

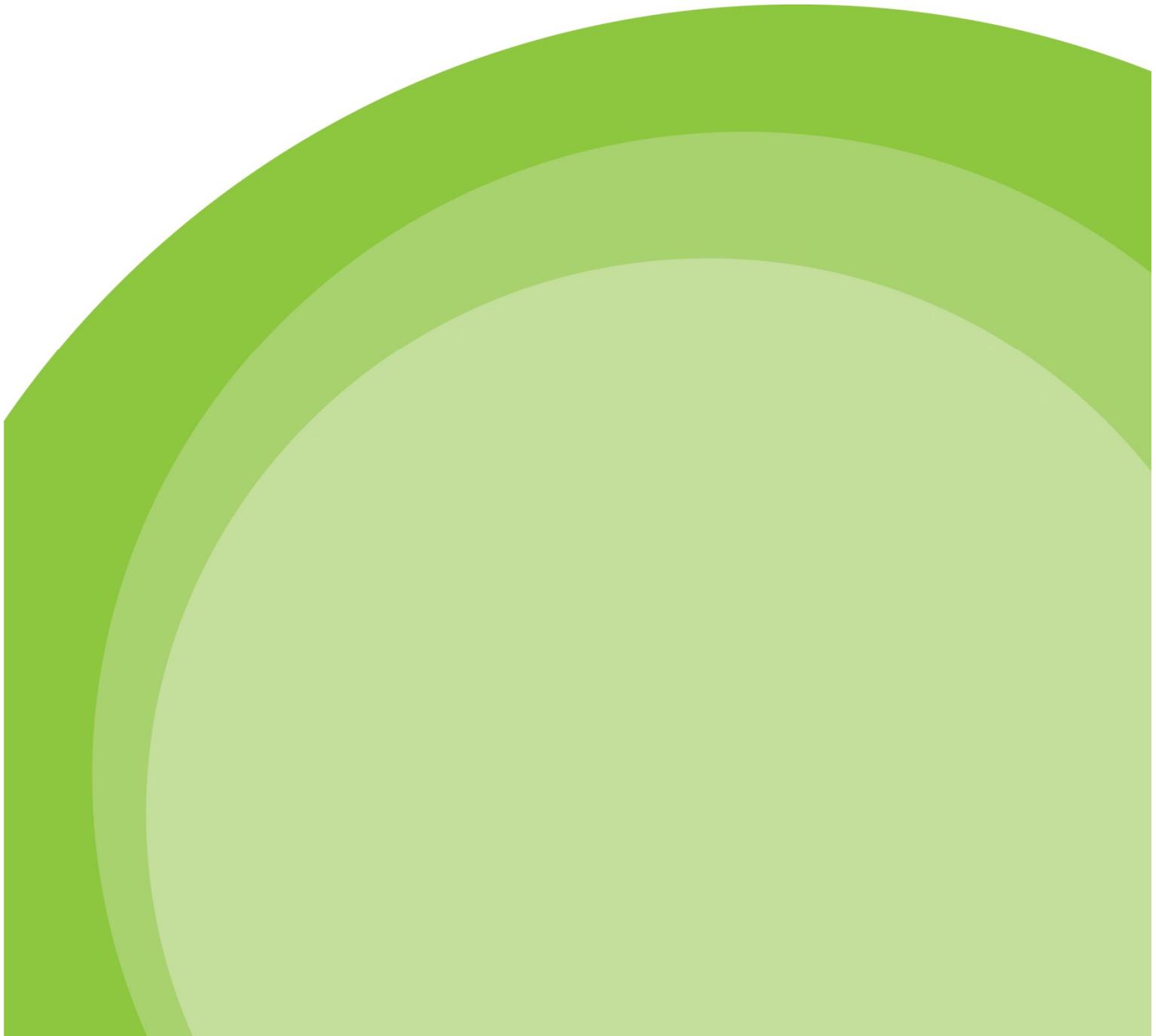


# Housing Strategy

2016 to 2021

**DRAFT VERSION 1**

**FOR INTERNAL CONSULTATION**



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## Foreword

The Housing Strategy identifies what the key challenges for housing are over the next five years and what the Council and its partners are planning to do to overcome them.

Central Bedfordshire is a great place to live and invest in. A place where all residents are able to contribute to and benefit from sustained prosperity. Housing is key to the success of a community, important to quality of life and health and wellbeing.

With a growing and ageing population we must plan and meet the housing needs of Central Bedfordshire and ensure the positive impacts on local finances, education, health and building stronger communities are realized. By meeting housing needs we will support our other strategic ambitions such as growth, jobs and training opportunities and make Central Bedfordshire a great place to live for our residents.

New homes are needed for a broad spectrum of households including people struggling to get on the housing ladder, family homes, and accessible properties or specialised accommodation for people with support needs.

Through the use of planning powers and effective partnerships with Registered Providers (RPs) and the Homes and Communities Agency (HCA) we will ensure that the right type of homes are provided to create mixed and sustainable new communities. We will also work with our partners to ensure new homes are of a high quality and good design and will remain affordable.

This means the links between housing and other agendas needs to be clear. This Strategy sets out how we can be more responsive to the economic, environmental and social challenges that local people are experiencing and how the right types of housing can help address those challenges.

## Executive Summary

Central Bedfordshire Council's Housing Strategy for 2016 – 2021 sets out our vision and plans for housing over the next five years and demonstrates our approach to housing across the area, working in partnership, to deliver more for our residents and communities.

It identifies the issues we face as a Council around ensuring the delivery of new homes and the challenges for housing services over the next five years in the context of a growing population, new government policies, a fast changing local housing market and a challenging economic climate.

The Housing Strategy contributes towards the Council's wider strategic aims and priorities and as it needs to take account of key national, sub regional and local strategies and evidence. The Council has a lead role in:

- Assessing and planning for the current and future housing needs of the area
- Encouraging a supply of new homes to be built across all tenures
- Supporting the local economy by having the right number of homes of the right tenure and price for our growing community
- Increasing the delivery of affordable rented housing
- Making best use of existing housing stock
- Enabling people to be housed in good quality private sector housing
- Promoting housing related support services
- Working with a range of partners to achieve the best possible outcomes for local people.
- Enabling the delivery of attractive housing options for older people.

The Housing Strategy directs to a range of documents covering the different themes, published or in preparation. This Housing Strategy focusses on key issues facing Central Bedfordshire such as housing supply, affordability, an ageing population and the housing needs of vulnerable people.

There are four key themes that have been identified in the Housing Strategy.

<b>1.</b>	<b>Enabling sustainable communities</b>
<b>2.</b>	<b>Affordable housing delivery</b>
<b>3.</b>	<b>Meeting the housing needs of older persons</b>
<b>4.</b>	<b>Meeting the housing needs of vulnerable people</b>

### Theme 1: Enabling sustainable communities

This theme focuses on the wider delivery of all types of housing and predominantly how we get the market to meet our housing needs and get

people into home ownership. The affordability issues within Central Bedfordshire and the affect on local employment is explored within the theme. There is a focus on the design of homes and how we can ensure the existing stock can help meet housing need.

### **Theme 2: Affordable housing delivery**

This themes focus is on affordable housing delivery and the need to deliver 364 homes per year to meet the identified need in the Strategic Housing Market Assessment (SHMA) and the tenure mix that we will require. How we work in partnership with Registered Providers to deliver affordable housing is identified and how we can work together with a mixed economy approach to enable delivery. It also touches upon the ability of the Council to deliver and build affordable housing.

### **Theme 3: Meeting the housing needs of older persons**

This theme focuses on the growing older population in Central Bedfordshire and the need to create attractive housing options for older people to live in. We need to create a range of products to ensure that larger homes can be freed up and that older people have homes where they can remain part of the community and reduce social isolation. We want to enable homes that are fit for purpose and can be changed and adapted as peoples care needs change. There is also a focus on reducing the costs to Adult Care, Health and Housing by the creation of attractive older person accommodation.

### **Theme 4: Meeting the housing needs of vulnerable people**

This theme looks at transforming people's lives by ensuring that there is choice and control for those who need to access services to combat homelessness. Working with partners and stakeholders to identify the housing needs of vulnerable people helps ensure any intervention takes place at an early stage as a preventive measure. This guards against potential later, more involved and costly assistance and provides the best outcomes for vulnerable people.

An action plan has been developed with key objectives and accountabilities to ensure delivery (appendix \*).

## Our Vision

This strategy sets out our vision for housing in Central Bedfordshire and how we are going to deliver it. Our vision statement is:

***“We want Central Bedfordshire to offer a range of great housing options in sustainable locations for all residents in our community, to support their social wellbeing and economic aspirations.”***

This Housing Strategy aims to identify the housing challenges in the area and sets out a plan to meet them. We want the right housing for all in mixed income and tenure sustainable places. Implementing and sustaining the vision is dependent on a range of other factors and we seek to identify those connections in this document.

We intend to deliver mixed tenure housing in the regeneration opportunity areas where future housing capacity and potential for jobs creation is greatest. The Council wants to deliver affordable housing across Central Bedfordshire and work with our partners to increase the amount and quality of new housing. We also want to deliver more choice for affordable, ownership and rented housing. We believe a wider range of choices could be developed through innovative working between the Council and Registered Providers.

Central Bedfordshire Council's Five Year Plan has a commitment to six priorities<sup>1</sup> which are:

Priorities	How the Housing Strategy contributes
Enhancing Central Bedfordshire	This strategy will enable new housing to be developed in the right locations and ensure that it is high quality sustainable housing.
Great Resident Services	Enabling sustainable housing delivered in areas where services can be delivered and reached easily by residents.
Improving Education and Skills	Meeting the housing needs of families ensures children are protected from harm and have a stable environment to take up educational and other opportunities.
Protecting the Vulnerable; improving wellbeing	Ensure that housing stock helps to cater for future demands, particularly the needs of older people and vulnerable households through the provision of appropriate homes.
Creating stronger communities	Housing will be developed in strategic locations with good infrastructure links that will integrate new development and benefit established communities.
A more efficient and responsive Council	Delivering housing options that are range of types and tenures that are affordable for our residents.

<sup>1</sup> [http://www.centralbedfordshire.gov.uk/Images/our-five-year-plan\\_tcm6-70374.pdf#False](http://www.centralbedfordshire.gov.uk/Images/our-five-year-plan_tcm6-70374.pdf#False)

Private sector led development will be the main driver for development of housing and this is primarily targeted at owner-occupiers. However we must enable and engage the market to deliver all the housing we need going into the future. The current SHMA identifies we need to deliver 29,530 homes between 2011-2031 which equates to 1475 homes per annum.

### **Strategic housing market assessment**

The Council will be commissioning further updates to the SHMA as part of the preparations for the Local Plan. The Housing Strategy takes note of the findings of the current study and the key implications for the Housing Strategy.

### **Key Housing Challenges in Central Bedfordshire**

The under delivery of housing is a national issue. Nationally 243,000 new homes are needed per year to meet the housing shortage. The Elphicke-House Report, "From Statutory Provider to Housing Delivery Enabler: Review into the local authority role in housing supply", sets out the challenge that Councils face. It encourages Councils to take on a leadership role in the area for the delivery of affordable housing. To date, the role has been developer-led which inevitably will be subject to market forces and developers' priorities. Whilst the Council does not seek to control the market, it wants to facilitate the creation of a 'mixed economy' where a range of agencies can work separately, and sometimes together, to deliver shared priorities set out in this strategy document. The following key housing challenges have been identified.

- How do we provide the right housing for the population growth across Central Bedfordshire and ensure inclusive and sustainable communities.
- How do we enable the market to deliver our housing needs.
- How do we ensure delivery of affordable housing to attract and retain key workers and people employed in central Bedfordshire.
- How do we maximize the delivery of a range of affordable housing types and tenures and what are the delivery options.
- How do we get the most out of partnership working with Registered Providers and Developers and raise the standard and quality of housing in the area.
- How do we deliver a range of attractive housing options for our ageing population.

- How do we deliver housing and provide support for the most vulnerable and those with specialist needs in our community.
- How do we respond to the impact of government policy on housing e.g. Welfare reform, National Planning Policy Framework, Housing and Planning Bill.

Four key themes have emerged from the challenges identified:

<b>1.</b>	<b>Enabling sustainable communities</b>
<b>2.</b>	<b>Affordable housing delivery</b>
<b>3.</b>	<b>Meeting the housing needs of older persons</b>
<b>4.</b>	<b>Meeting the housing needs of vulnerable people</b>

Fundamental to the delivery of the strategy is the action plan and evidence base which is appended to this document. We will ensure that the strategy meets its challenges and priorities and remains fit for purpose through robust monitoring of the action plan.

## Strategic Context

### National Context

#### Laying the foundations: A housing strategy for England<sup>2</sup>

The national strategy aims to address concerns across the housing market and identify a package of reforms that will get the housing market moving again and lay the foundations for a more responsive, effective and stable housing market in the future.

Amongst the proposals in the Strategy of particular relevance to planning for housing are:

- The Strategy will “work with the grain of the market – encouraging lenders sensibly to give buying power to those willing and able to support home ownership, and allowing housebuilders to respond better to demand”.
- A £400m Get Britain Building Investment Fund; this programme will be managed by the Homes and Communities Agency (HCA) and will aim to unlock up to 16,000 homes on stalled sites and boost the economy. Starting in July 2012 developers will compete for funding to take forward "shovel-ready" projects which meet the right criteria, among them a commitment to affordable homes.
- “More support for local areas that want to deliver larger scale new development to meet the needs of their growing communities – through locally planned large scale development – with a programme of support for places with the ambition to support new housing development on various scales”. The Strategy suggests that these developments could take advantage of "streamlined and collaborative planning".
- An additional £50m allocated, on top of the £100m already confirmed, to tackle the worst concentrations of empty homes, bringing vacant properties back into use.
- Supporting and encouraging more individuals to build their own homes through a Custom Homes programme, including making available up a £30m new fund to support provision of short-term project finance;
- A mortgage indemnity scheme, in which Government will underwrite part of the risk, could help up to 100,000 people. The House Builders Federation said the lack of mortgage availability since 2007 had been "the biggest constraint" on new homes and the indemnity scheme

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<sup>2</sup>

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7532/2033676.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7532/2033676.pdf)

would help to address this.

- A commitment that for every home bought under the “reinvigorated” Right to Buy scheme, a new affordable home will be built.
- The Government will launch an independent review into investment in the private rented sector as it seeks to spark institutional investment.

### **National Planning Policy Framework 2012<sup>3</sup>**

In 2012, the Government published the National Planning Policy Framework (NPPF). The key change this brought about was that Local Authorities were now obliged to assess needs and set their own housing targets whereas previously housing targets were set out for them in Regional Plans. It also introduced a ‘duty to co-operate’ with neighbouring authorities.

The NPPF requires Local Authorities to respond positively to wider opportunities for growth’ making it clear that it is Government policy and that there should be a significant ‘boost’ in the supply of housing.

### **Impact of the Localism Act 2011<sup>4</sup>**

This Act has had a transformative effect on the way housing authorities operate. The aim of the act was to devolve more decision-making powers from central government back into the hands of individuals, communities and councils. The act covers a wide range of issues related to local public services, with a particularly focus on the general power of competence, community rights, neighbourhood planning and housing. The key measures of the act were grouped under four main headings;

- new freedoms and flexibilities for local government
- new rights and powers for communities and individuals
- reform to make the planning system more democratic and more effective
- reform to ensure decisions about housing are taken locally.
- Councils are able to place homeless households in suitable private rented sector housing under new powers in the Localism Act (“discharge of homelessness duty into the private sector”)

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<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/60777/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/60777/2116950.pdf)

<sup>4</sup> <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

- More flexibility for councils to set their own Lettings policies to meet local needs and circumstances.
- Landlords allowed to offer "flexible" or fixed term tenancies of (usually in practice) a minimum of five years.

Section 173 of the Localism Act also provides greater flexibility to use certain revenue streams, such as the Housing Revenue Account and 'right to buy' income, for housing development.

### **Impact of the Welfare Reform Act 2012<sup>5</sup>**

The Welfare Reform Act has presented enormous challenges to the Council as households on low incomes have experienced a large squeeze on their incomes. This has placed significant pressure on some of the most vulnerable households to sustain their tenancies, particularly those in private rented accommodation.

Housing Benefit changes affecting social housing tenants:

- Capped payments of Housing Benefit;
- An increase in non-dependent deductions in Housing Benefit;
- A reduction in housing benefit for working age household's under-occupying by 1 bedroom or more.
- Benefit claimants will have their benefits capped at £26,000 (for families) and this will include the allowance for rent.

### **Local Housing Allowance (LHA) reductions affecting tenants in the private rented sector and social housing sector:**

- LHA caps introduced for each size of property;
- Rates set to reflect the bottom third of private rents;
- An increased age limit from 25 to 35 for shared accommodation rate.

### **Homes and Communities Agency (HCA) Affordable Homes Programme 2015-2018<sup>6</sup>**

Through the Affordable Homes Programme 2015-2018, £1.7bn capital grant funding has been made available nationally outside of London to fund affordable housing over the three year programme period. Registered Providers can charge affordable rent (up to 80% of market rent) on the rented accommodation they build. Section 106 schemes cannot benefit from grant funding. Registered Providers are expected to maximise the number of new

<sup>5</sup> <http://www.legislation.gov.uk/ukpga/2012/5/contents/enacted>

<sup>6</sup> <https://www.gov.uk/government/collections/affordable-homes-programme-2015-to-2018-guidance-and-allocations>

affordable homes delivered with the available grant funding, supplemented by their own contributions

The new 2016 to 2021 Affordable Homes Programme, will have continuous market engagement (CME) but will continue to operate for shared ownership bids only and there is a clear onus on home ownership.

- Help to Buy, £4.1bn - 135,000 homes
- Starter Homes, £2.3bn - 200,000 homes
- Affordable Rent, £1.6bn -100,000 homes

## **Right to Buy**

This government scheme gives people the chance to buy the council house they are currently renting at a discounted rate. Right to Buy allows most council tenants to buy their council home at a discount of up to £77,900. From 2016 the Right to Buy will be extended to Housing Association tenants. Housing associations will be able to use sales proceeds to deliver new supply and will have flexibility to replace rented homes with other tenures such as shared ownership.

## **The Elphicke-House Report - From statutory provider to housing delivery enabler: Review into the local authority role in housing supply, January 2015<sup>7</sup>**

The review considered how councils can help to increase housing supply for their communities across all tenures. It found that councils could change, from being statutory providers to being Housing Delivery Enablers and have a primary role in setting out a vision for the development of their areas. It identifies how Councils can be proactive in creating housing opportunity working closely with businesses and other partners to share ideas and experience. They can also actively use their own assets and knowledge to unlock housing opportunities and deliver more homes, to build strong and sustainable communities.

The Report identified five key areas in developing a dynamic delivery approach to enabling housing development

- Community leadership and strategic clarity
- Creating housing opportunity
- Business leadership
- Management of housing supply
- Shaping a stronger housing finance market

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## Housing and Planning Bill 2015-2016

The Housing and Planning Bill<sup>8</sup> was published on 13 October 2015. The supply side measures in the Bill are focused on speeding up the planning system and delivering more housing. There is a clear focus on home ownership, with measures to facilitate the building of Starter Homes, self/custom build housing and the extension of the Right to Buy to housing association tenants following a voluntary agreement. The Bill introduces the following.

- Provision for a 'homeownership criteria' to ensure housing associations introduce the Right to Buy or provide 'an equal or greater level of support to tenants to help them into homeownership.
- A duty on councils to consider selling vacant high-value housing and provisions for councils to make a fixed payment to government each year.
- Powers to reduce regulatory control over housing associations.
- A general duty on councils to promote the supply of Starter Homes and provisions to require Starter Homes when granting planning permission.
- Duties on local authorities to keep a registers of people seeking land for self build and custom housebuilding.
- A range of measures aimed at the private rented sector including measures to deal with rogue landlords and letting agents, rent repayment orders and easier arrangements for recovering abandoned premises.
- Introduction of 'banning orders', to stop bad landlords from letting properties for at least six months and the introduction of a database of rogue landlords and letting agents and measures to make rogue landlords re-pay housing benefit to local authorities.
- Measures to force 'high-income social tenants' to pay up to market rents and powers to allow HM Revenue and Customs to share information to help verify social tenants' declarations on their incomes.
- Powers for the government to ensure that all councils get Local Plans in place by 2017, or face intervention.
- Automatic planning permission in principle on brownfield sites.

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<sup>8</sup> <http://www.publications.parliament.uk/pa/bills/lbill/2015-2016/0087/16087.pdf>

## **Local Context**

Central Bedfordshire is largely rural and contains a mix of attractive market towns and villages, with concentrations of population in the towns of Ampthill, Sandy, Biggleswade, Arlesey, Flitwick, Leighton Buzzard/Linslade, Dunstable and Houghton Regis.

Despite being largely rural Central Bedfordshire sits just outside London and between Oxford and Cambridge. It is bordered by two major towns Milton Keynes and Luton with London about an hours commute away. This has resulted in significant pressure for growth. The Council has already embraced a level of sustainable growth and has, as of 31/12/2015, 413 sites with planning permission which if built will yield a total of 6,126 new dwellings of which 1,557 will be affordable units.

The population of Central Bedfordshire is growing. The current population is 264,500 this is expected to rise by 20% to 318,630 by 2031. The population is ageing and people aged 65 and over account for just under 17% of the total; however this is expected to increase to 23% of the population by 2031.

There are currently 104,991 households in Central Bedfordshire this is expected to rise to 131,986 by 2031 which is a 26% increase and is an increase of 1,350 households per annum.

The predominant tenure is home ownership accounting for 74% of the housing stock. Social housing stock accounts for 13% of all housing and there is a thriving private rented sector which also accounts for 13% of the housing stock. The Council owns approximately 5,115 affordable/social rented properties, mostly in the south of the area and there are approximately 10,700 properties are owned by housing associations across the entire area.

There were 716 lettings by the Council and housing associations in 2014/15. 177 people were accepted as homeless, and there were 665 completions of affordable sale properties (provided as either shared ownership or Help to Buy) and 145 completions of units for affordable rent.

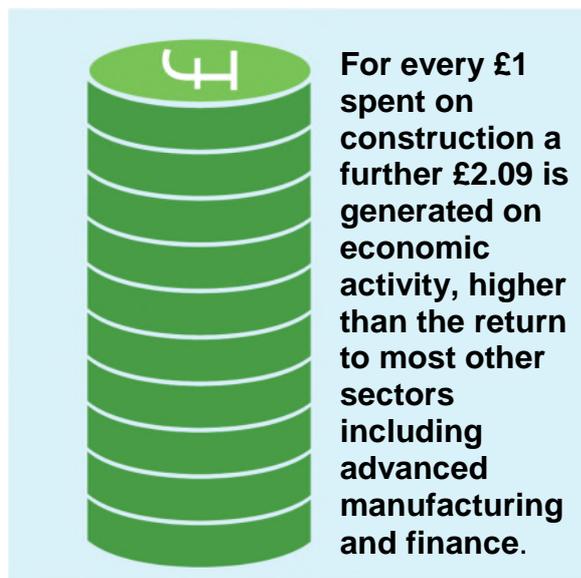
Affordability of housing is one of the most critical issues in the area with the average house price over £210,000, so getting on the housing ladder is unattainable for many. This is despite the fact that the average wage in Central Bedfordshire is higher than the national average so house prices are still unaffordable for many residents. Private rents are also high, and rising which therefore makes it difficult for people within the private rented sector to save up for a deposit for a mortgage.

## **Housing, economic growth and regeneration**

Investment in new housing can be a key driver for economic growth and regeneration. Expenditure on house building creates jobs for construction workers and those in associated occupations, with 'knock-on' effects on

demand in the broader economy. Improving housing stock and conditions can also play a critical role in district wide renewal programmes.

Effective regeneration requires a multi-faceted approach. To achieve this, housing initiatives must be linked with initiatives around economic growth, jobs, education and training, social inclusion and health. We recognise good quality, reasonably priced housing as a driver for a thriving sustainable economy. To attract and retain the highly-skilled workers that Central Bedfordshire businesses require, we must offer a high-quality built and natural environment and housing of sufficient quality.



Further evidence of the importance of housing to growth is provided in the work of the Local Enterprise Partnerships (LEPs). These are partnerships between local authorities and businesses set up in 2011 under the direction of the Department for Business, Innovation and Skills. Their purpose is to help determine local economic priorities and lead economic growth and job creation within the local area.

With a population of 264,500 Central Bedfordshire is the largest authority in SEMLEP (South East Midlands LEP) and we have more than 11,500 businesses and with 2000 start ups each year we contribute almost £4.5 billion to the national economy. Since 2012 government has encouraged LEPs to recognise the key contribution that housing makes to economic growth and has provided funding through the LEP 'route' to help facilitate housing growth, along with skills, transport and other infrastructure requirements.

Housing investment is an essential part of any regeneration programme. Upgrading or replacing run-down housing can make a major contribution to the renewal of residential neighbourhoods or mixed use areas such as our town centres, particularly when combined with initiatives relating to employment, education and health. High quality housing attracts skilled workers, which in turn provides incentives for business to set up or relocate to an area. More homes for sale helps more first time buyers and more affordable homes cuts waiting lists, this in turn can reduce costs to the Council.

Central Bedfordshire has growth pressures with lots of development coming forward. There are opportunities to direct and align the growth with our needs so that in identifying planning policies for new housing we are seeking not

only to provide additional homes, but also to support other regeneration objectives.

## **Local Plan**

The council is in the process of producing a new Local Plan which commenced on the 15<sup>th</sup> February 2016. The Local plan will set out the policies to meet the housing growth identified in the SHMA.

This Housing Strategy will inform the housing policies of the Local Plan. The Local Plan will take into account new housing need figures and will respond to changes to national planning guidance. The Plan will be underpinned and informed by a range of evidence studies. These include options for growth, a review of the greenbelt, a sustainability appraisal and economic market assessments.

There are four key elements of our approach to the Local Plan:

- focusing large-scale growth along major transport routes
- making sure that there is local infrastructure in place to support new homes and jobs
- easing pressures across the wider area by identifying further sites that can accommodate growth and that are supported by good transport links
- recognising the importance of protecting Central Bedfordshire's historic settlements and unique landscape

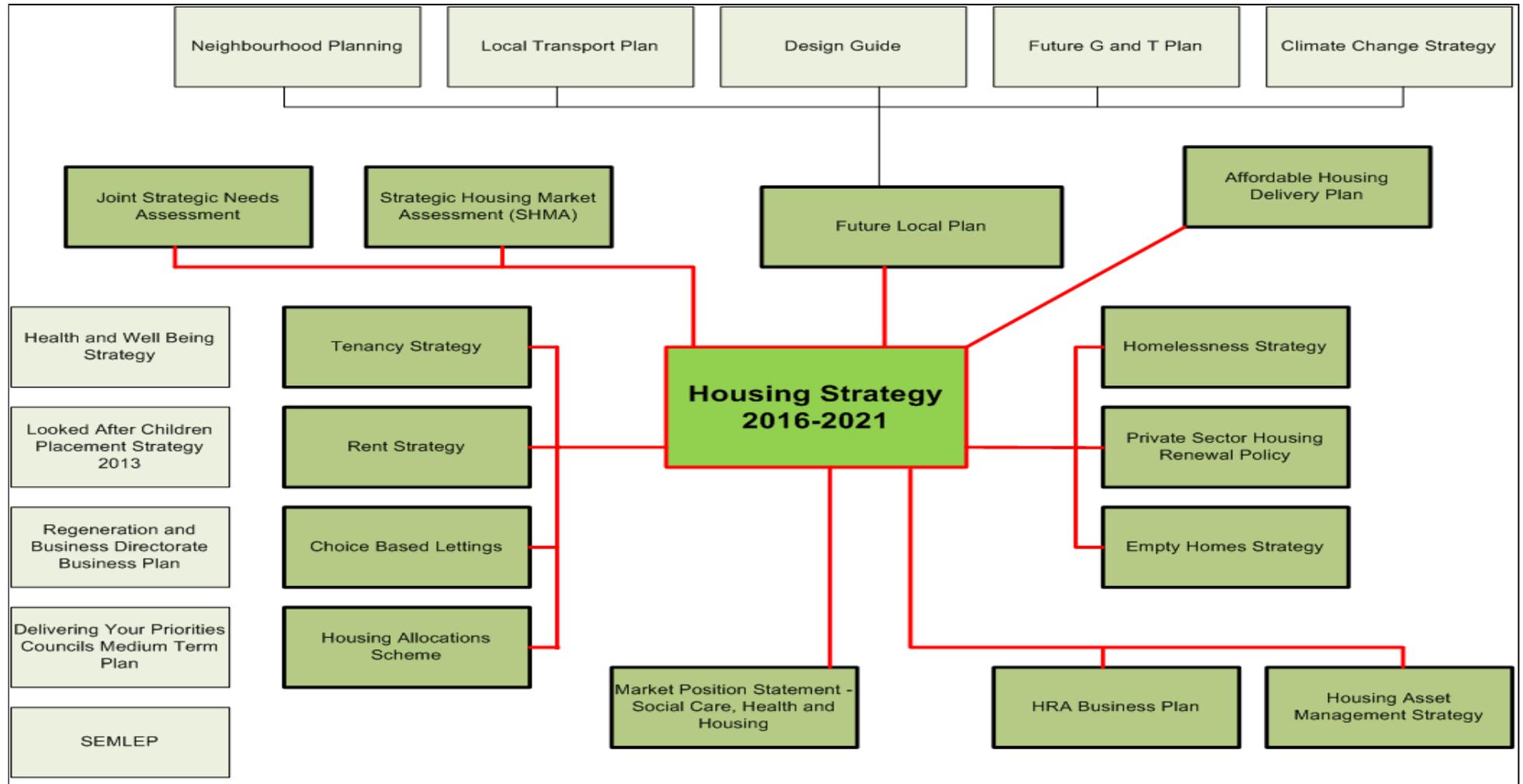
The Local Plan will include a range of new sites for housing including:

- new settlements of 2,000 or more dwellings
- urban extensions of 500 or more dwellings
- sites between 10 and 500 dwellings
- employment uses of over 10 hectares

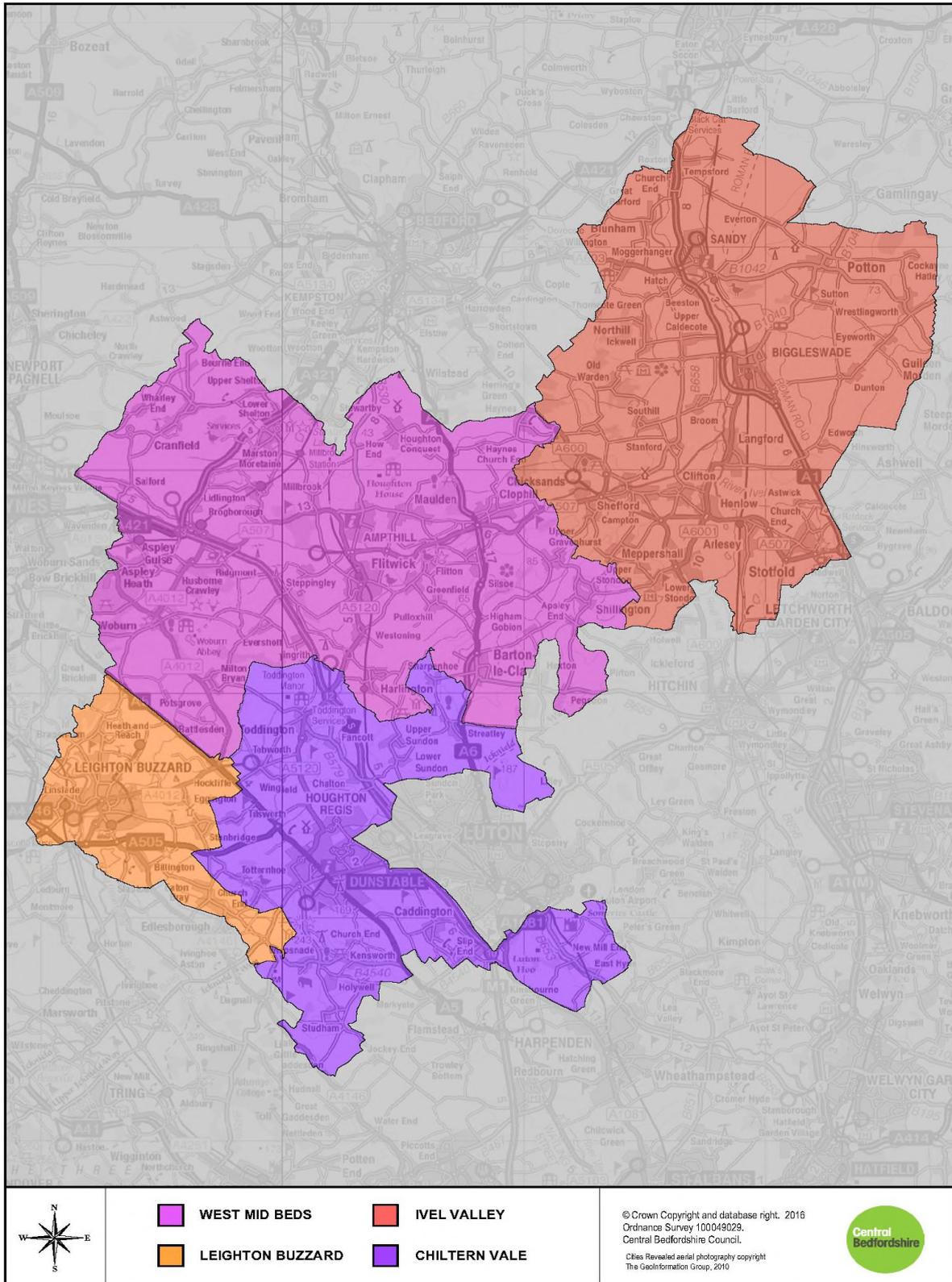
We aim to submit the Local Plan to the Planning Inspectorate in December 2017.

The Housing Strategy will also provide links and signposting to other Central Bedfordshire strategies and guidance that will contribute to addressing the housing challenges identified within this strategy. The diagram below shows the relationship with other strategies produced by the Council with direct (red) and indirect (black) links.

## Housing Strategy relationship and signposting to other Central Bedfordshire strategies and guidance



# Central Bedfordshire area map



## Theme 1: Enabling sustainable communities

	Key Objectives
1	Identify the gaps in our housing market and target them
2	The current target to deliver 1,475 new homes over the next five years is subject to change. Any change will be reflected in the new planning policies we are developing as part of the Local Plan
3	Enabling the right housing for the projected population growth across Central Bedfordshire
4	Enabling the market to deliver our needs
5	Ensuring delivery of housing to attract and retain key workers into Central Bedfordshire

The Council will continue to monitor demographic and household changes, and other housing market signals, so that we can target resources in the most effective way. Housing growth is needed across Central Bedfordshire to provide sufficient homes for people to live in and for businesses and local services to continue to thrive. At the same time, we need to protect our existing communities, ensuring that they are resilient and that they can link with and benefit from the advantages arising from housing growth. We need to take particular care to ensure that people who are vulnerable or potentially vulnerable, are not left behind and are able to share in the benefits that growth can bring to Central Bedfordshire.

Central Bedfordshire continues to have good rates of delivery of housing of all tenures as identified in the table below. There are a significant number of units in planning system already and we are driving them forward to ensure we can make up any shortfalls in housing and deliver more in the future.

Year	SR	AR	SO	Int Rent	First Buy	Help to Buy	Total Affordable units	Total built Market & Affordable units
2011/2012	234	-	122	24	52	-	432	1,310
2012/2013	54	44	89	-	131	-	318	966
2013/2014	22	55	63	-	13	284	437	1,264
2014/2015	6	139	146	-	-	519	810	1,522

SR = Social Rent, AR = Affordable Rent, SO = Shared Ownership, Int Rent = Intermediate Rent

The Council is working with partners to support the wider housing market and deliver more affordable homes to meet the rising need for affordable housing and the scale of the challenge is set out in the SHMA.

## Housing need by tenure

Market housing is the largest tenure in Central Bedfordshire and continues to grow with 75% of the need in this tenure category and many people aspiring to be homeowners. We will continue to support access to the home ownership products provided through mechanisms such as Shared Ownership, Starter Homes and Help to Buy and maintaining the delivery of new market housing. However it is important that we deliver the right housing in the right places that enhances the economic and social capital in Central Bedfordshire.

Future Housing need over the next 20 years: SHMA 2011 -2031 Housing Need by Tenure (2015 update)<sup>9</sup>

Tenure	Amount of Housing	Percentage
Market Housing	22,100	75%
Intermediate Housing	2,060	7%
Social Housing	5,370	18%
Total	29,530	100%

## Affordability

Affordability of housing is a key issue in Central Bedfordshire and we need to enable people to get on the housing ladder. It is especially important for people who work in the area to be able to live in the area. The Financial Policy Committee recommended mortgages should be at 4.5x income. The average wage for a resident Central Bedfordshire is £575 which would equate to an annual wage of £29,900. The average weekly wage for worker in Central Bedfordshire is £533 with equates to an annual wage of £27,716. Compared to the average house price of approximately £210,000 in Central Bedfordshire the average house price would require a household income of £46,666 to be able to get a mortgage. So it would be unattainable to get on the housing ladder on the average wage and impossible for those on low wages as the lowest quartile house price is 8.3x higher than the lowest quartile income/wage in Central Bedfordshire.

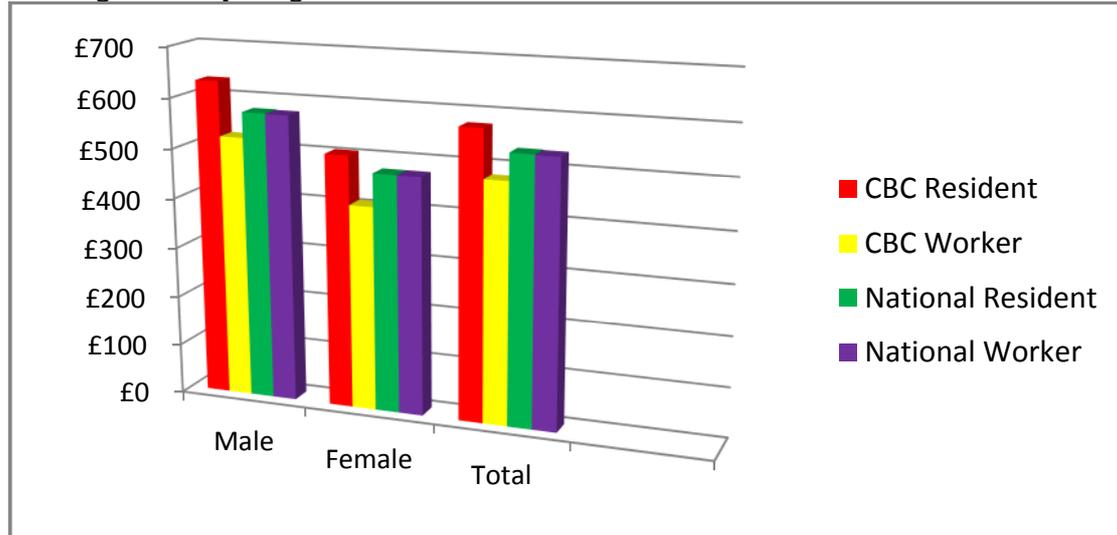
Currently households looking for shared ownership housing will require a stable income of between £20-30,000 approximately as well as the ability to raise a deposit and obtain a mortgage. Help-to-Buy, which has been delivered in Central Bedfordshire, requires a higher income which could be higher than £60,000. Therefore the opportunity to get on the housing ladder is limited for many.

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[http://www.centralbedfordshire.gov.uk/Images/2015%2010%2023%20Luton%20%20CB%20SHMA%20Update\\_tcm6-70119.pdf#False](http://www.centralbedfordshire.gov.uk/Images/2015%2010%2023%20Luton%20%20CB%20SHMA%20Update_tcm6-70119.pdf#False)

Average weekly wage for residents and workers in Central Bedfordshire.



The average wage of a resident in Central Bedfordshire is higher than the average wage of a worker in Central Bedfordshire. This means that people are commuting out of the area for work and could possibly mean that important employable skills sets are being lost to elsewhere. It is therefore important to push for the right housing products to ensure that key skills sets are retained and are employable in Central Bedfordshire. Engaging with local business and industry will help identify what housing is needed for the skills sets they employ and enable it in suitable commutable locations.

We aim to ensure that if you work in Central Bedfordshire you can live in Central Bedfordshire. Key to this is intermediate products such as Shared Ownership available to people who work in the area. We want to enable delivery of these types of products for key workers in key sectors; however we do not see this as the traditional key worker definitions from the public sector. Central Bedfordshire has a rich diversity of private sector employment from trade, engineering and other industries across the area. We have to ensure that these employees are also able to get onto the housing ladder and that they are aware of and able to gain access to these products.

Creating more mobility in the intermediate sector is important so people can move from one product to another and on to market housing, to help us make the best use of the homes we have available and enable products that better meet peoples' needs. It is important to encourage more social housing applicants into intermediate housing where suitable and will work with our Registered Providers and partners in the development industry to do this.

### Help to Buy

We have enabled a large amount of delivery of Help to Buy units which is the government's flagship home ownership scheme. We have currently the 3rd highest amount of Help to Buy units delivered nationally. The way Help to Buy works is the Government lends up to 20% of the cost of a new-build home, so

that only a cash deposit from 5% is needed and a 75% mortgage makes up the rest. The scheme is open to both first time buyers and existing home owners. Because of government support, lenders taking part are able to offer home buyers more high-loan-to-value mortgages (80-95%). This has enabled many people to get on the housing ladder within Central Bedfordshire and has been very successful.

There is a range of affordable housing products that need to be delivered but the message coming from central government is that home ownership is central to affordable housing delivery and policy, with the Housing and Planning Bill at the forefront of this. The Housing and Planning Bill includes a duty on Local Planning Authorities to promote Starter Homes and provisions to require their inclusion in schemes as part of the affordable housing package. It also emphasises:

- Maximising the release of underused previously developed land to be used for starter homes
- Enabling communities to allocate land for the properties through their neighbourhood plans
- Bringing forward proposals to ensure every reasonably sized housing site includes a proportion of starter homes
- Promoting starter homes by bringing forward regulations that would exempt developers from levies that are sought when building homes, such as the Community Infrastructure Levy
- Monitoring how effective local authorities are in delivering starter homes developments

## **Viability**

Only financially viable schemes will deliver affordable housing. This means that schemes must be large enough to generate an affordable housing requirement, in areas with values that will support the delivery of affordable housing, and free of infrastructure requirements which will undermine the financial viability of the schemes. There is now limited government funding for Registered Providers and they will be more cautious about development commitments and therefore we need to create of a positive environment to support investment and development in Central Bedfordshire.

The housing market in the area is strong however local land costs remain relatively high. With more development planned, both locally and nationally, the construction industry is reporting that skill shortages are becoming an issue as well as shortages of building materials. This has the knock on effect on build costs which continue to rise, which will affect the financial viability of

schemes. This has led to incidences of developers wanting to renegotiate section 106 agreements on financial viability grounds.

Changes in planning regulations have also had a major impact and there is a strong emphasis on viability assessments with the new regulations making such assessments easier to apply for and to take to appeal and the approach to land value within those assessments have all exercised a downward pressure on affordable housing.

However we will continue to take a robust approach to scrutinising claims of financial viability issues, to maximise provision of affordable housing on all new developments.

### **Grant Funding**

The Homes and Communities Agency (HCA) are currently closing the 2015 - 18 Affordable Homes Programme. This will be replaced by the 2016 - 21 Affordable Homes Programme, the details of which will be published in the upcoming months. Bids for grant for affordable rented homes are no longer being accepted; new grant is currently only awarded to shared ownership schemes.

It is very likely that the new programme will concentrate on low cost home ownership schemes rather than the provision of affordable rented homes. Grant that has already been allocated will remain and it is important that schemes with HCA grant are able to complete. However alongside the recent reduction in rents by 1% pa for 4 years on Registered Providers and Local Authorities there will be significant impact on revenues which mean that the delivery of affordable rented homes will be harder,

We are currently in dialogue with the HCA about possible sites for Starter Homes pilot schemes and are taking a proactive approach to development by engaging early with the HCA on new programme initiatives. Where possible we will seek direct funding from the HCA. Alongside this it is essential that we support our Registered Provider and development partners to promote their sites to obtain HCA grant and other possible funding streams when developing in Central Bedfordshire.

### **Planned Housing Delivery**

The withdrawn Development Strategy identified four strategic urban extensions (SUEs) which could deliver large numbers of housing and infrastructure in the future across Central Bedfordshire at Houghton Regis, Land North or Luton, Land East of Leighton Linlade and the Wixams adjoining Bedford Borough. Overall if these sites are developed they will provide approximately 13,400 dwellings, around 9000 already have planning permission.

<b>Strategic Urban Extension</b>	<b>Dwellings (approx.)</b>
Houghton Regis North 1	4,700
Houghton Regis North 2	1,500
Land North of Luton	3,200
East Leighton Linslade	2,500
Wixams Park	1,500

## **Rural areas**

Small and medium sites also play an important role in contributing to our housing targets and meeting local housing needs and ensuring people can remain in their local communities. Central Bedfordshire has a large amount of small rural communities where small and medium sites can be promoted and progressed to provide housing to meet local need and enhance the communities living there. It also enables development opportunities for small and medium sized local builders in the area who otherwise would not be able to develop large sites.

We have been proactive in identifying housing need in local areas, 32 housing need surveys have been carried out since 2007. (N.B. 9 surveys are now older than 5 years and thus considered out of date in planning terms). A need for 278 units of affordable accommodation has been identified: 196 for Affordable Rent and 82 for Shared Ownership. We have delivered 6 rural exception sites since 2010 which are let to local people in accordance with a local lettings policy to ensure that that identified local needs are met. There is a cascade mechanism in rural exception local lettings, which means that those with a housing need in neighbouring parishes form the second preference group after those in the parish itself.

Affordability problems are particularly acute in the rural areas and a lack of reasonably priced housing can mean that people have to leave the communities they have grown up in to find housing. This can have an impact on sustainability of villages, in particular facilities such as schools, shops and healthcare. Along with this we have had many parishes undertaking Neighbourhood Plans; we are involved with enabling this process which is helping to identify sites to meet local housing need.

In order to deliver local communities housing needs, it is vital to work with Parish and Town Councils. We work with Bedfordshire Rural Communities Charity (BRCC) to engage Parish and Town Councils and local communities to ensure that they have involvement with the development of rural exception sites and ensure that local housing need for local people is met.

## **Design Standards**

The Council places great emphasis on the need for new development to be of the highest possible quality, ensuring that the places created now provide a

lasting legacy and are locally distinctive. In line with the national housing strategy, in which the Government emphasizes that homes need to be well designed, of the highest quality and environmentally sustainable.

We promote, via housing and planning policy, the building of Lifetime Homes. This involves designing houses so that they can be adapted for the changing needs of families, particularly if a member of the family becomes disabled. Nationally there is a specific set of criteria that must be met to achieve the Lifetime Homes Standard; as well as the benefits for future tenants; this improves the chance of grant funding from the HCA. It is not always appropriate for every home to be designed to this standard, particularly when designing new Council homes which may not be eligible for grant funding, given that it can result in an initial configuration which does not suit the household who may well occupy the property for many years. Therefore Central Bedfordshire has created a Design Guide with the standards that we want housing to achieve.

The Central Bedfordshire Design Guide<sup>10</sup> sets out the key principles and standards to ensure all new development is of the highest quality. It sets out the Council's expectations in relation to layout, street developments, parking provision and home dimensions and is a material consideration in the determination of planning applications. We want all new development to be sustainable and of the highest quality.

## **Planning policy**

The new Local Plan will identify a range of sites in sustainable locations to deliver housing growth. The policies on housing, informed by this housing strategy will shape the form and tenure of housing being built alongside other factors such as viability outlined above. Development Management and the Council's pre-application advice, play a key role in providing clarity about development opportunities to land owners and the development industry. The production of Development Briefs and Supplementary Planning Documents also guide how development comes forward and what form it takes.

The plan led approach gives us some control over the locations, types and volume of houses that are constructed. It is nearly always preferable for new housing to be built on previously developed 'brownfield' sites. But developing these sites can be extremely expensive and render construction non-viable. In order for us to deliver more of the homes that we need, it is essential therefore to allow some building to also take place on undeveloped 'greenfield' sites.

Permitted development rights can now also be applied to office conversions. Office conversions to residential use carried out under permitted development rights but incur no affordable housing obligations.

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<sup>10</sup> <http://www.centralbedfordshire.gov.uk/planning/strategic-planning/urban-design.aspx>

## **Self-build**

The Self-Build and Custom Housebuilding Act 2015 places an obligation on local authorities to keep a register of potential self/custom builders and to make land available for self/custom build. The policy is intended to “increase routes available to home ownership” and should help to increase overall housing supply in Central Bedfordshire. Whilst most land provided for self-build projects is sold at market value for residential land, land on exception sites can be made available at a lower price which reflects the restrictions placed upon the type of housing which can be provided there. This can contribute to an increase in affordable housing provision. Housing built on exception sites is expected to remain affordable in perpetuity.

The Self Build Register will help gauge the level of demand from people wanting to build their own home in the area and we would look to support this through site allocations and policies in the Local Plan.

## **Existing Housing Stock**

The predominant tenure is home ownership accounting for 74% of the housing stock. Social housing stock accounts for 13% of all housing and there is a thriving private rented sector which also accounts for 13% of the housing stock. The Council owns approximately 5,115 affordable/social rented properties, mostly in the south of the district and there are approximately 10,700 properties owned by housing associations across the entire district. Making best use of the existing housing stock is key for Central Bedfordshire. There are three parts to optimising existing housing:

- Raise standards in the Private Rented Sector
- Deliver the best use of existing housing
- Reduce empty homes

We want to promote the best use of Central Bedfordshire’s current housing stock and facilitate partners to build the type of housing that is needed for the future needs of the districts population and its environmental sustainability. In order to meet some of the demand within Central Bedfordshire and improve the housing offer for people, it is important to work with the housing that we have, making sure that our current resource is optimised and that we are working towards increasing standards.

## **Empty Homes**

Central Bedfordshire has 1,200 to- 1,300 empty homes which are only a small proportion of the housing stock. This is around 1.5% of the total number of houses and some vacancies are required to allow for movement within the stock. However all of these long term empty properties could potentially

provide much needed additional homes. The Empty Homes Strategy 2010-2015 sets out the action plan to address this issue.

Central Bedfordshire Council maintains a priority register for properties which have been empty longer than five years. The list is generated via Council Tax which relies upon the owners of the properties declaring them as empty to the Council.

There are several initiatives available to property owners to enable the empty properties to be brought back into use. From these initiatives, there will be the scope to explore nomination rights for the Council in order to have the properties as an affordable tenure.

### **Compulsory Purchase Orders (CPO)**

On some sites, either allocated for housing in the local plan or with a planning consent which are not coming forward for delivery, the Council will consider the use of CPO powers if the RP or Council is unable to secure the land by negotiation.

This power is given by S.17 Housing Act 1985. However, the prior consent of the Secretary of State is required to take this course. That prior consent is quite separate from, and in addition to, the final confirmation of the Orders in due course.

Such landowners would not be prejudiced, since a CPO would not be confirmed until Central Bedfordshire could prove that the scheme was deliverable and that planning consent had either been secured or there were no obstacles to such consent. Accordingly, the landowners would receive compensation reflecting the full development value of the land.

If it became clear that a CPO was the only way to bring a site forward, this would be subject to a further report to Executive. The Council will also need to secure the authority of the Secretary of State to use CPO as a means of ensuring sites come forward for development.

<b>Proposals to address the challenge</b>
Develop a pipeline of opportunities for a further <b>7,375</b> homes for the period 2016-2021 which can support bids to the HCA.
Respond positively to changes to the planning system to support the increased opportunities and flexibilities to deliver new housing. A proactive response will place the Council in the best position to shape the development to meet the needs of the community.
Use Council assets and work with partners to identify suitable public sector land to build affordable homes and explore ways to acquire land for affordable housing development now and in the future.
When disposing of its own land the Council has the power both to sell at less than full market values in order to provide additional affordable housing over

and above plan policy requirements.
Identify previously developed land and buildings that could be made available for residential use and work proactively to address the challenges in bringing them back into use.
The Council will work with housing providers (including housing association and self/custom builders) to explore innovative mechanisms for land disposal which aim both to increase the overall supply of affordable housing and to increase the quality and variety of market housing provided.
Work with the construction industry to explore ways to improve the housing supply chain through efficiencies and volumisation to increase the supply of new homes.
Explore the use of new technology and innovation such as modular construction in order to increase the supply and reduce construction time of new homes.
Continue to refine our understanding of the housing market in Central Bedfordshire to ensure that we are able to best meet existing and future needs and regularly update our Strategic Housing Market Assessment.
Engage local business' to find out what housing needs there are for their employees.
Promote our design guide and direct developers to deliver the specifications identified within it to meet our needs.
Create a technical guidance document on the housing standards we expect in the area for affordable housing e.g. Lifetime Homes, wheelchair accessible and mobility standard homes.

Fairfield Park, Stotfold



## Theme 2: Affordable housing delivery

	Key Objectives
1	Maximise the delivery of affordable housing in Central Bedfordshire and provide for a wide range of housing needs.
2	Deliver 364 affordable homes per annum as identified by the SHMA 2015 update
3	Create more mobility in the intermediate sector so people can move from one product to another and on to market housing, to help us make the best use of the homes we have available
4	Optimise the value of our own assets; improving those we want to keep and disposing of those that are not financially or socially viable, so that our housing portfolio aligns with our long term needs
5	Get the most out of partnership working with Registered Providers and Developers and raise housing quality standards

The SHMA update 2015 shows that there is a requirement for 364 Affordable Homes per annum. Affordable Housing is not been limited to the provision of housing for affordable rent but includes intermediate tenure housing which has been almost entirely made up of different forms of low cost home ownership.

The balance between affordable rented housing and affordable low cost home ownership is significant. The SHMA analyses income levels in relation to housing costs. On the assumption that all those who can afford Affordable Rent without Housing Benefit could afford Shared Ownership and that 35% of household income is assigned to housing there is a need for 27% affordable housing at a 73% affordable rent and 27% intermediate tenures.

In order to maximise provision of affordable housing the council will continue to seek, as a minimum, 30% of new homes to be provided as affordable housing in the South (former South Beds district) and 35% in the North (former Mid Beds district) at a mix of 73% affordable rent and 27% Intermediate tenure as per our current plans on all qualifying sites of 4 units and above. At this tenure mix the SHMA identifies that of the 364 affordable homes delivered per annum 265 should be for affordable rent and 99 units for intermediate tenure.

### Section 106 Legal Agreements

In negotiating S106 affordable housing contributions the Council has operated a practice over many years of seeking 63% rented housing and 37% shared ownership as per the SHMA 2014. The national affordable housing

programme does not allow for grant funding to be used on any Section 106 schemes. Due to the reductions in grant available for S106 sites many schemes fell short of the Council's overall policy requirement of 30% affordable housing due to financial viability issues. The mix of affordable housing tenures also became an element in the negotiations with applicants. In recent times the Council has negotiated the tenures and accepted different affordable, intermediate products and homeownership products to ensure schemes are financially viable and can be delivered. The new tenure mix of 73% affordable rent and 27% intermediate tenure will put further pressure on the viability of schemes and delivering much needed affordable rent. Despite increasing sales values in the area, Registered Providers are reporting that they are finding it difficult to compete with private developers in both urban and rural areas as a result of increasing build costs<sup>11</sup> coupled with smaller economies of scale.

On S106 sites the Council has to balance meeting the need for Affordable Rent demonstrated by the SHMA against supporting access to owner-occupation. The duty that will be in place from a date in 2016 to promote Starter Homes and the need to consider the viability of schemes will be an issue for the Council but we will ensure that we seek an appropriate mix of affordable tenures to meet housing needs identified in the SHMA.

### **Partnership Working**

We know we cannot deliver all the housing that is needed alone. We need to work with the private sector to unlock sites with planning permission to increase housing supply. We will establish and enhance the key relationships with Registered Providers and Developers.

The Council must consider the views of its Registered Provider partners. Elements of Shared Ownership within a scheme can be an important factor in the financial viability of the scheme for RPs. The implications of the July 2015 budget change to a CPI-1% rent regime and the voluntary agreement on the Right to Buy will vary between RPs. An element of cross-subsidy from Shared Ownership to Affordable Rent may be necessary to enable sites and make them viable.

Registered Providers are reporting that the announcement in the budget to cut rents by 1% pa for 4 years will have a significant impact on their revenues. Subsequently their ability to deliver homes for affordable rent has been impaired and they are looking to increase other tenures such as shared ownership, Help-to-Buy and open market sale to ensure sites are viable going forward.

We believe there is scope for a 'mixed economy' approach to housing delivery whereby all sectors are contributing, the private sector (with affordable housing secured through planning obligations) and Registered Providers who

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<sup>11</sup> BCIS accessed 27/10/15 shows increase of 22.5% over last 3 years in Bedfordshire

provide new affordable housing as their core business, and the council delivering affordable housing directly. Most of the new affordable housing provided in recent years has been through Registered Providers, and we will continue to work with them in their plans for development going forwards. An important element of this strategy is to enable Registered Providers and developers to initiate the delivery of more affordable homes and also generate more value through other initiatives offering social and economic inclusion.

When selecting Registered Providers to work with on Section 106 sites, we ask developers to consider the long term management of affordable housing as well as the construction and initial sale or letting of the properties. We aim to ensure that the provider has a local base from which to manage affordable homes in Central Bedfordshire. This is to ensure the properties are well-managed and it is an important benefit not only to the tenants of the properties but also to the residents in the surrounding area. This in turn can assist future housing development, because local people are more likely to support a planning application if their experience of affordable housing was of it being well managed by an organisation with a commitment to the area.

### **Social and affordable rent**

Social rented and affordable rented housing is required for sections of the population who will only be helped by the provision of rented housing at below market rates. This population concerns the Council directly through the Housing Register and the Homelessness Duty.

The housing register stood at 2,258 (Oct 2015) Band 1 and 2 households accepted registering some level of housing need. We want to ensure affordable rents remain affordable in the area. The affordability of affordable rented housing (with rents set at 80% of market rents) is an issue with larger dwellings (4 bedroom plus) in certain areas of the district. We expect Registered Providers to monitor the Local Housing Allowance (LHA) level in relation to affordable rents and to manage the risk of rents being unaffordable to tenants on housing benefit and where possible provide rates lower than the max 80%. Our Rent Strategy provides the information on acceptable affordable rent levels in the area.

### **Intermediate housing**

Intermediate Housing has been defined to include intermediate rent, shared ownership and shared equity products. Intermediate rents were set at 80% of market rents and has been overtaken by affordable rent as the rents are calculated on the same basis. Shared ownership is the predominant form of low cost home ownership. Initial shares purchased in Central Bedfordshire are typically 35% - 40%. To be eligible household income is capped at £60,000. Shared Equity creates a purchase price for buyers at 75 - 80% of open market values. The income and deposit required are therefore significantly higher than for Shared Ownership and again out of reach for many.

Intermediate housing can provide a 'step up', but should not always be for life in Central Bedfordshire. Having a flexible policy would enable us to help more people, as properties can be re-let or sold as people move on to their next step on the housing ladder. We will therefore continue to engage with our partners across the housing sector to review how intermediate housing can facilitate mobility, so people don't get 'stuck' with no way of progressing on their housing journey.

Affordable housing should be high quality, attractive and not be readily identifiable within a new housing development. Through planning and the Design Guide we will promote high quality new homes, appropriate to their environment which enhances the surroundings for new tenants and their neighbours. Planning policies require affordable housing to be 'pepper potted' within market housing and be tenure blind. We will promote sustainable developments, which give a good space standard of dwellings to all new future occupants and can be adapted as households change over time.

### **Housing Asset Management Strategy (HAMS)**

Self financing provides the Council with the opportunity to review its approach to asset management, redevelop unsatisfactory housing stock, building new homes and regenerating areas. The Housing Revenue Account can provide the resources to not only improve our own stock but deliver much needed affordable housing in Central Bedfordshire. The HAMS advocates an approach that combines a comprehensive maintenance, remodelling and regeneration programme that may include demolition as well as building new homes.

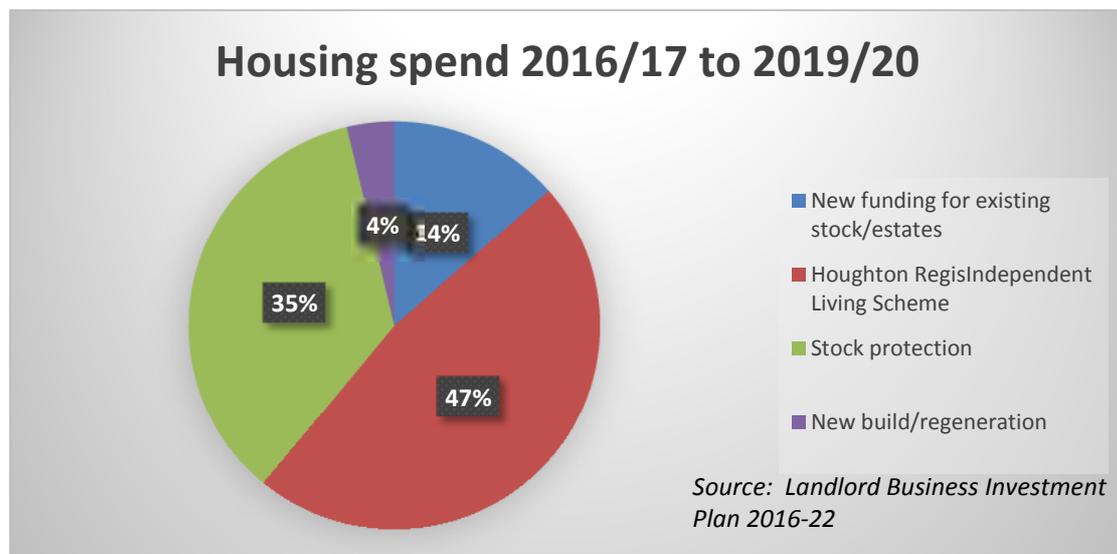
Two Priorities within the HAMS are focused on increasing housing delivery.

- Identify land to build new homes, primarily on a shared ownership basis, in locations where people need and want to live and where the need is not being met by others.
- Identify and evaluate opportunities for increasing the housing stock across tenures through new build, acquisition and management (e.g. Registered Provider (RP) disposals, repossessions & properties previously sold under the Right to Buy, managing other stock).

The Council is in a fortunate position to have a Housing Revenue Account (HRA) business plan that is healthy and has sufficient headroom to borrow funding to enable the options to build more affordable homes. However the amount of additional money the authority can borrow is capped at £65m. The reduction in social housing rents by 1% per annum over the next four years has affected the Council's income and potential to develop and investment capacity. To enable the delivery of the much needed affordable new homes moving forward, it will be important to look at alternative models to help deliver new homes that can work with the Council's HRA Business Plan to deliver more value for money. This can range from identifying land, HRA, General Fund or non-council owned, to build a variety of mixed tenure homes,

including sale and shared ownership, in locations where people need and want to live.

The Central Bedfordshire Council Housing Landlord Service has the potential to develop and operate as a wholly owned social enterprise. The HAMS is predicated on the organisation acting commercially, increasing both its scope and income, providing services across the Council and to the community. Self financing provides the opportunity to develop new business models, providing broader and more flexible services and generating additional income and creating the ability to deliver affordable homes.



Over the next four years the Council expects to spend an average of £15.5m on the housing capital programme. Approximately half the total spend (47%) is going on the proposed Independent Living Scheme at Houghton Regis. This scheme will also contribute to town centre regeneration and follows on from similar developments at Dunstable and Leighton Buzzard.

Proposals to address the challenge
<p>Delivery of a minimum of 364 affordable homes per annum, which will be a range of types and tenures to meet a range of housing needs across the area. Of the 364 affordable homes:</p> <ul style="list-style-type: none"> <li>• 265 homes will be for affordable rent per year</li> <li>• 99 homes will be for intermediate tenure per year</li> </ul>
<p>Review how our housing and planning processes can be utilised to deliver schemes more quickly, giving priority to schemes that deliver our objectives. Registered Providers have housing stock and asset value, a good proportion of which has been generated from increasing land values in the area; we want to see some renewed development interest.</p>
<p>Consider using identified or future commuted sums (this is money secured from developers as 'payment in lieu' to the Council for not delivering</p>

affordable housing onsite) or other sources of investment (such as public sector land) to assist with achieving the delivery of affordable housing that we set out in this housing strategy document.

Deliver more housing using the Council's land holding. Where the market is not delivering our needs we can deliver ourselves an example of this is Priory View, Dunstable an 83 bed Extra Care scheme.

Optimise the value of our own assets; improving those we want to keep and dispose of those that are not financially or socially viable, so that our housing portfolio aligns with our long term needs.

We want to build more of the right type of homes across all tenures, including smaller properties and homes that are attractive to older people wishing to downsize.

Ensure that the Council has nomination rights to new affordable homes in Central Bedfordshire.

Provide information to the public which allows them to better understand what homes are available and how they can get them and identify how much demand there is for them.

Flitton and Greenfield rural exception site

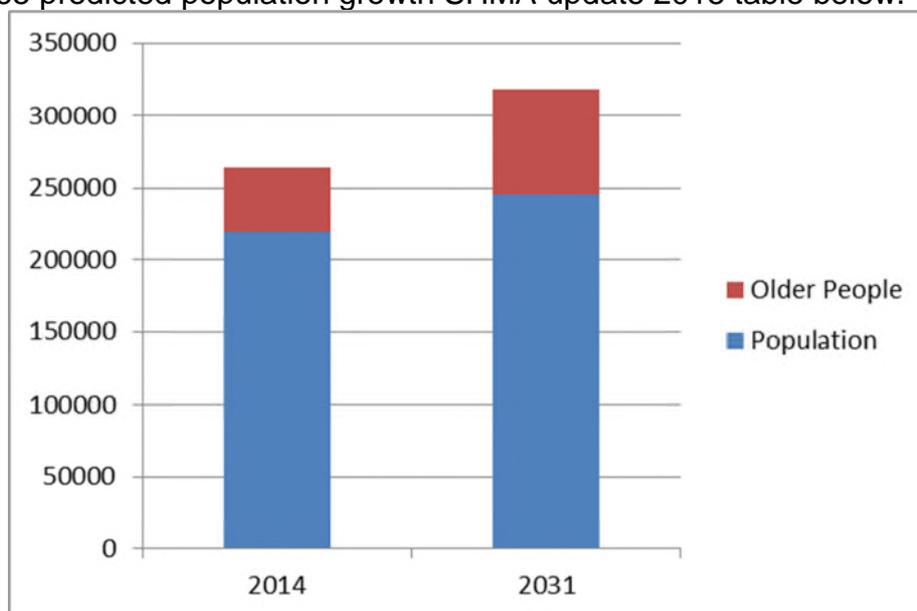


### Theme 3: Meeting the housing needs of older persons

Key Objectives	
1	Provide an attractive range of housing options for older people and reduce the pressures on adult and health care services
2	Deliver suitable housing for older persons to enable downsizing and free up larger properties in the housing stock
3	Ensure that the provision of accessible housing and housing options for older persons are improved
4	Ensure the provision of flexible and personalised care and support to enable people to live independently for as long as possible as their care needs develop with age

An ageing society is one of the greatest challenges for housing and national government has identified this as an area where significant changes need to be made, not only in the actual buildings but in challenging society's perceptions of what housing for older people should mean. The number of older people in Central Bedfordshire is expected to increase. One of the key issues for this strategy will be how we plan for an ageing population and particularly the over-65s, not only in terms of how we manage the existing housing stock, but also any new provision.

Over-65 predicted population growth SHMA update 2015 table below.



Our Local Plan is required to comply with the National Planning Policy Framework (NPPF) which places specific emphasis on the needs of older people, identifying them as a diverse group with a range of needs, abilities and preferences and who require a range of different types of housing:

“accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.”

Current National Planning Practice Guidance (NPPG) describes the need to provide housing for older people as “critical” both to support their own wellbeing and to make effective use of the housing stock by freeing up “houses that are under occupied.” The NPPG seeks the full range of need for older persons’ accommodation from “particular types of general housing, such as bungalows” through sheltered, enhanced sheltered, Extra Care, to registered care to be assessed and broken down by tenure.

Research shows that older people prefer to retain the same tenure arrangement if they move. The majority of older people in Central Bedfordshire are owner-occupiers (76.9%), representing a large pool of potential customers with significant resources that are likely to be interested in market sale accommodation. By providing and enabling an attractive housing option we can free up occupied larger homes both in the private and social housing sectors. We need to enable a range of options regardless of whether they rent or own their own property. In regards to the social sector this work has already begun with the development of two extra care schemes at Priory View, Dunstable and Greenfields, Leighton Buzzard.

Meeting the Accommodation Needs of Older People team (MANOP) estimate that providing Extra Care accommodation offers potential cost savings in three areas of adult social care expenditure:

- The diversion of those with the highest care needs away from residential care
- A saving in the ‘per hour’ cost of domiciliary care compared to delivery to people living in their own homes
- A (small) reduction in the amount of care people need in Extra Care as opposed to living in their own homes.

However it is not just about building large facilities as many people want to stay within existing communities. Mainstream housing that is designed with older people in mind such as bungalows and homes without stairs, ground floor apartments and apartments with lifts are an important part of the equation.

We need to deliver mobility standard and wheelchair accessible units in sustainable locations in a range of tenures. Accommodation that is suitable for older person’s needs, should be located close to town and neighbourhood centres, as it brings customers to local businesses and gives residents easy access to goods and services and combats social isolation experienced by many older people.

The SHMA Update 2015 considers a need for a range of specialist retirement housing broken down between types and tenures.

<b>Future need identified for specialist older person housing units from SHMA 2015</b>	
Extra Care for sale	520
Extra Care for rent	260
Leaseholder Schemes for the Elderly	2,100
<b>Total</b>	<b>3,340</b>

The total requirement for Extra Care is very similar to the MANOP tenure-blind calculation of 861 units to year 2030. 170 units each of enhanced sheltered accommodation for rent and sale and 100 units for people with dementia are also identified.

As older people have higher levels of health problems (including dementia) and disability there will most likely be an increased need for support and care. This could be provided either in the form of specialist housing, or adaptations and/or floating supporting in their existing home.

Adaptations are important, as they enable older people to remain living in their own home and can prevent a move into specialist accommodation. However they are not often cost effective. On the Disabled Facilities Grant scheme Central Bedfordshire spends approximately £2.5m per year adapting properties. Of the £2.3m spent in 2013-14, £1.9m was spent on properties not owned by the Council, ones which were privately owned or rented either from Registered Providers or other landlords. We want to provide a wider range of housing options for older persons and reduce the pressures on adult and health care services.

### **Accessible Housing**

The ageing population is likely to have increased need for flexible, spacious accommodation which is already suitable for or can be adapted to accommodate wheelchair users. We recognise that we need to respond to these needs and to offer a range of housing choice to all households.

Recent changes to Building Regulations (Part M) have introduced 3 categories of dwellings.

- Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

The housing we deliver now must be future proofed with these standards. We must maximise the opportunity for older people to remain in their existing home as they age by increasing the availability of housing that is designed

with this in mind. Housing must be flexible to personalised care and support to enable people to live independently for as long as possible as their care needs develop with age.

Central Bedfordshire has been split into four localities based on the NHS Clinical Commissioning Group areas, when assessing the older population. The four localities are Chiltern Vale, Leighton Buzzard, Ivel Valley and West Mid Beds (see map page 19). Each has their own identified needs and has its unique characteristics, but the following trends apply to all:

- A growing number of older people
- High levels of owner occupation
- Reasonable levels of affluence
- A significant proportion of older people funding their own care

Older accommodation needs change and this is a challenge. Many older people have equity and live in larger under occupied homes however there are not attractive options in the market for them to leave their current accommodation. The accommodation for older people is a largely untapped market which presents exciting opportunities. We are keen to help create new partnerships to enable creative solutions that are financially viable and sustainable which deliver a wide range of attractive accommodation types for older people.

The emerging Meeting the Accommodation Needs of Older People in Central Bedfordshire, Investment and Development Prospectus 2015-2020 identifies what we want from the market to provide for our growing older population.

### **Under occupation and down-sizing**

It is frequently the case that larger family homes become under occupied once any children have grown up and left home. Freeing up these larger under occupied properties has proved challenging for many years. Current initiatives to help this include:

- Relocation assistance
- Financial incentives
- Housing Options Advice
- Prioritising down-sizing households for new build
- Developing extra care as alternative provisions for elderly and potentially vulnerable households.

### **Proposals to address the challenge**

Creation of the Meeting the Accommodation Needs of Older People in Central Bedfordshire, Investment and Development Prospectus.

Facilitate the development of six affordable extra care schemes by the end of

2020 plus two more in areas of greatest demand and a minimum of 480 units across the board.
Deliver one scheme of 80 apartments or more in each locality area and two additional schemes in areas of high demand. Actively promote the development of extra care schemes, providing a range of tenure from affordable rent to market rate sale.
Encourage the development of open market extra care schemes to provide apartments for sale and private rent. Work with architects, Registered Providers and developers to design homes that take into account the needs, expectations and aspirations of older people.
By the end of 2020 reprovide the capacity in the seven Council-owned care homes (249 places), in homes that have modern physical and environmental standards.
Work with current care home operators that wish to improve the physical and environmental conditions in their homes by remodelling or reproviding.
Encourage developers to build mainstream housing that is designed with older people in mind such as bungalows and homes without stairs, such as ground floor apartments and apartments with lifts as part of new residential developments and that are attractive to older people.
Negotiate the delivery mobility standard and wheelchair accessible units in sustainable locations in a range of tenures where we have evidence of need.
Enable accommodation that is suitable for older people located close to town and neighbourhood centres, as it brings customers to local businesses and gives residents easy access to goods and services. Reduce social isolation experienced by older person by delivering inclusive housing schemes.
Enable the supply of good quality care home places, encouraging new care homes to be developed in areas that have a shortage.

Priory View, Dunstable: 83 bed Extra care development



## Theme 4: Meeting the housing needs of vulnerable people

	Key Objectives
1	Delivering housing and providing support for the most vulnerable and those with specialist needs
2	Prevent and respond to homelessness
3	Improve quality and access to affordable housing and private rented housing for vulnerable people
4	Support residents experiencing long-term unemployment to overcome barriers and move towards employment
5	Work with housing partners on meeting the requirements of the Care Act 2014 to help provide integrated care, support and prevention services

### Homelessness

The demand for affordable housing in Central Bedfordshire brings with it problems of homelessness. It is therefore vital that the Council continues its strong work to prevent households becoming homeless. The number of homelessness acceptances has fluctuated in recent years peaking last year at 177 homelessness acceptances.

Homeless acceptances (P1E data)	
2015/16 (up to end of Q3)	119
2014/15	177
2013/14	124
2012/13	159

Although this strategy is prioritising the delivery of new homes, the very real issues of rising homelessness and decreasing access to housing mean that there needs to be a focus on early intervention, prevention and enabling access to housing. Inherent within this will be a focus on intervention that can reduce the number of specialist interventions and prevent crisis. In order to achieve this, the Council will focus on working in partnership to bring resources together in order to maximise the impact of any interventions.

The Homelessness Strategy 2015 -2020<sup>12</sup> sets out 5 key priorities.

- Priority 1: Improve the provision of a range of housing options and services to effectively prevent and reduce homelessness.

<sup>12</sup> [http://www.centralbedfordshire.gov.uk/Images/15-04-27-Homelessness-Strategy-2015-2020-v3\\_tcm6-14311.pdf#False](http://www.centralbedfordshire.gov.uk/Images/15-04-27-Homelessness-Strategy-2015-2020-v3_tcm6-14311.pdf#False)

- Priority 2: Increase Housing Supply to meet the accommodation and support needs of homeless people.
- Priority 3: Reduce the use of temporary accommodation and bed and breakfast.
- Priority 4: Minimise the impact of welfare reform, while assisting homeless People to access opportunities for employment, education and training, and support them to raise and meet their aspirations.
- Priority 5: Develop an integrated partnership approach to tackling homelessness

Homeless households are usually offered temporary accommodation pending permanent rehousing. A lack of available temporary accommodation is resulting in increased use of bed and breakfast accommodation which is not only unsuitable for most homeless applicants but exceedingly expensive to provide. At 30/6/15 there were 64 households in temporary accommodation of which 17 were in bed and breakfast, including 13 households with children. We need to look at ways of securing more flexible temporary accommodation in the housing portfolio where we can ensure it is of a high standard and reduce costs where necessary.

Through the Homelessness Strategy and Action Plan<sup>13</sup> 2015 and JSNA 2014<sup>14</sup> Central Bedfordshire has made a clear commitment to increasing both accommodation based support and move-on units. More specifically, it is looking at setting up a shared accommodation pilot as well as taking on a former HMO (house in multiple occupation).

The following initiatives are being used to increase housing supply:

- Council's new build homes programme
- Targeted approach to the allocation of social housing to those in housing need
- Enabling chains of moves to free up social housing
- Lets Rent scheme to increase supply in the private rented sector
- Shared houses to meet the housing needs of single under 35 year olds

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<sup>13</sup> [http://www.centralbedfordshire.gov.uk/Images/15-02-20-Homeless-Strategy-Action-Plan\\_tcm6-65440.pdf#False](http://www.centralbedfordshire.gov.uk/Images/15-02-20-Homeless-Strategy-Action-Plan_tcm6-65440.pdf#False)

<sup>14</sup> <http://www.centralbedfordshire.gov.uk/health-and-social-care/jsna/default.aspx> Joint Strategic Needs Assessment (JSNA) assesses the health needs of the local population in order to improve the physical and mental health and well-being of individuals and communities.

Forging strong partnerships with Registered Providers, and working in collaboration internally we can identify opportunities for development of affordable rented homes, including on Central Bedfordshire Council owned land. A clear concept of need linked to nominations to end product can be established, sharing risk and looking at how products such as Help-to-Buy and Starter Homes can be used to facilitate the provision of rented homes for the acute end of housing need.

Where people approach us for social housing we assess their level of housing need. Households that are either currently homeless, at risk of homelessness, or living in unsafe or over crowded housing, are considered to be in the greatest need. Other households may have lesser degrees of need. We house as many people as possible, but where there is not an available home from Council or housing association stock we sign post to other options such as renting privately.

### **Private Rented Sector**

One of the major causes of homelessness locally is due to the termination of an assured shorthold tenancy. Nationally the termination of an assured shorthold tenancy is the main cause of homelessness. In order to effectively prevent homelessness arising from the private rented sector a range of prevention tools are required including early intervention and immediate responses to problems as they arise.

The private rented sector accounts for 13% of the housing stock. The potential of the private rented sector to meet housing needs is important. The Council is able to discharge its homelessness duty with offers in the private rented sector provided the initial tenancy is available for one year. However the affordability of decent accommodation and access to it are key issues. The availability of accessible private rented sector is limited primarily by the Local Housing Allowance (LHA) limits on rents that are eligible for Housing Benefit which are not attractive to most private landlords. LHA is currently frozen but rents continue to increase, potentially resulting in an increase in future numbers requiring affordable rented tenures and people being priced out of the private rental market.

The Council has a statutory obligation to take action against unsatisfactory landlords in certain circumstances, especially where they are deliberately letting homes which are unfit to live in and not undertaking appropriate remedial action. We will meet our obligations and publicise enforcement action to dissuade others from doing the same.

Lettings agents and property managers are now legally required to join one of three Government approved redress schemes. This now means that tenants and private sector leaseholders will be able to complain to an independent person about the service they have received. The Council will take enforcement action against those who are not members of an approved

scheme and letting agents who do not display their fees in accordance with the regulations.

Central Bedfordshire Council's Lets Rent initiative facilitates housing in the private rented sector by assisting in matching tenants with properties and providing a deposit which the landlord pays into a national deposit protection scheme. It also allows for discharge of homeless duty into the private rented sector. 63 lettings were secured between April and August 2015 by working with landlords and agents, providing deposits and guaranteeing rent. By attracting new landlords to this service at this rate we can discharge our duty to the private sector to house those in need. A Homelessness Prevention Budget of £138,000 for 2015/16 funds deposits and rent in advance paid in cash as landlords are reluctant to accept a bond or rent guarantee with the potential for payments to be refunded to the Council at the end of a tenancy and recycled into additional payments.

## **Employment**

The majority of people who approach the Housing Solutions Service in Central Bedfordshire are economically inactive, yet many homeless people want to work. Homeless people can face multiple and complex barriers to finding and staying in employment. We will help homeless people to access opportunities for employment, education and training, and support them to raise and meet their aspirations.

We would like to break the long recognised links between social housing and unemployment. Changes to Government guidance on allocations, mean the Council will have greater freedom to use social housing as an incentive, to encourage applicants into work alongside the housing provision for applicants in the 'reasonable preference' categories to whom we have a duty.

## **Care Act 2014**

The Care Act introduced the well being principle where local authorities must promote the wellbeing of adults in a number of its functions. A number of these aspects are relevant to homeless people such as physical and mental health and emotional well-being, participation in work, education, training or recreation, social and economic wellbeing and suitability of living accommodation. Suitable living accommodation includes adaptations, assistive technology and advice and assistance on housing options.

Under the Care Act:

- The suitability of living accommodation is explicitly listed as part of the definition of well-being, which sets the tone for the whole Act.
- Housing is now clearly referenced as part of local authorities' new duty to promote the integration of health and care.

- Registered providers of social housing are now explicitly listed as one of the partners a local authority must co-operate with when considering and planning a person's need for care and support.

The Care Act requires local authorities to be proactive to prevent, delay or reduce the need for social care support and this applies to the whole population, whether or not they currently use services. Local authorities will need to work with other organisations to identify people who might have support needs that are not being met and to make available services that will enable a person to stay independent.

### **Looked After Children Placement Strategy 2013**

Section 22G of The Children Act 1989 requires a council to take steps, as far as reasonably practicable, that secures accommodation for looked after children within the authority's area and which meets the needs of those children. Councils should consider the number of accommodation providers in their area that is sufficient in the Council's opinion and take account of the range of accommodation in their area capable of meeting different needs.

There are other groups who may require specialist forms of housing, including those with physical, sensory and learning disabilities. As well as requiring a percentage of homes to be built to wheelchair design standards, we will work with health and social care partners to identify what mix and location of housing is required to meet the needs of those groups.

There is a particular need to address the increasing challenge of providing the right homes and support for vulnerable people in ways that meet their needs and preferences. A coordinated approach is needed for housing, social and health care provision by a range of agencies, to ensure the services people need are provided efficiently and effectively.

<b>Proposals to address the challenge</b>
Ensure the best use of the Council's Housing Stock to meet customer need, through the Allocations Policy, the Annual Lettings Plan, tenancy sustainment approaches and shared tenancies.
Provide a simpler pathway to access advice on all types of housing needs. We will continue to manage demand and assist households at risk of homelessness through homeless prevention advice, although the number of preventions has fallen in the last year. Preventions will include assistance to remain at home or assistance to find alternative accommodation.
Reduce the use of temporary accommodation and bed and breakfast and minimise the use of unsuitable and expensive bed and breakfast accommodation. Review of our approach to temporary accommodation to ensure that it meets the current needs, eliminates the use of Bed & Breakfast accommodation and supports our approach to use private sector offers to

discharge the homeless duty.
Improve access to the private rented sector by continuing the Let's Rent Scheme and engaging landlords and promoting the scheme. Explore suitable measures to support households to sustain tenancies in the private rented sector. Target our work with landlords to those properties in receipt of housing benefit to ensure they meet minimum quality standards
Maintain a register of adapted and accessible properties to make it easier for people with disabilities to find a home that meets their needs.
Closely monitor the impact of welfare reform to both households and housing sector income and seek to minimise negative consequences.
Ensure that the Housing Solutions service actively works with customers to raise their aspirations and help them to access employment, education and training.
Work with our partners in the health and wellbeing sector to provide appropriate and effective housing related support for vulnerable people.
In partnership explore the feasibility of developing a social enterprise to create employment opportunities for homeless customers.
Identify and establish learning disability and other vulnerable clients housing needs across Central Bedfordshire.

## **Implementing the Strategy**

In order to address the challenges identified in the Housing Strategy we need to work together with our partners. An action plan has been developed with key objectives and accountabilities to ensure delivery.

The Housing Strategy priorities will be monitored by and Central Bedfordshire Local Plan Delivery Board (CBLP). The action plan will be monitored and reviewed annually so that it is responsive to emerging needs, policy and legislative changes and achieves the priorities contained within it.



**A great place to live and work**

**Contact us...**

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## Appendix: Evidence base

### Housing Need Data

- Need to deliver a minimum of 1475 homes per annum for the next five years which will be a range of types and tenures.
- Affordability is worse than the national average in Central Bedfordshire. The lowest quartile house price is 8.3x higher than the lowest quartile incomes.
- September 2015 the average house price in Central Bedfordshire (CBC) was £210,800.
- Average weekly wage resident CBC in Male £632, Female £505, Average £575 = Annual wage £29,900
- Average weekly wage worker in CBC Male £524, Female £408, Average £533 = Annual wage £27,716

Assessing affordability by household type and age (Source: ORS Housing Model based on Census 2011 and Department for Work and Pensions)

	Under 25	25-34	35-44	45-54	55-64	65+
<b>Percentage unable to afford market housing</b>						
Single person household	22%	9%	17%	22%	25%	27%
Couple family with no dependent children	12%	4%	6%	8%	7%	12%
Couple family with 1 or more dependent children	54%	22%	10%	7%	10%	14%
Lone parent family with 1 or more dependent children	84%	76%	49%	36%	44%	60%
Other household type	40%	24%	22%	19%	17%	11%

- SHMA Update 2015 identifies a need for 27% affordable housing at a 73% affordable rent and 27% Intermediate Tenure split.
- SHMA Update 2015 recommends that 364 new affordable homes are delivered each year to meet emerging demand.
- 665 completions of affordable sale properties, 145 completions of units for affordable/social rent in 2014/15
- Housing Stock  
74% Home ownership  
13% Social housing

13% Private rented sector

- There are 5205 homes in the CBC portfolio  
Houses account for half (50%) of the total stock;  
1808 flats in blocks of two to five storeys  
153 bedsit properties,  
133 maisonettes,  
773 bungalows.
- CBC housing stock accounts for 6% of the total housing in the district and 36% of the affordable housing.
- As of 31/12/2015 we had 413 sites with planning permission for a total of 6,126 new dwellings of which 1,557 were affordable units.

### Older Person Data

- Currently 5,010 people aged 85 and over.
- 20,000 older home owners (aged 65 and over) and just over 1,000 social rented tenants have two or more spare bedrooms.
- 76.9% of older residents own their home. 17.0% rent from a social landlord, 3.6% privately rent and 2.5% live rent free.
- Over 15,000 people aged 65 and over who are unable to manage at least one personal care task and by 2030 this is predicted to rise to over 24,000 people.
- Over 3,000 people living with dementia in Central Bedfordshire and this number is predicted to rise to 5,400 by 2030.
- In 2011 40,275 people aged over 65, projected 73,315 people aged 65 or over by 2031.

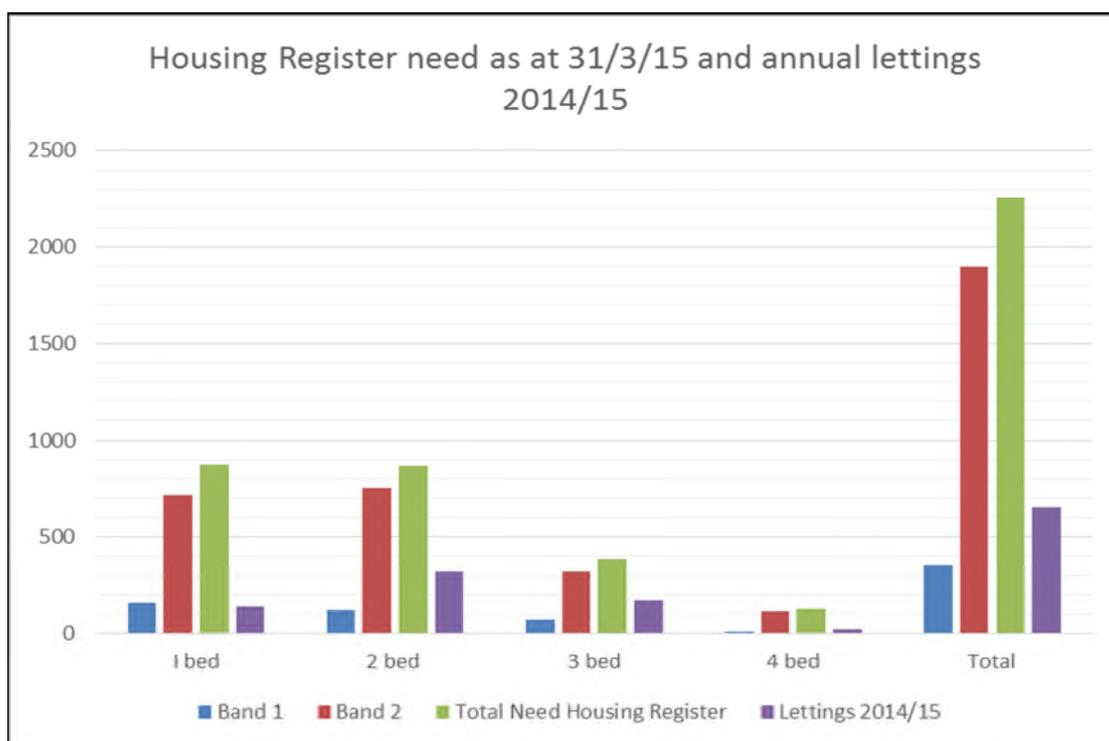
### Homelessness and Housing Data

- The housing register stood at 2,258 Band 1 and 2 households accepted registering some level of housing need as of October 2015.

Homeless acceptances (P1E data)	
2015/16 (up to end of Q3)	119
2014/15	177
2013/14	124
2012/13	159

- 57% of homeless households are people under 34 years old and 16% are aged under 24 years old.

- 40% of households accepted as homeless are female lone parents.



In order to assist allocations to the most vulnerable households, the following quotas have been set for 2015/16

Direct lets for urgent and emergency situations	10%
Vulnerable people	15%
Homeless households	15%
Transfers	30%
Housing Register	30%
<b>Total</b>	<b>100%</b>

- 3,235 households claiming Local Housing Allowance (LHA) in the private rented sector. LHA is currently frozen.

#### Monthly private sector rent levels in CBC

	Mean	Lower Quartile	Median	Upper Quartile
Room	£389	£338	£383	£455
Studio	£491	£395	£463	£538
1 bedroom	£519	£475	£525	£550
2 bedroom	£664	£600	£650	£700
3 bedroom	£863	£750	£825	£900

4 bedroom or more	£1,207	£950	£1,100	£1,300
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Source Valuation Office Agency September 2014

## **Affordable Housing Definitions**

The National Planning Policy Framework (NPPF) defines affordable housing in the following terms:

"Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision."

There are various types of affordable housing; these are all designed to meet a particular need according to local incomes and house prices. The following sections will help to explore the various types or tenures within affordable housing.

### **Social Rented Housing**

Social rented homes are owned by either local authorities or registered providers of affordable housing (RP's). These organisations charge a rent which is set by government guidelines through the national rent regime.

These rents are typically quite low and are generally affordable to the majority of people.

Eligible households are those that can demonstrate that they are a British citizen or a citizen of another country with the right to stay in the UK. Those from an EU accession or another country must have no restrictions on how long they can stay in the UK and they must have recourse to public funds.

The majority of occupants will either be earning a low wage or household income and tend to receive assistance from housing benefit. The amount of housing benefit or local housing allowance (LHA) received usually covers the costs of the rent.

Councils and RP's can continue to deliver social rented housing if they can make it financially viable without government subsidy.

### **Affordable Rented Housing**

This is the preferred rented tenure of the Government.

Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). As

local market rents vary from place to place, these are measured by the amount of local housing allowance administered in a particular area.

### **Intermediate tenures**

The term 'intermediate housing' describes a range of homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the National Planning Policy Framework's affordable housing definition above.

These can include shared equity (shared ownership and equity loans), and intermediate rent.

Homes that do not meet the National Planning Policy Framework definition of affordable housing such as "low cost market" housing, may not be considered as affordable housing for planning purposes.

### **Shared ownership (sometimes called homebuy)**

An occupier will typically buy/mortgage a share of the new build property from a housing association. The association keeps ownership of the remaining share and the occupier will pay rent on this share, as you would to any other landlord. In Central Bedfordshire the rent on the remaining share is derived from 1.75% of the property value.

An occupier can buy anything up to a 75 per cent share in the property. However in Central Bedfordshire, the share for sale is initially set at 40% of the properties open market value with the ability of people to purchase additional shares in the property over time; this is known as 'staircasing'.

For the reasons above, households best suited to shared ownership will be on a moderate household income. The eligibility criterion requires that households earn less than £60,000 a year as a household to qualify for shared ownership housing.