

Building homes in East Devon?

What you need to know about affordable housing

Produced by the Housing and Social Inclusion Service October 2010



New council homes at Heals Field, Axminster



New housing association homes at Dunkeswell

Introduction

This guide is written primarily for landowners or developers who are considering building housing in East Devon. It will also be useful for district, town and parish councillors.

The guide gives an overview of what is meant by the term 'affordable housing', outlines when and how much affordable housing may be required, and answers some other questions that you may have. It also gives some useful contacts and links to other relevant documents.

Due to high house prices, relatively low incomes and a high need for affordable homes but limited existing stock, we have a major shortfall of affordable housing in East Devon. To help overcome this shortfall, new residential developments will need, in most cases, to include some affordable housing. If a planning application does not meet the requirements for the provision of affordable housing it may be refused.

Developing affordable housing is expensive and you need to take this into account when purchasing land and making other land and planning decisions. Our requirement for affordable housing is based on a robust evidence of housing need and developers are expected to contribute towards meeting the needs through the application of planning policy.

What is affordable housing?

This is housing available to people who are unable to afford to rent or buy property generally available on the open market. It includes social rented accommodation and other forms of rented housing where prices are held below open market values, low cost Home Buy, and shared ownership schemes.

For a full definition of affordable housing please see the government's planning policy statement 3 which can be viewed on:

www.communities.gov.uk/publications/planningandbuilding/pps3housing

When will I need to provide affordable housing and how much will there need to be?

In most cases residential development is only allowed within the Built-up Area Boundary of a town or village. The exact number of dwellings that will need to be affordable will depend

on what and where you are building but on sites over specified sizes at least 40% of the dwellings will need to be affordable (see table below).

Type of location	Example of locations	Size of development requiring affordable housing	% of affordable housing in the development
Development within towns (populations of more than 3000)	Axminster, Budleigh Salterton, Exmouth, Honiton, Ottery St Mary, Seaton and Sidmouth	15 dwellings or more and/or on sites of 0.5 hectares or more	Minimum of 40%
In other areas (including small towns, villages and other rural areas) with populations of less than 3000	All other areas within a development boundary	5 dwellings or more	Minimum of 40%

Please be aware that changes are being considered to these requirements which may mean that more demanding standards are brought in. For further details please see our LDF Core Strategy Preferred Approach Full Consultation Document which can be viewed at: www.eastdevon.gov.uk/plg-ldf_full_doc_7m.pdf

Can I build outside the Built-up Area Boundary?

Yes, but only in certain circumstances with the agreement of the planning authority.

Housing on the edge of towns outside the Built-up Area Boundary will usually be resisted other than in exceptional circumstances. Where development is occasionally permitted sites will be allowed as 'departures' from planning policy. Permission is granted under very exceptional circumstances and on such sites, if we were to be positive about the potential for granting permission, we might well expect to see a higher proportion of affordable housing (well above 40%).

Affordable housing may also be allowed on the edge of villages (settlements with less than 3000 residents) outside the Built-up Area Boundary. These sites are known as '**exception sites**'. On such sites all dwellings must be affordable. However during 2010, to encourage the delivery of affordable housing, we will allow, in some circumstances, up to 34% open market housing and 66% affordable housing on sites of no more than 15 dwellings (see our

Interim mixed affordable and market housing position statement for more details). Also the LDF Core Strategy Preferred Approach Document proposes that a similar policy approach is applied in the future.

The Interim mixed affordable and market housing position statement can be viewed at:

www.eastdevon.gov.uk/ruralhousingpolicy

The Core Strategy Preferred Approach Document can be viewed at:

www.eastdevon.gov.uk/plg-ldf_full_doc_7m.pdf

House building is usually only allowed around villages or hamlets that have a Built-up Area Boundary (possible exceptions may be made in specific circumstances which occasionally can include building conversions (see East Devon Local Plan policies)).

What type of affordable housing will I need to provide?

There are several different types of affordable housing. Some types, typically social rented, are most suitable for people on the lowest incomes. Other households can be in need of affordable housing but may prefer and can afford other tenure types such as shared ownership, shared equity, or low cost market housing.

We would expect the affordable housing on most developments to be a minimum of 70% social rented, as the greatest need is in this group of households with low income, with the remaining being other tenures.

How do I know what size dwellings to provide?

You need to take into account the housing need in the local area. The Housing and Social Inclusion Service has some information about the housing need across the district. If you are building in a rural area you may want to speak to the Rural Housing Enablers at the Community Council for Devon who will also have information on local need in most areas. For contact details see page 6.

Does the affordable housing have to be on the same site as the open market housing?

Yes, in almost all cases.

The affordable housing should be provided on the site of the development scheme, and should be spread across the development. It should be similar visually to the open market houses, except that where government subsidy is required it will have to be built to the relevant code level (see the Code for Sustainable Homes which can be viewed at: www.communities.gov.uk/publications/planningandbuilding/codeguide).

In a very few cases the affordable housing can be provided on a different site, where we agree that this is more appropriate.

How do you ensure that the houses are, and remain, affordable?

As part of the planning permission for the development we will expect you to enter into a legal agreement, known as a **Section 106 agreement**, which sets out how much affordable housing will be provided, the tenure type, and who can be considered for the housing.

In some cases, particularly for housing built on exception sites, there will be strict criteria for who can be allocated the affordable housing and it is usually only for people who are able to show that they have a **local connection** to the area.

How will the affordable houses be allocated and who will manage them?

We will seek to ensure that the affordable housing is occupied by households with a recognised housing need.

Social rented housing is usually managed by a Registered Provider (RP), usually a housing association, or the council. Typically the developer will build all houses on the site and liaise with a RP before and throughout the construction and sell the completed affordable properties to the RP at a discounted price. Sometimes a RP may build the affordable homes themselves.

In some cases developers may consider passing the completed properties over to the Council to be added to the Council's own rented housing stock.

Management of the properties built for other tenure types may be through an RP or may be marketed through the local Homebuy agent, Southwest Homes.

Is there any funding available to help develop affordable housing?

Availability of funding towards provision of affordable housing is uncertain in the current economic climate, but in the past has taken the form of grant to housing associations, local authorities or private developers (if registered with the Homes and Communities Agency). Priority schemes for public investment have been identified in a Local Investment Plan. It might be seen as prudent to proceed (on most sites) on an assumption that there is no public subsidy or funding available.

I am considering building in East Devon. Who should I talk to about affordable housing?

In the initial stages please speak to a member of staff in either our Housing Strategy or Development Management departments. Our Housing Enabling Officer will be able to give guidance as to local housing need and requirement for affordable housing on proposed developments. You may also find it useful to talk to a Registered Provider at an early stage of your considerations.

You should be aware that our Development Management service does make a charge for pre application advice. Full details of this can be found at: http://www.eastdevon.gov.uk/plg_preappcharges2010.pdf. However we do not charge for advice about sites that are entirely for affordable housing or those that come within the Interim Supplementary Planning Position Statement.

Other useful information

1. Further details on affordable housing can be found in the publication 'Affordable housing in East Devon – Interim supplementary planning guidance to the emerging East Devon Local Plan July 2004' which can be viewed on our website at http://www.eastdevon.gov.uk/affordable_housing2-3.pdf
2. For more information about rural housing schemes please see the 'Guide for Parish Councils wishing to develop an affordable housing scheme for local people', available on http://www.devonrcc.org.uk/page/rural_housing_for_devon.php

3. Details about the 'Interim mixed affordable and market position statement' can be viewed on our website at www.eastdevon.gov.uk/ruralhousingpolicy
4. Our current housing strategy 2008-2011 can be viewed on our website at: www.eastdevon.gov.uk/index/council_services/homes_and_housing/about_the_housing_and_social_inclusion_service/housing_policies_and_strategies.htm
5. The East Devon Housing Market Assessment contains information on housing need in the district and can be seen at: www.eastdevon.gov.uk/housing-market
6. The current East Devon Local Plan can be viewed at: www.eastdevon.gov.uk/local_plan

Conclusion

There is a high need for more affordable housing within East Devon. The guide explains what is meant by affordable housing, when affordable housing provision will be required and other issues that need to be considered. We are keen to hear from anyone interested in developing within East Devon and to discuss how the affordable housing requirement can be provided (contact numbers are below). Currently we are not charging for advice about sites that are entirely for affordable housing or those that come within the Interim Supplementary Planning Position Statement. Please do not hesitate to contact us to discuss your ideas.

Useful contacts

Housing Strategy Unit	housingstrategy@eastdevon.gov.uk	01395 516551
Housing Enabling Officer	housingstrategy@eastdevon.gov.uk	01395 516551
Planning advice	planning@eastdevon.gov.uk	01395 516551
Rural Housing Enablers	info@devon.gov.uk	01392 383419

Definitions

Built-up Area Boundary or development boundary - Local Plan planning policy boundary identifying areas within which many types of development may be acceptable but outside of which development is much more restricted

Departure (site) – where a planning application does not accord with relevant Development Planning Policy (in our area Devon Structure Plan, East Devon Local Plan and Devon Waste and Mineral plans) it is referred to as a ‘departure’ from planning policy and advertised as such. The term ‘departure site’ is not a legally recognised planning term.

Exception site - land that would not normally be considered for development but that would be accepted as land for affordable housing, as a result of proven local housing need and usually on the edge of a village boundary

Low cost home ownership – a form of intermediate housing which provides low cost access to home ownership. Includes schemes such as shared ownership.

New build HomeBuy – low cost home ownership scheme funded by the Government to assist people in housing need (including key workers)

Open market housing – housing that is not subject to any restrictions and can be bought by anyone.

Registered Provider (RP) – a voluntary (not for profit) organisation which provides affordable housing to people in housing need.

Rural Housing Enabler - someone who works with local communities to establish levels of need for affordable homes locally and helps them move schemes forward with land owners, developers and other stakeholders.

Section 106 agreement – a legally binding agreement that ensures a developer provides agreed facilities or aspects of a development.

Shared ownership – a form of affordable housing where the householder buys a share of the property and rents the remaining share, traditionally from a RSL.

Shared equity - A scheme whereby the householder purchases part of the property and the other part is purchased by a third party, such as a housing association.

Social rented housing – housing provided at below market cost for households in housing need with regulated standards of good practice in relation to physical condition, management, allocation, equal opportunities and accountability.