

Cherwell District Council

Overview and Scrutiny

13 October 2015

**To review and consider any disconnect between
Planning Policy and the Allocation of Rural
Affordable Housing**

Report of the Head of Regeneration and Housing

This report is public

Purpose of report

To review and consider any disconnect between planning policy and Cherwell's Allocations Scheme

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report
- 1.2 To note further changes to Cherwell's Allocations Scheme adopted following the decision of Cherwell Executive on 1 June 2015.

2.0 Introduction

- 2.1 In June 2015, a report was presented to Executive to revise Cherwell's Allocations Scheme, and introduce a new 'reserve list'. This action was taken to increase the opportunities for Cherwell residents to be considered for affordable housing vacancies across the district within the legal framework which governs social housing lettings as set out in the Housing Act 1996 (Part VI).
- 2.2 At that meeting elected members agreed the report but recorded that they were keen to have a further discussion regarding allocations of affordable homes built on rural sites and rural exception sites. They wish to ensure they fully understand the relationship between Planning Policy to provide local homes and the Councils Allocation Scheme. They wish to fully understand how the Allocations Scheme prioritises vacancies to local people.

3.0 Report Details

- 3.1 Changes introduced in the Council's Allocation Scheme in 2012 reduced the numbers able to register on Cherwell's Housing Register. It restricted applications to applicants eligible, qualifying as assessed as gaining 'reasonable preference' as defined according to the requirements of the Housing Act 1996 (Part VI).

It also restricted the size of properties that households could qualify for in line with the new proposal to restrict housing cost payments, including the spare room subsidy. This action was taken following guidance from DCLG that we should do so and to align with Housing benefits payments that Households could claim to pay rent if unemployed.

Registered Providers were very keen for this approach to be adopted due to the significant changes they also face to their funding, including the withdrawal of 'direct payments' of housing benefit to meet rent payments to Registered providers.

- 3.2 The National Planning Policy Framework requires Affordable Housing in rural areas to be provided to meet the needs of eligible households whose needs are not met by the market. Eligibility is determined by local incomes and local house prices which are also key drivers to deciding the rules of Cherwell's Allocations Scheme.

- 3.3 Rural Housing can be developed in two ways.

- Private Development in rural areas providing a percentage of affordable homes
- Rural Exception Sites

- 3.4 Private housing development sites in rural locations are built by private companies. The majority of these units are usually for private sale. They are built following the purchase of land once planning permission has been gained. Developments can vary in size from a single unit (of any size) upwards. The Council does not control how much these homes are sold for, or who they are sold to.

The Council does require that 35% (30% in Bicester and Banbury) of properties on all new developments that consist of more than 10 units must be 'affordable' homes' through a Section 106 Agreement which requires 50% of initial lets to those with the defined local connection and 1 in 3 relets also prioritised to local people. This requirement is included at the time the planning permission is granted. The affordable properties are delivered in partnership with a Registered Provider (Housing Association) who will usually be the on-going landlord. Properties may be for Shared Ownership or Affordable Rented depending on the local needs and the financial viability of the development.

- 3.5 Rural Exception sites are a special type of development which will usually consist of 100% affordable housing units (usually a mix of Affordable Rented and Shared Ownership). Rural exception properties are built on sites that would not normally be given planning permission for housing. They gain approval to be built on the basis that there is a need for affordable housing within the parish that cannot be met elsewhere and has been proven by an up to date housing needs survey.

Priority for 100% of properties and subsequent relets, in perpetuity, are given to applicants on the Council's Housing Register who have a local connection to the immediate parish.

If there is no one with a housing need from the parish an agreed cascade of surrounding parishes will be considered. This cascade of surrounding parishes is agreed at the planning stage of any potential Rural Exception Site development and is contained in the Nominations agreement pertaining to the site.

If there is no one who meets the lettings criteria in the cascade then the property will be let to an applicant, on the Council's Housing Register, from the District.

All affordable rented homes must be allocated through the Council's approved allocations scheme under the rules of the Housing Act 1996 (Part VI).

- 3.6 The Allocation Scheme changes introduced a 'reserve list' giving anyone with a local connection to Cherwell without 'security of tenure' and meeting the rules of the scheme, an opportunity to be considered for vacancies of affordable housing. The Allocations Scheme also gives significant priority to parish or village connection when that preference is advertised within the advert to let a vacant property. Local connection is considered second only to an applicant's eligibility for size and type of property. These changes now ensure that local people will be able to apply and gain priority according to their local connections for local homes both new build and relets. Subject to their eligibility to join Cherwell's Housing Register, their specific local connection gives additional priority for affordable homes on rural and rural exception sites.
- 3.8 The introduction of the 'reserve list' ensures a strong connection between Planning Policy which requires the council to promote sustainable development in Rural Areas and the Council's Allocations Scheme which provides the rules which govern the allocation of affordable housing throughout the district under the Housing Act 1996 (Part VI)
- 3.9 A rural housing pack has been developed to ensure local parishes have the necessary documentation to understand the processes involved and pertaining to development of properties in rural locations and rural exception sites. The pack will ensure Parishes also understand the rules pertaining to the allocation of these properties through Cherwell's Allocation Scheme and can encourage local residents to apply.
- 3.10 We recognised the allocation of properties to local people in rural areas where new homes are being provided through exception sites remains a sensitive issue. We know it could be more helpful to speed up the process of carrying out rural housing surveys to justify local housing need and actually achieving housing delivery for occupation. Parish Councils particularly will be aware that by the time housing delivery is achieved the original housing needs information can be out of date.
- 3.11 The potential creation of a new Housing company in the district with a significant community based focus can provide better opportunities to speed up the delivery resulting from surveys. It is expected that as a result of a combination of introducing a new housing company and taking direct control of survey activity we

should be able to reduce the time between considering local housing need and providing new homes. A shorter time frame will make the allocations process more relevant as those responding to the survey will be more likely to have their needs met through the development.

Conclusion and Reasons for Recommendations

- 4.1 We propose to test this approach through the current Parish Council liaison arrangements. We can begin to identify with an appropriate Parish Council, a pilot scheme where this can be tested. This will enable us to review the outcomes of a speedier approach of delivery following the housing needs survey results. We request Members to support this approach and for officer contact to be made with Parish Councils shortly.
- 4.2 The revisions to Cherwell's Allocations Scheme have ensured there is no disconnect between Planning Policy requirements to promote sustainable development for local people in rural areas and the rules governing housing allocations as set out in the Housing Act 1996 (Part VI).

5.0 Consultation

- 5.1 No specific consultation is required for this report.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Alternative delivery models using Registered Provider partners have been considered but do not offer any improvement in delivery time to increase the number of local people qualifying for rural exception site housing.

For this reason the alternative models reviewed have been rejected in favour of the approach mentioned above.

7.0 Implications

Financial and Resource Implications

- 7.1 None

Comments checked by:

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Legal Implications

- 7.2 The changes made to Cherwell's Allocations scheme were intended to increase the opportunities for Cherwell residents to compete for social housing vacancies across the District in line with the legal frame work which governs social housing lettings as set out in the Housing Act 1996 (Part VI).

Comments checked by:

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Risk

- 7.3 The changes to Cherwell's Allocations Scheme strengthened the Councils ability to ensure that all vacancies of social and affordable rented housing will be allocated to those in housing need within the District. The changes also increase the opportunity for those living within rural parishes where there are new affordable housing developments and rural exception sites to join the Housing Register.

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

District of Opportunity

Thriving Communities

Lead Councillor

Cllr John Donaldson, Lead Member for Housing

Document Information

Appendix No	Title
1	Approved Allocations Scheme
2	National Planning Policy Framework
Background Papers	
None	
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