

### **Great Places' Business Plan for Petre Wood Phase 3**

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Great Places Housing Group (GPHG) are wanting to deliver affordable housing on this site as it builds upon the previous two phases of residential development in this neighbourhood. The proposals comprise 31 units with a mix of two and three bedroom houses and 2 bed bungalows for shared ownership and social rent. We believe that the range of units provided on this phase will allow Great Places to offer affordable housing to a wide spectrum of people with various housing needs. The offer of Shared Ownership and Social Rent has been agreed following on from our meeting on (26<sup>th</sup> February 2019) and subsequent discussions with Rachael Stott (Housing Strategy Officer at Ribble Valley Council) ( see Appendix 1)

Great Places manage over 19,000 across the North West and have a strong track record in terms of building new homes, having delivered nearly 6,000 in the last ten years across the North West of England. Our latest corporate plan sets ambitious targets to deliver 8,000 homes over the next 10 years. In 2018, Great Places welcomed a landmark strategic partnership (SP) with Homes England that will see the organisation build 750 additional affordable homes across the North over the next four years, enhancing existing funding in place to deliver 1,200 homes. The SP enables delivery of homes for social rent in areas of high affordability pressure of which Ribble Valley is one of only 7 in the North West. This scheme will be the first scheme in Ribble Valley to have grant funded Social Rent units in over 10 years.

The social rent homes will be let via nominations from Ribble Valley Borough Council. According to the Local Authority's recent Housing Needs Survey (2011) there is demand for this type and size of home. Rent levels will be set in line with restrictions for social rent. There will be a minimal service charge and no ground rent payable on the scheme. Residents who are offered a property will have to complete a stringent affordability check to ensure they can afford the rent payments before they are allocated a property. Previous demand for rented properties on the previous phases has been high and we have only had 2 properties void (short term) since 2008 when the first phase was completed.

Demand for the previous Shared Ownership units on past phases has been high, with the last phase having all units reserved within 10 months and attracting 126 expressions of interest for the 7 homes. Our sales provider, Plumlife have a good track recording selling in Ribble Valley and believe that there is definitely a further need for shared ownership in the area as the local high values have priced many first time buyers out of the market. In order to ensure the units can be included in the Homes England's SP, the shared ownership, dwellings will be sold to purchasers who meet the eligibility criteria as set out in the Homes England's Capital Funding Guide. No other restrictions including nationally or locally defined prioritisation criteria can be applied to the shared ownership other than a prioritisation for current and former members of the British Armed Forces, this is because of their grant funded nature. Eligible purchasers will have a household income of less than £80,000 p.a. and will not own another property.

The homes will be managed by Great Places who are a trusted Registered Provider in Ribble Valley. Great Places are able to ensure confidence and reliability in the delivery and ongoing management of

the properties. Great Places are named within RVBC “Addressing Housing Need” (2012) document as having a partnership arrangement.

### **Design Criteria:**

Within RBVC’s adopted Core Strategy (2014) at Key Statement H3 it sets out the design criteria for Affordable Housing which sets out that older people’s housing needs to meet Lifetime Homes. The bungalows on this scheme are aimed at the older demographic and we can confirm that they meet Lifetime Homes.

This scheme will be funded by Homes England through our Strategic Partnership, as part of this partnership in terms of design requirements the following wording is included within Capital Funding:

- **Building for Life** – Whilst not a mandatory requirement, Housing Outputs should aim to achieve a minimum of Building for Life score of 12.
- **Nationally Described Space Standards (NDSS)** – All new homes should aim to meet NDSS. Where the floor area of any units is likely to fall below 85% of NDSS, the Grant Recipient should raise the issue at PMB and seek written approval from Homes England for consideration on a case by case basis.

The scheme will meet a minimum score of 12 for Building for Life Assessment. The Assessment looks at how the scheme intergrates into the neighbourhood, creates a place, the street and homes of the scheme. In terms of NDSS, as you can see from the wording above that this is an aim and not mandatory. The table below sets out the NDSS requirement against the unit sizes on the scheme:

House Type	House Type Size (m2)	NDSS Requirement (m2)	% difference between scheme house types and NDSS Requirements
2 bed/4 person house	70m2	79m2	88%
3 bed/5 person house	83m2	93m2	89%
2 bed/3 person detached bungalow	66.87m2	61m2	109%
2 bed/3 person semi-detached bungalow	63m2	61m2	103%

As you can see from the table above, the bungalows on the scheme are above the NDSS requirements and the 2 and 3 bed houses are just below NDSS but do not require written approval from Homes England as they are over 85% of NDSS. It should be noted that all 4 house types are above the previous Homes England Funding Design criteria of Housing Quality Indicators. The housing quality indicator (HQI) system is a measurement and assessment tool to evaluate housing schemes on the basis of quality rather than just cost. The assessment tool evaluates size, layout, routes and movement.

### **Affordable Housing Provision**

We are aware that one of the 4 key elements RVBC consider for S106 Agreements is affordable housing. As this is a 100% affordable residential scheme, we would request that this matter is dealt with by condition. Great Places require the ability to raise funds on the security of their new housing stock to fund the future development pipeline. Whilst we acknowledge that Local Authorities wish to preserve affordable housing in perpetuity within a section 106, this does contradict the government

requirement of Registered Providers to build more homes. The optimum valuation of tenanted stock is on the basis of what valuers' class as "market value subject to tenancy ("MV-T")" which is valued on the basis that a mortgagee in possession can sell the properties on the open market subject to the existing tenancies without affordable housing restrictions. If the properties are subject to restrictions that will limit the tenancies to affordable housing, the valuation applied will be a lower valuation classed as "existing use value ("EUUV)". The difference in such valuations can be significant. It is therefore preferred that the affordable housing is a planning condition rather than through S106 agreement. We would suggest the following condition:

*The affordable housing shall be provided in accordance with the approved scheme and shall meet the definition of affordable housing in Annex 2 of NPPF or any future guidance that replaces it. The scheme shall include:*

- i. the numbers, type, tenure and location on the site of the affordable housing provision to be made which shall consist of not less than 32 dwellings providing 50% for rental and 50% for shared ownership;*
- ii. the arrangements to ensure that such provision is affordable for both first and subsequent occupiers of the affordable housing; and*
- iii. the occupancy criteria to be used for determining the identity of occupiers of the affordable housing and the means by which such occupancy criteria shall be enforced in line with the LPA need criteria*

As highlighted above, Great Places has a strong track record of delivering affordable housing not only in Ribble Valley but across the North West. The scheme will be part funded by Homes England and will provide much needed Affordable Housing in the area. It will be the first scheme in several years to offer grant funded social rent properties as well as continuing provide the affordable home ownership offer within the borough. The scheme is compliant with Homes England Funding requirement and has approval from Homes England, sitting within their programme.