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Ms Teresa Davey
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BY POST AND EMAIL – programmeofficer@middevon.gov.uk

Dear Ms Davey

RE: MID DEVON DISTRICT COUNCIL CIL CHARGING SCHEDULE EXAMINATION – FURTHER STATEMENTS

Statement on the Future Role of Affordable Rent Housing

We have now had time to review the Council's 'Statement on the Future of Affordable Rent'. We welcome the Council's attempts to provide evidence to underpin their assertion that that affordable rent should be used as the basis for the viability assessment rather than social rent. However, we have a number of queries about some of the comments and have not reached the same conclusion as the Council.

Reflecting the views of the housing associations that have responded

In their opening paragraph, the Council state that:

*'At the Examination queries were raised over the assumption in the viability assessments that **the majority** of future affordable housing would be provided as Affordable Rent housing rather than Social Rent housing.'*

[our emphasis added]

Our argument was not that the majority of affordable housing delivered would not be affordable rent, but that it would be wrong to assume in the viability assessment that no social rented products would come forward. The assessment uses affordable rent as a substitute for social rent in all the tested scenarios. We suggested that it would be more appropriate to include a proportion of social rent within the scenarios, rather than just affordable rent.

This is borne out by the mixed responses from housing associations in the Council's statement. Given that the only consensus view is the need for a flexible and pragmatic approach on the provision of affordable rent outside of the HCA framework agreements, it would therefore be appropriate to make provision for some level of social rent within the viability appraisal.

Currently the viability appraisal can not be considered a fair reflection of sales costs given that it makes no provision for the delivery of any social rented properties.

Reflecting the guidance within the Meeting Housing Needs SPD

The second point relates to the Meeting Housing Needs SPD. The Council state that they have no 'formal policy position on the utilisation of the Affordable Rent model.' However, the Meeting Housing Needs SPD clearly states in paragraph 8 that the Council's position is that 60% Social Rent and 40%

Intermediate/Affordable Rent is the starting point for negotiation on the tenure of affordable housing provision. We enclose the relevant extract from the SPD.

During the consultation process for this document we objected to this position as it is contrary to the NPPF which clearly states that affordable rent as a proxy for social rented and not for intermediate products. Notwithstanding our concerns over this approach, it is a fact that the assumptions within the viability appraisal are inconsistent with the Meeting Housing Needs SPD which was adopted less than six months ago.

This is a particularly important point as several of the responses from housing associations have stated that their position on the use of affordable rent outside of the HCA framework agreements depends on the policy on the local policy provision.

Rather than make reference to the adopted SPD in their statement, the Council instead quote from their draft Tenancy Statement. As a draft this has no planning status and in any case supports our approach that affordable rent is appropriate 'in some cases'. This does not amount to a clear statement policy on the use of affordable rent in all cases as the Council have assumed.

Conclusion

We understand that there is a considerable level of uncertainty over the level of delivery of affordable rent outside of the HCA framework agreements. However, it is clear from both the Council's own SPD and the responses from housing associations that not making any provision for the delivery of affordable rent would not be a fair reflection of the likely level of delivery in the District.

Statements on the Role of Section 106 and CIL in Paying for Infrastructure and Updated Infrastructure Priority List

We are broadly supportive of the comments made by PCL Planning and Jillings-Hutton Planning in their responses to the Council's statements.

If you have queries, please contact me directly.

Yours sincerely

JAMIE SULLIVAN
ASSOCIATE DIRECTOR
For and On Behalf Of
TETLOW KING PLANNING

Enc Extracts from Mid Devon District Council Meeting Housing Needs SPD

cc: Aster Homes
 Devon and Cornwall Housing
 Jephson Housing Association
 Curo (formerly known as Somer)

 Spectrum Housing Group
 Sovereign Housing Association
 Guinness Hermitage
 Sanctuary Housing Group

Meeting Housing Needs

Mid Devon Supplementary Planning Document



Adopted June 2012

Housing Tenures

MHN/1 Affordable Housing Mix

The Council will seek the provision of affordable housing in approximately the following proportions:

- **Social Rented Housing 60%**
- **Intermediate and Affordable Rent Housing 40%**

AIDPD Policy AL/DE/2:

Overall Affordable Housing Provision

2000 or more affordable dwellings should be provided between 2006-2026, of which about 60% should be social rented and 40% intermediate.

7. The Housing Needs Assessment examined the demand for affordable housing, the income levels of those in need of housing and how households would be able to access the various types of affordable housing available in Mid Devon. The survey concluded the following:

The overall affordable housing tenure mix balance to address local need could be set at 70% for social rent and 30% intermediate housing, but should be subject to a wider range of social stock supply and other planning, regeneration and development viability factors at local area level. Delivery of social rented units will be more difficult in the short to medium term because of viability and funding constraints and a balance of 60: 40 envisaged in the AIDPD may be more realistic in practice.

8. As a result the Council will pursue a target of 60% social rent and 40% intermediate housing unless evidence is produced in relation to a planning application to warrant a 70:30 split as set out in the Housing Need Assessment. The assessment makes reference to the new affordable rent housing option as having effectively removed discounted market rent as an intermediate housing option. Therefore, while affordable rented housing does not fall within the definition of intermediate housing, affordable rented and intermediate housing are combined to make up the 40% tenure split in Policy MHN1.

