this would result in losing the opportunity to provide affordable housing. In some instances, conditions will be applied to planning permissions to ensure full on-site affordable housing provision at a later date if sites are sub divided.

Off-site provision

18. If the Council accepts off-site provision, the affordable housing should generally be provided on an alternative site within the same ward as far as possible. The Council need to be assured that the alternative site is suitable, has planning permission and is available for development within

¹⁵ PPG3 (Housing), paragraph 14

¹⁶ PPG3 (Housing), paragraph 17

an appropriate timescale. The use of a planning obligations agreement may be necessary to ensure that the affordable housing is achieved.

Commuted payments

19. Only where on-site or off-site provision cannot be agreed will a commuted financial contribution to the Council's affordable housing fund be considered. This is seen as the last option, and will only be considered in exceptional circumstances, since the need to accumulate sufficient funds and the difficulties of finding suitable sites in the city can lead to considerable delays and uncertainty.
20. If accepted, commuted payments will need to provide sufficient funds to be able to produce affordable housing in lieu of the opportunity missed on-site. This means that payments will effectively be equal to the cost of providing a dwelling of the same type and size in that location.
21. The last resort commuted option will be acknowledged and written into Section 106 Agreements as a means of ensuring certainty of delivery in housing schemes.

Registered Social Landlords (RSL's)

22. To ensure the satisfactory management and maintenance of the affordable homes for those in housing need in perpetuity all affordable homes must be provided through an RSL partner. A list of RSL partners is available from the Housing Development Team. In agreeing an RSL partner the Council will require evidence that measures are in place to ensure satisfactory local management of the homes. The Council will also need to be assured that the allocation of homes will be undertaken fairly and properly, offering customers equal opportunity and that a satisfactory monitoring process is in place.

Pepper-potting

23. The Council supports the development of sustainable mixed and balanced communities. In order to avoid the negative implications of social exclusion and isolation, affordable homes within housing schemes should be distributed in a number of areas. Discussions with RSL partners have indicated that, in developments where houses are being provided, affordable homes can be managed effectively when interspersed with private homes in pairs or individually.
24. In some flatted schemes there may be advantages of the RSL being able to acquire the freehold of a block. However, the benefits of this will be weighed against the scope to achieve a better degree of pepper potting. In larger flatted schemes the council will seek integration of affordable and open market blocks.

Parking Provision

25. Parking for affordable homes should match pro-rata that of the private homes. Some parking spaces should be provided free of charge to tenants in affordable rented accommodation and at a discounted price of no more than £10,000 for those purchasing discounted sale accommodation. The level of parking will be dependent upon overall provision and be a matter for individual site negotiation.

Design and Quality

26. Affordable homes should be visually indistinguishable from their private counterparts. They should be of a high quality and design affording future occupants a good level of residential amenity. As well as supporting a mix of tenures, the Council aims to encourage a mix of house types and sizes in new schemes, where appropriate to the location and nature of development¹⁷.
27. Housing schemes where affordable homes compare poorly with their open market neighbours will not be acceptable. Sizes and types of affordable housing should be pro rata that of the private housing on site. In agreeing plots for affordable homes the Council will need to be assured that the homes are of an adequate size and the floor space is useable. The level of finish and fittings should be good and will need to be approved by the partnering RSL prior to handover.
28. Landscaping and open space details should compliment rather than confront the overall objectives of integration and inclusion. Public open space, for children's play and for general amenity, needs to be considered within the overall scheme. The Development Control Local Plan aims to promote accessible open space in new developments, and considers that all residents should have access to safe, attractive and useable open space¹⁸.

Referrals for Discounted Sale and Shared Ownership Homes

29. Referrals for Discounted Sale Homes will be made in accordance with the policy and procedures attached as Annex 2 and 3.

Marketing of Discounted Sale and Shared Ownership Homes

30. Discounted Sale Homes should be marketed in accordance with the Council's approved policy attached as Annex 4.

CYC Allocations and nominations policies

¹⁷ Policy H3c City of York Draft Local Plan Incorporating the Fourth Set of Changes, 2005 (Development Control Local Plan)

¹⁸ Policy L1c City of York Draft Local Plan Incorporating Fourth Set of Changes, 2005 (Development Control Local Plan)

31. Consideration will be given to the Council's Allocations policy when agreeing the type and location of affordable rented homes.
32. On all developments the Council reserves the right to nominate tenants for the homes. This will be on the basis of 100% of initial lets and 75% of re-lets.
33. Following research and consultation on the Local Plan policy of providing homes specifically for 'key workers', the Council does not regard key worker housing as an appropriate approach for York. Instead, revised policy H2a seeks to provide affordable rented provision, with a smaller proportion for discounted sale homes for lower income earners, irrespective of their occupation.

Monitoring

34. To ensure effective monitoring of Section 106 requirements in respect of affordable housing there will be close working between the Council's Enforcement, Legal, Planning and Housing Development Officers.
35. Officers will closely monitor obligations relating to affordable housing and will provide a monitoring report to Council Members on a quarterly basis, highlighting any outstanding issues or breaches.

Rural Sites

36. The Affordable Housing Plan outlines a schedule, which sets out affordable housing targets in villages (less than 5,000 population) as well as urban areas. Development within these settlement limits will need to consider Development Control Local Plan policies relating to village development and character in order to progress acceptable schemes.
37. Local Plan Development Control policy GB9 highlights special circumstances where modest 100% affordable housing schemes may be considered within the Green Belt, adjoining villages and subject to a local study of need. Early discussion with CYC Officers is encouraged in order to address local constraints and affordable need.

7. AFFORDABLE HOUSING PLAN

1. The Affordable Housing Plan is to be used in consultation with CYC Officers on a site by site basis. It is applicable from 13 April 2005 and subject to regular review. A requirement for such a plan should be included within the Section 106 agreement for outline applications and used to assist the planning process during pre-application discussions and in commenting on full and reserved matters planning applications. A list of the items to be included/ issues to be covered within the Affordable Housing Plan (AHP) should also be incorporated, as follows:

- 50% affordable housing to be provided across the entire site;
- the sizes and types of affordable housing to match pro rata that of the private housing;
- tenure of affordable housing to be 90% rented and 10% Discounted Sale on all sites – see schedule below for guidance on the numbers and percentage of dwellings for various site sizes;
- on rural sites (less than 5,000 population) the provision will be as indicated in the schedule below;
- all affordable homes to be provided through a Registered Social Landlord (RSL), or accredited developer in receipt of grant from the Housing Corporation and approved by CYC. A list of RSLs currently working in York is included in Annex 5 of this report, and is also available on request from the Housing Development Team (HDT) on 01904 554071;
- affordable housing to be provided at agreed stages of development (triggers) to require either:
 1. One AHP to be agreed for the whole site six months in advance of the commencement of development or, in the event of phasing,
 2. The AHP for Phase 1 to be agreed six months in advance of the commencement of development and AHP's for each subsequent phase to be agreed six months in advance of the commencement of their development, and
 3. The AHP's in 1) and 2) above to be mutually inclusive and not prejudicial to the affordable housing provision for the whole site.
- affordable homes to be coloured up in two colours (reflecting the two different affordable tenures) on a layout plan (or floor plans in the case of flats), for approval by Officers;
- the developer to submit floor plans and a schedule of floor areas for the proposed homes on a total tenure basis (Discount for Sale (DFS)/ Shared Ownership, Rented and Open Market homes);
- the developer to provide details of the Open Market Valuations (OMV) of the proposed affordable homes;
- to require the location of the proposed affordable homes to be shown on a site plan to be agreed with officers;
- to require prices of the DFS/ shared ownership properties to be affordable and fixed in line with conclusions of the 2002 CYC HNS (and any subsequent survey review),

the York Housing Register, and to be agreed by CYC Officers. The discount will be calculated and based on the agreed fixed prices and the OMV;

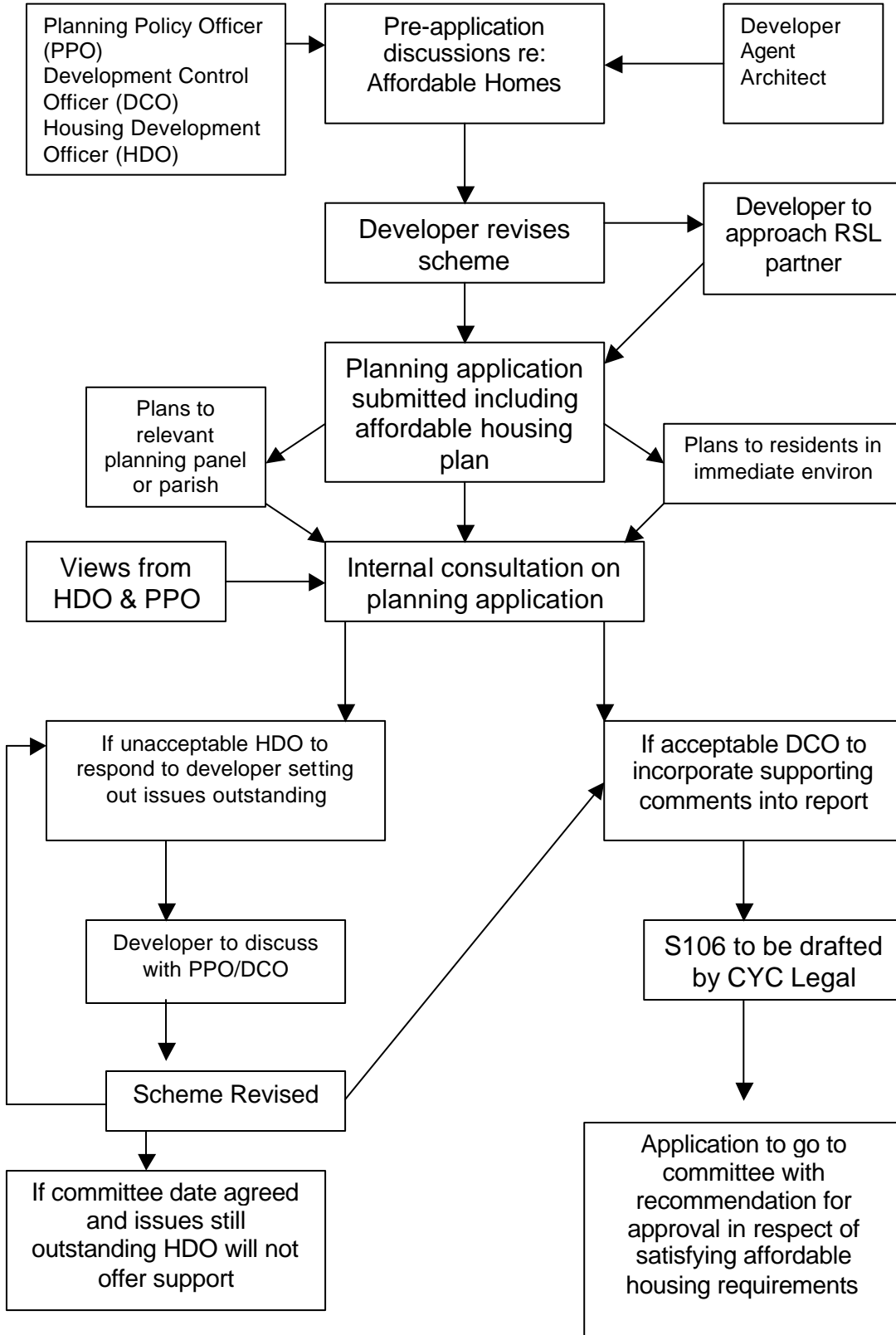
- schedule of indicative DFS prices available from HDT on request, indexed to Index of Earnings or equivalent;
- to require the affordable homes to be marketed in accordance with CYC Marketing Policy (copy available as above from HDT);
- to require parking (car and cycle and, where relevant, electric powered 'Buggy' stores) provision to match pro-rata that of the private element and to be provided at nil charge, and allocated spaces to be indicated on drawings and linked to specific properties;
- to require service charges for any affordable leasehold properties (for rent or DFS) to be shown to be reasonable and affordable (when taken together with the notional rent/ mortgage) and to be agreed by CYC Officers.

Target Schedule

2. 50% to be affordable in line with Development Control Local Plan policy H2a, of which 90% should be rented and 10% DFS. This target is not applicable for developments below current site thresholds. Urban area thresholds are set at 15 or more homes, rural at 2 or more. NB all decimals rounded up if 0.5 or more and rounded down if less than 0.4.

Total homes on site	50% affordable target	Urban affordable hsg target and %		90% Rented number and %		10% DFS number and %		Rural affordable hsg target and %		90% Rented number and %		10% DFS number and %	
		0	0	0	0	0	0	0	0	0	0	0	0
1	na	0	0	0	0	0	0	0	0	0	0	0	0
2	na	0	0	0	0	0	0	1	50	1	100	0	0
3	na	0	0	0	0	0	0	1	33	1	100	0	0
4	na	0	0	0	0	0	0	2	50	2	100	0	0
5	na	0	0	0	0	0	0	2	40	2	100	0	0
6	na	0	0	0	0	0	0	3	50	3	100	0	0
7	na	0	0	0	0	0	0	3	43	3	100	0	0
8	na	0	0	0	0	0	0	4	50	4	100	0	0
9	na	0	0	0	0	0	0	4	44	4	100	0	0
10	na	0	0	0	0	0	0	5	50	5	100	0	0
11	na	0	0	0	0	0	0	5	45	5	100	0	0
12	na	0	0	0	0	0	0	6	50	6	100	0	0
13	na	0	0	0	0	0	0	6	46	6	100	0	0
14	na	0	0	0	0	0	0	7	50	6	86	1	14
15	7.5	8	53	7	87	1	13	7	47	6	87	1	13
16	8	8	50	7	87	1	13	8	50	7	87	1	13
17	8.5	9	53	8	89	1	11	8	47	7	89	1	11
18	9	9	50	8	89	1	11	9	50	8	89	1	11
19	9.5	10	53	9	90	1	10	9	47	8	90	1	10
20	10	10	50	9	90	1	10	10	50	9	90	1	10
21	10.5	11	52	10	91	1	9						
22	11	11	50	10	91	1	9						
23	11.5	12	52	11	92	1	8						
24	12	12	50	11	92	1	8						
25	12.5	13	52	12	92	1	8						
26	13	13	50	12	92	1	8						
27	13.5	14	52	12	93	1	7						
28	14	14	50	12	93	1	7						
29	14.5	15	52	13	87	2	13						
30	15	15	50	13	87	2	13						
40	20	20	50	18	90	2	10						
50	25	25	50	23	92	2	8						

8. PROCESS TO BE FOLLOWED FOR SCHEMES INVOLVING AFFORDABLE HOUSING



Villages with 5,000 or less population (Source 2001 Census)

Name of Village	Population (2001 Census)
Acaster Malbis	252
Askham Bryan	581
Askham Richard	272
Bishopthorpe	3481
Copmanthorpe	4273
Deighton	308
Dunnington	2922
Elvington Village	1212
Hessay	182
Holtby ¹⁹	152
Knapton	303
Murton	293
Naburn	470
Old Earswick ¹⁹	819
Rufforth	645
Skelton	1642
Stockton on the Forest	1259
Upper and Nether Poppleton ²⁰	3724
Wheldrake	1780

1. Villages identified in City of York Draft Local Plan Incorporating Fourth Set of Changes, 2005 (Development Control Local Plan) as lying within open countryside and defined by settlement limits.

¹⁹ Following Planning Committee on the 29th September 2005, it was agreed by Members that the villages of Old Earswick and Holtby should be included in the list of villages in Annex 1 of the Affordable Housing Advice Note. Any other villages with a population of less than 5,000 population will, likewise, be subject to the lower threshold of 2 homes. This will, of course, include the very small villages around York including Towthorpe, Kexby and Crockey Hill.

²⁰ Data for this table has been sourced from the 2001 Census, which only carries information on the cumulative population of Nether Poppleton and Upper Poppleton.

Customer Referrals Model Procedure

Eligibility

1. Customers will be eligible for discounted sale/shared ownership homes where they can provide satisfactory evidence that they cannot afford to purchase a home on the open market within York.
2. Whilst a Points System similar to that currently used for the allocation of rented homes is not recommended, it is felt that priority should be given on the basis that reasonable timescales for marketing and re-marketing will be agreed with lenders and RSLs, and will need to be viable whilst protecting the interests of York residents.
 - **Affordability.** A customer's income/mortgage affordability should closely match the price of the property being offered. This generally means income/mortgage affordability being no more than £5000-£10,000 above the Discounted Sale price. In addition, a customer is required to have sufficient funds to cover a deposit (3-10% of discounted price depending on lender), legal fees (circa £650) and Stamp Duty (if applicable). Financial eligibility will be checked by the RSL who may use an independent financial advisor for this purpose and to undertake credit checks.
 - **York Resident:** It is a requirement of all S106 agreements that homes must initially be marketed to people living within York. Only in the event that a home is not sold during the agreed marketing period to someone within York can anyone else be considered, and legal advice is currently being pursued in order to consider amending this to state that, if DFS house is not purchased, it would instead revert to affordable rent rather than being offered for discount sale to people outside York.
 - **Customers who are:**
 - Currently living in over-crowded conditions
 - Sharing with family or friends
 - Homeless
 - CYC and RSL Tenants
 - First-time Buyers
3. **Instances whereby applicants will not be accepted on Referrals List**
 - **Households who can afford to purchase on the open market.**
 - **Households whose incomes are under £10,000 (unless they have a substantial deposit).** The York Housing Needs Survey generally concludes that those households with incomes below £10,000 will not

be able to afford to buy an affordable sale home and that their needs should be met through affordable rented accommodation.

- **Currently own another home**
- **Unwilling to provide income/mortgage details**
- **Cash buyer** (although exceptions may be made on grounds of religion, special needs or marriage breakdown when the resultant household income is very low. Such exceptions will need to be agreed between the RSL and CYC).
- **Applicants who have provided false information**

Priority by accommodation and storey height

4. Wherever possible the Council will seek to ensure that customers are offered accommodation that best meets the needs for their household and will prioritise homes on the following basis:

Houses: Families

Two bed apartments: Childless couples and families with one child (storey height dependent on age)

One-bed apartments: Single people

Ground Floor: First priority: Disabled/elderly

Second Priority: Households with young children

5. Notwithstanding the above the Council recognises that applicants for Discounted Sale/shared ownership properties may choose to accept a home, which does not meet all the above priorities.

Number of offers

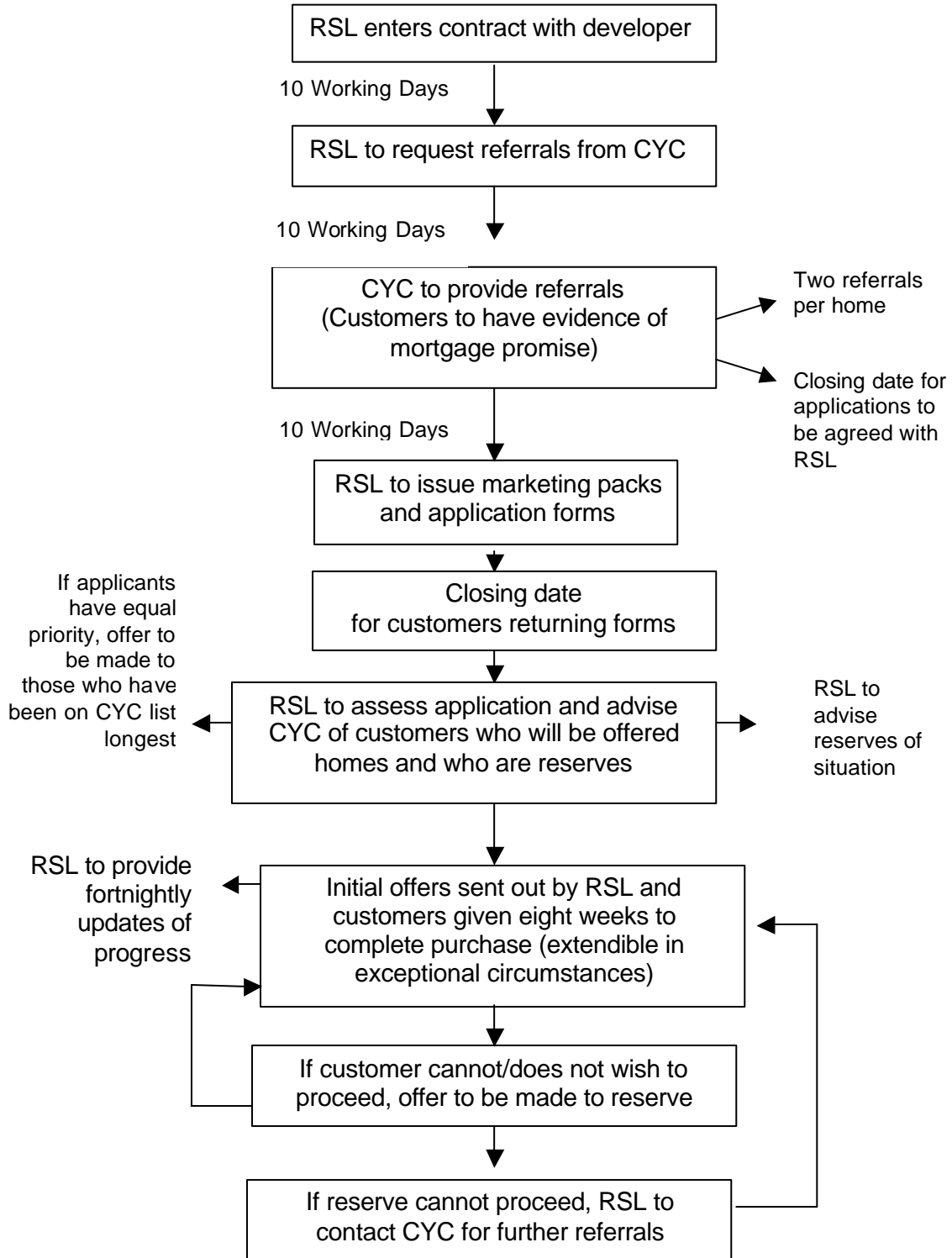
6. Purchase of a home is probably the largest expense that any individual will have in their lifetime and is very much one of choice. Therefore the process which Allocations follow in terms of offering rented homes i.e. if a household refuses two reasonable offers then they will not be made any further offers for one year, is totally inappropriate for low cost home ownership and cannot be applied. Customers should, within reason, be able to consider as many offers of homes as possible. Records will be kept of customers declining properties and the reasons why.

Application Form

7. A shorter, specially tailored version of the Waiting List application form will be devised for applicants only interested in low-cost home ownership.

RSL Discounted Sale/Shared Ownership Referrals Model Procedure

Model Procedure



Discounted Sale/Shared Ownership Marketing Policy

Marketing for New Schemes

1. Marketing will be undertaken by the RSL. The type of marketing may differ depending on the price of properties and the circumstances of the people whose details are already held on our database. Priority for referrals will be given to customers already on our database. However, to increase public awareness of schemes and to encourage other people to apply for Discounted Sale/Shared Ownership Homes the affordable housing web page will be the main marketing tool. However, it is accepted that not everyone has access to the Internet. Therefore there will be a need to undertake further marketing in the form of advertising/articles in local press, posters in public buildings/housing offices, marketing through local estate agents and the erection of signboards on site where permitted by the developer.

Marketing Periods for Discounted Sale/Shared Ownership Homes

2. Section 106 agreements require all affordable sale homes to be marketed for a number of months to people living in York. The length of this initial marketing period varies from scheme to scheme but is generally about six months in total. In respect of new homes this may include a number of months prior to completion.
3. In accordance with the Section 106 requirements following expiry of the initial marketing period homes can be marketed to people in housing need living outside the City of York.

RSL use of agents

4. In instances where RSLs use agents to undertake marketing on their behalf the agreed marketing process must be strictly followed. If the procedure is not followed CYC will not support the use of agents and the onus for marketing will return to the RSL. On larger sites where there are two RSLs it may be appropriate for them to jointly employ one marketing agent. Any financial advisor based within the agency is only permitted to offer independent mortgage advice to customers.

Marketing for Resales

5. This issue is covered within the S106 obligations, whereby the vendor is required to inform the Council and or the RSL of their intention to sell their home. The Council then has the opportunity to make referrals for the property. In the event that there is no one suitable from the council's list

the vendor is permitted to sell the property to anyone meeting the eligibility criteria. Such a sale can involve the employment of an estate agent.

Marketing Information for New Homes

6. Marketing information for individual schemes should be provided by the RSL to potential customers in the form of a marketing pack. This should comprise: covering letter including instructions on how to apply and deadline for applications, location plan, layout plan (identifying relevant plots), floor plans, price schedule and the housing association's application form.

Pets

7. Policies in respect of pets vary between housing associations and will be dependent on the terms of the lease. The policy on pets should be clearly stated to customers by the RSL in the marketing packs that are issued to prospective purchasers.

Service Charges

8. Service charges must be clearly listed within the marketing pack with a schedule setting out each item that is covered. Concerns have previously been raised in respect of the high level of some service charges and we are seeking legal advice as to whether or not these charges can be stipulated within the S106 agreement. Please contact the Housing Development Manager on (01904) 554153 to discuss.

Parking

9. The marketing pack must clearly explain the parking arrangements and, where appropriate, identify which spaces are allocated to which homes.

Marketing Costs

10. RSLs are to undertake all marketing of the affordable sale homes and include the cost of such marketing when submitting their bid to the developer.

List of Approved RSL Partners currently developing homes in York and recognized by City of York Council for the provision of affordable homes (at Oct 2005)

Home Housing Association

Knight House
2 Sandbeck Court
Wetherby
West Yorkshire
LS22 7BA
Tel: 01937 588497
Contact: Richard Burnham, Development Manager

Tees Valley Housing Group

Rivers House
63 North Ormesby Road
Middlesbrough
TS4 2AF
Tel: 01642 261100
Contact: Martin Hawthorne, Group Director of Development Services

Yorkshire Community Housing Group

Yorkshire House
6 Innovation Close
Heslington
York
YO10 5ZF
Tel: 01904 754408
Contact: Melissa O'Donnell, Development Project Manager

York Housing Association

2 Alpha Court
Monks Cross Drive
York YO32 9WN
Tel: 01904 636061
Contact: John Gilham, Development Manager

Joseph Rowntree Housing Trust

Development Services
Tanners Yard
Huntington Road
York
YO3 9PX
Tel: 01904 750404

Contact: Brian Jardine, Development Manager

Places for People Group
PfP Developments

The White House

10 Clifton

York

YO30 6AE

Tel 01904 652976

Contact: Eamonn Keogh, Regional Development Manager

Please contact the Housing Development Team, City of York Council (01904 554071) for further details or enquiries.