

# Fareham Local Development Framework

Shaping Fareham's Future

## Affordable Housing Supplementary Planning Document December 2005

- Issues
- Draft
- **Adopted**



## Further Information and Contacts

Information on the general Local Development Framework process, updates on the progress of Fareham's Local Development Documents and current consultations, is available at the following website: [www.fareham.gov.uk/ldf](http://www.fareham.gov.uk/ldf).

If you have any questions regarding Fareham's Local Development Framework, including this document, please contact a member of the Planning Policy Team at Fareham Borough Council.

Telephone: 01329 236100 Ext. 2318 or 2363

Email: [planningpolicy@fareham.gov.uk](mailto:planningpolicy@fareham.gov.uk)

Address: Planning Policy Team  
Department of Planning and Transportation  
Fareham Borough Council  
PO Box 82  
Civic Offices  
Civic Way  
Fareham  
Hampshire PO16 7TT

For more detailed information and guidance on the new planning system, visit the Office of the Deputy Prime Minister web-site at [www.planning.odpm.gov.uk](http://www.planning.odpm.gov.uk).

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# 1. Introduction

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- 1.1 Supplementary Planning Documents (SPD) were introduced by the Planning and Compulsory Purchase Act 2004 to replace Supplementary Planning Guidance (SPG), and form part of a planning authority's Local Development Framework. They expand or provide further detail on policies and proposals in development plan documents or saved Local Plan policies. They are subject to statutory procedures in terms of their preparation, but they are not subject to independent examination. However, their preparation should be informed by extensive community involvement, in accordance with a Council's Statement of Community Involvement (when adopted), and will be subject to sustainability appraisal. They can constitute a 'material consideration' when making decisions about new development.
- 1.2 This SPD on affordable housing provides guidance for developers, house builders and the public about the operation of Policy H10 (Affordable Housing) of the Fareham Borough Local Plan Review. This policy was 'saved' through the Borough Council's Local Development Scheme (approved April 2005). The Scheme identified the need to prepare an Affordable Housing SPD, and sets out the timescales for its preparation. The SPD will be used as the basis for negotiation when proposals for housing developments are being considered. It will replace the existing Affordable Housing Supplementary Planning Guidance that was adopted in November 2001.
- 1.3 In accordance with the process suggested in the draft Statement of Community Involvement, a workshop on affordable housing was held in March 2005 to consider the issues that will need to be addressed in both the Affordable Housing SPD and the new Affordable Housing Strategy. The outcomes of the workshop have been taken into account in the preparation of this SPD.
- 1.4 The Fareham Housing Strategy 2004-2009 sets out the Borough Council's aims for the provision of affordable housing and this document sets out details of the provision of affordable housing through the planning system. The Fareham Affordable Housing Strategy (being prepared in parallel with this SPD) sets out the strategy for securing additional affordable housing in the Borough and deals in more detail with other affordable housing requirements and initiatives.
- 1.5 A draft SPD was published for comment in July/August 2005. There was a significant response to the draft, with comments being made both on the content of the draft SPD and on the process being used to introduce revised thresholds and percentages. The Borough Council sought legal advice on the proposals in the draft SPD and was advised that, prior to any changes to national policy introduced in the forthcoming Planning Policy Statement 3; Planning for Housing (or such other Government guidance as may be published), it

would not have been lawful to adopt an SPD which incorporated a site-size threshold of less than 25 dwellings. The SPD has been revised accordingly prior to adoption. Those proposing new residential development in the Borough will need to demonstrate that the guidance in this document has been followed in the preparation of relevant planning applications.

## 2. Policy Context

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### **NATIONAL AFFORDABLE HOUSING POLICY**

- 2.1 The provision of affordable housing through the planning system is now well established nationally and locally. National guidance is set out in Planning Policy Guidance Note 3: Housing (PPG3) which is currently supplemented by Circular 06/98: "Planning and Affordable Housing". The Government has published two sets of proposed changes to PPG3 for consultation. The consultation response will be an important input into the Planning Policy Statement on Planning for Housing, PPS3 which will replace Circular 06/98.
- 2.2 Planning Policy Guidance Note 3: "Housing" (PPG3) advises that a community's need for affordable housing is a material planning consideration which may be taken into account when formulating planning policies. Where there is a demonstrable lack of affordable housing to meet local needs, authorities are advised to indicate targets for such housing throughout the plan area and also for specific sites, based on evidence of need and site suitability.
- 2.3 Circular 06/98: "Planning and Affordable Housing" supplements PPG3 by providing further advice, particularly relating to housing tenure and the size of sites on which authorities may reasonably seek to negotiate with developers for the inclusion of an element of affordable housing. The circular states that affordable housing should not be sought on sites of less than 25 dwellings or less than 1 hectare.
- 2.4 The Government published proposed changes to PPG3 in July 2003 and January 2005. The most relevant of these proposed changes are the lowering of the site size threshold to 15 dwellings or 0.5 hectare and the advice that local development documents should set out the broad balance between the numbers of different household types to be provided and contain policies to deliver affordable housing. Where a need for additional affordable housing has been identified, local development documents should set out:
- what is affordable housing in terms of the relationship between local income levels and house prices;
  - the proportion of social-rented and intermediate housing to be provided;
  - the amount of affordable housing (as a proportion of the net housing provision) that will be sought on sites for residential development;
  - the size and type of affordable housing required;
  - the form of in kind contribution that will be sought (for example free serviced land or a specified contribution towards build costs) and where appropriate, the financial

contribution that will be sought towards the provision of affordable housing elsewhere in the plan area; and

- the circumstances where the amount of affordable housing will be different from the norm.

2.5 The proposed changes state that Local Development Documents should include policies on affordable housing and that these may be policies to deliver additional affordable housing. This SPD follows this advice and is a Local Development Document that includes policies to deliver affordable housing.

### **South East Plan**

2.6 The South East England Regional Assembly (SEERA) is currently preparing the South East Plan for submission to the Government in March 2006. As part of the preparation of the South East Plan, Hampshire County Council and the Partnership for Urban South Hampshire (PUSH) published a consultation paper on the options for amount of housing that should be provided in each district between 2006 and 2026. The options for the amount of housing in the Borough are for 11,300 or 13,300 dwellings between 2006 and 2026, including 8,000 to 10,000 dwellings in a greenfield Strategic Development Area (SDA).

2.7 The level of development proposed for the Borough would have very significant implications for the future provision of affordable housing, however the main impact would not be realised until after 2016 when development of the SDA would start. The final figure for housing in the Borough will not be decided until the South East Plan is approved in 2008.

### **Fareham Borough Local Plan Affordable Housing Policy**

2.8 The Fareham Borough Local Plan Review (FBLPR) was adopted in March 2000. It allocates land for new housing development to meet the overall housing requirement set out in the Hampshire County Structure Plan (Review) (HCSPR). The FBLPR was prepared in parallel with the preparation of the HCSPR and it does not include proposals for all of the housing to be provided to meet the adopted structure plan requirement to 2011.

2.9 The adopted HCSPR includes proposals for a 'Baseline' provision of 4740 dwellings in the Borough between 1996 and 2011 and a reserve provision of 1500 dwellings in the Borough between 2001 and 2011. An additional 3398 dwellings have been provided in the Borough between 1996 and 2005. Outstanding planning permissions, sites allocated in the FBLPR, continuing windfall development and sites identified in the Fareham Urban Housing Capacity Study are sufficient to provide the whole of the remaining Baseline requirement and most of the reserve provision for the Borough. The favourable past rate of completions and the significant level of permissions and other commitments has resulted in three large greenfield sites not being released for development. The possible need for the release of these sites has been considered in two Housing Position Statements. As part of the Best Value Review of a Balanced Housing Market, see paragraph 2.21 below, the Council's Executive decided that the three large greenfield sites may be released if development proposals including the provision of 40 per cent affordable housing are submitted.

- 2.10 Policy H10: Affordable Housing sets out the Borough Council's requirements for the provision of an element of affordable housing on suitable housing sites as follows:

*"Residential development will be permitted provided that the provision of a proportion of affordable housing to meet the proven needs of local people who cannot afford to buy or rent a house locally on the open housing market has been secured on appropriate sites."*

- 2.11 Paragraphs 6.63-6.73 of the LPR provide a detailed explanation of the circumstances under which affordable housing will be sought. The full text of these paragraphs of the LPR is set out in Appendix 1.
- 2.12 This Supplementary Planning Document has been prepared to supplement Policy H10 of the Fareham Borough Local Plan Review by giving developers, housing providers and the public up-to-date and detailed guidance on the operation of the policy.

### **Fareham Local Development Framework**

- 2.13 The Fareham Local Development Framework is being prepared over the period 2005-2009 in accordance with the Council's approved Local Development Scheme. It will replace the Fareham Borough Local Plan Review in stages as and when relevant development plan documents are adopted.
- 2.14 Public participation on a Local Development Framework Core Strategy Issues and Options Paper was carried out during June/July 2005. The overall provision of housing and the provision of affordable housing are included as issues that have to be dealt with in the Core Strategy. The overall housing provision will be determined by the South East Plan. It is intended that new affordable housing policy(ies), based on the most recent Government policy, will be included in the Core Strategy Preferred Options which is due to be published for public participation in 2006.
- 2.15 The evidence used in the preparation of this SPD, together with the responses to the public participation, will be used to inform the preparation of the new affordable housing policy(ies) in the Local Development Framework Core Strategy Preferred Options.
- 2.16 It is anticipated that a replacement SPD will need to be prepared following the adoption of new affordable housing policies in the Core Strategy of the Fareham Local Development Framework after January 2008, and in the light of new information from updates of the housing needs survey.

### **Fareham Housing Strategy**

- 2.17 In May 2004, the Borough Council adopted its Housing Strategy 2004-09. It sets out the Borough Council's strategy for the provision of adequate housing for the residents of the Borough. The draft Affordable Housing Strategy which is being prepared in tandem with this SPD, sets out the Council's preferred strategy for the provision of additional affordable housing. The draft Affordable Housing Guidance Manual sets out the Council's procedures for dealing with affordable housing issues as part of pre-application advice and as part of

the planning application decision process.

- 2.18 The main aim of the Strategy is to marshal the resources of all relevant agencies to ensure that all of the residents of Fareham have access to a decent home which is affordable within their means. Five key objectives are set within this overall aim, of which the first is:

*To facilitate the provision of additional affordable housing across all tenures within the Borough thus working towards achieving a Balanced Housing Market.*

- 2.19 The remaining four objectives also have direct links to the provision of sufficient affordable housing to reduce homelessness and to support vulnerable people; as well ensuring that the affordable housing is provided to a high quality and is well managed. The Strategy has set an interim annual target of 100 affordable homes based on the planning policies, the current and estimated financial resources likely to be available, and identified land supply. The Borough Council acknowledges that the target of 100 units will fail to address the identified need of 495 affordable homes per year and therefore the Council proposes to review the target in 2007 and in the interim period exploring innovative ways of providing new housing with a view to increasing the target to 175 or more.
- 2.20 Affordable housing is described in the Housing Strategy as housing which is subsidised to some degree to provide homes for rent, shared ownership or low cost sale to meet the needs of local people who would not otherwise be able to gain access to housing at full market cost.

### **Best Value Review**

- 2.21 The Borough Council recently undertook a Best Value Review of one of the Council's corporate objectives which is to achieve a Balanced Housing Market. The Review resulted in a 46-point Action Plan which was approved by the Council's Executive in December 2004. The actions are aimed at maximising the provision of additional affordable dwellings within the Borough.

### **Fareham Affordable Housing Strategy**

- 2.21 The Council's current strategy for ensuring the provision of quality additional affordable housing in the Borough is set out in the Housing Strategy. A new Affordable Housing Strategy has been prepared in parallel with this SPD.

## 3 What Is Affordable Housing?

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- 3.1 The level of need within the Borough has been quantified in the Fareham Housing Needs Survey 2004 which was carried out by David Coutie Associates Limited (DCA) in 2004. The Survey was undertaken in line with Local Housing Needs Assessment: A Guide to Good Practice published by the Office of the Deputy Prime Minister. It defines affordable housing as:

*“Affordable housing is that provided, with subsidy, for people who are unable to resolve their housing requirements in the general housing market because of the relationship between local housing costs and incomes.”*

- 3.2 The DCA Survey states that ‘starter homes’, small units provided without subsidy to meet the needs of households with income levels just adequate to access the housing market are part of the general housing market and do not qualify as affordable housing. The Borough Council has included the DCA definition of affordable housing in the Housing Strategy.

- 3.3 The South East England Regional Assembly defines affordable housing for the purposes of the South East Plan as:

*“housing provided with a subsidy to enable the asking price or rent to be substantially lower than the prevailing market prices or rents in the locality”.*

- 3.4 In order for a dwelling to be considered ‘affordable’, the Borough Council will have to be satisfied that the cost of purchase or rental of a dwelling can be afforded by households in need. The Borough Council will therefore expect an affordable dwelling for purchase to be affordable with a 95% mortgage that does not exceed three times the gross income of the household in need. An affordable dwelling for rent should cost no more than 25% of gross household income of the household in need (equivalent to 30% of net income).

## 4 Identified Affordable Housing Need

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### 4.1 The key findings of the DCA survey are:

- There is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest stock available;
- Around 95% of concealed households have inadequate income levels to be able to buy lower quartile properties in the local Market;
- Around 85% of concealed households cannot afford to rent privately lowest quartile stock;
- There is a requirement to develop a more balanced housing stock in both the private and affordable housing sectors;
- Annually 710 affordable housing units are needed, 495 more than existing supply from re-lets, a new supply requirement of over nine times current delivery levels;
- The retired population will increase by 47% by 2021.

4.2 The Housing Needs Survey identifies the housing demand created by households that can enter the general housing market without any form of subsidy and the need for created by households that can only enter the general housing market with some form of subsidy. The DCA survey uses a purchase income threshold of 95% mortgage availability and a three times gross income lending ratio. It uses a rental income threshold of 25% of gross income (equivalent to 30% of net income). The approach has been adopted by the Borough Council.

### 4.3 The Survey identified the following categories of households in need of affordable housing:

- Existing households currently living in housing not suitable to their needs who are planning to move in the next five years, but which are unable to afford suitable housing in the open market;
- Concealed households (households currently living with a host household) which need to move to their own separate accommodation within the next year but cannot afford suitable housing in the open market; and
- Homeless households based on information from the survey together with an analysis of the Council's data on the statutory homeless who would not be sampled via household-based surveys.

4.4 The Survey uses the information on households in unsuitable housing and homeless families in temporary accommodation to estimate a backlog of affordable housing need. It uses the information on concealed households to estimate the number of new households that will form each year.

- 4.5 The table below illustrates the annual need and supply of affordable housing in Fareham. Even allowing for re-lets and new build there is an annual shortfall of 495 units.

<b>Table 1: Annual Housing Need</b>	
Backlog of Existing Need (eliminated over 5 years)	103
Net new formation	377
Net increase in registered need	208
In-migrant need	22
<b>TOTAL ANNUAL NEED</b>	<b>710</b>
Total Supply from re-lets	215
<b>NET ANNUAL OUTSTANDING NEED</b>	<b>495</b>

- 4.6 The Survey will be updated every year using the latest income, rent and house price and land supply information.

#### **Distribution Of Need Within The Borough**

- 4.7 Fareham is a relatively small Borough with no settlements being remote from other settlements or facilities. There are fewer local authority and housing association dwellings in the Borough than in most other local authorities, ranging from less than 5 per cent in the Western Wards to almost 12 per cent in Fareham town.
- 4.8 Information from the Housing Needs Survey shows that the greatest need for affordable housing is in the Fareham town area. However, the survey established that a high proportion, 40 per cent, of the need for affordable housing is from concealed households in existing social housing, predominantly local authority tenants, even though they make up only 8 per cent of existing households in the Borough.
- 4.9 About 30 per cent of the identified need for affordable housing is expected to be met by re-lets within the existing social housing stock. The distribution of these re-lets will be closely related to the distribution of existing social housing. The greatest number of re-lets will be in the Fareham town area, the area with the greatest identified need. Therefore, after allowing for re-lets, the remaining need for new affordable dwellings can be expected to be distributed more evenly throughout the Borough.
- 4.10 The total amount of new affordable housing sites that will be provided over the next few years will be too small to have a significant effect on the overall proportions or distribution of local authority/housing association dwellings. However, the high proportion of the new housing sites in the Western Wards allocated in the LPR will enable a more even distribution of social housing to be achieved.
- 4.11 The Borough Council will therefore seek the provision of the same proportion affordable dwellings on all qualifying sites throughout the Borough.

## 5 Tenure Of Dwellings

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- 5.1 The DCA survey states that the major requirement for affordable housing within the Borough is for dwellings for rent.
- 5.2 Following analysis of the emerging household requirements from the DCA Housing Needs Study, a review of the Housing Register and a forecast of the requirements to enable the Council to meet its duties towards homeless people, the Borough Council has decided that the overall balance of new affordable housing to be provided through the planning process should be 70% social rented and 30% intermediate market housing including shared ownership and shared equity housing.
- 5.3 A registered social landlord (RSL) should normally manage the housing provided. The Borough Council has experience of working with several RSLs, but now works with three partner RSLs in the delivery of the affordable housing programme. These are:
- Eastleigh Housing Association
  - Portsmouth Housing Association
  - Swaythling Housing Society
- 5.4 Whilst there are significant advantages in working with the partner RSLs, the Borough Council will use other RSLs, or other providers, where this would result in the optimum provision and management of affordable dwellings.

## 6 Providing Affordable Housing As Part Of Housing Development

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### SITE SIZE THRESHOLD

- 6.1 The Survey refers to the 'site size threshold' of sites of 25 dwellings or over 1 hectare in size specified in Circular 6/98 above which affordable housing will be sought. However it states that the significant level of need identified is unlikely to be met without a significantly lower threshold. It states that the scale of affordable housing needed is almost nine times the annual average number of new dwellings built over the years 2001-2004 and is five times the Council target and justifies an exceptional case for a lower threshold (in accordance with paragraph 11 of Proposed Changes to PPG3).
- 6.2 The Government's has published proposed changes to PPG3. Both sets of proposed changes included a reduction in the 'standard' site size threshold to sites of 15 dwellings or 0.5 hectare. The reduction of the threshold from 25 to 15 dwellings would result in the provision of additional affordable dwellings, but the total provision would remain only a small proportion of the identified need of 495 dwellings per annum.
- 6.3 In consultation on the draft of this SPD, the Borough Council considered a reduction in the threshold to 5 dwellings and commissioned an independent study of the economics of developing housing sites of varying sizes within the Borough. The study, carried out by AtisReal, found that reducing the site size threshold below 15 dwellings could deter landowners from releasing sites. However, the Borough Council has been advised that, until the Government reduces the threshold from 25 to 15 dwellings (or any other site size of less than 25 dwellings), it would not be lawful for the Borough Council to adopt an SPD incorporating a threshold of less than 25 dwellings or 1 hectare. Policy H10 and the text in paragraph 6.66 of the adopted Fareham Borough Local Plan Review, which refers to the then current Government policy, would automatically apply any lower threshold introduced by the Government in the forthcoming PPS3 (or such other Government guidance as may be published). Appendix 3 illustrates how the Council proposes to deal with the provision of affordable housing on sites of less than 25 dwellings or 1 hectare if the Government lowers the threshold.
- 6.4 The Local Development Framework Core Strategy will also include a policy on affordable housing which will consider the appropriate site-size threshold for the Borough taking into account the latest Government policy.
- 6.5 When considering planning applications the Borough Council will use an assessment of the site's accessibility and the local context to establish the capacity of the site and hence whether a percentage of affordable dwellings is required. Irrespective of a sites accessibility and context, the minimum density to be used for the purposes of this

calculation will be 30 dwellings per hectare. The Borough Council will also take into account the development potential of adjoining identified or allocated sites to ensure that development does not take place in a piecemeal fashion. The forthcoming Urban Housing Potential Study will aim to identify most sites with potential for housing development within the Borough.

### **Percentage And Tenure Of Affordable Dwellings To Be Sought**

- 6.6 The DCA Housing Needs Survey notes that the annual need for affordable housing of 495 dwellings is 157% of the whole housing allocation for the Borough from the Hampshire County Structure Plan of 316 dwellings per annum for the period to 2011. It therefore states that the provision of 495 affordable dwellings each year is not achievable. As mentioned above, the overall provision of housing within the Borough for the period 2006-2026 will be determined by the South East Plan. .
- 6.7 In the absence of any housing figures from the South East Plan, the Housing Needs Survey considered a number of factors in determining the level of affordable housing to be provided on development sites as follows:
- overall affordable housing need identified,
  - the need to build viable sustainable developments,
  - the Borough Council's affordable housing target and
  - the forecast overall housing supply
- 6.8 The Housing Strategy 2004-2009, as noted in paragraphs 2.17-2.20 considered the Housing Needs Survey findings and recommendations, the availability of financial resources and up-to-date information on housing land supply and established a target of 100 additional affordable dwellings per annum. Projections of additional affordable housing, with a base date of 31 March 2005, show that, with affordable housing being provided at 25% of the total dwellings on the site, will be achieved in only one year during the period 2005-2011. The projected average provision of additional affordable housing over this period is 81 dwellings per annum. In order to achieve the target, it has been concluded that, 35% affordable housing will be sought on sites of 25-49 dwellings and 40% affordable housing should be sought on sites of 50 or more dwellings. These percentages would result in the target of 100 additional dwellings per annum being achieved in three of the six years, and the average over the six years would increase to 99 dwellings per annum. Percentages of between 30% and 40% are now generally being sought in the policies in local plans elsewhere in Hampshire. The viability study concluded that the affordable housing targets set out in the draft SPD were economically viable.
- 6.9 In recognition of the economics and practicalities of development, the Borough Council will seek the provision of affordable housing in accordance with Table 2 below. The Council will consider variations from the percentages set out in Table 2 where there are particular circumstances, such as site contamination or other exceptional site costs and the absence of any grant funding. The Borough Council will use its residual value and value for money models to assess scheme viability and value for money. Variations will be permitted if the developer can demonstrate to the Council that the approach set out in this SPD would make development unviable.

Site Size ( <b>Net increase in number of dwellings</b> )	Proportion of affordable housing sought	Required tenure split for affordable housing	
		Social Rent	Low Cost Home Ownership and or intermediate market housing
25 - 49	35%	70%	30%
50+	40%	60%	40%

- 6.10 Although the greatest need for affordable housing in Fareham is for social rented housing, the proportion of social rented units sought will be lower on larger sites. The justification being the priority to be given to social rented provision within the Borough, and the likely availability of housing finance to fund smaller developments.
- 6.11 On sites of 50+ dwellings the council is concerned that RSL's and or developers may be unable to attract sufficient Social Housing Grant from the Regional Housing Board to meet the cost of providing a large number of dwellings for social rent. Therefore, the council is proposing an increase in the provision of intermediate market housing on sites of 50+ dwellings to reduce the requirement for social housing grant, to assist RSL's and developers to cross subsidise social rented housing from the intermediate market housing and to deliver balanced sustainable communities.
- 6.12 The Council's preferred method for calculating the affordable housing requirement is based on the number of bedrooms in the development rather than units of accommodation. Thus if the total number of bedrooms in the dwellings on a site is 200, then, assuming that 40% affordable housing is to be provided, 80 affordable bedrooms will be sought. The sizes of dwellings to be provided on the site will be established through negotiations with the developer. If the parties agree that all the affordable units are provided as larger family units, then the number of affordable dwellings on the site will be less than 40% even though the number of bedrooms will be 40% of the total on the site. The use of bedrooms enables the Council to reach its overall targets in respect of sizes of units.
- 6.13 The number of bedrooms in the dwellings proposed will normally be based on the developer's description of house types, but rooms such as first floor studies may also be taken into account.

## 7 Size And Type Of Affordable Dwellings To Be Provided

- 7.1 The existing total housing stock in the Borough has predominantly three or four-bedrooms. The existing social housing stock is significantly different with 71 per cent of the RSL stock and 64 per cent of the local authority stock being one or two-bedroom. Only 0.6 per cent of the RSL stock and 1.2 per cent of the local authority stock has four-bedrooms.
- 7.2 The existing small social dwellings are predominantly in the form of sheltered accommodation for the elderly. Notwithstanding the ageing population re-lets within the existing stock will therefore predominantly cater for the elderly rather than the type of households, predominantly concealed households containing people under 30, identified as being in need in the DCA survey. Therefore, a significant proportion of the new affordable housing should be for small concealed households.
- 7.3 In addition, the minimal existing stock of larger social dwellings means that re-lets will be inadequate for the numbers of larger households identified in the Housing Needs Survey. Therefore, the affordable housing provided through Policy H10 should also contain a proportion of four-bedroom dwellings. The precise proportions will be negotiated on a site by site basis taking into account the following factors:
- The mix required to meet the needs identified in the Affordable Housing Strategy;
  - The location of the development in relation to employment, schools, shops, public transport and other appropriate sustainability indicators.
- 7.4 Following analysis of the emerging household requirements from the DCA Housing Needs Study, a review of the Housing Register and a forecast of the requirements to enable the Council to meet its duties towards homeless people, it is considered that the size of affordable homes should be provided in the following proportions:

<b>Size of Dwelling</b>	<b>Occupancy</b>	<b>% of Total Affordable Dwellings</b>
1 Bedroom	2 persons	20%
2 Bedroom	3-4 persons	55%
3 Bedroom	4-5 persons	20%
4 Bedroom	6-7 persons	5%

- 7.5 The proportions set out in Table 3 above, will not be sought on every site, but will be used as the basis for negotiations and as the target for the overall provision of new affordable housing.
- 7.6 The target gross internal floor areas for social rented dwellings, based on occupancy are as follows:

<b>Table 4: Relationship between Bedrooms and Space Requirements</b>			
<b>Size of dwelling</b>	<b>Occupancy</b>	<b>Unit Type</b>	<b>Target Area (sq. m.)</b>
1 bedroom	2 persons	1 storey	45 - 50
		2 storey	45 - 55
2 bedroom	3 persons	1 storey	60 - 65
		2 storey	60 - 70
	4 persons	1 storey	70 - 75
		2 storey	70 - 80
3 bedroom	4 persons	2 storey	70 - 80
	5 persons	2 storey	85 - 90
4 bedroom	6 persons	2 storey	95 - 100
		3 storey	100 - 105
	7 persons	2+ storey	110 - 115

## 8 Delivering Affordable Housing

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- 8.1 The Borough Council and registered social landlords do not have large landholdings within the Borough which could be used for the development of affordable housing. Therefore, affordable housing should be provided on site as part of the development of all suitable housing sites in accordance with Circular 06/98 and PPG3. The Borough Council will seek the provision of on site contributions from developers in the form of the transfer of serviced land free of cost to RSLs.
- 8.2 Financial contributions in lieu of on site provision (commuted sums) will not be acceptable because of the difficulty in obtaining alternative sites where the commuted sums could be utilised to provide affordable housing. In addition to this, the increase in land values has generally resulted in the value of the commuted sum being rapidly devalued unless a suitable site is available at the time the commuted sum is received.
- 8.3 In exceptional circumstances, off site provision of affordable dwellings will be acceptable where such provision will result in the most effective use of the resources available for supporting the provision of affordable housing. In these circumstances a Section 106 agreement will be required to secure the provision of the affordable housing.
- 8.4 In view of the findings of the Housing Needs Survey the Council intends to use its own resources solely in support of the highest levels of need, which is in respect of social rented accommodation. It is therefore expected that low cost home ownership provision will either be provided grant free or through the Housing Corporation bidding arrangements.

## 9 Design Of Affordable Dwellings

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- 9.1 The quality of housing design, including its outdoor public and private space, make an important contribution to residents' quality of life and to the overall sustainability of local communities. This contribution is recognised in government planning guidance and their companion guides. It is also recognised by the Housing Corporation in 'Affordable Housing: Better by Good Design (2003) and Scheme Development Standards (2003).
- 9.2 The Council is committed to ensuring that new housing development and refurbishment is of a high standard of design and creates quality residential environments. The Fareham Borough Local Plan Review 2000 contains design policies by which new housing proposals will be judged, taking into account later government design policy advice. The Borough Council's Supplementary Planning Guidance: Crime Reduction Through Design provides guidance on how appropriate design and layout can help to reduce crime and the fear of crime and lessen anti-social behaviour.
- 9.3 Housing types which have Housing Corporation accreditation and meet the size standards in Table 3 will be acceptable. The Council will encourage developers to discuss their ideas at the earliest stage possible to avoid design changes later in the development process. The Council will expect developers to submit a Design Statement with their planning application, the contents and objectives of which should be part of the pre-application discussions.
- 9.4 The Council considers that a Design Statement, which the Government has proposed to be a requirement for most planning applications, is an important component of the planning application submission. It should set out the three essential stages of the design process:
1. Site analyses and evaluation.
  2. Identification of design principles or objectives, informed by 1 above.
  3. Setting out solutions which meet the principles or objective.
- 9.5 A Design Statement will then allow the Council to assess the design quality of a proposal as it will demonstrate how well the proposal has met the design objectives in relation to the context of the site.
- 9.6 By Design sets out design objectives which developers should consider for inclusion in the design statement. It also sets out a list of the elements of development form that should be used to identify the character of an area as part of the site analyses. These objectives and elements of development form are contained in Appendix 2. The objectives, together with key aspects of quality buildings are also contained in the Housing Corporations 'Affordable Housing: Better by Good Design' publication.

- 9.7 In addition to the above, the Council recognises that schemes that are in receipt of social housing grant funding will also be subjected to the Housing Corporation's Scheme Development Standards 2003 (SDS). The SDS sets out compliance and performance tests for all affordable housing and it will also be used as the Council's standard on all schemes whether funded by the Housing Corporation or from the Council's own resources. The Council will expect proposals to meet the compliance and performance tests for both the recommended items as well as essential items. It will expect homes to meet the 'very good' EcoHome rating level certified by a BRE licensed assessor and also the 'secured by design' standard. Further advice is included in the Affordable Housing Procedures Manual.

### **Space Standards**

- 9.8 The Council wishes to ensure that the affordable homes developed in Fareham are to acceptable space standards. Maximum and minimum standards have been set in order to comply with the Housing Corporation Scheme Development Standards. The gross internal floor areas for affordable dwellings will be based on the figures in Table 3. They are considered to be reasonable standards to ensure that dwellings are:
- not too small to meet the Housing Corporation's Tests of Compliance for Internal Environment.
  - not too large for the designed occupancy level, which might result in excessively high rents and heating costs..

### **Integrated Affordable Housing**

- 9.9 Government planning policy guidance recognises the need to create sustainable communities which include a mix of uses and housing tenures to meet a range of housing needs. New housing developments should therefore consist of a mix of house types and tenures and should avoid large concentrations of similar dwellings. Therefore, affordable housing on larger sites should not be concentrated in one location but should be distributed throughout the development in groups of no more than 10 dwellings. As part of the design process, it is important that such groups are not physically or visually isolated, for example through distinct cul-de-sacs. Smaller groups will be more appropriate on smaller sites, for example, in a development of 29 dwellings in total 10 affordable dwellings should not be provided in one block of flats.
- 9.10 The Council requires developers to work together with its appointed RSL partners in formulating design proposals to ensure that the appearance of affordable housing is generally no different to that of the market housing provided on each individual site.

### **Infrastructure Provision For Affordable Housing**

- 9.11 The residents of affordable housing require the same infrastructure provision as the residents of other types of housing, for example, open space, transportation, and community facilities. Therefore, developments for affordable housing will normally be expected to make the same provision for the required facilities as for other forms of housing including, where appropriate, financial contributions towards infrastructure in accordance with the Fareham Borough Local Plan Review Policy DG9.

# 10 Planning Applications

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- 10.1 Discussions between the Council, the developer, and the registered social landlord should take place as early as possible in the planning process prior to the submission of a planning application. Planning applications should contain sufficient information, in addition to the design statement, to satisfy the Council that the overall scheme is viable and that the affordable housing provision will be of the size and type appropriate to meet identified needs. Further details of the Borough Councils procedures and qualitative requirements are set out in the Affordable Housing Guidance Manual.

## **Planning Conditions**

- 10.2 The Borough Council normally requires the provision of affordable housing through the use of a planning condition. When the details of the affordable housing to be provided are submitted the Borough Council will have to be satisfied that any affordable housing provided remains available, in perpetuity, for occupation by those in genuine housing need. Normally the land or dwellings specifically identified to meet local housing needs will be transferred to a Registered Social Landlord prior to the occupation of the first open market house. All services and the necessary vehicular and pedestrian access should be provided up to the boundary of the site for affordable dwellings. However, in the exceptional case of off-site provision, a Section 106 agreement will be required to secure the provision of affordable housing.

# Appendix 1

## Affordable Housing Extract from the adopted Fareham Borough Local Plan Review

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- “6.63 In order to ensure the provision of housing for sale or for rent for those local people unable to afford open market housing, the Council will seek to increase the supply of ‘affordable housing’ in appropriate circumstances through negotiations with developers and others in accordance with Policy H10. Further guidance on the application of this policy is set out in the Council’s supplementary planning guidance on Affordable Housing.
- 6.64 ‘Affordable housing’ includes four tenures; low-cost market, discounted low-cost market, shared equity (part-ownership), and social rented (known as ‘subsidised rented’). A second survey of local housing needs carried out in 1997 demonstrated a considerable need for housing at a lower cost than that available for sale or rent on the open housing market. A major part of the need identified was for subsidised rented housing. Although it will remain a matter for negotiation, the Council would expect that the majority of the affordable housing to be provided under Policy H10 will be in the form of subsidised rented housing in order to meet the specific needs of the Borough.
- 6.65 Some affordable housing will be provided through the current programmes of Housing Associations in the area and others will be provided through purchase of existing dwellings, changes of use, conversions or smaller scale developments in the area. The information from the 1997 survey has been considered in relation to the forecast supply of land for new housing development, and a target to provide 75 affordable homes each year has been established. The target will be reviewed regularly particularly when subsequent surveys of local housing need are carried out.

### **Policy H10: Affordable Housing**

**Residential development will be permitted provided that the provision of a proportion of affordable housing to meet the proven needs of local people who cannot afford to buy or rent a house locally on the open housing market has been secured on appropriate sites.**

- 6.66 In order to achieve this target the Borough Council will negotiate the provision of a proportion of affordable housing on suitable sites in accordance with Government guidance in Planning Policy Guidance Note 3: “Housing” (PPG3) and Circular 6/98 “Planning and Affordable Housing”. This guidance states that it will only be appropriate to seek any affordable housing on developments of 25 or more dwellings or residential sites of 1 hectare or more, irrespective of the number of dwellings. The sites currently identified as subject to Policy H10 for the provision of affordable housing are set out in Table 2. The Borough Council will also seek the provision of an element of affordable housing under Policy H10 on other sites of 25 or more dwellings or 1 hectare or more which are currently

not identified but which may come forward for development by 2006.

- 6.67 The Council will apply Policy H10 to all appropriate planning applications including applications for the renewal of planning permissions for previously approved residential development where there have been no previous negotiations on affordable housing. On certain sites which are suitable for affordable housing it may be preferable to provide financial or other contributions towards the provision of affordable housing on a different site within the Borough rather than on the site subject to the planning application.
- 6.68 A target for the plan area of 75 dwellings per annum represents 35 % of the estimated total capacity of appropriate sites. Government advice states that a uniform quota on all developments should not be imposed but experience in Fareham Borough and elsewhere suggests that a target of 20 to 25% is generally considered by developers to be appropriate.
- 6.69 Other factors also need to be considered when negotiating the provision of affordable housing on specific sites. These include the existing mix of development in the area; the proportion of existing affordable housing; site size; and the economics of provision (for example, particular costs associated with the development of the site). The location of the site in relation to public transport or where public transport could be provided, employment areas and shopping facilities are also important factors. Therefore, in view of the need to consider the factors mentioned above, it is considered that affordable housing in the region of 25% should be sought for the sites identified in Table 2.

**Table 2: Capacity of Sites Subject to Policy H10 (Affordable Housing)**

Site	Indicative Capacity
Mays Lane, Stubbington	45
East of Raley Road, Locks Heath	67
Area 23, Hunts Pond Road	25
Area 31, East of Lower Duncan Road	25
Area 34, North of Bridge Road	41
Area 9, Whiteley	40
Area 10, A-D Whiteley	50
Area 11, Whiteley	54
East of Botley Road Burrridge	25
North of Whiteley	260
Peters Road, Warsash	210
Hunts Pond Road	240
North of Segensworth Road	50
WT Station, Stubbington	75
Seafield Park, Stubbington	80
Coldeast Hospital, Sarisbury	250
Area 17, West of Crescent Road, Locks Heath	40
Catisfield Lane, Catisfield	30
West of Hill Road, Portchester	35
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Total	1,552

- 6.70 Between April 1997 and March 1999, legal agreements relating to new planning permissions secured the provision of 50 affordable dwellings. In addition, 63 affordable dwellings have been permitted or provided by Housing Associations on windfall sites or through conversions of existing buildings.
- 6.71 The affordable housing will be specifically for local people unable to afford open market housing in the area. In order to be considered 'affordable', the Borough Council will need to be satisfied that the residual income of a household is of a sufficient amount to enable them to buy or rent a dwelling of an appropriate size in relation to the household size. This will be assessed in relation to the proportion of residual income available for monthly mortgage or rent payments. 'Local people' refers to people who have lived or worked in the area for the preceding three years. Initially occupancy will be restricted to local people but if the housing remains unoccupied after 6 months, eligibility will be widened to include neighbouring local authority areas to ensure that a suitable occupant is found.
- 6.72 The Borough Council will need to be satisfied that any affordable homes provided will remain available for local people in need whilst there remains a proven local need. The best way of achieving this is for the homes to be developed and managed by a registered 'social landlord', that is a housing association or similar body regulated by the Housing Corporation. The continuing interest of a social landlord in the property ensures control over subsequent changes of ownership and occupation, and, if disposal of any assets becomes necessary, it will generally take place under Housing Corporation controls. If a registered social landlord is not involved the Borough Council will secure the continuing availability of affordable housing provided through Policy H10 by appropriate legal agreements.
- 6.73 Fareham Borough lies within the south Hampshire conurbation and large areas of land are allocated for residential development in Fareham unlike most rural areas where planning policies generally restrict new houses to those required for agriculture, forestry or horticulture. The provision of affordable housing by releasing sites contrary to normal countryside policies is not considered to be appropriate to the Borough. Therefore, the Council will seek the provision of affordable housing within the existing or proposed urban area. The Council is already actively pursuing various initiatives to increase provision of affordable housing with housing associations."

## Appendix 2

### OBJECTIVES OF URBAN DESIGN

Successful streets, spaces, villages, towns and cities tend to have characteristics in common. These factors have been analysed to produce principles or objectives of good urban design. They help to remind us what should be sought to create a successful place. There is considerable overlap between the objectives and they are mutually reinforcing.

<b>Character</b> <i>A place with its own identity</i>	To promote character in townscape and landscape by responding to and reinforcing locally distinctive patterns of development, landscape and culture.
<b>Continuity and enclosure</b> <i>A place where public and private spaces are clearly distinguished</i>	To promote the continuity of street frontages and the enclosure of space by development which clearly defines private and public areas.
<b>Quality of the public realm</b> <i>A place with attractive and successful outdoor areas</i>	To promote public spaces and routes that are attractive, safe, uncluttered and work effectively for all in society, including disabled and elderly people.
<b>Ease of movement</b> <i>A place that is easy to get to and move through</i>	To promote accessibility and local permeability by making places that connect with each other and are easy to move through, putting people before traffic and integrating land uses and transport.
<b>Legibility</b> <i>A place that has a clear image and is easy to understand</i>	To promote legibility through development that provides recognisable routes, intersections and landmarks to help people find their way around.
<b>Adaptability</b> <i>A place that can change easily</i>	To promote adaptability through development that can respond to changing social, technological and economic conditions.
<b>Diversity</b> <i>A place with variety and choice</i>	To promote diversity and choice through a mix of compatible developments and uses that work together to create viable places that respond to local needs.

## ASPECT OF DEVELOPMENT FORM

<p><b>Layout: urban structure</b>  <i>The framework of routes and spaces that connect locally and more widely, and the way developments, routes and open spaces relate to one other.</i></p>	<p>The layout provides the basic plan on which all other aspects of the form and uses of a development depend.</p>
<p><b>Layout: urban grain</b>  <i>The pattern of the arrangement of street blocks, plots and their buildings in a settlement.</i></p>	<p>The degree to which an area's pattern of blocks and plot subdivisions is respectively small and frequent (fine grain), or large and infrequent (coarse grain).</p>
<p><b>Landscape</b>  <i>The character and appearance of land, including its shape, form, ecology, natural features, colours and elements, and the way these components combine.</i></p>	<p>This includes all open space, including its planting, boundaries and treatment.</p>
<p><b>Density and mix</b>  <i>The amount of development on a given piece of land and the range of uses. Density influences the intensity of development, and in combination with the mix of uses can affect a place's vitality and viability.</i></p>	<p>The density of a development can be expressed in a number of ways. This could be in terms of plot ratio (particularly for commercial developments), number of dwellings, or the number of habitable rooms (for residential developments).</p>
<p><b>Scale: height</b>  <i>Scale is the size of a building in relation to its surroundings, or the size of parts of a building or its details, particularly in relation to the size of a person. Height determines the impact of development on views, vistas and skylines.</i></p>	<p>Height can be expressed in terms of the number of floors; height of parapet or ridge; overall height; any of these in combination; a ratio of building height to street or space width; height relative to particular landmarks or background buildings; or strategic views.</p>
<p><b>Scale: massing</b>  <i>The combined effect of the arrangement, volume and shape of a building or group of buildings in relation to other buildings and spaces.</i></p>	<p>Massing is the three-dimensional expression of the amount of development on a given piece of land.</p>
<p><b>Appearance: details</b>  <i>The craftsmanship, building techniques, decoration, styles and lighting of a building or structure.</i></p>	<p>This includes all building elements such as openings and bays; entrances and colonnades; balconies and roofscape; and the rhythm of the facade.</p>
<p><b>Appearance: materials</b>  <i>The texture, colour, pattern and durability of materials, and how they are used.</i></p>	<p>The richness of a building lies in its use of materials which contribute to the attractiveness of its appearance and the character of an area.</p>

# Appendix 3

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## CHANGES TO GOVERNMENT POLICY

The Government published proposed changes to PPG3 for consultation in July 2003 and January 2005. The consultation response will be an important input into the Planning Policy Statement on Planning for Housing, PPS3 which will replace Circular 06/98. Both sets of proposed changes proposed that the standard site size threshold be lowered from 25 dwellings to 15 dwellings or 0.5 hectare. A draft of PPS3 is due to be published for comment by the end of 2005.

The reasoned justification in paragraph 6.66 of the adopted Fareham Borough Local Plan Review states that the Council *“will negotiate the provision of a proportion of affordable housing on suitable sites in accordance with Government guidance in Planning Policy Guidance Note 3: ‘Housing’ (PPG3) and Circular 6/98 ‘Planning and Affordable Housing’.* This guidance states that it will only be appropriate to seek affordable housing on developments of 25 or more dwellings or residential sites of 1 hectare or more (irrespective of the number of dwellings).” If the Government changes national policy in the final PPS3 by reducing the site-size threshold to less than 25 dwellings or 1 hectare or more, Policy H10 and the text of the adopted Fareham Borough Local Plan Review would automatically apply the new threshold for development control purposes in the Borough.

The guidance below provides an illustration of how the Council would seek to apply a lower threshold introduced by the Government in order to avoid a policy vacuum in the Borough, between the time that the final PPS3 is published and a review of the Affordable Housing SPD, or preparation of a new affordable housing policy in the Fareham Local Development Framework Core Strategy.

### Percentage of Affordable Housing

The draft SPD took account of the proposed changes to PPG3 and included guidance on the proportion and type of affordable housing that the Council would seek on sites of 15-24 dwellings. It proposed that 30% affordable housing be sought. None of the responses to the consultation on the draft SPD referred to the proposed use of 30%. The viability study did not identify any likely reduction in land supply as a result of seeking 30% affordable housing on sites of this size.

**If national policy on site-size thresholds is changed in PPS3, the Council will seek 30% affordable housing on sites of 15-24 dwellings.**

## **Type of Affordable Housing**

The draft SPD proposed that 100% of the affordable housing to be provided on sites of 15-24 dwellings should be provided as social rented housing. Some of the responses to consultation on the draft SPD were concerned about the Council seeking 100% social rented units on sites of 15-24 units. The study of the economics of developing housing sites of varying sizes, carried out by AtisReal, found that the proposal in the draft SPD to seek 100% social housing on sites of 15-24 dwellings could deter landowners from releasing sites. In the light of the advice received, the Borough Council has therefore decided that it would seek 80% social rented housing on sites of less than 25 dwellings if PPS3 reduces the site-size threshold below 25 dwellings.

If national policy on site-size thresholds is changed in PPS3, the Council will seek 80% of the affordable housing on sites of 15-24 dwellings to be social rented housing and the remaining 20% for low cost home ownership or intermediate market housing.