

AFFORDABLE HOUSING

Supplementary Planning Document (SPD)

Approved by Cabinet on 20th November 2024

Minor amendments as delegated to Head of Planning and Lead Member on
11 December 2024



If you have any queries regarding this SPD, please contact the Forward Planning Department using the below details.

E-mail:

forwardplanning@rossendalebc.gov.uk

Telephone:

01706 252418 / 252415 / 252412

Post to:

**Forward Planning Department,
Rosendale Borough Council,
The Business Centre,
Futures Park,
Bacup,
OL13 0BB**

AFFORDABLE HOUSING

Supplementary Planning Document (SPD)

Contents

1. Introduction	pg. 4
2. Context	pg. 4
2.1 National Planning Policy Framework	pg. 4
2.2 Rossendale Local Plan 2019 - 2026	pg. 5
2.3 Strategic Housing Market Assessment (SHMA)	pg. 6
2.4 Housing Strategy	pg. 6
3. Affordable Housing provision in Rossendale	pg. 6
4. When on-site provision cannot be provided	pg. 6
5. Affordable Housing in Rossendale	pg. 8
5.3 Social Rent	pg. 8
5.4 Affordable Rent	pg. 9
5.5 Build to Rent and Affordable Private Rent	pg. 9
5.6 Starter Homes	pg. 10
5.7 Discount Market Sales Housing	pg. 10
5.8 Rent to Buy	pg. 11
5.9 Shared Ownership	pg. 11
5.10 Rural Affordable Housing	pg. 12
5.11 Specialist Housing / Older Persons Housing	pg. 12
5.12 Self-Build Housing	pg. 13
6. Other	pg. 13
6.1 Outline Application	pg. 13
6.2 Larger Homes (the 0.5 hectare rule)	pg. 13
6.3 Vacant Building Credit	pg. 14
6.4 Layout and Design	pg. 14
Appendix One - Eligibility Criteria	pg. 15
Appendix Two - Price Cap Calculations	pg. 18

Affordable Housing

1. Introduction

- 1.1 Rossendale Borough Council is committed to delivering a wide range of housing, including affordable housing, to meet identified need. The Council's Strategic Housing Market Assessment (SHMA) 2016 and subsequent update in 2019 demonstrate that there is a considerable demand for affordable housing in Rossendale and that the issue must be addressed to prevent the problem from worsening. There is a particular need to provide for the growing elderly population as well as those with disabilities.
- 1.2 Affordable Dwellings should meet the requirements of those deemed in need of affordable housing, including a house price / rent set at an achievable level within the context of Rossendale.
- 1.3 This Affordable Housing Supplementary Planning Document (SPD) is intended to provide further detail to accompany and support the implementation of Policy HS3: Affordable Housing of the Rossendale Local Plan 2019 to 2036.
- 1.4 This document is a material planning consideration in the determination of planning applications and it should be utilised by potential applicants when proposing new residential developments of 10 or more dwellings (0.5 hectares or part thereof).



2. Context

2.1 National Policy Framework

- 2.1.1 The delivery of affordable housing is a key objective of the National Planning Policy Framework (December 2023) (NPPF). The NPPF states that where a need for affordable housing has been identified, '...planning policies should specify the type of affordable housing required, and expect it to be met on site...' (1). This is what Policy HS3 aims to achieve, and this SPD will facilitate the implementation of said policy.
- 2.1.2 The Council uses the Government's own definitions of Affordable Housing as set out in the NPPF, which defines Affordable Housing as "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions":

(1) NPPF December 2023 - Paragraph 64

2.1.3 Affordable Housing for Rent

“Affordable housing for rent meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (5) (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).”

2.1.4 Starter Homes

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

2.1.5 Discounted Market Sales Housing

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

2.1.6 Other affordable routes to home ownership

“Other affordable routes to home ownership is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.”

2.2 Rossendale Local Plan 2019 - 2036

2.2.1 Within the Rossendale Local Plan 2019 to 2036 (herein referred to as “Local Plan”), a requirement of 30% onsite affordable housing will be sought by the Council on applicable market housing schemes, subject to site and development considerations, such as financial viability.

2.2.2 Of the total number of homes to be provided, at least 10% should be available for affordable home ownership as part of the overall affordable housing requirement. This is the case apart from when the proposal provides solely for Build to Rent, specialist accommodation to meet specific needs, is self-build, or is exclusively for affordable housing, entry level exception sites or rural exception sites.

2.2.3 The remaining Affordable Dwellings (20% of the total number of dwellings on-site) must be of an affordable rental tenure, with the Council having a specific preference for either Social or Affordable rent.

2.2.4 Despite the high need for affordable housing in Rossendale, the SHMA recognises that there is a need to balance the delivery of affordable housing against viability of delivery. The requirement in terms of tenure will be based on the housing need at the time of submission of the planning application. Further details will be provided within this Supplementary Planning Document.

Affordable Housing

2.3 Strategic Housing Market Assessment (SHMA)

- 2.3.1 As part of the examination of the Local Plan the Council commissioned Lichfields to conduct a SHMA in 2016, with an update produced in 2019. This SHMA shaped the Local Plan policies on Affordable Housing requirements and tenures and identified a “significant affordable housing need in Rossendale”.
- 2.3.2 A specific need for Social / Affordable rental properties was identified (70% of Affordable Housing needs), hence why Policy HS3 of the Local Plan seeks a higher rate of Social / Affordable rent tenures than Affordable Home Ownership.

2.4 Housing Strategy

- 2.4.1 The primary aim of the Housing Strategy is to strengthen the housing framework in the Rossendale Borough. The strategy outlines how the Council is to get the best out of its resources and build on existing relationships, both internally and with partners. This will drive forward improvements in Rossendale’s housing market, and ultimately boost the options available to residents within the borough.

3. Affordable Housing provision in Rossendale

- 3.1 As illustrated above, Policy HS3 of the Local Plan sets out when Affordable Housing is required as part of new housing developments of 10 or more dwellings (0.5 ha or part thereof).
- 3.2 In an instance where the calculation of Affordable Housing provision results in a non-whole number the Council will always round-up the number and seek this number of Affordable Dwellings e.g. 30% of 21 homes is 6.3 homes, this should be rounded-up to 7 homes and this is what the Council will seek. In this example, if the Council were to round-down to 6 homes then Policy HS3 would not be satisfied and the onus would fall upon the applicant to demonstrate why rounding-up would not be feasible.
- 3.3 The majority of Affordable Housing in Rossendale is delivered via Planning Obligations as set out in section 106 of the Town and Country Planning Act (1990) (as amended), known as “s106 agreements”. s106 agreements allow the Council greater control and security in regard to the stable delivery of Affordable Housing.

4. When on-site provision cannot be provided

- 4.1 Policy HS3 of the Local Plan states that “In exceptional circumstances, off-site provision or financial contributions of a broadly equivalent value instead of on-site provision, will be acceptable where the site or location is unsustainable for affordable housing”.
- 4.2 Where it is agreed between the Applicant and the Council that on-site provision of Affordable Housing cannot be realistically achieved then the Council will seek appropriate off-site provision / contributions to deliver Affordable Housing elsewhere. It should be noted that this approach will only be taken in exceptional circumstances where robust evidence is provided to demonstrate that on-site Affordable Housing provision is not possible. The Council will expect the applicant to evidence this and cover any reasonable costs incurred by the Council in scrutinising any such evidence.

Affordable Housing

- 4.3 If it is satisfactorily evidenced that the development cannot realistically deliver Affordable Housing then the Council will require that an Overage Clause is entered into with the Council expecting that any reasonable costs incurred in the preparation of this to be covered by the applicant. This will be decided on a case by case basis.
- 4.4 Where it is agreed that an off-site provision / contribution is acceptable, the methodology on the next page should be followed in order to calculate the level of appropriate contributions, including uplift:

1

The Council, in liaison with the developer, will determine what proportion of the different house types would be required to be affordable if the Council's affordable housing policy were to be met on-site. The key consideration will be meeting the overall provision of affordable units and the tenure split as set out in section 2(ii) above.

2

The applicant must provide details of the Open Market Value (OMV) of the identified affordable homes. This should be based on local evidence of similar schemes and be supported by a valuation prepared by a RICS Registered Valuer.

3

The applicant must submit evidence in the form of written communication from a Registered Provider (RP) active in Rossendale which sets out how much the RP would be prepared to pay for the Affordable Dwellings on the basis that they remain affordable in perpetuity. The applicant should calculate the 'cost to developer' if the Affordable Dwellings were to be provided on site. The cost should be equivalent to the difference between the OMV and the price that the RP would be prepared to pay. e.g. if a house is worth £200,000 on the OMV and a RP would purchase the property for £120,000 then the 'cost to developer' would be £80,000. In the absence of submitted evidence that has been endorsed by the RPs the Council will use its own evidence to determine the 'cost to developer'. This evidence is likely to be based on recent transactions across Rossendale.

4

Once the total 'cost to developer' is calculated for the scheme the Council will include uplift (see following) to the financial contribution to reflect the fact that if the affordable homes are provided off-site, the number of market homes on site increases.

Uplift

In calculating the uplift the Council will apply the following assumptions: **Total Scheme [TS] = Market Homes [MH] + Affordable Homes [AH].** $MH = 0.7 \times TS$.

In a scheme where the Affordable Housing is provided on-site then TS is the known factor. E.g. in a scheme with 100 dwellings the following split between MH & AH will be required:

Total Dwellings = 100, No. of MH = 70 (0.7 (70%) of TS), No. of AH = 30 (0.3 (30%) of TS)

However, if the AH are to be provided off-site and the application site is wholly MH then the TS increases. Here the number of MH is the known factor. The formula: $MH = 0.7 \times TS$ is re-written as $TS = MH / 0.7$.

Therefore, in the same scheme as above the total scheme will increase as follows: **No. of MH = 100, Total Dwellings = 143 (100 / 0.7).** As we know: $TS = MH + AH$.

The number of Affordable Homes [AH] will therefore be the equivalent of 43 units (i.e. 30% of the total scheme). The financial contribution for off-site affordable housing will have to reflect this. This uplift calculation can be varied dependent on the number of Affordable Homes on site. If the applicant determines that the final financial contribution would make the scheme unviable they must demonstrate this via a viability statement to the satisfaction of the Local Planning Authority.

5. Affordable Housing for Rossendale

5.1 This section will provide more detail on the different types of Affordable Housing outlined in the NPPF and Planning Practice Guidance (PPG), how each will function within Rossendale and what the Council will seek when determining Planning Applications.

5.2 There are three main forms of Affordable Housing; Affordable Rental (including Social Rent & Affordable Rent), Affordable Home Ownership (including First Homes & Discount Market Value) and Intermediate Affordable Housing (including Shared Ownership).

5.3 Social Rent

5.3.1 Social Rent housing is owned and managed by Affordable Housing Providers and is for eligible households whose needs are not met by the open market, for which guideline target rents are determined through the national rent regime.

5.3.2 The Council is in partnership with B-with-us, this is Pennine Lancashire's method of allocating housing association properties for rent. More information on B-with-us, including how to use the service, can be found here: www.b-with-us.com.

5.3.3 Provision will be made, via s106 agreements, to ensure that Social Rent housing will remain as such in perpetuity. s106 agreements will also ensure the dwelling is available only for eligible persons as outlined above and that the property cannot be offered for sub-letting. Eligibility criteria for Social Rent dwellings can be found in [Appendix One](#).

5.3.4 The 2019 SHMA also identified a need within the Social Rented sector for wheelchair accessible homes (meeting Optional Standards M4(3) of the Building Regulations). Applicants will be encouraged to meet these standards on-site subject to site and development considerations.

5.3.5 Social and Affordable Rent dwellings are the Council's preferred form of Affordable Rental dwellings due to a specific need for these tenures (as demonstrated in the SHMA), their ability to provide long-term Affordable Housing provision, and the regulation that national government provides in terms of Registered Providers.

5.3.6 Government's policy statement on rents for social housing can be found [here](#).



5.4 Affordable Rent

- 5.4.1 Affordable Rented housing is owned and managed by Affordable Housing Providers and is for eligible households whose needs are not met by the open market. Affordable Rents must not exceed 80% of the local market rent, inclusive of service charges and must not exceed the Local Housing Allowance (LHA) for the relevant property type in the relevant location. This is to ensure that in high value areas the affordable homes can still be affordable to those on lower incomes and who may require financial assistance towards meeting the cost of their rent.
- 5.4.2 Affordable Rented housing should remain as such in perpetuity and this will be secured via s106 agreements.
- 5.4.3 Social and Affordable Rent dwellings are the Council's preferred form of Affordable Rental dwellings due to a specific need for these tenures (as demonstrated in the SHMA), their ability to provide long-term Affordable Housing provision, and the regulation that national government provides in terms of Registered Providers.

5.5 Build to Rent and Affordable Private Rent

- 5.5.1 Build to Rent schemes generally consist of 100% purpose built housing for rent. The NPPF states that Affordable Housing on such schemes should be provided by default in the form of Affordable Private Rent, a form of Affordable Housing which has been designed specifically for Build to Rent schemes. Both Affordable Private Rent and private market rent dwellings should be managed by a single Build to Rent landlord, this does not need to be a Registered Provider.
- 5.5.2 The PPG states that national affordable housing policy requires a minimum rent discount of 20% for Affordable Private Rent dwellings relative to local market rents. This discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.
- 5.5.3 Eligibility for occupying affordable private rented homes will be agreed between the Council and the scheme operator on a case by case basis.
- 5.5.4 The 2019 Strategic Housing Market Assessment stated that in Rossendale, it is likely that Build to Rent schemes could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire an alternative to traditional rental options. Research conducted as part of the 2019 SHMA concluded that there is expected to be a very modest growth in the number of young single person households (+339) and also the number of households with children (+347); suggesting that any Build to Rent schemes in Rossendale should be modest in scale, and should be split broadly equally between meeting the needs of families (i.e. larger housing) and also smaller housing suited to single person households.
- 5.5.5 However, as stated in the 2016 SHMA, Research published by EC Harris in November 2013 (Build to Rent – Pushing the Boundaries) identified Rossendale as an area whereby build to rent was not viable, even if delivery costs and unit sizes were reduced.
- 5.5.6 Social and Affordable Rent dwellings are preferred by the Council due to these tenures providing long-term Affordable Housing provision, and regulation that national government provides in terms of Registered Providers, something that Affordable Private Rent may not achieve. This, coupled with the identified un-viability of Build to Rent schemes within Rossendale, mean the Council will not actively pursue Build to Rent or Affordable Private Rent as an Affordable Housing tenure.

5.6 Starter Homes

- 5.6.1 Sections 2 & 3 of the **Housing and Planning Act 2016** specify what constitutes a Starter Home and reference to this is made within the NPPF.
- 5.6.2 However, the secondary legislation as mentioned within the NPPF has not been published and the Government no longer has a dedicated budget for the delivery of Starter Homes. As such, this form of Affordable Housing will not be actively pursued by the Council.

5.7 Discounted Market Sales Housing

- 5.7.1 As defined in the NPPF, Discounted Market Sales Housing, also known as Discount Market Value (DMV), are dwellings sold at a discount which is at least 20% below the identified local market value of that property agreed with the Council. Eligibility for this form of housing in Rossendale is determined with regard to local house prices, incomes, a local connection test and the suitability of the property based on the number of bedrooms and household size. Further information regarding the eligibility criteria for DMV homes can be found in **Appendix One**.
- 5.7.2 Provision will be made, via s106 agreements, to ensure that the dwelling remains at a discounted level for eligible persons in perpetuity. Additionally, via s106 agreements, the Council will seek to make sure that DMV Homes are the sole residence of any potential purchaser and are not offered for lease in the future.
- 5.7.3 DMV homes will only be available to purchasers with an annual combined household income of, at the most, £56,010. This is calculated using the median earning for Rossendale (2) and multiplying by 2 to arrive at a likely maximum household income for median earners. Further information regarding the eligibility criteria for Discount Market Value homes can be found in **Appendix One**.
- 5.7.4 DMV homes can also have a sale price cap lower than the national figure of £250,000. The house price cap for Rossendale is explained below. (2)
- 5.7.5 **DMV Price Cap**
A cap on the sale price of Discount Market Sales housing will be applied. Rossendale Borough Council will therefore set a cap on the price of a DMV dwelling lower than the national figure. This will be set to ensure that the sale price (with discount applied) is in reach of a typical household with median earnings in the Borough, as considered above. The cap is therefore set at £174,669 (for 2023-24), the amount (based on 2022 data) that the example median household could raise.
- 5.7.6 This level of discount and Affordable Housing tenure will be secured via a s106 agreement, as will ensuring that the discount remains in perpetuity.

(2) Data taken from the Office for National Statistics "House price to workplace based earnings ratio" dataset published in March 2024.

Affordable Housing

- 5.7.7 When someone wishes to sell a DMV house they must inform the Council and confirm the date they intend to begin marketing the property. The vendor is responsible for obtaining a market valuation of the property which will be used by the Council as the basis for the discounted sale calculation.
- 5.7.8 It is the responsibility of the vendor to market the property and ensure that the buyer they agree to sell with is one deemed eligible to purchase the property by the Council. We therefore encourage prompt application to avoid delays and unnecessary complications.
- 5.7.9 Anyone who inherits a DMV property should inform the Council of the new ownership.

5.8 Rent to Buy

- 5.8.1 Rent to Buy is an affordable route to home ownership mentioned within the NPPF, acting as a form of intermediate rent. Under this scheme, tenants are helped to save for a deposit by offering dwellings at a discount, usually 20% below market rent. More information can be found at: www.gov.uk/rent-to-buy.
- 5.8.2 In order to be eligible for Rent to Buy applicants must be:
- in full or part time employment;
 - a first-time buyer (3); and
 - able to pay rent & save for a house deposit simultaneously.
- 5.8.3 Applicants can apply to rent a dwelling under this scheme, and if deemed eligible, the dwelling may be offered to the applicant. The initial tenancy will be for up to 2 years, however, if more time is required to save for a house deposit then the landlord may agree to extend the tenancy. Applicants can buy a dwelling, including those under an Affordable Home Ownership scheme, as soon as an adequate house deposit has been saved and a mortgage can be secured.
- 5.8.4 The Council does not have a preference for Rent to Buy and will not actively pursue such schemes over other affordable rent options, specifically Social and Affordable Rent. However, anyone interested in the scheme can still search for relevant dwellings here: [Search for a Rent to Buy home in the north](#).

5.9 Shared Ownership

- 5.9.1 Shared Ownership is a form of Intermediate Housing which allows people who cannot afford all of a house deposit and mortgage payment for a dwelling which meets their needs to buy said dwelling.
- 5.9.2 A share (between 10% & 75%) of a dwelling is bought by a prospective purchaser and rent is also paid to a landlord on the remaining shares. A deposit (usually 5 - 10%) is also needed for the share being purchased.
- 5.9.3 The Council will consider this form of intermediate housing when making up the affordable housing make-up of a scheme as Intermediate Housing is not only a way of assisting in meeting affordable housing needs, it is also an effective way of helping people who are able to afford private market rent but cannot afford a dwelling to meet their needs get on the housing ladder.
- 5.9.4 More information regarding Shared Ownership is contained on the Government website: www.gov.uk/shared-ownership-scheme.

(3) Applicants may be eligible for Rent to Buy if returning to home ownership following a relationship breakdown.

5.10 Rural Affordable Housing

5.10.1 PPG stresses the importance of housing supply and affordability issues in rural areas, and the SHMA highlights that a strong demand exists for rural housing within the borough. Local Plan Policy HS11: Rural Affordable Housing – Rural Exception Sites aims to satisfy these demands by allowing a limited number of dwellings that exclusively meet local needs for affordable housing adjoining the built form of existing settlements. So long as; a) there is no suitable site available within the Urban Boundary, and b) the scale and nature of the development would be in character with the existing settlement.

5.11 Specialist Housing/Older Persons Housing

5.11.1 There is an identified need for specialist supported housing in Rossendale, including a strong demand for housing for older people and those with mental health needs. The SHMA identified that the number of residents aged over 65 in Rossendale is projected to increase by 6,336 by 2034. Given the substantial projected increase in residents over 65, and the current insufficient supply of specialist housing for older people, it is a priority to increase the supply of good quality accommodation tailored specifically to this demographic. Policy HS5 of the Local Plan provides guidance on how to achieve appropriate housing standards and information on Optional Standards M4(2) of the Building Regulations. In line with Policy HS5, new housing developments of 5 or more dwellings will be required to provide at least 20% of dwellings which are specifically tailored to meet the needs of elderly or disabled residents, or be easily adaptable in line with the Optional Standards M4(2).

5.11.2 Local Plan Policy HS15: Specialist Housing seeks to address this issue by supporting proposals for specialist housing (including retirement, extra care and supported accommodation) provided that:

- The development is well located so that shops, public transport, community facilities and other infrastructure and services are accessible to those without a car, as appropriate to the needs and level of mobility of potential residents, as well as visitors and staff;
- The development contains appropriate external amenity space of an acceptable quantity and quality;
- Adequate provision is made for refuse and storage and disposal facilities;
- It would not have an unacceptable impact on the character of the area or the amenity of the occupiers of neighbouring properties; and
- The design and layout of the accommodation and its relation to its specific broader context fully meets the requirements of the residents of the specific type of accommodation proposed.



Affordable Housing

5.11.3 The Local Plan allocates three sites specifically for specialist accommodation:

- H19 – Former Bacup Health Centre
- H48 – Former Waterfoot Primary School
- H61 – Land behind Buxton Street, Whitworth

5.11.4 All three of the sites were built out as of 31st March 2022, collectively contributing 60 additional units to the existing stock of specialist accommodation in Rossendale.

5.12 Self-Build Housing

5.12.1 The Government is committed to increasing the supply of self-build and custom build homes. Evidence from the SHMA indicates that the level of demand for plots is low in Rossendale, and the Council's Self-build Register supports this evidence, with only 47 people being on the register as of the 31st March 2023.

5.12.2 Nevertheless, Local Plan Policy HS16: Self Build and Custom Built Homes is designed to support those who are interested in this form of housing. The Council will support said people by encouraging developers of schemes comprising 50 or more dwellings to make at least 10% of plots available for sale to small builders or individuals / groups who wish to custom build their own homes, where possible. This will be subject to the Council's self-build register and site viability.

5.12.3 Additionally, the Local Plan identifies three sites specifically for self-build and custom build housing:

- H5 – Land South of 1293 Burnley Road, Loveclough (5 dwellings)
- H53 – Land off Lea Bank (9 dwellings)
- H56 – Hareholme, Staghills (9 dwellings)

5.12.4 Self and custom-build housing can be delivered as Affordable Housing. Where this is possible the affordability parameters, occupancy and re-sale conditions will be controlled via a s106 agreement. Where on-site affordable housing is not feasible on an applicable self-build housing scheme then off-site provision/contribution will be sought.

6. Other

6.1 Other Applications

6.1.1 It will be necessary to agree in principle the delivery of Affordable Housing at the Outline Application stage, if applicable. This will then be applied to any Reserved Matters Application received.

6.2 Larger Homes (the 0.5 hectare rule)

6.2.1 Where a Planning Application is submitted for nine or fewer dwellings but is on a site which is 0.5 hectares, Policy HS3 still applies and a requirement of at least 30% affordable dwellings will be sought. Such sites may not viably be able to provide on-site affordable dwellings, as such, off-site provision or a monetary contribution may be acceptable.

Affordable Housing

6.2.2 It is advised that prior to Planning Applications being submitted for said developments the developer should engage in Pre-Application discussions with both the Local Planning Authority and the Strategic Housing Team. This would allow the early determination of what off-site provision or monetary contribution should be provided. This can be achieved by utilising the Local Planning Authority's Pre-Application Advice & Guidance service.

6.3 Vacant Building Credit

6.3.1 The Government's PPG provides an incentive for the development of brownfield sites which contain vacant buildings in the form of 'vacant building credits'. These credits can be applied to developments where a vacant building is brought back into lawful use, or is demolished in order to make way for a new building.

6.3.2 Where the development proposes an increase in the amount of overall floorspace, the Council will calculate the amount of affordable housing contributions required in line with the existing policy in the Local Plan. However, a Vacant Building Credit should then be applied which is equivalent to the gross amount of floorspace being brought back into use or created via a new building.

6.3.3 For example:

- A proposal is submitted to demolish a small vacant mill building which has a gross floorspace of 1000sqm and replace it with a new apartment building with a gross floorspace of 2000sqm and 40 apartments contained within.
- As the new gross floorspace is twice as much as the old gross floorspace, the affordable housing contribution should be half as much as what is asked for in the Local Plan after the Vacant Building Credit has been applied.
- This means that of the 40 apartments, the Council will only ask for an Affordable Housing contribution of 15%, equating to 6 affordable dwellings.

6.3.4 Vacant Building Credits do not apply where the building has been abandoned or been made vacant for the sole purpose of re-developing the site. Each proposal will be assessed on a case by case basis. In instances where buildings are demolished or removed on health and safety grounds it will be at the discretion of the Council whether or not to apply vacant building credit.

6.3.5 The Council's current policy is to protect and enhance existing employment sites. More information regarding this can be found in the Re-use and Re-development of Employment Land SPD.

6.4 Layout and Design

6.4.1 Policy HS3 of the Local Plan states that "Within larger housing developments, the affordable housing will be evenly distributed throughout the development". The concentration of all Affordable Dwellings in one section of a development will not be considered acceptable by the Council. Below is a simplified site layout demonstrating appropriate and inappropriate Affordable Dwelling distribution (purple representing the Affordable Units).



Appendix One - Eligibility Criteria

7.1 Detailed below is the eligibility criteria that applicants must meet to be able to fulfil in order to be considered for the type of affordable housing that they are applying for. These eligibility criteria should be used within the drafting of s106 agreements for applicable sites.

7.2 Social /Affordable Rent

7.2.1 An Approved Person must meet the following Eligibility Criteria for the Social / Affordable Rented Units:

- Applicants must be deemed to be in Housing Need;
- Applicants must be able to demonstrate a housing need for a property type;
- Applicants must have a local connection with the area in which they are seeking to live. For the avoidance of doubt please see the section below detailing the Local Connection Test for Social / Affordable Rented dwellings; and
- The Social / Affordable Rented Units must be the applicant's sole or principle home.
- Provided Always that notwithstanding the above the Council and Affordable Housing Provider may agree between themselves any amendment to the Eligibility Criteria where the Council shall deem it reasonable to do so and provided further that after such amendments are applied the applicant is able to demonstrate a housing need for a property type.
- Upon allocation of the Social / Affordable Rented Units for first lets and all subsequent lets the Affordable Housing Provider will confirm the details of each successful applicant detailing the criteria by which they qualify and the property address allocated to them and send this information to the Council.

7.3 Shared Ownership / Discount Market Value

7.3.1 In order to be eligible for Shared Ownership / Discount Market Value dwellings applicants must:

- Be deemed to be in need of financial assistance to purchase a property on the open market;
- Be able to demonstrate a housing need for a property type;
- Pass the Local Connection Test with the area in which they are seeking to live. For the avoidance of doubt please see the section below detailing the Local Connection Test for Affordable Home Ownership; and
- The Affordable Housing Unit must be the applicant's sole or principal home.
- Applicants will only be authorised to proceed with the tenancy / lease (as applicable) after meeting the criteria above. Applicants will normally only be permitted to occupy Affordable Housing Units with an excess of one bedroom for their current housing need, however discretion may be showed where it is reasonable to expect a household's need increase.
- Provided Always that notwithstanding the above the Council and Affordable Housing Provider may agree between themselves any amendment to the eligibility criteria set out in this Schedule where the Council shall deem it reasonable to do so and provided further that after such amendments are applied the applicant is able to demonstrate a housing need for a property type. The applicants must use the accommodation as their main and principal residence.
- If after the Affordable Housing Units have been marketed for 6 months there is no interest from applicants who comply with paragraphs 1 and 2 applicants who are ordinarily resident within the Borough can be considered as well as applicants who can demonstrate a need for affordable housing.

7.3.2 In order to be eligible for Shared Ownership applicants must:

- Not have a household income over £56,010 a year;
- Not be able to afford all of a house deposit and mortgage payments for a dwelling which meets their needs; and
- One of the following must be true:
 - o you are a first-time buyer
 - o you used to be a homeowner but can no longer afford to buy a new one
 - o you are forming a new household (e.g. following relationship breakdowns)
 - o you are an existing shared owner and wish to move
 - o you are a homeowner but can't afford a new home that meets your current needs

7.4 Local Connection Test

7.4.1 A Local Connection Test is something that an applicant for some forms of Affordable Housing needs to pass in order to be deemed eligible for said housing. The Council will make use of one of two different Local Connection Tests dependent upon whether the Affordable Housing is for Affordable Rent or Affordable Home Ownership. Additionally, given their unique circumstances Armed Forces personnel, veterans and their spouses / civil partners are not required to comply with the following Local Connection Test so long as they can evidence that they meet the definition of an "Armed Forces Member".(4)

7.4.2 The parameters of the Local Connection Test that need to be met to be deemed eligible for Social / Affordable Rental dwellings are detailed below:

- Applicants who, for a period of 6 months immediately prior to proposed occupation of an affordable dwelling, or 3 years out of the last 5, had their only or principal home in the Council's administrative area; or
- Applicants who, for a period of 12 months immediately prior to proposed occupation of an affordable dwelling, have had their only or principal place of employment within the Council's administrative area; or
- Applicants who have, immediately prior to the proposed occupation of an affordable dwelling, had a Close Supporting Family Connection, living within the Council's administrative area for a continuous period of 5 years.

7.4.3 The parameters of the Local Connection Test that need to be met to be deemed eligible for Affordable Home Ownership dwellings are detailed below.

7.4.4 First preference shall be given to applicants who:

- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, or 3 years out of the last 5, had their only or principal home within the same ward as the application site; or
- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, have had their only or principal place of employment within the same ward as the application site; or
- Have, immediately prior to the proposed occupation of an affordable dwelling, had a Close Family Connection, living within the same ward as the application site for a continuous period of 5 years.

(4) "Armed Forces Member": a member of the Royal Navy, Royal Marines, British Army or Royal Air Force or a former member who was a member within the five years prior to the purchase of the Affordable Dwelling, a divorced or separated spouse or civil partner of a member or a spouse or civil partner of a deceased member or former member whose death was caused wholly or partly by their service

Affordable Housing

7.4.5 If no person qualifies under paragraph 1 above, second preference shall be given to applicants who:

- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, or 3 years out of the last 5, had their only or principal home within a bordering ward to the ward the application site is within; or
- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, have had their only or principal place of employment within a bordering ward (within the Council's administrative area) to the ward the application site is within; or
- Have, immediately prior to the proposed occupation of an affordable dwelling, had a Close Family Connection, living within a bordering ward to the ward the application site is within for a continuous period of 5 years.

7.4.6 If no person qualifies under paragraph 2 above, third preference shall be given to persons who:

- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, or 3 years out of the last 5, had their only or principal home within the Council's administrative area; or
- For a period of 12 months immediately prior to proposed occupation of an affordable dwelling, have had their only or principal place of employment within the Council's administrative area; or
- Have, immediately prior to the proposed occupation of an affordable dwelling, had a Close Family Connection, living within the Council's administrative area for a continuous period of 5 years.

7.4.7 Before Qualifying Persons as described in paragraph 3 above shall become eligible for occupation, the Affordable Unit shall have been marketed for sale subject to the above categories 1 and 2 above for a period of at least 12 weeks, evidence of which shall be provided to the Council.

7.5 Close Family Connection

7.5.1 For the avoidance of doubt, the Council defines a Close Family Connection as one of following: spouse, civil partner, parent / guardian, children and siblings. We will also allow family associations through marriage and civil partnership e.g. stepparents, children. Other forms of Close Family Connection may be considered on a case by case basis.

7.6 Household Size

7.6.1 Households who will fully occupy the discounted sale property, or have a defined housing need, will be given priority. If a suitably sized household cannot be found, then households who will under-occupy will become eligible, starting with those who would only under occupy by one room and going beyond that if no applications are received within a specified time frame.



Appendix Two - Price Cap Calculations

8.1 In order to calculate the Price Caps for Discount Market Value dwellings, the following methodology has been utilised. Using data from the Office for National Statistics also allows the Council the opportunity to annually update these figures.

Median annual earning in Rossendale	£28,005
Median annual earning p/ household in Rossendale	$£28,005 \times 1.5 =$ £42,007.50
Mortgage Multiplier	$£42,007.50 \times 4 =$ £168,030
+10%	$£168,030 \times (10/9) =$ £186,700
Total price that could be raised by a median household in Rossendale.	£186,700

Median house price in Rossendale is £170,000, lower than what can be raised by a median household in Rossendale using the above methodology.

The data used in this methodology was taken from the Office for National Statistics “**House price to workplace-based earnings ratio**” dataset published in March 2024.





www.rossendale.gov.uk

Rosendale Borough Council,
The Business Centre,
Futures Park, Bacup,
OL13 0BB.