Stanmore Garden Village

‘Affordable Housing’
An Outline of the Stanmore Consortium Proposal

Prepared jointly by Stansgate Planning and MacMullen Associates - September 2020

‘Affordable Housing’ – An Outline of the Stanmore Consortium’s Proposal for Stanmore Garden Village

A. The Vision Statement

The **Vision Statement** submitted to Shropshire Council describes the general mix of types of housing proposed, viz:

“Residential
The proposal provides for a variety of residential types and tenures. It will deliver homes for all ages from studios and one bedroomed apartments for those starting on the 'housing ladder', through to specialist care facilities for the elderly and infirm. A mix of 1-3 bed apartments and 2-5 bed homes will be spread across the site with the local centre accommodating a greater quantity of apartment homes arranged around community facilities and benefiting from the mixed uses in the Centre.....Specialist 'later life' houses (restricted to over-55's who are downsizing) sheltered and extra-care accommodation and a care home ....can be provided within easy reach of the Centre and its facilities..."

"Alongside the A454 are the bus stops and waiting areas and the Local Centre will feature higher density homes using apartment, duplex and terraced dwelling types of between 2 and 4 storeys, some with communal gardens”

And ..... *“Land for Self-Build Housing may be made available, following discussions with the Council, to satisfy known demand and encourage innovative design in an appropriate location.”*

The Consortium believes that a fuller explanation of the rationale behind its proposals will be helpful and will illustrate how the Garden Village community to be created will go further in addressing the needs of the community than merely following minimum requirements of local and national planning policy for the provision of affordable housing.

B. Development Plan policy

Shropshire Core Strategy
strategic objective 5:
“Provide for a mix of good quality, sustainable housing development of the right size, type, tenure and affordability to meet the housing needs and aspirations of all sections of the community, including provision for specialist needs and the elderly.”

Policy CS11 Type and Affordability of Housing

Shropshire Type and Affordability of Housing SPD 2012
(https://shropshire.gov.uk/media/8593/adopted-type-and-affordability-of-housing-spd-2012.pdf)

Under the 2012 SPD, Bridgnorth and Worfield zone requires 20% affordable housing on sites of more than 5 dwellings (in Worfield Parish which is a designated rural area). This is a live policy and is to be reassessed every April against market changes. (The Consortium has seen no record of any reassessments being made).

4.34 Within the affordable housing component, a 70%:30% split between rented housing (70%) and low cost home ownership (30%) will be the starting point for negotiations on the mix with the Housing Enabling Officer (unless there is evidence that a different local mix would be appropriate - see paragraph 4.36 below). It must also be assumed by all parties that the affordable housing is being delivered without public sector grant.

The **SPD** includes a policy for exception sites and whilst that in itself is not relevant, it is about prioritising local people and offers a definition of 'strong local connection' which includes those currently employed locally or within 5 km or having a confirmed offer of work within 5km. The Consortium believes this could be one appropriate test to be applied in linking new affordable housing provision to employment at Stanmore.

Appendix G provides various forms of tenure that are considered affordable. This is however most likely out of date as the **NPPF 2019 Annex 2** provides a new definition aimed at boosting affordable home ownership rather than rented. It is assumed that the SPD will be revisited as part of the Local Plan Review.

C. National Planning Policy Framework 2019 (NPPF)

> **The NPPF specifies that "***the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes***"**

Annex 2 definition of affordable housing :

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) ***Affordable housing for rent:*** *meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

b) ***Starter homes****: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

c) ***Discounted market sales housing:*** *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

d) ***Other affordable routes to home ownership****: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.*

Affordable Housing at the Garden Village – The Consortium's Approach

1.0 The Stanmore Village Vision Statement (p54) states:

> ***Affordability***
> *The Consortium subscribes to the need to provide housing of varying types and tenures that are suitable for local needs, of which an agreed proportion are genuinely affordable, some allocated for 'key' or 'local' workers, and housing for the open market in addition. Legal agreements with the Council will govern these matters and guarantee adherence to the principles.*

2.0 The Consortium proposes that the Garden Village should be designed as a coherent community, linked to local employment and, because it is promoted by 'legacy' landowners who will be involved in its development on a continuing basis, it can and should offer a greater percentage of 'affordable' housing than would be proposed by a commercial housebuilder providing the minimum requirement under Local Plan policy and needing to satisfy a landowner by maximising its return from the land.

3.0 Apley Estate is already a substantial residential landlord with some 300 properties located in the area between Bridgnorth and Shifnal. Those properties are rented on a variety of bases, some accommodating the Estate's own employees, some 'key workers', some for social purposes promoted by the Estate and some on open market terms. Apley intends to continue as a responsible landlord and will set up a specific body to act as a Registered Provider of a Build to Rent Scheme and thereby retain a proportion of the new dwellings built at the Garden Village, a specified percentage of which will be designated permanently as 'affordable'.

4.0 The consortium proposes the following for discussion (and subsequent agreement with the Council, for inclusion in a legal agreement):-

4.1 The proposal is predicated upon the allocation of at least 850 dwellings at Stanmore in the Plan Period to 2038.

4.2 The Council's adopted policy is to achieve 20% of dwellings on new sites of over 5 plots in this location as 'affordable'.

4.3 The Consortium proposes the overall percentage of 'Affordable' dwellings shall be based upon 30% (the final percentage being dependent upon the agreed split between the elements below) viz:-.

4.3.1 Affordable Housing for rent at rents at least 20% below local market rent (agreed by the Housing Officer)

4.3.2 Housing for sale/rent (shared equity - maximum sale of equity 75%) through registered provider (a partner Housing Association).

4.3.3 Starter Homes up to a maximum value of £250,000 and sold at 20% discount to market value) for sale to first time buyers as defined in the Housing and Planning Act 2016

4.3.4 Housing for sale or rent with 'key worker' (to be defined) or 'local employment' (working within 5km of the property) restriction in the property title.

5.0 Evidence of Need

This is summarized by the points below: *(Please refer for full analysis to the **Hatch Regeneris Economic Study** submitted to the Council)*

5.1 Housing

- 195 Bridgnorth households on the waiting list
- 350 total on the waiting list wanting housing in Bridgnorth
- Average house price lower quartile £178,000
- Proposed population at Stanmore Garden Village up to 2,210 of which
    - 1,440 to be working age population
    - 1,200 economically active
- Up to 1,900 new jobs to be provided on Stanmore Business Park extension
- 1,650 - 1,700 jobs already exist on Stanmore Business Park
- Further employment exists at Bridgnorth Aluminium, Faraday Drive and will shortly be provided at development under construction at Chartwell Business Park. For all of these sites, the distance to Stanmore Village is between 2 and 3 km.

5.2 Incomes

A wealth of data is available in the **Hatch Regeneris Economic Study** and the recently published (March 2020) **Shropshire Council – Strategic Housing Market Assessment**. Salient data shows:

- Higher levels of income of Bridgnorth residents than the average for Shropshire, contributing to higher (i.e. less affordable) house prices.
- Lower levels of income for Bridgnorth employees demonstrating high levels of in-commuting resulting from less affordable housing locally.

The following extracts from **Shropshire – Strategic Housing Market Assessment Part 1** illustrate the point (underlining is our emphasis):

> *3.124. Although workplace earnings are below the average for Great Britain, resident earnings are more closely aligned to the national average. The differential between workplace and resident earnings is influenced by the high level of out-commuting amongst the top earners.*
>
> *3.130. In Shropshire, resident earnings exceeded workplace earning by £53.10 (10.5%) per week in 2018, and while they lag behind national rates by £13.20, Shropshire resident workers earn an average of £21.30 more per week than their West Midland counterparts. Like workplace wages, residents' earnings have risen at a slightly faster rate than either regionally or nationally over the last eight years.*
>
> *3.132. The difference between resident earnings and workplace earnings is greater in Shropshire, at £53.10 per week than in all other selected nearby authorities. The difference is smallest in Powys. In Telford & Wrekin and Wolverhampton, workplace wages are higher than residents – the reverse is true everywhere else.*

- Significantly lower house prices (and greater affordability) in Telford and Wrekin from where many workers commute to Bridgnorth and Stanmore
- Significant levels of out-commuting by higher earners to areas such as Telford and the Black Country.