



# Affordable Housing Scheme

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#### Revision History

<b>Date</b>	<b>Version</b>	<b>Summary of Changes</b> Keep VERY brief	<b>Section(s) Changed</b>
	1.0	New document – replaces previous guidance and criteria documents	

**Equalities Impact Assessment** This must be done each time a criteria/strategy is fundamentally revised

<b>Assessment date</b>	
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## **1. INTRODUCTION**

- 1.1 The Affordable Housing Scheme (AHS) has been developed to help households who have been priced out of the housing market by rising house prices and stagnating household incomes in accordance with National Planning Policy.
- 1.2 In 2021, figures provided by the Cumbria Observatory showed that in Allerdale, median (middle value) house prices were 5.5 times higher than median household income. Lower quartile (lowest quarter value) house prices were 6.2 times higher than lower quartile household income.
- 1.3 AHS is an umbrella term used to describe how the Council administers housing that bridges the gap between social rent and open market properties. AHS covers the following tenures:
  - Affordable Rent properties that have not been transferred to a Registered Provider
  - Discounted Sale
  - First Homes
  - Shared Ownership

Each tenure has a specific policy document, which should be read together with this document.

- 1.4 The AHS uses the definitions of tenure specified in the National Planning Policy Framework (updated in July 2021) (see Appendix 1).

## **2. POLICY CONTEXT**

### **2.1 National Policy**

The ability for the Council to use planning obligations comes from Section 106 of the Town & Country Planning Act 1990, as amended by Section 12 of the 1991 Planning and Compensation Act and the Localism Act 2011. These set out the legislative background against which planning obligations may be sought. Further legislation and guidance is set out in the National Planning Policy Framework (NPPF), the Community Infrastructure Levy (CIL) Regulations 2010 (as amended) and the Planning Policy Guidance (PPG).

### **2.2 Local Policy**

This criteria has a direct link to Allerdale's Local Plan (policy SA3), which can be accessed through the following link: [allerdale.gov.uk/en/siteallocations/](https://allerdale.gov.uk/en/siteallocations/)

### **3. PURPOSE AND SCOPE**

- 3.1 The AHS document provides the framework in which to assess applications for the LCHS within the Borough of Allerdale.
- 3.2 The AHS document covers all properties where Allerdale Borough Council is the certifying body and in accordance with the relevant planning obligation.
- 3.3 The AHS document does not apply to properties that are covered by the Lake District National Park Planning Authority.

### **4. PROCESS**

- 4.1 The eligibility criteria and assessment process for each tenure is specified in the appropriate tenure document. These documents are available on the Allerdale Borough Council website, or by request from [housing.developmentteam@allerdale.gov.uk](mailto:housing.developmentteam@allerdale.gov.uk).

- 4.2 Households submit their forms to the Council's Housing team, with accompanying evidence.

Application forms are available from the Council's website or by requesting one from [housing.developmentteam@allerdale.gov.uk](mailto:housing.developmentteam@allerdale.gov.uk).

- 4.3 The Housing Team will assess the application using the appropriate tenure document.
- 4.4 All communication after application will be by email, unless the applicant requests to be contacted by post.
- 4.5 Hard copies of evidence will be disposed of as confidential waste, unless the applicant requests that it is returned. A copy will be taken of any evidence provided and this will be retained by the Council.
- 4.6 When a household is found to be ineligible, the decision letter will give details of why the applicant has been refused and the deadline by which they should appeal.

### **5. APPEALS**

- 5.1 The deadline to appeal an ineligible decision is 14 working days from the date of the refusal letter.
- 5.2 Those wishing to appeal against a decision not to certify must do so in writing to the Housing Manager at Allerdale Borough Council by post to the Housing Manager, Allerdale Borough Council, Allerdale House, Workington, CA14 3YJ or by email to [housing.developmentteam@allerdale.gov.uk](mailto:housing.developmentteam@allerdale.gov.uk)

- 5.3 On receipt of an appeal, an acknowledgement letter will be sent to the applicant giving a date by which the final decision will be made. The Council will endeavour to fully respond to an appeal within 14 working days after receipt of the appeal being acknowledged.
- 5.4 The response is final and no further correspondence will be entered in to, and there will be no further right of appeal

## **6. ENFORCEMENT**

- 6.1 The Council has to ensure that households occupying a property covered by the AHS are eligible to live in it in accordance with the planning obligation relating to it.
- 6.2 If anyone buys a discounted sale property in breach of the Section106 planning agreement the Council can enforce the terms of the agreement, which might be by way of an injunction.

## **7. MONITORING AND REVIEW**

- 7.1 It is expected that monitoring will be on-going to determine that the AHS is working for both the developers and local communities.
- 7.2 Monitoring will also ensure that the type of housing provided through the AHS reflects the needs of local households.

## APPENDIX 1

### **NPPF Definition of Affordable housing**

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

**(a) Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

**(b) Starter homes:** is as specified in [sections 2 and 3 of the Housing and Planning Act 2016](#) and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

**(c) Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

**(d) Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.

## APPENDIX 2

### **List of accompanying policy documents**

Housing Policy Document 1 – Affordable Rent (Not Transferred to a Registered Provider)

Housing Policy Document 2 – Discounted Sale

Housing Policy Document 3 – First Homes

Housing Policy Document 4 – Shared Ownership

Final