Affordable Housing Scheme
Residential Development of Land at Dilworth Lane, Longridge

August 2015
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1. Introduction

1.1 This scheme for the provision of affordable housing is submitted on behalf of Taylor Wimpey UK Ltd (Manchester) (the "Applicant") as part of a reserved matters application for the residential development of land to the north of Dilworth Lane, Longridge.

1.2 Taylor Wimpey were granted outline planning permission (LPA ref. 3/2015/0065) from Ribble Valley Borough Council (the “Council”) on 30 March 2015 for the development of up to no. 195 dwellings with all matters reserved save for access from Dilworth Lane.

1.3 This statement has been prepared to address the requirements of the Section 106 (s106) Agreement which was attached to the outline permission. Section 2 of Schedule 1 of the s106 Agreement stipulates that no phase of the development shall commence until an Affordable Housing Scheme has been approved for each phase of the development.

1.4 This Statement is submitted alongside the reserved matters planning application, which has been prepared to address the following matters:

- Scale;
- Layout;
- Appearance; and
- Landscaping.

1.5 The scope of the contributions set out within this statement has been the subject of discussions with the Council during determination of the original application for outline planning permission (LPA ref. 3/2014/0517), determination of planning permission 3/2015/0065 and subsequent discussion in relation to the reserved matters submission.

1.6 This statement confirms the provision of affordable units to be delivered on site at Dilworth Lane and the terms of the commuted sum which is to be paid to Ribble Valley Borough Council to facilitate the off-site delivery of 33 new affordable homes.
2. Methodology for Calculating Affordable Housing Provision

2.1 In terms of policy context, Key Statement H3 (Affordable Housing) of the Ribble Valley Core Strategy (December 2014) sets out the policy basis for the provision of affordable housing as part of residential development proposals in the Borough. More specifically, the Key Statement states:

"Within the settlement boundaries of Clitheroe and Longridge on housing developments of 10 units or more dwellings (or sites of 0.5 hectares or more, irrespective of the number of dwellings) an element of affordable, local needs housing will be required on all schemes. The Council will seek affordable housing provision at 30% of units on the site."

2.2 During the determination of the original outline application (LPA ref. 3/2014/0517) for up to 220 dwellings, an Affordable Housing Memo was received from the Council’s Housing Strategy Officer on 9 September 2014 (provided at Appendix 1).

2.3 This correspondence confirmed that it would be inappropriate to provide 30% of the new homes as affordable units on the site. Instead, RVBC requested that 26 affordable properties be accommodated on the site and a commuted sum be made by Taylor Wimpey to support the delivery of 40 affordable homes off-site.

2.4 Based on a 30% requirement for affordable housing and the proposed delivery of 195 dwellings, there is a requirement for Taylor Wimpey to provide 59 affordable homes. The scheme provides 26 of these on-site, whilst a contribution will be made for a further 33 to be delivered off-site.
3. **On-Site Affordable Housing Provision**

**Provision of On-Site Affordable Housing**

3.1 As explained at Paragraph 2.2 of this Statement, during the determination of the original outline application (LPA ref. 3/2014/0517), the Council’s Housing Strategy Officer confirmed that provision should be made for the delivery of 26 affordable properties on-site comprising:

- Ten, two-bedroom bungalows;
- Eight, two-bedroom properties; and
- Eight, three-bedroom properties.

3.2 In accordance with the Council’s evidence on housing need in Longridge, the applicant has agreed to deliver 70% of the affordable homes as two-bedroom properties and 30% as three-bedroom properties. The detail site layout plan submitted in support of the reserved matters application accords with this requirement. For clarity, an Affordable Housing Layout Plan is enclosed at Appendix 2 and this identifies the precise location of the affordable units.

**Delivery of On-Site Affordable Housing**

3.3 In accordance with the terms of the outline planning permission (LPA ref. 3/2015/0533), an application to discharge condition 4 (Phasing Strategy) of the permission was submitted to the Council on 19 June 2015, and was subsequently approved on 23 July 2015.

3.4 The on-site affordable housing units will be brought forward in accordance with timescales presented on the Phasing Strategy (provide at Appendix 3). For clarity, the development at Dilworth Lane is due to commence on site in early 2016 and will be sequenced as follows:

- Estimated completion of first unit with Phase 1 - June 2016
- Estimated completion of first unit with Phase 2 - March 2018
- Estimated completion of first unit with Phase 2 - June 2020 (c.30% total number of dwellings).

3.5 The layout plan enclosed at Appendix 2 also identifies the positioning of the affordable units and the phases of development within which they will be delivered.

**Shared Ownership and Rented Affordable Units**

3.6 The Section 106 Agreement attached to the outline planning permission defines “On-Site Affordable Housing Units” as being:

“The Shared Ownership Units and Rented Affordable Units are to be provided on the Site at a 50/50 ratio.”
3.7 Although the Section 106 Agreement requires an equal split of 50% shared ownership and 50% rented affordable units, Registered Providers have confirmed that they will not accept units where a shared ownership dwelling is attached to a rented dwelling. This makes it impossible to have a pair of semi-detached properties with one property of each tenure.

3.8 As part of the reserved matters submission, the Applicant is therefore proposing that the split of shared ownership and rented affordable units is in line with Table 3.1 below. Although this does not provide an exact 50/50 split between rented and shared ownership units, it presents the best case scenario and will meet the requirements of the Registered Providers.

Table 3.1: Shared Ownership and Rented Affordable Units

<table>
<thead>
<tr>
<th>House Type</th>
<th>Rented Units</th>
<th>Shared Ownership Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-bedroom bungalow</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Two-bedroom house (PA24 Beckford)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Three-bedroom house (PA30 Dadford)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

**Lifetime Homes Standard**

3.9 Schedule 1, paragraph 2.1.1 of the Section 106 Agreement confirms that the equivalent of 7.5% of the affordable homes to be provided on site should be of Lifetime Homes Standard.

3.10 As explained, the Applicant is required to deliver 26 affordable dwellings on-site and will make a contribution to the off-site provision of 33 affordable homes. In requiring 7.5% of all dwellings to be of Lifetime Homes Standard, the s106 is requesting that 25% of all the affordable units to be delivered on site shall be of a Lifetime Homes Standard.

3.11 Based on the requirement to deliver 26 affordable units on-site, it is calculated that there is a requirement to deliver seven units to Lifetime Homes Standard.

3.12 All ten of the two-bedroom bungalows to be delivered will meet the Lifetime Homes Standard. The Reserved Matters scheme, therefore, adequately satisfies the requirements of the Section 106 Agreement in relation to the provision of new affordable homes which meet the Lifetime Homes Standard.
4. Off-Site Affordable Housing Contribution

Calculating Off-Site Affordable Housing Contribution

4.1 The Section 106 Agreement attached to the outline planning permission states that should a financial contribution in relation to Off-Site Affordable Housing be required Schedule 1, paragraph 2.1.8 explains that the contribution should be calculated in accordance with the following formula:

\[ C = V \times A \]

Where:
- \( C \) = Affordable Housing Contribution payable
- \( V \) = Open Market Value of the Affordable Housing which in accordance with the approved Affordable Housing Scheme is NOT to be provided as On-Site Affordable Housing Units in that Phase
- \( A \) = 0.31 (Discount on Open Market Value of an On-Site Affordable Housing Unit).

4.2 The advice received from the Council’s Housing Strategy Officer (provided at Appendix 1) in respect of the outline application for 220 dwellings confirmed that 40 affordable homes should be provided off-site and a contribution would be sought in lieu of providing these units on site.

4.3 Based on the development of 195 dwellings as proposed by the accompanying application for reserved matters, there is a requirement for Taylor Wimpey to provide a contribution towards the development of 33 off-site affordable dwellings. When added to the on-site provision of 26 dwellings, it equates to 30% of the total development.

4.4 In accordance with the needs for Longridge, the Council’s Housing Strategy Officer requested that the on-site provision for affordable housing consist of 30% three bedroom and 70% two bedroom properties. For consistency, same ratios for two and three bedroom properties have been used to calculate the contribution towards off-site affordable housing provision.

4.5 In a separate exchange of correspondence with the Council’s Housing Strategy Officer on 24 June 2015 (provided at Appendix 4), it was confirmed that any off-site affordable housing contribution should be calculated using the following Open Market Values:

- Three bedroom units = £168,000; and
- Two bedroom units = £155,000.

4.6 Using the formula (above and stated in the Section 106 Agreement)\(^1\) the total off-site affordable housing contribution has been calculated at **£1,525,950**.

\[ \begin{align*}
3 \text{ bedroom properties} &= \£1,680,000 (10 \times \£168,000) \\
2 \text{ bedroom properties} &= \£3,565,000 (23 \times \£155,000) \\
\text{Total Open Market Value} &= \£5,245,000 (\£1,680,000 + \£3,565,000) \\
\text{Total Off-Site Affordable Housing Contribution} &= \£1,525,950 (\£5,245,000 \times 0.31)
\end{align*} \]
Timescales for Payment of Off-Site Affordable Housing Contribution

4.7 The Applicant has confirmed this obligation to be acceptable and will provide the contribution in line with Schedule 1, paragraph 2.1.7 of the s106 Agreement. This confirms that no more than 75% of the market housing units within any phase will be occupied until an Affordable Housing Scheme for that phase has been paid.

4.8 It is proposed that the scheme will come forward in three successive phases of development. Affordable housing contributions will therefore be made as follows:

- 33% to be paid on the occupation of 51st dwelling on site at Dilworth Lane;
- 33% to be paid on the occupation of 101st dwelling on site at Dilworth Lane; and
- 34% to be paid on the occupation of 151st dwelling on site at Dilworth Lane.

4.9 This aforementioned phasing of the affordable housing contribution was agreed with the Council's Strategic Housing Officer via an exchange of email correspondence on 21 July 2015. This information is also enclosed at Appendix 4.
5. **Conclusion**

5.1 This statement has been prepared on behalf of Taylor Wimpey UK Ltd (Manchester) to support an application for reserved matters for the residential development of land to the north of Dilworth Lane, Longridge.

5.2 Following correspondence with the Council and in accordance with the requirements of the Section 106 agreement attached to the outline planning permission, the Applicant has agreed to deliver 26 affordable houses on the development site.

5.3 The affordable units will be delivered in a timescale agreed by the approved Phasing Strategy, whilst adhering to an appropriate mix of shared ownership and rented tenures. Furthermore, ten of the on-site affordable units will be of a Lifetime Homes Standard, adequately meeting the requirements of the Section 106 Agreement.

5.4 Following discussions and advice from the Council an off-site affordable housing contribution is to be made by the Applicant, the total of which is £1,525,950. The contribution will be paid in a three phase approach, in line with the requirements of the Section 106 Agreement.

5.5 In conclusion, the redevelopment of the land at Dilworth Lane is in accordance with Key Statement H3 (Affordable Housing) of the Ribble Valley Core Strategy (December 2014). The requirements of the Section 106 Agreement attached to the outline planning permission have also been addressed through the preparation and submission of this statement, therefore, the Council is encouraged to treat the application for Reserved Matters application favourably and issue an approval notice within the statutory determination period.
Appendix 1: Affordable Housing Memo
The Strategic Housing Working Group considered the Dilworth Lane application on the 27 August. The draft heads of terms sets out the proposed affordable housing provision on the site. The proposed phasing is accepted and the qualifying person’s criteria to be defined in writing by the Council are satisfactory and will include a local connection requirement.

However the fall back mechanism contained within the heads of terms, that if no Registered Provider is secured then the affordable units to be delivered on the site will be released from the requirements of the Sect 106 and sold on the open market is not accepted. In the event that no Registered provider is secured we would request that the units are sold at a discount sale but remain affordable for households with a local connection. The discount would be 40% of the open market value and this would be applied at first sale and every sale after with the Local Authority approving the local connection and sale values at the point of sale.

The offer of 30% of the total dwellings to be provided as affordable on the site would provide a total of 66 affordable units. This is the standard affordable housing requirement on any new development. The housing needs evidence for Longridge demonstrates the high demand for housing for older people. The housing waiting list has over 60 households requiring ground floor accommodation for older people. In addition general needs housing demand is also evidenced by the register and local needs evidence. However when considering the most appropriate affordable housing provision on the Dilworth Lane site, although older person’s provision is the highest demand the site location and access to services from the site means it’s not the most appropriate location for delivering specialist housing and therefore the preferred affordable housing delivery would be:

| 10 bungalows | 5 shared ownership | 5 affordable rent |
| 8 2-bed properties | 4 shared ownership | 4 affordable rent |
| 8 3-bed properties | 4 shared ownership | 4 affordable rent |
This would be a total of 26 affordable units on site and the request would be for the remainder of the affordable offer to be provided as a commuted sum. A commuted sum therefore would be required for the equivalent of 40 units. This commuted sum would be used to deliver accommodation for older people in a more appropriate location within Longridge. The calculation for the commuted sum figure is set out in the Addressing Housing Needs document. The methodology calculates the difference between the open market value and the value at which a Registered Provider would purchase the unit.
Appendix 2: Affordable Housing Layout
Denotes 14no. shared ownership units.

Key:

Scale

Drawn

TBM1

Initial

Rev

M17 1QS
Manchester.
Trafford Park,
Clarence Avenue,
Enterprise Park,
MPSL Planning & Design Ltd
housing units.

Proposed Residential Development,

LAYOUT

AFFORDABLE HOUSING
Appendix 3: Phasing Strategy
Appendix 4: Correspondence with RVBC Housing Strategy Officer
Hi Greg,

We would use Cromwell Fields Longridge affordable units as a comparable. SVHA secured the affordable units on that site and have provided the values of the units both the OMV and affordable housing values. The 3 bed units were valued as having an OMV of £168,000 and the 2 bed units £155,000 I would envisage using these values to then calculate a 31% contribution.

Hope this information is useful, please confirm if you accept these values.

Regards Rachael

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With specific regard to the off-site contribution, Schedule 1 (Para 2.1.8) sets out that 'Any Affordable Housing Contribution payable in any Phase in accordance with the approved Affordable Housing Scheme shall for that Phase be calculated using the following formulae:

\[ C = V \times A \]

Where:

- \( C = \) Affordable Housing Contribution payable
- \( V = \) Open Market Value of the Affordable Housing which in accordance with the approved Affordable Housing Scheme is NOT to be provided as On-Site Affordable Housing Units in that Phase
- \( A = 0.31 \) (Discount on Open Market Value of an On-Site Affordable Housing Unit).

To progress this matter and to inform the preparation of the Affordable Housing Scheme for the forthcoming Reserved Matters application, I would be grateful if you could provide clarification on the value of \( V \) as set out in the formulae above?

I look forward to receiving your feedback / clarification at your earliest convenience.

Kind regards,

Greg Dickson
Associate Director

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Greg Dickson
Associate Director

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