

**FAREHAM BOROUGH COUNCIL'S**

**AFFORDABLE HOUSING  
STRATEGY 2006 - 2009.**

**ADDENDUM 1: JULY 2007  
FINAL DOCUMENT**

## **1. Introduction**

- 1.1 The Council's Affordable Housing Strategy for the period from 1 January 2006 to 30 April 2009 was approved and adopted by the Executive on 5 December 2005.
- 1.2 The document describes the progress made in implementing the priorities outlined in the overarching Housing Strategy and sets in place the components necessary in order to meet the 100 affordable homes per year target and move towards a higher target in future years.
- 1.3 As explained in paragraph 10.5 of the Affordable Housing Strategy, it was decided that in order to remain up to date, an addendum would be produced on an annual basis summarising our progress to date in meeting our objectives and delivering our affordable housing development programme. The annual addendum would also set out modifications to our requirements in line with external influences, in particular Government policy.
- 1.4 The Affordable Housing Strategy was prepared concurrent with the Affordable Housing Supplementary Planning Document (SPD). The SPD is used as the basis for negotiation when proposals for housing developments are being considered. 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. A comprehensive review of the strategy will be carried concurrent with the review of the SPD.
- 1.5 This document is the first addendum to, and should be read in conjunction with the Affordable Housing Strategy.

## **2. Progress**

- 2.1 The period ending 31 March 2007 was the first full year of operation since the adoption of the new Affordable Housing Strategy. During the year, the Council succeeded in meeting for the first time, the annual target of 100 affordable homes per annum, originally set in the Housing Strategy 2004-09. During the period 116 new affordable homes were built and occupied from the Council's Housing Register. This compares favourably with a total of 44 homes in the previous year. An additional 23 affordable homes were provided through other means, including key worker housing and intermediate rental let outside of the Housing Register. A total of 86 homes were provided through the planning process.
- 2.2 Of the 116 affordable homes provided directly through the Council's involvement, 96 were for social rental, 7 for sub-market rental and 13 for low cost home ownership (LCHO). The proportion of intermediate market housing (LCHO and sub-market rental) provided through the planning process was below the target of 30%. Most of the schemes delivered in 2006/07 were based on planning consents achieved prior to the adoption of the new Affordable Housing Strategy when a lower proportion of low cost home

ownership was sought. It is anticipated that the target will not be achieved until 2009/10.

- 2.3 At 31 March 2007 there were 126 affordable homes already on site for delivery in 2007/08 and a further 66 units with a planning consent. The projections for 2008/09 and 2009/10 suggest that, assuming the funding can be secured, the affordable housing target will be met throughout the term of the strategy (see Future Programme).
- 2.4 The Council continues to make land available for the provision of affordable housing. In 2006/07, 16 homes were provided on former Council land. A further 39 homes are programmed for completion in 2007/08 and plans are in the pipeline to provide 34 homes in the following year.

### 3. Scale of Affordable Housing Need

- 3.1 In 2004, the Council commissioned David Couttie Associates to undertake an independent survey of housing needs in order to inform the development of the strategy. The survey identified that annually 710 affordable housing units were needed, 495 more than existing supply from re-lets. As described in paragraph 2.6 of the Affordable Housing Strategy, the Housing Needs Survey 2004 is updated every year using the latest income, rent and house price and land supply information.
- 3.2 The table below indicates the latest position on housing need, using the data for 31 March 2007. Despite an increase in supply of 196 units, the total annual need has risen by 227 units. This has resulted in a worsening of the situation over 3 years with the net annual outstanding need rising to 526 dwellings.

**Table 4: Summary of Affordable Housing Need**

	2004	2007
Backlog of Existing Need (eliminated over 5 years)	103	85
Net new formation	377	377
Net increase in registered need	208	459
In-migrant need	22	16
<b>TOTAL ANNUAL NEED</b>	<b>710</b>	<b>937</b>
Total Supply from re-lets / new provision	215	411
<b>NET ANNUAL OUTSTANDING NEED</b>	<b>495</b>	<b>526</b>

### 4. Planning Policy Statement 3 (PPS3)

- 4.1 Appendix "A" of the Affordable Housing Strategy describes amendments to the Council's policies to be implemented once the Government introduced the new Planning Policy Statement on Planning for Housing, (PPS3), which would replace PPG3 and Circular 06/98. The changes in national policy introduced in 2006 became fully operational on 1 April 2007. They have now enabled the

Council to reduce the site-size threshold on which affordable housing is sought to 15 dwellings or 0.5 hectare or more. Policy H10 and the text of the adopted Fareham Borough Local Plan Review automatically apply the new threshold for development control purposes in the Borough.

- 4.2 In accordance with PPS3, the Council will seek the provision of affordable housing in accordance with the revised Table 5 below.

**Revised Table 5: Target mix of dwellings**

Site Size (Net increase in number of dwellings)	Proportion of affordable housing sought
<b>15 - 24</b>	<b>30%</b>
25 - 49	35%
50+	40%

- 4.3 The Council will seek a higher proportion of social rented units on sites of below 25 units. Table 6 of the Affordable Housing Strategy is revised as follows:

**Revised Table 6: Target proportion and tenure of affordable housing by site size.**

Site Size (Net increase in number of dwellings)	Proportion of affordable housing sought	Required tenure split for affordable housing	
		Social Rental	Low cost home ownership &/or intermediate market housing
<b>15 - 24</b>	<b>30%</b>	<b>80%</b>	<b>20%</b>
25 - 49	35%	70%	30%
50+	40%	60%	40%

## 5. Regional & Sub-Regional Policies

- 5.1 Through the Partnership for Urban South Hampshire (PUSH), it is a central priority for South Hampshire to ensure the affordable and key worker housing needs of the sub-region are met so as to support the economic development strategy as well as to deliver good quality public services. Overall, at least 30% of all new housing planned for 2006 – 2026 needs to be affordable in order to address a backlog of existing unmet need and to provide for newly arising needs. A draft Common Policy Framework for affordable housing has been produced by the PUSH authorities. This is proposing a 40% affordable housing target for the sub-region. Achieving this level of affordable housing will require substantial Government funding and co-ordinated action by regional and local agencies.
- 5.2 In accordance with the South East Plan, Policy SH12: Scale, Location and Type of Housing Development, provision will be made for 80,000 new homes in South Hampshire between 2006 and 2026 distributed and phased as follows:-

	Total 2006-11	Total 2011-16	Total 2016-21	Total 2021-26	Total 2006-26
New Forest (part)	600	500	219	219	1,538
Test Valley (part)	650	1,375	1,375	510	3,910
Southampton	5,100	4,000	3,600	3,600	16,300
Eastleigh	3,000	2,300	891	892	7,083
NE/ N of Hedge End SDA	0	0	2,600	3,400	6,000
Winchester (part)	1,400	3,800	1,044	495	6,739
<b>Fareham</b>	<b>1,700</b>	<b>1,100</b>	<b>469</b>	<b>460</b>	<b>3,729</b>
<b>Fareham SDA</b>	<b>0</b>	<b>0</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>
Gosport	1,200	500	400	400	2,500
Portsmouth	4,650	2,950	3,550	3,550	14,700
East Hampshire (part)	350	500	175	175	1,200
Havant	1,800	2,950	776	775	6,301
<b>Total</b>	<b>20,450</b>	<b>19,975</b>	<b>20,099</b>	<b>19,476</b>	<b>80,000</b>

- 5.3 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 is predicted to start. The final figure for housing in the Borough will not be decided until the South East Plan is approved in 2008. Therefore, the Strategy does not take into account the housing figures that are emerging from the preparation of the South East Plan. The Strategy and the SPD will need to be reviewed when the final housing figures from the South East Plan are known.

## 6. Affordable Housing Target

- 6.1 The Affordable Housing Strategy committed the Council to review the capacity to increase its affordable housing target to 175 affordable homes per annum in March 2007 having regard to the available resources and land supply. This review was undertaken earlier than scheduled, concurrent with the adoption of the new Housing Strategy in June 2006.
- 6.2 It was concluded that the probable level of financial resources would mean that this higher figure is unlikely to be achieved and the target will need to remain at 100 in the short term. Even this would require:
- Using the planning system to deliver a significant increase in affordable housing as set out in the Affordable Housing Strategy.
  - Increasing value for money by reducing the average public subsidy per unit.
  - Increasing the land supply for affordable housing including the use of remaining council owned land.
  - Encouraging the Regional Housing Board and the Housing Corporation to increase the investment in affordable housing in Fareham to supplement the resources already allocated by the Council.

## 7. Size and Type of Dwellings

- 7.1 The Council has reconsidered the required mix of affordable homes by size based on the latest statistics on housing need (as identified through the Housing Register) and the study carried out on the Housing Market Assessment across all PUSH authorities.
- 7.2 The table below based on data for 31 March 2007 compares the number of households in registered need for different types of accommodation and the number of lettings made in the previous year.

Type of Accommodation	No. of Applications Registered 31.03.07	Total Lettings 2006/07	Ratio of Applications / Annual Lettings
Bedsit / 1 Bed	567	84	6.7
2 Bed	320	106	3.0
3 Bed	230	18	12.7
4 Bed or more	45	5	9.0
Sheltered	89	74	1.1
TOTAL	1555	287	5.4

- 7.3 The table demonstrates that an applicant for sheltered accommodation can expect to be housed in just over 12 months from registration, whereas a family requiring a 3 bedroom house may have to remain on the register for over 12 years. The table suggests that the Council's current target of providing 20% three bedroom homes will not be sufficient to redress this imbalance. The South Hampshire Housing Market Assessment (October 2006) commissioned by the Partnership for Urban South Hampshire supports the view that across all tenures Fareham's new households would require larger dwellings: "Over 50% would require 3 bed plus dwellings. Those requiring smaller dwellings are more likely to need 2 beds rather than 1 bed".
- 7.4 The Council will address this issue by revising table 7 of the Affordable Housing Strategy to achieve a 10% increase of 3 bedroom homes over the entire programme. The corresponding target for two bedroom homes will be reduced by 10%.

**Revised Table 7: Target mix of dwellings by size**

Size of Dwelling	Occupancy	Original % of Total Affordable Housing	Revised % of Total Affordable Housing
1 Bed Flat / House	(2 persons)	20%	20%
2 Bed Flat / House	(3/4 persons)	55%	<b>45%</b>
3 Bed House	(4/5 persons)	20%	<b>30%</b>
4 Bed House	(6/7 persons)	5%	5%

- 7.5 Over the past four years a high proportion of the provision of 2 bedroom accommodation has been in the form of flats (113 units) rather than houses

(25 units). This is causing concern as some housing associations are placing management restrictions on the allocation of flats above ground floor level to exclude families with young children (under 5 years of age). In order to redress the imbalance, the Council will expect that all schemes delivering a mix of 2 bedroom flats and houses will include a proportionate affordable housing provision of each type of units. Thus, if a scheme contains 60% of its total 2-bedroom units as houses and 40% as flats, the Council will require 60% of the affordable 2-bedroom units as houses and 40% as flats.

- 7.6 The Housing Corporation has published its Housing Quality Indicators (version 4), which will be used to assess bids for funding through the National Affordable Housing Programme 2008/11. The requirements in respect of space standards vary in some instances from the standards set out in table 8 of the Affordable Housing Strategy. In order to provide consistency and to assist housing associations to submit bids which fully meet the Housing Corporation's standards, table 8 is revised as follows:

**Revised Table 8: Relationship between Bedrooms and Space Requirements**

Size of dwelling	Occupancy	Dwelling Type	Original Target net internal floor area (sq. m.)	Revised Target net internal floor area (sq. m.)
1 bedroom	2 bedspace	single storey	45 - 50	45 - 50
		2 storey	45 - 55	<b>45 - 50</b>
2 bedroom	3 bedspace	single storey	60 - 65	<b>57 - 62</b>
		2 storey	60 - 70	<b>60 - 67</b>
	4 bedspace	single storey	70 - 75	<b>67 - 72</b>
		2 storey	70 - 80	<b>70 - 75</b>
3 bedroom	4 bedspace	2 storey	70 - 80	<b>67 - 75</b>
	5 bedspace	2 storey	85 - 90	<b>82 - 85</b>
4 bedroom	6 bedspace	2 storey	95 - 100	95 - 100
		3 storey	100 - 105	100 - 105
	7 bedspace	2 / 3 storey	110 - 115	<b>108 - 115</b>

## 8. Choice of Affordable Housing Providers

- 8.1 As described in the Affordable Housing Strategy, the Council has entered into partnering arrangements with three housing associations in the delivery of the affordable housing programme. These are:
- Atlantic Housing Group
  - Portsmouth Housing Association
  - Swaythling Housing Society
- 8.2 The Council views this close working relationship as critical to the successful delivery of affordable housing to meet local need. This partnering approach embraces design, development and management issues as well as a commitment to contribute towards meeting our strategic objectives.
- 8.3 Over the past year each of the partner housing associations have been involved in merger arrangements; Swaythling Housing Society is now part of

the Radian Group. Atlantic Housing Group and Portsmouth Housing Association have now merged within the First Wessex Group. The fact that the Council now has effectively just two preferred partner associations gives rise to some concern, especially should one partner experience problems in securing resources from the Housing Corporation. This is an issue that needs to be fully explored in conjunction with the partners during the following year.

- 8.4 Notwithstanding the current arrangements, the Council is aware of the Government's concerns as expressed in "Delivering Affordable Housing – Annex to PPS3 Housing" published by Communities & Local Government in 2006, that it does not want local authorities to adopt restrictive practices which could preclude innovation and competition between affordable housing providers.
- 8.5 Whilst appreciating those concerns, the Council has achieved added value to its housing enabling role through the existing partnering arrangements and would wish to promote them wherever possible. Where required the Council will continue to consider providing financial support to its partner housing associations through underwriting bids to the Housing Corporation, providing part funding or by meeting the full scheme grant requirement, where social housing grant is not available.
- 8.6 Where schemes are developed through the planning system, early dialogue with developers is essential to establish the arrangements for the affordable housing provision. The Council will encourage developers to work with the Council's preferred housing providers in the certainty that they will meet the required standards in respect of the development and long term management of affordable housing and providing a local presence.
- 8.7 Where a developer proposes to deliver the affordable units through an alternative housing provider, the Council will require assurances that it can offer an equivalent standard in terms of development, management and cost. It will also look for a local presence, with an office to manage the stock at a distance from the site involving a journey (under normal conditions) of no more than 30 minutes. The Council will develop a new management agreement to incorporate the good standards expected of any housing provider and support for the scheme will be dependent on willingness to enter into such an agreement. In this respect, it is proposed that the Council bases its agreement on the Criteria for Assessing Affordable Housing Providers under PPS3, recently published by the Housing Corporation.

## **9. Housing Quality Issues**

- 9.1 In April 2007 the Housing Corporation published a Design and Quality Strategy and new Design and Quality Standards for affordable housing provision, which replace the Scheme Development Standards. The Corporation defines good housing design as "the delivery of desirable, affordable, high quality homes and environments that utilise innovative approaches to satisfy the needs and help address the aspirations of occupiers and the wider community".



- 9.2 The Commission for Architecture in the Built Environment (CABE) has identified the key facets of quality building as:
- a. **Function** – buildings should work and be fit for the purpose for which they are designed;
  - b. **Appearance** – the building should be excellent in itself and appropriate to its surroundings. It should attract a favourable response from users and the wider public;
  - c. **Context** – the project should be seen as a place, not an isolated building. It should create a public space and contribute to the neighbourhood and its environment;
  - d. **Buildability** – this includes ease of construction, the use of materials from sustainable and local sources, off-site manufacture and the use of standard components;
  - e. **Sustainable** – buildings should use natural resources responsibly.
- 9.3 There is recognition that good design can have a positive impact on a community. However, it can impact hugely on the lives of tenants, homeowners and their communities. Through the consideration of appropriate design, quality of materials, place making and community building exercises, economic gains in maintenance costs for housing associations and running costs for residents can be readily achieved. There is a strong emphasis upon meeting the “Building for Life” criteria as the measure by which to assess design quality in new housing across all tenures (see [www.buildingforlife.org](http://www.buildingforlife.org)).
- 9.4 The Housing Corporation has identified the following five basic building blocks:
- a. **Setting outcome based standards** on 3 core elements:
    - i. **Internal Environment** – “internal environments should be comfortable, convenient and capable of sensibly accommodating the necessary furniture and equipment associated with specific room activities and be suitable for the particular needs of intended user groups”.
    - ii. **Sustainability** – “new homes should be designed and constructed in a sustainable manner using products and processes that reduce environmental impact, better adapt to climate change, lower running costs and incorporate features that enhance the health and well-being of constructors, occupiers and the wider community”. The performance measure stipulated for the sustainability core performance standard consists of fully meeting a prescribed minimum standard as set out in the Code for Sustainable Homes.

- iii. **External Environment** – “The development of new homes should be undertaken in a manner which delivers great places to live, creates well-mixed and integrated communities and provides an appropriate balance between private and public open space.”
    - b. **Using a competitive framework to reward high standards and quality design** – in addition to setting minimum standards, the Housing Corporation will continue to drive higher standards by offering incentives within their bidding and funding regime that reward the production of good quality housing.
    - c. **Enforcing compliance with agreed standards** – The Housing Corporation will continue to ensure that achievement of the agreed standards is achieved through their compliance procedures.
    - d. **Evaluating the impact on residents** – The Housing Corporation will continue to seek to ensure that the design of homes reflects the needs and requirements of residents. It is vital that the aspirations and views of residents are carefully considered.
    - e. **Supporting good practice** – The Housing Corporation considers that a key part of its role is to promote good practice in quality and design.
- 9.5 The Affordable Housing Guidance Manual, companion to the Affordable Housing Strategy will be updated to reflect the issues arising from the new Design and Quality Standards and the Code for Sustainable Homes.

## 10. Low Cost Home Ownership Initiatives

- 10.1 Information on registered need for Low Cost Home Ownership received from the HomesinHants Team has enabled the Council to consider the needs of potential home buyers in the Borough. It's proposed that a new approach is considered in the Borough with a view to making it easier to understand and to give local people some additional weighting in the process. The proposals will include clear guidelines for local people how to apply and what criteria are used to determine who gets the property. The overall aim will be to make the process far more straightforward and more transparent than is currently the case.
- 10.2 The Council is also proposing to offer existing tenants an opportunity to buy a share in their homes through the voluntary Social HomeBuy scheme on a Pilot basis for a year.

## 11. Financial Resources

- 10.1 The Affordable Housing Strategy describes the Council's commitment to continue to make financial resources available to support the provision of affordable housing. Of the £9 million reserved funding originally allocated over the three years, £5.5 million remains unallocated.

- 10.2 This funding will be very important to “stretch” the Housing Corporation’s grant to secure more affordable housing in the borough.

## 12. Future Programme

- 11.1 The Housing Strategy 2006-09 included a schedule giving an indication of the enabling programme for the following three years based on identified sites expected to come forward for development. There have been a number of changes since that time and set out below is the latest estimate of completions for 2007/10. In respect of the larger sites it is anticipated that handovers will be phased over 3-4 years and this has been reflected in the programme.

<b>2007/08 PROGRAMME</b>		
Barnes Close	Former Council Land	8
North of Whiteley – Phase 3	PPG3 Site	12
Marlborough Farm - Phase 1	PPG3 Site	12
125 Mays Lane, Stubbington	PPG3 Site	7
20/24 West Street, Portchester	Conversion / Extension	14
4-16 Station Road, Park Gate Phase.2	PPG3 Site	2
Laundry site, Gudge Heath Lane	PPG3 Site	17
Marlborough Farm Phase 2	PPG3 Site	2
Fareham Community Centre	Former Council Land	20
MODA, 163 West Street	Outside Planning Policy	16
Leydene Nursery	PPG3 Site	5
North of Addison Rd - Phase 2	Former Council Land	11
<b>TOTAL</b>		<b>126</b>

<b>2008/09 PROGRAMME</b>		
5-13 Osborn Rd South	Council Land	24
Land West of Grovebury	PPG3 Site	3
Kings Road Assembly Hall Site	Council Land	2
Broadlaw Walk – Phase 1	Regeneration	24
Swanwick Marina	PPS3 Site	16
Gudge Heath Lane - Phase 2	PPG3 Site	15
4-12 The Avenue	PPG3 Site	7
Hunts Pond Road – Phase 1	PPG3 Site	24
Coldeast Hospital – Phase 1	PPG3 Site	20
Peters Road – Phase 1	PPS3 Site	24
Prelate Way / Hunts Pond Road	PPG3 Site	7
Bath Lane	PPS3 Site	6
Council Infill Sites	Council Land	8

Station Road, Portchester	Council Land	16
ATC site, Farm Rd, Titchfield	PPG3 Site	17
	<b>TOTAL</b>	<b>213</b>

<b>2009/10 PROGRAMME</b>		
Hunts Pond Road – Phase 2	PPS3 Site	24
Coldeast Hospital – Phase 2	PPG3 Site	17
Peters Road – Phase 2	PPS3 Site	24
Broadlaw Walk – Phase 2	Regeneration	16
St. Columba's Church, Hillson Drive	Church Land	18
Foundry Site, Quay Street	PPS3 Site	23
North of North Whiteley – Phase 1	PPS3 Site	20
Land East of Northway, Segensworth	PPS3 Site	13
East of Raley Road	PPS3 Site	20
Windmill Grove, Portchester	PPS3 Site	9
Shetland Rise, Whiteley	PPS3 Site	16
School Site, Heath Road	PPS3 Site	9
Brook Lane	PPS3 Site	8
Fleet End road	PPS3 Site	7
Area 32 (East of Church Road)	PPS3 Site	7
	<b>TOTAL</b>	<b>231</b>