

## APPENDIX 1

### STRATEGIC HOUSING MARKET ASSESSMENT

The latest version of the Strategic Housing Market Assessment (SMHA) can be viewed on the Cambridgeshire Horizons. The key findings of the SHMA in respect of housing need are as shown in the table below. At the time of consultation on the draft SPD, proposed draft figures to update the SHMA were published and these are also included in the table.

<b><i>TYPE OF NEED and SOURCE of SUPPLY</i></b>	<b><i>SHMA 2008 (CHP 27) AMOUNT OF NEED PER ANNUM-next 3/5 years (properties)</i></b>	<b><i>DRAFT SHMA 2009 (CHP 27) AMOUNT OF NEED PER ANNUM-next 3/5 years (properties)</i></b>
To reduce the backlog	889	1049
Newly Arising Need-	911	1197
<b>A) TOTAL NEED pa</b>	<b>1800</b>	<b>2247</b>
<b><i>SUPPLY</i></b>		
Relets from existing stock	290	263
Resales from existing stock	7	18
<b>B) TOTAL SUPPLY FROM EXISTING STOCK</b>	<b>297</b>	<b>281</b>
<b>C) NEED FOR NEW AFFORDABLE HOMES (A minus B)</b>	<b>1503</b>	<b>1966</b>
<b><i>Current average new build programme</i></b>	<b>315</b>	<b>341</b>
<b><i>Anticipated annual shortfall</i></b>	<b>1188</b>	<b>1625</b>
<b><i>New Build Supply needed to stop the backlog increasing- newly arising need minus maximum supply from existing stock</i></b>	<b>614</b>	<b>916</b>



## APPENDIX 2

### PPS3: DEFINITION OF AFFORDABLE HOUSING

The following is an extract taken from Annex B of PPS3:

#### **Affordable housing is:**

'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

#### **Social rented housing is:**

'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

#### **Intermediate affordable housing is:**

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent.'

These definitions replace guidance given in *Planning Policy Guidance Note 3: Housing (PPG3)* and *DETR Circular 6/98 Planning and Affordable Housing*.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

There is further guidance on eligibility for affordable housing, recycling of subsidy, specific features of social rented and intermediate affordable housing and the application of the affordable housing definition, in particular with regard to the extent

to which non-grant funded and private sector low cost housing products meet the definition in the Affordable Housing Policy Statement.

## **APPENDIX 3**

### **MODEL SECTION 106 CLAUSES**

To follow.



## APPENDIX 4

### CONTACT DETAILS AND FURTHER INFORMATION

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## GLOSSARY

### **Affordable Housing:**

Affordable Housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

### **Cambridge Sub Region**

For housing policy purposes includes the districts of South Cambridgeshire DC, Cambridge City Council, East Cambridgeshire DC, Huntingdonshire DC, Fenland DC, St Edmundsbury DC and Forest Heath DC.

### **Choice Based Lettings**

A system for the allocation of social rented housing. Designed to offer more choice and involvement for customers in selecting a new home, including a system for advertising available properties so that applicants who meet the selection criteria eg local connections, household type who match the property characteristics, in housing need, etc can bid for properties. Allocations are made in accordance with published lettings policies drawn up to meet statutory requirements.

### **Clusters**

Small groups of affordable homes, defined locally as being typically 6 to 8 in the rural area and 6 to 25 in urban areas, which are distributed through a residential development to help secure mixed and balanced communities.

### **Code for Sustainable Homes**

In April 2007, the Code for Sustainable Homes replaced Ecohomes for the assessment of new housing in England. The Code is an environmental assessment method and sets a new national standard for sustainable design and construction of new homes, and is proposed to gradually be incorporated into Building Regulations.

### **Development Appraisal/Financial Appraisal**

An appraisal of the viability of a housing scheme and the sensitivity of providing the required amount of affordable housing, and identifying the maximum reasonable amount of affordable housing to be provided. The appraisal will be required to be an open book assessment and will include standard assumptions about land values and profit margins. An independent appraisal will be required. THE GRIMLEY MODEL is available at:

<http://www.homesandcommunities.co.uk/economic-appraisal-tool>

### **Eligible Households**

Households eligible to apply for affordable housing are defined by government and are essentially any households who are not excluded by virtue of particular issues around nationality and status, whether they are existing tenants and previous unacceptable behaviour. Criteria for eligible households are set out in Chapter 4 of the ODPM publication "Allocation of Accommodation - Code of Guidance for Local Housing Authorities" (November 2002), which is issued under s169 of the Housing Act 1996. Housing authorities are required to have regard to this guidance in exercising their functions under Part 6 of the 1996 Act.

### **Rural Exception Site**

Plot of land adjoining the village framework of a rural settlement and allocated for the development of affordable housing for local people which could not otherwise be granted planning permission for open market housing.

### **Homebuy**

A government scheme which enables social tenants and eligible key workers and first time buyers to buy a share of a home and get a first step on the housing ladder. It includes a range of intermediate housing products.

### **Homebuy Agent**

'HomeBuy agents' administer the HomeBuy schemes. HomeBuy agents are housing associations appointed by the Homes and Communities Agency, the public agency responsible for housing in England, and provide a "one-stop-shop" and point of contact for the HomeBuy products in a given area in England. They also handle the entire application process.

### **Homes and Communities Agency (HCA)**

The Homes and Communities Agency is a non-departmental body that is responsible for the funding of affordable homes in England. This is the successor body to the Housing Corporation for these purposes.

### **Housing for Intermediate Rent**

Defined as housing with rents set at a higher level than social rented, but lower than market rent levels. Must be affordable for households in the priority need group. A Registered Social Landlord normally provides intermediate rent housing, but other affordable housing providers who can demonstrate a local management process and conformity with national codes of good practice can do this provided that it is agreed by the Council.

### **Housing Needs Survey**

A local housing needs assessment playing a role in underpinning land use planning policies relating to affordable housing. Apart from local needs assessment for Rural Exception Sites, these are now superseded by Strategic Housing Market Assessments conforming to government guidance, which may or may not include survey results as part of their assessments.

### **Intermediate Housing**

A range of products available to people who have income above those requiring social renting housing, but below those that can access full ownership. Products include shared ownership and sub-market rent etc.

### **Local Area Agreement (LAA)**

LAAs are three-year agreements, developed by local councils with their partners in Local Strategic Partnerships (LSP, see below). Each LAA is negotiated with the Government Office for the region, before being agreed and signed off by the Secretary of State. In Cambridgeshire the LAA is at a County level. As part of the

development of LAAs, a growing proportion of government funding streams is now combined in a single Area Based Grant (ABG). This funding is used alongside mainstream budgets to support the achievement of specific 'improvement targets' identified in LAAs, including affordable housing targets.

### **Local Lettings Plans**

Overall lettings policies have to provide "reasonable preference" to categories of households on the housing register who fall into certain categories of need defined in the Housing Act 1996 and associated Code of Guidance. As long as this requirement is met, local authorities may set aside homes on a particular estate, or certain types of property across the stock, for applicants who meet specified criteria. This might include local connections or household characteristics.

### **Local Strategic Partnerships (LSPs)**

LSPs are partnerships across public, private, business, community and voluntary sectors at local level. The LSPs bring together local plans and partnerships and initiatives to provide a forum through which public service providers can work effectively to meet local needs and priorities.

### **Mortgagee in Possession Clause**

"Mortgagee in Possession" means a person or body which has entered into a mortgage in respect of an affordable dwelling constructed on the land and has taken action following a default by the borrower in respect of the repayment due under that mortgage. The clause allows the release of affordable housing occupancy restrictions in favour of the mortgagee.

### **Nomination Agreement**

An agreement negotiated between the Council and an RSL which guarantees the Council's ability to access RSL-owned new build accommodation and relets for applicants on the Council's Housing Register, either via a Choice Based Lettings system or some alternative route.

### **Pepper Potting**

A guideline that requires housebuilders to mix affordable housing in with private housing in very small numbers (typically ones and twos), rather than cluster the affordable homes together.

### **Section 106 Agreement**

A legal agreement under Section 106 of the Town and Country Planning Act 1990, often a requirement before granting planning permission. Used as a means of securing the provision of affordable housing and other contributions from developments, including housing schemes.

### **Social Housing Grant**

Social Housing Grant (SHG) is a grant given to Registered Social Landlords (housing associations) or other approved bodies by the Homes and Communities Agency. The grants aim to provide new affordable housing for rent or low cost home ownership and meets part of the costs of developing the homes.

### **Strategic Housing Market Assessment (SHMA)**

A framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It promotes an approach to assessing housing need and demand which can provide an evidence base for the development of local development document and regional spatial strategy policies dealing with planning for housing development, as set out in Planning Policy Statement 3: Housing (PPS3).

### **Supporting People**

Government funded revenue stream to contribute towards meeting the support needs of vulnerable people in supported housing . The Supporting People team at county level fund support and also devise a Strategy to prioritise new schemes for a wide range of special needs groups. Now delivered through the local area agreement process.