

Allerdale Borough Council

Executive –22 June 2022

Affordable Housing Scheme

Portfolio holder	Councillor Marion Fitzgerald, Strategy Policy and Performance
Report from	Sharon Sewell - Chief Officer (Place and Governance)
Wards affected	All outside of the National Park Planning Authority
Is this a key decision	Yes

1.0 The reason for the decision

- 1.1 To ensure that the Council has a formally adopted policy detailing the framework in which the Council will assess applications for Affordable Housing in the private sector where the Council is the certifying body.
- 1.2 The current guidance and Criteria for Assessing Eligibility has been reviewed and needs to be considered in line with point 1.1 above as a formally adopted policy, which sets out how the Council manages affordable housing in Allerdale.
- 1.3 In addition, this new policy includes a suite of documents, which formalises the framework used to assess eligibility, and introduces First Homes, which Central Government has recently introduced to the market and Allerdale Borough Council are taking up the option to include local connection criteria.

2.0 Recommendations

- 2.1 That the Executive supports the introduction of a formal approach to assessing eligibility criteria for Private Sector Affordable Housing where the Council is the certifying body.
- 2.2 That the Executive formally adopts the Affordable Housing Scheme as set out in Appendix 1 to support local people in accessing housing that meets local need.
- 2.3 That any future minor amendments are delegated to the relevant Chief Officer in consultation with the Portfolio Holder for Housing.

3.0 Background and Introduction

- 3.1 The use of an Affordable Housing framework supported by a suite of policies allows the Council to intervene in the housing market by steering what is a finite supply of housing opportunities in the borough towards occupants who can demonstrate a link to the locality and a need to live in a given location.
- 3.2 Policy SA3 in the Local Plan Part 2 determines the number and tenure of affordable housing units to be delivered on new housing developments. The output of this is that the Council is able to use the affordable housing scheme in which to deliver against this policy.
- 3.3 Currently the Council has in place informal guidance documents with which to assess affordable housing eligibility and the processing of applications, and which are also referred to within Section 106 obligations to secure affordable housing. These guidance documents have been reviewed and key partners have been consulted about the proposed amendments.
- 3.4 In addition, Government recently introduced the First Homes product as part of the affordable housing mix and has established national criteria as part of the National Planning Policy Framework.
- 3.5 This National Planning Policy framework also allows Council's as part of the Section 106 agreements to apply eligibility criteria in addition to the national criteria. This includes a local connection test or criteria based on employment status. Local connections may include (but are not limited to) current residency, employment requirements, family connections etc. Any local eligibility criteria will apply for a maximum of three months from when the home is first marketed. If the home is not reserved after three months the eligibility criteria will revert to the national criteria to widen the consumer base.
- 3.6 By changing the current guidance to a policy will formalise and strengthen the Council's position by providing clarity on how we assess housing need and the policy criteria within s106 obligations.
- 3.7 Affordable housing in the private sector is always in demand, and the Council has a register to demonstrate a demand in Allerdale. However, the Council does receive requests from owners who have benefitted from the discounted sale scheme to rent out their properties. Whilst the current approach allows this to be agreed by the Council, it is felt that those on the register are having to wait longer to access an affordable home. In light of the review it is important that the Council tries to meet housing need at the earliest opportunity, and therefore the new policy moves away from sub-letting of the discounted sale property. This will free up that property for others on the register.
- 3.8 By introducing a non-rental policy within the Affordable Housing Scheme, this will allow for a healthy churn in the housing market, and prevents properties being used as Air BnB rentals.

- 3.9 The non-rental policy will only apply to Discounted Sale and Shared Ownership properties, as the Council will be required to follow national guidance on First Homes.
- 3.10 The policy provides clarity in respect of the criteria relating to employment as a means of local connection. This policy requires permanent employment for at least 16 hours per week. This is consistent with other local lettings policies for social rented housing.
- 3.11 This policy aims to retain affordable housing in perpetuity and for the purpose of eligibility, this policy will continue to meet housing need at a parish level.

4.0 Content (to include alternative options considered)

- 4.1 The purpose of the affordable housing scheme is to ensure that local people continue to have access to housing which remains affordable and which serves local need.
- 4.2 Local people often find it difficult to access suitable housing in the area where they live or work or have previously lived and as such, this policy will provide an opportunity for qualifying people to access housing.
- 4.3 The introduction of the Affordable Housing Scheme contains a number of tenures for which a policy has been developed. These individual policies will provide clarity on how the Council will assess applications, leading to certifying applicants to rent or purchase homes.

The Affordable Housing Scheme (Appendix 1) is the overarching framework containing policies relating to the following tenures:

- i. Affordable Rent (Not transferred to a registered provider) (Appendix 2)
- ii. Discounted Sales (Appendix 3)
- iii. First Homes (Appendix 4)
- iv. Shared Ownership (part rent part buy (Appendix 5)

5.0 Proposed Policy Changes

- 5.1 The overarching policy framework in which the suite of policies sit is the Affordable Housing Scheme policy document, and this sets out the general approach for assessing applications, the appeals process, and the monitoring of the scheme to assist the Council in meeting housing need in the borough.
- 5.2 The current guidance sets out the Council process for assessing need. In adopting this as a policy, it provides us with the opportunity to review our current practices, and to align new methodology under the Affordable Housing Scheme.

The key changes in each tenure are as follows:

- Affordable Rent Not transferred to a Registered provider: This is a new policy document which formalises the eligibility criteria that the Council uses to assess the need for those wanting to rent. Currently, there are only a few properties that this policy would apply to.
- Discounted Sales: The main changes within this policy is to remove the option to allow the home owner(s) to rent out their homes and clarifying the criteria that a minimum 16 hours per week is required to meet the local connection employment criteria.
- First Homes: This a new policy document which we are seeking the Council to ratify, however, we would introduce local connection and remove the opportunity to rent out the first home. Exceptional circumstances may be considered where there is supporting evidence for renting out a First Home.
- Shared Ownership: This policy formalises the eligibility criteria and brings into line with discounted sales criteria set out in the bullet point above.

All of the above criteria would continue to form part of the section 106 obligation where affordable housing is being delivered.

6.0 Delivery arrangements

6.1 The Affordable Housing Scheme Policy, is underpinned by the Housing Strategy which aims to support the delivery of Affordable Housing, and the outcomes of delivery are reported through the quarterly performance framework

7.0 Implications and Impact

7.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

This policy supports the priority of meeting local housing need in areas where housing is in demand. This policy contributes to the People objective “Building stronger and healthier communities” by ensuring that we meet the identified need as set out in the Council current Housing Strategy beyond 2021. This also contributes to the objective “Thriving Towns and Villages” as set out in the Council Strategy 2020-2030, by seeking to ensure that the Council enables “suitable affordable housing for all”

7.2 Finance/Resource implications

There are no financial implications on revenue as the implementation and delivery of this policy will be managed within existing resources.

7.3 Legal and governance implications

7.3.1 The Council has the right in which to apply local policy through the Town and County Planning Act 1990 and National Planning Policy ratified in the Allerdale Local Plan (Part 1) and its associated Supplementary Planning Documents and

Guidance, as attributed to each respective Planning Application by way of a Section 106 Agreement.

7.3.2 The introduction of First Homes gives Council’s discretion to introduce local criteria to reflect the local housing market and this will be introduced within the section 106 obligation.

7.4 Risk analysis

A scored and mitigated risk log

Risk	Consequence	Controls required	Mitigated score
Challenges to the policy	Review policy and decisions made relating to applications.	Timeframe in place to review policy. Appeals process set out within the policy.	Low
Policy isn't approved	The Council will not have a policy to determine how it facilitates access to affordable housing. People of low incomes are priced out of the housing market. Impacts upon the delivery of Local Plan Policy SA3.	Policy that sets out criteria so that residents on low incomes can access affordable housing through this scheme.	Medium

7.5 Increasing satisfaction and service

The Affordable Housing Scheme Policy recognises the need for a person centre approach when assessing their eligibility for housing, and taking into consideration personal circumstances. The implementation of this policy is already in place and by formalising the policy there will be a continuation of how we deliver the service.

7.6 Equality impacts

An equality impact assessment has been carried out and there are no negative impacts relating to the policy.

7.7 Health and Safety impacts

None

7.8 Health, wellbeing and community safety impacts

None

7.9 Environmental/sustainability impacts

There are no environmental impacts on this policy as it is, aimed at supporting residents into home ownership through the delivery of affordable housing through new development and or resale properties that have been secure through s106 obligations and in perpetuity, and therefore the long term sustainability of this scheme is also protected.

7.10 Other significant implications

None

Appendices attached to this report

Appendix number	Title of appendix
1	Affordable Homes Scheme – (Policy Framework)
2	Affordable Rented – Not Transferred to a Registered Provider
3	Discounted Sale
4	First Homes
5	Shared Ownership

Background documents available – none

Name of background document	Where it is available
First Homes Guidance	https://www.gov.uk/guidance/first-homes

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