

Winchester District

Affordable Housing Development Guide

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Winchester
City Council

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Affordable Housing Development Guide

Part 1

1. Purpose of the Guide

This guidance note provides details of how affordable housing needs should normally be addressed on sites where planning policies require an element of the housing to be affordable¹. The requirements in this document (and the Local Plan and Housing Strategy²) must be taken into account when considering acquiring or developing a site. Landowners, developers and agents are strongly advised to discuss affordable housing issues with the Council at an early stage.

By following the guidance and discussing proposals with the Council the time it takes to determine a planning application will be minimised and the probability of success increased.

A planning application that does not satisfactorily meet affordable housing needs will be refused.

2. Background

Due to high property prices relative to incomes the area has a severe shortage of affordable housing. Many households are unable to purchase or rent a home of their own.

Increasing the supply of affordable housing is one of the most important local priorities and its provision is more important to the Council than the provision of other forms of housing. In view of the scale of the District's affordable housing problem it is important that all suitable sites provide on-site affordable housing. This includes sites which owners and developers propose be used for sheltered or other specialist housing.

Local planning policies require the provision of affordable housing as part of market housing sites in particular circumstances. Details can be found in the Winchester District Local Plan Chapter 6; Housing, in particular Policy H.5 (www.winchester.gov.uk/planning). These local planning policies are supported by Government planning policy.

¹The guide does not apply to rural exception sites where affordable housing may be allowed as an exception to usual planning policies.

²www.winchester.gov.uk



District Local Plan Policy H.5

Winchester & Major Development Areas (including Strategic Reserves)

On sites of 15 or more dwellings or 0.5 ha or more – 40% of housing to be affordable.

Other Large Settlements (over 3000 population)

On sites of 15 or more dwellings or 0.5 ha or more – 30% of housing to be affordable.

Smaller Settlements and Elsewhere

On sites of 5 or more or 0.17 ha or more – 30% of housing to be affordable.

Local Reserve Sites

35% of housing to be affordable

See Local Plan for full text and definitions

creation of mixed, sustainable communities and be of a size and type that meet housing needs.

Part 2

This section sets out a series of principles that should guide the design and development process.

It is essential that affordable housing requirements are considered at the outset of the design process. Details of how affordable housing requirements have been taken account of should be contained within the design statement and an Affordable Housing Statement (see 13. below) should be prepared.

Discussion with the Development and Communities Directorates on affordable housing issues should be an integral part of pre-application discussions.

3. The Priority

The Council assesses the area's affordable housing needs through regular assessments and surveys, and through housing register and homelessness data. While a significant proportion of households in housing need aspire to some form of home ownership, because of prices and incomes this is only a reality for a minority. The vast majority of households on the housing registers need, and can only realistically afford, social rented housing.

Priority: Social Rented Housing

The priority is, therefore, the provision of social rented housing.

Providing new affordable housing is not just about numbers though. New dwellings must be of a high quality, contribute towards the



1. What type and size of dwellings should be provided?

A range of dwelling types and sizes is required. The mix will be determined taking account of local housing needs and the character of the remainder of the development. The affordable housing element will normally be of a similar size and character to the market dwellings, unless identified housing needs indicate an alternative dwelling type is required. The precise mix must be agreed with the Council, but generally at least 50% of the total number of dwellings (market and affordable) will be either 1 or 2 bed.³

1 bed properties should be able to accommodate 2 people, 2 beds 4 people, 3 beds 5 people, 4 beds a minimum of 6 people.⁴

2. What tenure is required?

Priority is given to the provision of affordable housing for social rent.

Where 10 or less affordable dwellings are to be provided all should be for social rent.

Where more than 10 affordable dwelling are proposed then, unless there are local reasons that suggest otherwise such as housing need or existing tenure mix, the split should be 50% social rent, 50% intermediate affordable housing (provided the dwellings are considered affordable⁵). The Council will determine the tenure mix within the intermediate affordable housing based on affordability and housing need.

Low cost market housing is not considered to be affordable housing within the district.

3. How should the layout be designed?

Large groupings of single tenure dwellings or dwelling types should be avoided. Affordable housing should be well integrated with market housing, in a way which results in different kinds of housing being in close proximity to each other.

As a guide, there should normally be no groupings of more than 5 affordable dwellings, except where they are provided in flats, when a higher number may be appropriate. However, rather than simply "design by numbers" in applying this guide figure account will be taken of the overall design philosophy underpinning the scheme and the need to meet functional requirements, for instance communal private spaces for flats.

In designing a scheme it is important to take account of the impact that informal resident interaction has on creating a sustainable community. Opportunities for interaction can be created in several ways, for instance through the use of well designed and located open space, communal space and footpaths. The attention that developers pay to such issues will be important in judging the acceptability of a scheme.

³See District Local Plan Policy H.7 www.winchester.gov.uk/planning. ⁴See Housing Quality Indicators (Version 3) 2005 [www.communities.gov.uk]

⁵In this context the aim should be to ensure housing costs (mortgage (at lenders standard variable rate), rent & service charge) account for 30% or less of the lower quartile gross annual household income of residents on the Council's Low Cost Home Ownership Register.



4. Are there any dwelling design requirements?

Yes. Affordable housing should be indistinguishable from market housing in terms of appearance. Dwellings will be expected to meet Housing Corporation Scheme Development Standards⁶ and achieve, at least, an EcoHomes⁷. Very Good Rating (or equivalent Housing Corporation requirement). Developers should also work to individual Registered Social Landlord (RSL) design briefs.

5. Who will provide the affordable housing?

The Council's preferred method of provision is through a partner RSL. The Housing Enabling Team will advise on one that is best placed to become involved in a scheme.

Alternative providers (for instance non-partner RSLs or developers/Affordable Housing Providers (AHP)) will be considered if they agree to nomination requirements determined by the Council, can demonstrate to the Council's satisfaction suitable long term management, community development and involvement arrangements and have been approved by the Housing Corporation as an accredited landlord. This will allow Winchester's needs for affordable housing to be effectively tackled.

Providers must agree to recycle capital receipts from staircasing, Right to Acquire or Social HomeBuy acquisitions into the provision of more affordable housing in the City Council area.

The preferred provider should be identified at an early stage so they can be involved in the design process.

The Council will only support bids for Housing Corporation subsidy by partner RSLs or other providers it has agreed to work with, and provided it is satisfied with their proposals.

6. How will the affordable housing be provided?

Land owners will be required to transfer, at nil value, clean, serviced land to the affordable housing provider that is sufficient to accommodate the required affordable housing. Land should be serviced to the site boundary.

The affordable housing provider will then be responsible for the construction of the dwellings. In some cases a build contract may be agreed with the developer of the market units. In such case the negotiated prices should reflect build costs (not property values) and exclude the costs of free, clean, serviced land.

⁶www.housingcorp.gov.uk

⁷www.ecohomes.org

Where flats are to be transferred as part of a mixed tenure block the costs of transfer should take account of the nil value land transfer approach and servicing should be up to the front door of each dwelling.

strong community benefit, and taking account of the economics of development and any special circumstances, the local planning authority may permit such housing to form part of the affordable element.

Affordable housing land should be made available clean and serviced, and at nil cost.

8. Are there any exceptions to on-site provision of affordable housing?

The strong preference is for on site provision.

Land for housing should be transferred freehold. In the case of flats a lease of a minimum of 125 years would be appropriate.

Where the proportion sought would result in a part of a dwelling being required (e.g. 10.2) then a financial contribution may be offered in lieu of that part (0.2). Details of the contribution required should be discussed with the Housing Enabling Team at an early stage.

7. Who will live in the dwellings?

Nominations of eligible households will be made to all dwellings from the Council's housing registers, or, with agreement, registers held by RSLs. This provides an objective, open and accountable way of allocating properties.

In smaller settlements⁸ off-site contributions will be sought if this is a more effective way of achieving affordable housing provision (for instance greater numbers of dwellings, or better location), having regard to site and viability considerations.

The RSL/AHP will be required to accept nominations that have been made in accordance with appropriate allocations policies.

While the need for housing for key workers is an issue of strategic relevance, the Council does not normally expect developers or landowners to require the occupation of affordable housing to be restricted to this particular client group. It is important that the Council retains the flexibility to use affordable housing in a way that best meets local priorities. The provision of housing for key workers will be dealt with through allocation policies taking account of Government funding requirements.

Where employers wish to provide accommodation for their employees as part of a development proposal this should normally be in addition to the affordable housing provision. In exceptional circumstances where there is a

⁸Smaller settlements are those with a population of 3000 or less – details can be obtained from the Strategic Planning Team

In other cases off-site provision will only be permitted where:

- alternative provision is proposed that would allow priority housing needs to be better met, or;
- provision on-site would necessitate an unacceptable level of alteration to a listed building.

In these circumstances a developer should make a contribution of clean, serviced land (in the same settlement) with the necessary planning permission at nil cost.

Where the affordable housing requirement would be for more than the threshold number of dwellings (5 or 15 depending in location) then the number of affordable units required will be based on the capacity of both sites combined.

Off Site Provision Example

Principal Site = 40 dwellings provided, so affordable housing requirement @ 40% = 16.

With off site provision total dwellings = 56.

Total affordable housing requirement @ 40% = 22.4

Only in exceptional circumstances might a financial contribution be accepted in lieu of provision.

9. For how long must the affordable housing be available?

For as long as the need exists. Given that the need for affordable housing greatly outstrips supply it is unlikely that this need will disappear.

10. How are service charges dealt with?

Service charges should not render dwellings unaffordable. Levels should be discussed at an early stage. A benchmark of up to £300 p.a (index linked) will act as a guide.

11. Will any public subsidy be available?

The aim is to eliminate or minimise the level of public subsidy required. It is, however, recognised that in some cases subsidy will be required in order to achieve housing objectives.

While, from time to time, limited local resources may be available, the Housing Corporation is likely to be the main source of public subsidy.

Subsidy is secured through a competitive process which is only open to certain affordable housing providers, most particularly RSLs. It is important that the Housing Corporation are involved in discussions at a very early stage on any schemes that may require subsidy. The Council together with the preferred affordable housing provider will undertake these discussions.



In view of the competitive process for securing subsidy it is vital that requirements for subsidy are minimised, that it can be demonstrated that the subsidy would allow either for more affordable housing or a more appropriate mix, and that costs are not artificially inflated by subsidy, thus offsetting the benefit of free land.

12. Will a planning obligation be required?

Yes. The heads of terms should be agreed prior to the submission of an application and a draft obligation submitted with the planning application. A copy of the model affordable housing obligation can be found at www.winchester.gov.uk/planning.

Planning applications are likely to be refused if an obligation cannot be finalised in a timely manner.

It is important to bear in mind that the model obligation only covers affordable housing issues and other common issues. There may be other planning requirements that need to be built into the obligation. These should be discussed with a planning officer at an early stage. Applicants will be expected to meet the Council's reasonable legal expenses.

13. What information should accompany a planning application?

An Affordable Housing Statement that should include:

- number and size (bedroom numbers and floorspace (gross internal area) of affordable dwellings
- information relating to tenure;

- a plan showing the location of dwellings and the area of land to be transferred for affordable housing (including external spaces and areas that will not be transferred but to which rights of access will be granted e.g. parking courts, footpaths, play spaces, public open space);
- a transfer statement or schedule detailing the transfer arrangements for land/dwellings, including details of where access/parking rights will exist, and;
- a statement accepting the terms of the affordable housing planning obligation.

Part 3 - Contacts

Planning Development Control
01962 848 177/848 293
planning@winchester.gov.uk

Strategic Planning
01962 848 170
strategicplanning@winchester.gov.uk

Housing Enabling Team
01962 848 210/848 218
strategy&development@winchester.gov.uk

Telephone calls may be recorded.

Part 4 - Glossary

Affordable Housing	Housing provided with subsidy for people who are unable to resolve their housing requirements in the local housing market because of the relationship between housing costs and incomes.
Clean and serviced land	Land free from any contamination which would prejudice the use of the land for affordable housing. Services include electricity, telephone, gas, water, foul and surface water drainage, cable television and other services.
Eligible households	Households who are registered or acknowledged by the Council as in need of affordable housing and unable to buy or rent suitable housing unassisted.
Housing Corporation	An executive agency of the Government that regulates and provides funding for affordable housing.
Intermediate Affordable Housing	Housing at prices or rents above those of social rent but below market prices or rents. Housing can include shared ownership/equity (e.g. HomeBuy) or rented housing with rents typically 75% of market rent. Low cost market housing is not considered to be affordable housing.
Key Workers	Employees who are eligible for housing assistance under the Government's key worker housing scheme or certain other employees who provide an essential public service in Winchester. Further details can be found in the Council's Key Worker Housing Strategy (www.winchester.gov.uk) and from www.HomesinHants.co.uk . Eligible employees include some NHS staff and teachers.
Right to Acquire	A scheme allowing the outright purchase of a social rented RSL dwelling.
RSL	Registered Social Landlord, most commonly a housing association.
Social HomeBuy	A scheme allowing the purchase of an equity stake in a social rented home.
Social Rented Housing	Rented housing owned by RSLs, local authorities or other eligible bodies available to eligible households at target rent levels (target rents being determined through the national regime set out in the Government's Guide to Social Rent Reforms 2001 or equivalent rental arrangements).
Staircasing	Purchases by the householder of additional shares in shared ownership/equity dwellings.

This glossary provides a non-technical description of some of the terms used in this document. The descriptions should not be taken as precise legal or policy definitions.

The document/extracts can be made available in other formats and languages other than English.

This document is available electronically at www.winchester.gov.uk/planning

