

## **Guidance Note for the provision of Affordable Housing**

Harborough District Core Strategy 2011, Policy CS3 sets out requirements for affordable housing. The policy splits the District into five sub market areas, subject to either 30% or 40% affordable housing requirement. This policy aims to increase provision of affordable housing, particularly in rural areas, in order to meet the high need across the district as demonstrated in the Strategic Housing Market Assessment (SHMA).

Our percentage requirement is **40% in Harborough District's Rural Centres and 30% in Harborough's larger settlements of Market Harborough, Lutterworth and The Blaby Border Settlements Sub Market** of the total site yield being proposed. On all proposed developments of above 10 units, Harborough will require on site provision of affordable housing.

### **Implications for Harborough's Approach to Affordable Housing provision: Affordable housing policy exclusions for small sites and vacant building credit**

A planning practice guidance (PPG) update issued on 19<sup>th</sup> May 2016 has restored the government's affordable housing exemption for small sites and vacant building credit. The PPG passages on the affordable housing threshold and vacant building credit had been deleted following a successful High Court challenge by West Berkshire District Council and its neighbour Reading Borough Council last year. On 11<sup>th</sup> May the Court of Appeal allowed the Government's appeal and held that the national planning policy on minimum thresholds for affordable housing and on the vacant building credit was lawful as contained in Ministerial Statement of November 2014, and within amendments to PPG In 2015. The guidance now re affirms:

- Affordable housing contributions should not be sought from developments of **10 units or less** and which have a maximum combined gross floor space of no more than **1,000 square metres**.
- The PPG update restores guidance on the vacant building credit, which incentivises brownfield development on sites containing vacant buildings. The developer should be offered a financial credit equivalent to the existing gross floor space of relevant vacant buildings when the local planning authority calculates any affordable housing contribution to be sought. As a result:

#### **HDC requirements are as follows:**

- Harborough DC will not seek to obtain Affordable Housing Contributions below 11 dwellings and which have a maximum combined gross floor space of no more than 1,000 square metres.

#### **On proposals above 10 units:**

- The benchmark housing mix profile we will aim to seek as referenced in **SHMA 2014** at district level is as follows:

1 bed	41%
2 bed	37%
3 bed	20%
4+ beds	2%

This is a indicative mix for planning purposes within the District. Individual site issues will influence housing mix on a particular development – This is intended to provide a basis for the kind of house types/sizes we should seek as a starting point in future development. Applicants are advised consult Harborough District’s Housing Enabling and Community Infrastructure Officer at the earliest opportunity to discuss and agree site / locality specific requirements and details of the affordable housing contribution prior to the submission of planning applications.

- Our current tenure requirement is to seek in general terms a **60 / 40** split between rent ( a percentage of which we would accept as Affordable Rent) and Intermediate housing respectively. **However each site is assessed independently in meeting specific local housing need.**
- The affordable housing must comply with **Homes & Communities Agency Quality Development Standards** particularly in relation to space and floor areas as a minimum requirement.
- The affordable housing is to be transferred to a partner Registered Provider (**RP**) at Open Market Values to be agreed between the developer and RP partner and approved by Harborough District Council.
- Applicants are advised to consult Harborough District’s partner RP’s to discuss these matters at an early stage. Contact details of our RP partners:

- |     |   |                      |
|-----|---|----------------------|
| 1.  | <b>East Midlands HA – P. Wilkinson</b><br><b><a href="mailto:Purnima.wilkinson@emha.org">Purnima.wilkinson@emha.org</a></b>                           | <b>01530 276 000</b> |
| 2.  | <b>Waterloo Group – Sarah Robinson</b><br><b><a href="mailto:sarah.robinson@waterloo.org.uk">sarah.robinson@waterloo.org.uk</a></b>                   | <b>0116 2205555</b>  |
| 3.  | <b>Riverside HA – John True</b><br><b><a href="mailto:John.true@riverside.org.uk">John.true@riverside.org.uk</a></b>                                  | <b>0116 247 3800</b> |
| 4.  | <b>NCHA – Catherine Hewitt</b><br><b><a href="mailto:CathH@ncha.org.uk">CathH@ncha.org.uk</a></b>   | <b>0115 8443066</b>  |
| 5.  | <b>Seven Locks HA – Ian Clyde(Acclaim Group)</b><br><b><a href="mailto:ian.clyde@acclaim-group.co.uk">ian.clyde@acclaim-group.co.uk</a></b>           | <b>01629 761550</b>  |
| 6.  | <b>LHA – Mark Anslow</b><br><b><a href="mailto:Mark.Anslow@lha-asra.org.uk">Mark.Anslow@lha-asra.org.uk</a></b>                                       | <b>0116 2576737</b>  |
| 7.  | <b>Midland Heart Lesley Buttarazzi</b><br><b><a href="mailto:Lesley.Buttarazzi@midlandheart.org.uk">Lesley.Buttarazzi@midlandheart.org.uk</a></b>     | <b>0345 6020540</b>  |
| 8.  | <b>Neal Farmer - Derwent Living</b><br><b><a href="mailto:nealf@derwentliving.com">nealf@derwentliving.com</a></b>                                    | <b>01332 346477</b>  |
| 9.  | <b>Spire Group ( Longhurst HA) – Syed Hassan</b><br><b><a href="mailto:Syed.Hassan@longhurst-group.org.uk">Syed.Hassan@longhurst-group.org.uk</a></b> | <b>01933 415365</b>  |
| 10. | <b>Daniel Barnes – Orbit Homes</b><br><b><a href="mailto:Daniel.Barnes@orbit.org.uk">Daniel.Barnes@orbit.org.uk</a></b>                               | <b>07584600476</b>   |

Any changes / amendments to applications may alter Harborough's requirement and must be discussed and agreed. The applicant(s) is advised to liaise with **Harborough District Council's Housing Enabling and Community Infrastructure Officer**

**Commuted sums in lieu of on site provision will only be justified on 10 plus unit sites in exceptional circumstances This is purely a matter for the Council to consider and not a basis for developer negotiation.**

**Important note to consider**

There is a clear obligation on part of the developer to deliver an affordable scheme to a RP as a requirement of the S106 Agreement. The agreed transfer of any affordable housing via a S106 agreement should always be on the basis of NIL grant input. The Homes and Communities Agency which provides affordable house building funding has clearly stated this to be the case.

The costs associated with affordable provision on any site meeting Council planning obligations and requirements should be factored into the equation to ensure that these obligations are delivered without any alternative funding streams coming into play. The costs of all commitments should be factored in by the developer in their acquisition of the site. This is an obligation to be met by the developer.

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