

Housing Enabling Comments- Hardwick Campus, 24/00576/PREAPP

Summary of Housing Enabling Comments:

In their current form, the applicants indicative proposals require several improvements to meet the Council's affordable housing policy requirements. Given the size of this site and the scale of the Council's housing needs, it would seem appropriate to deliver 1-4 bedroom affordable homes, yet, despite this, the applicants proposals only include 1-3 bedroom affordable homes. Discussions with RP partners has indicated that the provision of 1 and 2 bedroom affordable flats can often lead to intensive long-term housing management issues, which should be avoided wherever possible. Accordingly, this officer's affordable housing proposals include maisonettes, which, judging by discussions with RP partners, promotes a sense of belonging amongst residents and aids in long-term housing management. Whilst the applicant's proposals are at an early stage, further details are required around the tenure mix, accessibility standards, visual appearance and distribution of the proposed affordable homes before this officer can come to any judgment on policy compliance in these areas. Moving forwards, this officer is happy to engage with the applicant to try and determine an appropriate affordable housing offer that aligns with the Council's policy requirements.

Level of Affordable Housing Provision:

The Joint Core Strategy Policy SD12: Affordable Housing states that "on sites of 11 dwellings or more... a minimum of 40% affordable housing will be sought in Cheltenham Borough". The affordable housing requirement found in the JCS has been superseded by the latest [NPPE](#), which requires that schemes of 10 dwellings or more should deliver affordable housing.

This application is comprised of 69 residential units. Therefore at 40% provision in line with JCS Policy SD12: Affordable Housing the Council would normally seek the provision of 28 affordable homes on this scheme. Notwithstanding this, it is noted that the applicant's submitted design and access statement (page 19, dated 02/04/2024) and sketch scheme layout (dated 02/04/2024) refers to 29 affordable homes (42% affordable), which complies with policy requirements outlined within JCS Policy SD12, and, accordingly, this officer's proposed mix reflects the figure outlined by the applicant.

Proposed Affordable Housing Mix:

Having regard to local needs, community cohesion and affordability considerations, the following mix of affordable dwellings will be sought by officers on a policy compliant site:

29-42%	Social Rent	Shared Ownership	Totals	%
1b2p GF wheelchair M4(3)(2)(b) maisonette, 60m2	1	0	1	3%
1b2p maisonettes, 50m2, M4(2)	7	0	7	24%
2b4p houses, 80m2, M4(2)	6	5	11	38%
3b5p houses, 85m2, M4(2)	3	0	3	10%
3b5p houses, 85m2	0	3	3	10%
3b6p houses, 93m2	2	1	3	10%
4b8p house, 117m2	1	0	1	3%
Totals	20	9	29	100%
%	69%	31%	100%	

Viability:

JCS Policy SD12 states that where the viability of development impacts upon delivery of the full affordable housing requirement, developers should consider:

- Varying the housing mix and design of the scheme in order to reduce costs whilst having regard to the requirements of other policies in the plan... and the objective of creating a balanced housing market.
- Securing public subsidy or other commuted sums to assist delivery of affordable housing.

If a development cannot deliver the full affordable housing requirement, a viability assessment conforming to an agreed methodology, in accordance with Policy INF7 will be required. Viability assessments will be independently appraised at the expense of the applicant. It is expected that any such assessment will be published in full prior to determination for all non-policy compliant schemes except in exceptional circumstances.

The council considers that information submitted as a part of, and in support of a viability assessment should be treated transparently and be available for wider scrutiny. In submitting information, applicants should be aware that this will be made publicly available. Further clarification around the viability process that Cheltenham Borough Council will follow in exceptional circumstances can be found in JCS Policy SD12.

In exceptional circumstances, where it is agreed that it is not possible to deliver 40% affordable housing on site due to viability issues, the council will build a viability review mechanism into the Section 106 agreement. This would likely take place within 2 years of the date of the last viability review.

Dwelling Mix and Tenure:

Our adopted policy JCS Policy SD11: Housing Mix and Standards states that: - "Housing development will be required to provide an appropriate mix of dwelling sizes types and

tenures in order to contribute to mixed and balanced communities”, before continuing to require that new development should: “address the needs of the local area...as set out in the local housing evidence base, including the most up-to-date SHMA” ([the 2020 Gloucestershire LHNA](#)).

To facilitate a mixed and balanced community in this location, this officer will seek a range of 1-4 bedroom affordable homes including 20 social rented homes and 9 shared ownership homes. The proposed affordable housing mix has been informed by the latest evidence bases of affordable housing need, as detailed in the sections below. Further details justifying the delivery of social rented homes can be found in the ‘rents’ section below. Additionally, the Council’s approach and justification to support the delivery of Shared Ownership homes can be found in the ‘Shared Ownership’ section below.

Rental Provision:

JCS Policy SD11 requires that new developments must address identified local housing needs, as set out in the local housing evidence base. Additionally, JCS Policy SD12: Affordable Housing states that “provision should be made... to ensure that housing will remain at an affordable price for future eligible households”.

The Council’s affordable housing mix seeks the delivery of 20 no. social rented homes (equating to 69% of the total affordable housing provision)- in reflection of identified housing needs and affordability issues. The Council’s mix includes a mix of 1-4 bedroom social rented homes. This approach correlates with the latest evidence base of need and is informed by discussions with local RP partners to create strong, sustainable and resilient communities. For example, the Council’s latest Housing Register Figures (May 2024) indicate that, of 2,698 households on the Council’s Housing Register, 1490 (55%) fall in 1 bedroom need, of which 201 households fall in reasonable preference bands (Gold or Silver)- indicating a severe and immediate need to deliver 1 bedroom rented accommodation. Above and beyond this need, an additional 48 households fall into the Council’s Emergency Banding, reflecting that these households either need to downsize from larger family homes (equating to 44 households- which would free up stock for households in severe need requiring larger affordable homes) or require a move to appropriate, affordable accommodation owing to an immediate medical need (4 households). Accordingly, the delivery of 6 x 1b maisonettes will make a small, yet significant difference to households allocated these affordable homes.

Furthermore, the inclusion of 1 no. 4 bedroom home will make a tangible difference to a household allocated this property, with the delivery of a 4b8p home ensuring that this property is ‘fit for purpose’ as per JCS Policy SD4- allowing CBC to accommodate all 4 bedroom occupancy levels, thereby preventing overcrowding. The Council currently has 110 households in 4 bedroom need, of which 91 (83%) are in Gold or Silver band priority need- once again reflecting a chronic unmet need for larger affordable homes in the Borough. Indeed, of these households, 71 are suffering from overcrowded housing circumstances, which require immediate alternative, affordable accommodation.

Considering identified housing needs, [The 2020 Gloucestershire LHNA](#) finds that Cheltenham Borough should deliver 1,510 new rented homes between 2021-2041, of which

1,325 (88% of rented need) should be social rented homes.¹ By delivering social rented homes, the Council is thereby delivering against identified housing needs and simultaneously meeting our policy position set out within JCS Policy SD11.

In this officer's view, the most effective way to- "ensure that (affordable housing) will remain at an affordable price for future eligible households" as per JCS Policy SD12: Affordable Housing, is to deliver the rented element at wholly social rented levels. This approach is justified as the calculation of social rents is informed by local house prices and local incomes, and thus are inherently affordable by design.

It is notable that Homes England has also designated Cheltenham Borough as an area of [high affordability pressure](#), meaning that the difference between the average social rents and private rents is £50 per week or more, further underlining the importance of delivering social rented homes to address acute existing affordability issues within the Borough.

Social Rents should comply with the Government's [December 2022 Direction on the rent standard 2023](#), in addition to the Government's December 2022 '[Policy statement on rents for social housing](#)' as updated from time-to-time.

Shared Ownership Provision:

The 2020 Gloucestershire LHNA identifies a large need for affordable home ownership in Cheltenham Borough. Specifically, the LHNA projects that Cheltenham should deliver 2,364 affordable home ownership units between 2021-2041 to meet housing needs. The delivery of 9 Shared Ownership units will make a modest contribution to meeting this high level need.

The 2020 Gloucestershire LHNA indicates that, in terms of Shared Ownership need, 35% of Shared Ownership need in Cheltenham Borough is for 2 bed homes (828 units), with a slightly smaller proportion being for 1 and 3 bedroom need (31%, 738 for 1 bedroom and 724 for 3 bedroom) respectively.

Following discussions with RP partners, this officer will seek to address the significant demand for both 2 and 3 bedroom Shared Ownership homes, with much greater uncertainty around the market demand for 1 and 4 bedroom homes respectively. To maximise the affordability of Shared Ownership homes, this officer has concentrated the provision of these units on smaller 2- and 3-bedroom units respectively to enable low-income households to effectively get onto the housing ladder. Discussions with RP partners has indicated significant sales appetite for Shared Ownership homes, whereas the appetite for Shared Ownership flats is weak by comparison. Accordingly, this officer has focused on providing Shared Ownership houses, rather than flats.

Shared Ownership homes should be let at a level that is affordable, having regard to local incomes and house prices. Additionally, Shared Ownership homes should be let in line with the latest [Capital Funding Guide](#) (CFG) guidance issued by Homes England.

This Officer would expect that all Shared Ownership homes will be managed by a Registered Provider.

¹ Opinion Research Services (ORS), '*2020 Gloucestershire Local Housing Needs Assessment*', (September 2020) p. 155.

Service Charges:

Any service charges on the affordable dwellings should be eligible for and fully covered by Universal Credit. Service charges should be proportionate and reasonable.

The Council recognises that, social rented charges are set through the national rent regime, with rents being exclusive of any service charges.

It is crucial, therefore, that service charges should be kept to a minimum. This can be achieved through the scheme design, and we would be happy to refer you to our Preferred Provider partners for further input if necessary. To reduce unnecessary and disproportionate service charges for households residing in social rented and Shared Ownership homes, this officer has included maisonettes within the proposed affordable housing mix. Discussions with RP partners has indicated that maisonettes (that visually are almost indistinguishable from open-market homes) are popular with tenants, whilst being easy to maintain with comparatively low service charges compared to equivalent apartment blocks. Additionally, such units, which each include an individual (rather than communal) front door, have the advantage of boosting stewardship and belonging amongst residents, which, in turn, aids long-term community cohesion and pride in the scheme.

Clustering and Distribution:

JCS Policy SD12: Affordable Housing clarifies that new development should ensure that affordable housing is “seamlessly integrated and distributed throughout the development scheme”.

The [National Model Design Guide](#) (NDG) emphasises that new development should be ‘socially inclusive’. In practice, this means that the applicant should aim to maximise the potential for social integration between affordable and market residents through the distribution of the affordable homes throughout the scheme. The NDG proceeds to state that: “(good design) avoids features that could create actual or perceived barriers, or contribute to segregation, both within the development and with its surroundings”.²

Accordingly, moving forwards, this officer formally requests (in due course) a detailed affordable housing plan to be submitted by the applicant to support the delivery of affordable housing, which, for ease of reference, should clearly distinguish the affordable homes from their market counterparts. Additionally, any affordable housing plan should include a separate schedule which sets out the bedroom sizes, accessibility standards, sizes and tenures of the proposed affordable homes- using the format outlined in the [affordable housing mix table](#), above.

Visual Appearance:

JCS Policy SD12 requires that the design of affordable housing should meet required standards and be equal to that of market housing in terms of appearance, build quality and

² Ministry of Housing, Communities & Local Government (MHCLG), ‘*National Design Guide*’ (January 2021), p. 36.

materials. To be clear, this means that all affordable homes should be tenure-blind and visually indistinguishable from their market counterparts.

This officer will await a subsequent application before providing comments on the external and internal visual appearance of the affordable homes.

Affordable Housing Standards & Occupancy Rates:

JCS Policy SD4: Design Requirements outlines that new development should be designed to be adaptable to changing economic, social and environmental requirements, as well as specifying that new buildings should also be 'fit for purpose'. Additionally, JCS Policy SD11: Housing Mix and Standards sets out that new housing should meet, and where possible exceed appropriate minimum space standards.

To be clear, officers would expect that any affordable homes should be suitable to reasonably accommodate the following occupancy levels: 1 bedroom 2 person, 2 bedroom 4 person, 3 bedroom 5 person, 3 bedroom 6 person and 4 bedroom 8 person. The delivery of affordable homes at these sizes is necessary to maximise the number of households on the Council's Housing Register who can access the affordable accommodation and provide adequate living, circulation and storage space.

Accordingly, the applicants' proposals to include 2 bedroom 3 person flats are not, in this applicants view, 'fit for purpose', as, over time, the smaller house sizes inherent to these units are likely to lead to overcrowding. Currently, there are 81 households in 2 bedroom need that are overcrowded, and any further 2 bedroom 3 person provision, however minimal, is likely to contribute to this issue in the long-term.

A significant body of research, [including the 10 year review of the 2010 Marmot Report](#) drew a strong link between overcrowding and poor health outcomes in children, to quote: "Children living in overcrowded homes are more likely to be stressed, anxious and depressed, have poorer physical health, attain less well at school and have a greater risk of behavioural problems than those in uncrowded homes".³ [The National Housing Federation \(NHF\)'s briefing paper on overcrowding](#) also found a wide range of negative mental and physical health outcomes associated with overcrowded homes.

Provision of Accessible and Adaptable Homes:

JCS Policy SD11 emphasises that- "housing should be designed to be accessible and adaptable as far as is compatible with the local context and other policies". Additionally, JCS Policy SD11: requires that new development should- "address the needs of the local area, including the needs of older people, as set out in the local housing evidence base including the most up to date SHMA". JCS Policy SD4: Design Requirements compliments this position, requiring that- "New development should provide access for all potential users, including people with disabilities, to buildings... to ensure the highest standards of inclusive design".

When assessing planning applications, due regard must be given to [S.149 \(Public Sector Equality Duty\) of the 2010 Equality Act](#), which requires the Council to take steps to meet the

³ Institute of Health Equity, 'Health Equity in England: The Marmot Review 10 years on' (2020), p. 108.

needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.⁴

Reflecting identified need, the [2020 Gloucestershire LHNA](#) identifies a need for a minimum of 67% of new homes built between 2021-2041 should be built in accordance with that M4(2) Category 2 standards (as updated from time-to-time).⁵ More specifically, between 2021-2041, the LHNA identifies that Cheltenham has a need to build 7,215 new level access (M4(2)) homes.⁶ Currently, the Council's housing register identifies that 343 households (13% of the overall housing register) require a level access property.

This officer's proposed mix includes 20 no. M4(2) affordable homes (69% provision), which is broadly reflective of the LHNA's long-term identified needs and the significant current unmet need for level access affordable homes, as reflected on the Council's housing register.

The Council's policy position regarding the delivery of wheelchair accessible homes is similarly found within JCS Policy SD11: Housing Mix and Standards and SD4: Design Requirements as outlined above. The Council's evidence bases in this area are twofold: first, the 2020 Gloucestershire LHNA identifies that the Council has an identified need to deliver 213 wheelchair accessible (affordable) homes between 2021-2041 (11 per annum). Additionally, this need should be read alongside the need arising from the Council's Housing Register- which identifies that the Council currently has 10 households in need of a wheelchair accessible (rented) affordable home.

In view of this evidence, this officer will seek the provision of 1 no. wheelchair accessible (M4(3)(2)(b) ground floor maisonette to meet the needs of households requiring wheelchair accessible properties.

Net Zero Carbon Housing Delivery:

The Council's main policies relating to the sustainability and energy performance of new developments are found within JCS Policy SD3: Sustainable Design and Construction, which, amongst other requirements, sets out that applicants must- 'contribute to the aim of increasing energy efficiency'... to 'achieve national standards'. Moreover, JCS Policy SD3 also outlines that development should be 'adaptable to climate change in respect of design, layout, siting, orientation and function of both buildings and associated external spaces'. Complimenting the Council's current policies, [Cheltenham's 2022 Climate Change SPD](#) also establishes ambitious targets, thereby seeking to encourage developers to move at pace towards meeting [CBC's target of becoming a net-zero Council and Borough by 2030.](#)

Whilst it is recognised that this application is at the pre-application stage, the submitted documentation provides relatively few details about the nature of the applicant's sustainability proposals/ Page 24 of the applicant's pre-application design statement suggests that new affordable homes will be "affordable, efficient and low-carbon", using a 'fabric first' approach and reducing embodied carbon by exploring the use of modern methods of construction. The statement continues to outline that subject detailed assessments will determine the provision of sustainable technologies on this scheme.

⁴ With the protected characteristic in this context being disability.

⁵ ORS '2020 LHNA', p. 124.

⁶ *Ibid*; Figure 83, p. 126.

Moving forwards, the applicant should submit a detailed sustainability statement to indicate how they will meet the Council's adopted policy requirements and contribute towards CBC's objective of becoming a net-zero Council and Borough by 2030.

Section 106 Agreement:

The Council will expect the owner to enter into a Section 106 agreement to deliver the affordable homes, using the Council's latest Precedent S.106 agreement as a template. This agreement will specify the affordable housing schedule, affordable housing plan, requirement to transfer the affordable homes to a Registered Provider amongst other matters.

Registered Providers:

All affordable housing should be provided by a Registered Provider who will be expected to enter into a nominations agreement with the Local Authority, providing 100% nominations on first letting/sale and 75% of all subsequent lettings thereafter, with the exception of M4(2) and M4(3) affordable homes, where the Council will seek 100% nominations on first and all subsequent lets, in order to ensure that homes are allocated to households with physical disabilities and other associated conditions that necessitate an adapted property. This will assist Cheltenham Borough Council in meeting its statutory housing duties under the 2018 Homelessness Reduction Act and associated housing and homelessness legislation.

A list of Registered Providers managing accommodation in Cheltenham can be made available if needed.

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23rd May 2024