

AFFORDABLE HOUSING STATEMENT

Rentplus: Affordable Housing Delivery at
Himley Village, North West Bicester

AFFORDABLE HOUSING STATEMENT

Proposed Himley Village, North West Bicester, Middleton Stoney Road,
Bicester

Rentplus

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Executive Summary

The North West Bicester eco-town development presents an ideal opportunity to meet the full diversity of housing needs in Cherwell. The purpose of this Statement is to set out how the policy-compliant 30% affordable housing provision as Rentplus rent to buy homes at Himley Village will fully meet Cherwell District Council's key housing and planning objectives to meet local housing needs and boost affordable housing supply at North West Bicester. A further report has also been presented to the Council to provide an understanding of the benefits of the Rentplus model in the national context of affordable housing delivery.

What is Rentplus?

Rentplus is a new rent to buy housing model that provides an affordable opportunity for households who aspire to homeownership in the future to do so at their own pace and to suit their circumstances, providing affordable rented housing in local communities for twenty years. It is a privately funded alternative to the private rented sector, providing an affordable, managed route to home ownership in partnership with housing associations.

Rentplus at Himley Village

Rentplus has been formally accepted as the preferred affordable housing partner and member of the Himley Village consortium alongside P3Eco and Brooke Homes, on the principle that it will deliver the full policy-compliant 30% affordable housing offer at Himley Village. This will be managed through a clear S106 Agreement committing to up-front, fast delivery of the affordable housing. Rentplus is willing to deliver all of these homes early in the overall phasing in order to assist accelerated delivery across the site; this is enabled by significant levels of institutional funding. Delivery will however be dispersed through two or three 'villages' in order to create a truly mixed community; this, and a partner housing association to maintain and manage the homes will be agreed with the Council. Rentplus has also committed to enabling existing social housing tenants to be the first to move to Rentplus homes, directly freeing up existing housing stock in Cherwell for those in the greatest priority need and enabling local people to move to housing that better meets their needs.

Owing to the fixed period of tenancy at affordable rents before purchase, households have the ability to save for a deposit on the home they have rented in addition to the 10% gifted deposit from Rentplus at the point of sale. The phased sale of Rentplus homes helps facilitate the transition of households from renting to home ownership, with the comfort of purchasing a home that has been built specifically for this purpose and managed and maintained by a reputable housing association for the entire rental period.

Now is a difficult time for housing associations; the Right to Buy is expected to be extended to all housing association tenants, and security of tenure is under threat by the Housing and Planning Bill. Rent reductions have also significantly reduced housing associations' capacity and appetite to deliver new housing, and with no planned extension to grant funding for affordable rented housing beyond March 2018, the introduction of the Rentplus model to the local market will deliver valuable homes to rent. Retaining affordable housing over the long term or *in perpetuity* is not a national policy requirement, nor an accepted principle in planning. As set out in a Memorandum of Understanding (to be agreed with the Council) Rentplus will use their best endeavours to replace all Rentplus homes sold on a one-for-one basis, in Cherwell. This commitment goes beyond what can be delivered or even expected of housing associations and as sought by the Council will deliver affordable housing to rent over the long term. This provision is complementary to those traditional models of affordable housing being delivered elsewhere at North West Bicester, and will contribute to the NPPF's twin aims of boosting housing supply and creating mixed and balanced communities.

Meeting Local Policy Expectations

There is an ongoing need for diverse affordable housing in Cherwell, and clear local aspirations towards home ownership. As identified in the Council's Housing Strategy, there is a need for a range of housing to contribute to meeting these needs and creating mixed and balanced communities. Nowhere is this aim more abundantly clear than in the development of NW Bicester, at which residential development not only has to meet local housing needs, but also to foster aspiration in order to build strong, stable communities.

Local planning policy requires 70% of the affordable housing offer to be social or affordable rented, and the remaining 30% to be intermediate affordable. In part this is driven by a need to prioritise those in greatest affordable housing need, and to increase the supply of affordable rented housing. The delivery of Rentplus at North West Bicester will meet these aims, albeit in an innovative way. The unique hybrid nature and phased release of Rentplus homes over a 20 year period ensures that a wide range of households on the Council's housing register can be properly accommodated, with the added benefit of creating multi-tenure and multi-generational communities within Himley Village over the first 20 years of its development. The phased sale of Rentplus homes creates a community in which the affordable tenure split will alter every five years. At year 1 the full provision may be considered equivalent to affordable rent; at year 5 this becomes 75% affordable rent to 25% intermediate sale. The Council will retain full 100% nomination rights, ensuring that houses are allocated to local households in need.

These benefits will fully meet the Council's Housing Strategy explicit aim to improve opportunities for home ownership through a 'rent - save - own' model which makes the direct

link between affordable renting and the ability to obtain personal savings towards real, valuable housing choice. The Council's own research provides evidence that there will be a wide pool of prospective households for Rentplus homes, for whom saving towards a home purchase is not currently possible; households across all housing register bands will be able to access this affordable housing.

The transition between tenures replicates the traditional household movement 'up the housing ladder' that is being lost in the current housing market as fewer households are able to access open market housing, without the need for households to move home to achieve home ownership. This has the added benefit of creating stable communities, specifically meeting the Council's Housing Strategy's second strategic housing priority to develop financially and socially sustainable communities by directly helping local people settle into the new environment of NW Bicester and get a very real sense of belonging in their community.

Cherwell District Council: Delivering Affordable Housing Locally

With the likely extension of the Right to Buy to housing association tenants the prospect of long term affordable housing retention has become less certain. Rentplus homes will offer a valuable, NPPF- and Local Plan policy-compliant contribution to local affordable housing supply and with it affordable homes to rent, developed without public funding, with ongoing long term social and economic benefits in Cherwell. There are material benefits that **Rentplus** affordable housing will bring to the area, turning **Generation Rent** into **Generation Buy** as well as supporting local people to remain in their local community.

Introduction

Section 1

- 1.1 **Tetlow King Planning Ltd.** has been commissioned by **Rentplus** to prepare this Affordable Housing Statement to accompany its development of the full affordable housing offer at Himley Village, totalling 510 of the 1,700 planned homes, as Rentplus. This Statement is to be read in conjunction with those application documents already submitted as part of the live application **14/02121/OUT**. As that application is in outline with all matters reserved, this Statement should be read as a firm commitment to meeting local housing needs.
- 1.2 This Statement describes this new affordable housing model which is aimed at delivering discounted rented homes to buy for people who are unable to acquire a property on the open market or through other discounted housing models such as Starter Homes, Help to Buy and shared ownership. This report briefly sets out Tetlow King Planning's expertise and credentials in the field of affordable housing, and confirms our professional opinion that the Rentplus model meets the need for affordable housing in Cherwell.
- 1.3 This Statement is intended to be supplementary to the Planning Statement and Affordable Housing Statement already submitted in support of the application by **Turley**. As those Statements were written and submitted before Rentplus became the preferred affordable housing partner to the Consortium, this Statement is able to fully detail how the development will accord with the Local Plan policies and deliver affordable housing that meets local needs.

Who We Are: Qualifications and Experience

- 1.4 Tetlow King Planning Ltd. is a town planning and housing consultancy, co-founded by the current Chairman, Robin Tetlow, in 1985. Over the past 30 years the company has accumulated specialist expertise in affordable housing, becoming acknowledged leaders in the field.
- 1.5 Tetlow King Planning Ltd. provides strategic and detailed advice to *inter alia* housing associations, developers, landowners and investors on numerous sites and developments located throughout the UK. The company has been retained more generically by national research organisations, such as the Joseph Rowntree Foundation, representative/trade organisations, such as the National Housing

Federation, professional institutions, such as the Royal Institution of Chartered Surveyors and Government/Government related organisations, such as the Housing Corporation/Homes and Communities Agency. The company is also regularly employed by local authorities.

- 1.6 The principal individual authors of this report have provided expert evidence to courts of law, tribunals and to parliamentary committees and groups; and appeared nationwide at Regional Planning Guidance, Regional Spatial Strategy and Structure Plan examinations in public, Local Plan / Unitary Development Plan inquiries and Local Development Document public examinations.
- 1.7 The principal individual authors of this report have also provided expert evidence extensively at S77/S78 inquiries, including many relating to planning appeals and called-in applications of regional and national significance.
- 1.8 Since the inception of the National Planning Policy Framework in 2012, Tetlow King Planning's input on the need for and the provision of affordable housing as part of planning application and appeal proposals has become of even greater importance in demonstrating the social and economic benefits of developments which decision makers are obliged to weigh in the overall planning balance.

This Statement

- 1.9 This Statement comprises six sections, setting out the proposed affordable housing model; how Tetlow King Planning considers this fits within the planning definition of affordable housing in Cherwell; and a number of appeal decisions setting out how the practical issues of affordable housing mix and retention are dealt with by Planning Inspectors and the Secretary of State. Section 5 discusses how the delivery of Rentplus homes at NW Bicester fully accords with Local Plan policies relating to affordable housing and will help meet Cherwell District's diverse housing needs. Our conclusions at Section 6 summarise this evidence and arguments in favour of delivering Rentplus homes at Himley Village. The local planning policy context is set out at Appendix 1.

The Rentplus Model in Himley Village

Section 2

- 2.1 Rentplus homes are targeted at households on low to moderate incomes in work and/or training and ex-armed forces personnel. The Rentplus model is aimed at providing an affordable rented home to those households until such time as the occupier can afford to purchase the property, providing a pathway to full home ownership for working households without savings for a deposit needed to buy on the open market or through shared ownership. Many who are eligible for Rentplus will be unable to access the Government's housing initiatives such as Starter Homes for the same reason. Households across all housing register bands will be considered for allocation.
- 2.2 The model is essentially one of rent to buy, with a five year renewable tenancy at an affordable rent, managed by a partner housing association (yet to be agreed with Cherwell District Council). All dwellings are to be leased to the partner housing association at an affordable rent for up to 20 years; the housing association will be responsible for managing and maintaining the properties. Tenants in Rentplus homes – unlike shared ownership – are not responsible for repairs to their homes until they purchase them. Homes will be sold on a phased basis every 5 years; those homes not sold at each 5 year tranche will be re-let to remaining tenants for a further 5 years.
- 2.3 Upon registering interest in a scheme the managing housing association will assess households on their suitability for a 5, 10, 15 or 20 year tenancy at the end of which it is expected that the tenant will purchase their home at market value. At the time of purchase, the occupier will be gifted 10% of the open market value as a deposit towards the purchase of their home by Rentplus.
- 2.4 Rental of the property before purchase will be at the lower of 80% open market rental (including service charge) or Local Housing Allowance (LHA). The household will be supported through the term of their tenancy by the managing housing association to save and increase the deposit to assist the mortgage application. The assured tenancy period also benefits tenant's by the ability to create a good credit history.
- 2.5 During the period of rental tenancy occupiers can serve notice to vacate a Rentplus home on one month's notice, and are not required to progress with the purchase if

- their circumstances change. Assistance may be provided by the managing housing association to secure re-housing.
- 2.6 The Rentplus model is flexible, enabling tenants to swap with other tenants who are able to bring forward an early purchase of their home, to assist those who are unable to purchase the property at the programmed time.
- 2.7 If the property is sold within two years of the original occupier purchase then all or a part of the gifted deposit will be repayable to Rentplus on such disposal, subject to a maximum cap of the original sum gifted.
- 2.8 All Rentplus homes will be sold by 20 years (in four five yearly tranches). If the occupier does not purchase the property then the managing housing association has the option to acquire the property, with Rentplus providing the 10% discount on open market value to the housing association. The future use of the property as either an affordable rented home, to replenish the housing association's stock or on a shared ownership basis can then be determined by the managing housing association.
- 2.9 In the circumstances of neither a tenant nor the managing housing association purchasing the property at the programmed time, the property will be sold on the open market and 7.5% of the net sales proceeds will be paid to Cherwell District Council to reinvest in new affordable housing provision in the area.
- 2.10 Rentplus understands the Council's wish to retain an affordable rented portfolio in perpetuity in the local area. Though this is not a requirement of the provision of affordable housing, an integral part of the Rentplus model is to enter into a Memorandum of Understanding with the Council committing the company to, in partnership with the Council, use best endeavours to replenish the stock of Rentplus homes on a one for one basis in Cherwell, thus retaining a proportion of the affordable housing stock in the local area over the long term.
- 2.11 Rentplus are also investigating the potential for tenants eligible for Right to Buy discounts to port this from existing social housing properties to Rentplus property. This would enable the partner housing association to retain the existing social rented stock within their portfolio and still meet housing need of those on the Cherwell housing register. As the extension of Right to Buy to housing association tenants is still in the trial stage, this cannot be confirmed and will be the subject of further discussions with the Council and future partner housing association.

The Definition of Affordable Housing and Cherwell District Council

Section 3

The NPPF Definition

- 3.1 This section describes how Rentplus complies with the planning definition of affordable housing, as set out in Annex 2 of the NPPF. This definition is set out below for ease of reference:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.”

- 3.2 Affordable rent and intermediate affordable are defined in the Annex as:

“Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).”

“Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.”

Compliance with the NPPF

- 3.3 The Rentplus model is unusual in that it conforms to two of the three definitions of affordable housing, falling under the remit of affordable rent and intermediate for sale at different points of its lifetime. It cannot be considered a social rent product due to the rent falling outside the guideline level of the national rent regime. The definitions set out within the Annex are not prescriptive, but offer a number of different terms within which to describe various affordable tenures and products. The Rentplus model is not unique in this aspect of diverging from the more traditional social rented / intermediate affordable tenures, as there are other models of affordable tenure being delivered by private registered providers across the UK.

- 3.4 The Rentplus model is considered to be a hybrid form of affordable housing. Unlike widely understood shared ownership or shared equity products, in which an initial percentage of the home's value is purchased and rent is paid on the remaining share, Rentplus households have the opportunity to save towards the deposit before purchase of that same home. As set out in Section 2, this is achieved by paying a reduced, affordable rent during the agreed period of tenancy which is fixed (and secure) for 5 year periods, the same as currently offered by housing associations for affordable rent units.
- 3.5 The model fixes the rent at an affordable level, being the lower of either 80% below market rent or the Local Housing Allowance (LHA), including service charge. This is strictly in accordance with the definition of affordable rent as defined in the NPPF Annex. The homes will be managed and maintained by a housing association (to be agreed with the Council) for the whole tenancy period and allocated to households according to Cherwell's priorities through the local housing register or other local mechanisms (such as choice based lettings or Help to Buy agents). This is fully in accordance with the NPPF definition of affordable rent. Rentplus are also committed to offering first access to the homes to existing social rented residents, in order to assist those whose circumstances may have changed, gain entry to this new model of affordable housing and thus recycle much needed social rented properties for those in greatest housing need.
- 3.6 As defined by the Annex, the sale of Rentplus properties will be in line with other intermediate affordable homes. The purchase price will be at the level of open market value, but will effectively be discounted by 10% by the 'gifted' deposit from Rentplus. The model should therefore also be considered a low cost home for sale under the definition of intermediate affordable.
- 3.7 The NPPF definition states that affordable housing should *"include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision."* As noted in Section 4, the Government is currently consulting on proposed changes to the NPPF, including the proposal to remove these restrictions on retention of affordable housing. Current NPPF compliance is achieved and such provisions are secured by the Rentplus model by direct subsidy (in the form of a 10% discount to the housing association and 7.5% of net proceeds payable to the local authority upon sale) for future affordable housing.

- 3.8 Further, set out in the Memorandum of Understanding (MoU) Rentplus will, upon the sale of homes, use its best endeavours to invest in new units on a one-for-one basis in Cherwell. Each MoU is negotiated on an individual basis with each local planning authority, but is an integral part of the product, comparable with the recycling of receipts from shared equity units by housing associations. The recycling of funds by housing associations is not guaranteed to be reinvested within the same local authority area as the original units, whereas the Rentplus MoU provides a best endeavours commitment to deliver further affordable units on a one-for-one basis in that local authority area. This thereby raises the overall level of affordable housing that is delivered, whilst reducing the numbers on housing registers and increasing the financial investment in the creation of sustainable communities in that area.
- 3.9 Each subsequent home delivered by Rentplus would be on the same affordable rent basis, securing long term provision of affordable homes to rent. Where a property is not purchased by the occupier, the managing housing association has the opportunity to purchase instead, retaining this as part of its stock. Whether through direct reinvestment by Rentplus or recycling by the managing housing association, this ensures the affordable housing subsidy is reinvested for the benefit of local people in the long term.

Affordable Housing as a Material Consideration

Section 4

Introduction

- 4.1 It is useful to put the affordable housing offer in the context of past planning decisions on developments that involve affordable housing. This section highlights a number of relevant appeal decisions demonstrating that affordable housing should meet a wide range of housing needs beyond a local authority's 'Reasonable Preference' obligations, and that permanence is not a prerequisite to appropriate affordable housing provision.

Secretary of State appeal decision: Addlestone, Surrey

- 4.2 An example of this is set out in a Secretary of State appeal decision¹ for 350 dwellings, 100% affordable, on a greenfield site identified as suitable for housing in the Local Plan for development considered the issue of whether a suitable mix of development would be provided. Whilst the development was proposed for 100% affordable housing, the tenure mix was offered as 49% social rented and 51% intermediate affordable housing. The Inspector's Report notes that the proportions of social rented and intermediate housing were *"at odds with the proportions identified as needed in the Council's own Housing Needs Assessment"* and in local policy (paragraph 3.65). One of the issues at the heart of the appeal was therefore the Council's intention for affordable housing to be delivered that would meet their Reasonable Preference groups.
- 4.3 Reasonable Preference groups are defined as those households with high levels of assessed housing need. The law requires that reasonable preference is given to the following categories:
- People who are homeless, including those who are intentionally homeless and in priority need;
 - People who are owed a re-housing duty under the homelessness legislation, where this duty has not been discharged by an offer of suitable accommodation, which may be to a letting in the private sector;

¹ Appeal decision relating to Land at Franklands Drive, Addlestone ref. APP/ Q3630/A/05/1198326

- People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- People who need to move on medical or welfare grounds, including grounds related to a disability; and
- People who need to move to a particular locality, where failure to meet that need would cause hardship to themselves or to others.

4.4 In other words they are those households in most priority need. The Housing Register is a limited source for identifying the full current need for affordable housing. The Inspector drew an important distinction between the narrow statutory duty of the Housing Department in meeting priority need, and the wider ambit of the planning system to meet the need for affordable housing. As such the number of households on the Register will only be an indication of those in priority need and who the housing department have a duty to house. But it misses thousands of households who are in need of affordable housing, a large proportion who will either be living in overcrowded conditions with other households or turning to the private rented sector and paying unaffordable market rents.

4.5 Paragraph 7.13 of the Inspector's Report on the Secretary of State appeal decision states:

"The case advanced by the Borough Council was founded on the long established experience of the Council in grappling with issues of 'housing need'. This has long been an area of concern for local authorities, initially through the active twentieth century tradition of Council House building and transformed, via the process of producing Housing Investment Programmes (HIPs), into a general concern with Social Housing and the production of local housing strategies.

The direct link between such local housing strategies and assessment of 'housing need' is made explicit within the Department of the Environment, Transport and the Regions' "Local Housing Needs Assessment: A Guide to Good Practice" (CD199). This document published in 2000 remains the source of guidance for Runnymede's January 2005 Housing Needs Assessment (CD72) carried out by Fordham Associates. However, while I recognise that this approach will have value in identifying groups most in need of assistance in realising their housing aspirations, I regard the approach as retaining a relatively narrow and unduly restrictive approach to the concept of what comes within the ambit of the term Affordable Housing."

- 4.6 In this case, the Inspector noted evidence that most households in the Borough aspired to home ownership but many would be unlikely to purchase for a significant period, or not at all, remaining instead in the private rented sector. As summarised by the Inspector, such households:

“should not be confused with those who can only afford social rented or intermediate housing. Ignoring the private rented sector as part of the housing market ... not only deprives the more hard pressed household of appropriate intermediate housing, but frustrates Government’s intention to develop a ‘ladder’ up which those able to do so may ‘climb’ to full owner occupation.” (Paragraph 3.116)

- 4.7 In this case, the Inspector concluded that the scheme for 100% affordable housing would provide an acceptable mix of tenures, and that the range of house types would therefore not produce a uniformity of house types. The Inspector posed the question of whether the *“households residing in this development would be a sufficient mix of social and economic groups”* (IR7.18), taking account of the mix that would result from the particular cascade arrangement for this scheme. The total mix on the scheme, the Inspector concluded, would be:

“likely to accommodate households of differing character, such that the overall development would be accommodating a range and variety of households. Even if the mix of tenures being made available by the operation of the cascade mechanism, were to alter the balance of these tenure groups, the result would be to increase the proportion of equity sharing households and I see no reason to anticipate that there would be any unusual concentration of socially disadvantaged households.” (IR7.19)

- 4.8 The Inspector’s overall conclusions found that the scheme represented a *bona fide* 100% affordable housing scheme which would *“result in a mixed development, accommodating households of different sizes and with a variety of socio-economic characteristics”* (IR7.72). He recommended that planning permission be granted. The Secretary of State agreed with her Inspector’s conclusions, noting in particular that:

“if the mix of tenures being made available by the operation of the cascade mechanism secured in the Unilateral Undertaking were to alter the balance of the proposed tenure groups, the result would be to increase the proportion of equity sharing households. She therefore agrees with the Inspector that there is no reason to anticipate that the proposed scheme would result in any unusual concentration of socially disadvantaged households.” (DL16)

- 4.9 The appeal was allowed on this basis.

Appeal Decision: St Albans

- 4.10 An appeal decision² considered the 6 units of affordable housing offered as part of an approved scheme for 55 dwellings in St Albans. There was an issue as to whether the proposed key workers accommodation would meet the need for affordable housing in the area. The appellants proposed the freehold sale of 6 units to a housing association at 60% of market value. The housing association would then liaise with local employers and let the units to key workers at affordable rents to those with incomes below £25,000 per annum. The local authority argued that such housing would not meet priority needs. The Inspector agreed but ruled that the needs of key workers were not being addressed in the District, noting that the Council's housing evidence had not investigated the needs of key workers, and that it was legitimate to provide for the full range of housing needs, not just those with priority needs.
- 4.11 The appellants referred to the 'polarisation' that can result if only those who can afford market prices and rents, and those with priority needs for affordable housing, have access to local housing stock. The Inspector agreed that the scheme would offset that tendency, meeting the national objectives to provide for the housing needs of the whole community and to increase choice. The Inspector concluded on this point that the Council should "*aim to meet a wide range of housing needs for middle as well as low income earners*" (paragraph 19). As local housing prices are too high and private renting too expensive, the needs of key workers were not being met. The scheme would meet this need.
- 4.12 The local authority also objected to the fact that the housing would not be secured *in perpetuity* as affordable housing. The Inspector noted that the privately financed model indicated that they would be lost as affordable units at the end of 20 years. However, it was concluded that permanence was not a realistic objective for affordable housing even when a housing association is involved; it is worth quoting these paragraphs at length:
- "When a RSL uses Social Housing Grant to provide dwellings for rent, every tenant has the right to purchase by virtue of the Housing Act 1996. Every 'shared owner' has the right to 'staircase' to 100% ownership. ...*
- The Council brought no evidence to the Inquiry to support its judgment that 20 years was not a sufficiently long period of time for the provision of affordable housing on a*

² Appeal decision relating to Old Albanians Sports Ground, St Albans ref. APP/B1930/A/01/1073344

site. I consider that this is a long period in development plan terms. Also, there would be a reasonable prospect of the units being retained for affordable housing for a longer period as they would be in the hands of a RSL ... The Council argued that the scheme should be differentiated from one wherein the tenant exercised the right to buy, because that would benefit someone in housing need. However, I agree with the Appellants that the tenant exercising the right to buy would be no longer in need.

On permanence, I conclude that this is not a realistic objective for affordable housing even where a RSL is involved. I consider that the scheme, in the hands of a RSL operating under the auspices of the Housing Corporation, would offer benefits to the District for a substantial period of 20 years.” (Paragraphs 24-26)

- 4.13 The Inspector also rejected the Council’s concerns about enforceability in relation to rent control and the timing of individual sales of units, since the scheme would be run by a housing association.

Affordable Housing to Meet All Needs

- 4.14 As confirmed by a Secretary of State appeal decision, housing provision need not be exclusively for the benefit of those households at the extremes of need. Affordable housing such as Rentplus rent to buy will, as with the schemes referenced above, accommodate a range and variety of households of different character while freeing up existing social rented housing in Cherwell for those in need.
- 4.15 There is no requirement for all affordable housing to be retained *in perpetuity*. As set out in the St Albans appeal decision, it is unrealistic to expect affordable housing to be retained for a period longer than 20 years, due to the Right to Buy for social housing tenants and for shared ownership occupiers to ‘staircase’ to full ownership. Even though these homes are lost from the general affordable housing stock, housing associations are not required to replace each home on a one-for-one basis in the local authority area, nor to recycle receipts for future investment. The commitment by Rentplus to replace each home sold on a one-for-one basis, securing long term delivery of homes to rent to local people, will fulfil local authority duties to meet local needs whilst also diversifying the local housing stock.

Rentplus: Meeting Identified Local Need in Cherwell in Accordance with the Planning Framework

Section 5

Introduction

- 5.1 There is an ongoing need for diverse affordable housing in Cherwell, and clear local aspirations towards home ownership. As identified in the District Housing Strategy, there is a need for a range of housing to contribute to meeting these needs and creating mixed and balanced communities. Nowhere is this aim more abundantly clear than in the development of North West Bicester, at which residential development not only has to meet local housing needs, but also to foster aspiration in order to build strong, stable communities.
- 5.2 A community's need for affordable housing is integral to the golden thread of sustainable development running through the NPPF, which encourages the maximum provision of affordable housing to be delivered on-site. The NPPF also makes clear the Government's encouragement for opportunities for home ownership to be widened; the proposals for Himley Village will achieve this.
- 5.3 Traditional affordable housing (encompassing social rented, affordable rented and intermediate housing for sale or rent) does not meet the full range of affordable housing needs, nor the considerable aspiration towards home ownership. The current affordable housing offer in Cherwell and at North West Bicester would benefit significantly from the introduction of a new model to meet the needs of those who cannot afford to purchase now, and for whom social rented housing is not appropriate. Affordability is a challenge locally, and this will continue to exclude households from achieving home ownership without intervention; this cannot be addressed by a boost to housing supply alone. The provision of Rentplus affordable housing as part of the development at North West Bicester will make a significant, valuable contribution to improving affordability locally and extending the opportunity of home ownership to a large number of households not only now but into the future.
- 5.4 The model will assist those households not currently able to access home ownership on the open market in Cherwell due to affordability issues, but who are also excluded from other forms of affordable tenancy due to not being classed a household with

priority needs. The delivery of Rentplus homes will make a clear, immediate reduction in the number of households on the housing register, allowing the Council to focus its attentions on those in more urgent need. As demonstrated in the Secretary of State appeal decision referred to in Section 4, affordable housing should not be focused solely on those in priority need, but across all households in need of assistance to obtain satisfactory, affordable housing. It will also help reduce the number of households currently trapped living either with parents or in undesirable shared occupancy homes, or in expensive private rented accommodation. The delivery of Rentplus will also have wider positive impacts on local affordability and reduced reliance on private sector rents; as Rentplus home rents will be set at 80% market rent or capped at LHA, affordability will be well controlled.

Rentplus: In Accordance with Local Plan Policies

- 5.5 The adopted Cherwell Local Plan Part 1 contains two key policies on the delivery of affordable housing; **Policy BSC3** which sets the overall target percentages and **Policy BSC4** which sets out the Council's expectations on housing mix and the need to create socially mixed and inclusive communities.
- 5.6 The development at Himley Village is offering the full 30% affordable housing offer, in compliance with **Policy BSC3**. This should be regarded as a material consideration in its own right, as the delivery of 510 affordable homes across the development is a significant benefit in an area with affordability issues and considerable affordable housing need.
- 5.7 It is notable that the policy expects affordable housing provision to be delivered without any form of grant funding. Housing associations are pursuing scaled-back development programmes in the face of four years of rent reductions, an extension to the Right to Buy and significantly reduced grant funding for affordable rented properties until March 2018 when it will cease completely. The Council's expectation for full 30% affordable housing provision across the District is difficult in these circumstances. Rentplus is equally as invested in the success of Himley Village as consortium partners P3Eco and Brooke Homes. The commitment by Rentplus to deliver the affordable homes early in the phasing of development of Himley Village will also bring significant economic and social benefits to the local area. Accelerated supply will not only enable households to access affordable housing quickly, but also generate construction employment and faster delivery of key infrastructure at this site.

- 5.8 The Local Plan fully recognises the need identified in the SHMA (2012) to provide a range and choice of good quality affordable homes that reflects local needs and aspirations for home ownership, and will improve the functioning of the housing market system by enabling households to *“move to housing which they can afford and which better suits their circumstances”* (Local Plan paragraph B.120). Rentplus housing specifically meets the needs of this ‘squeezed middle’ for whom saving for a deposit is not currently possible due, for example, to living in expensive private rented accommodation.
- 5.9 The Housing Strategy’s identification of a ‘rent - save - own’ model of housing supply is useful, but this did not specify the level at which the rent would be set; by providing housing that is restricted to an affordable rent Rentplus homes add certainty to each household’s ability to save for purchase. This is supported in the Local Plan, which states that housing *“needs to enable movement through the market from one house type to another as the needs of households change”* (paragraph B.121). Rentplus homes are unique in ensuring that households who do not already have access to a deposit do not need to move house in order to achieve the change to home ownership.
- 5.10 **Policy BSC3** sets an expectation within the total requirement for 30% affordable housing in new developments of 70% affordable / social rented and 30% intermediate affordable homes for rent or sale. The Rentplus hybrid affordable housing model ensures that a wide range of households on the Council’s housing register can be properly accommodated in a Rentplus home. The ability to rent at an affordable level for up to 20 years ensures security of tenancy for each household.
- 5.11 Whilst at face value Rentplus delivers a single model of affordable housing, as set out at Sections 2 and 3 of this Statement the homes will change over the first 20 years change from the equivalent of affordable rented homes to intermediate sale. This will create a multi-tenure, multi-generational scheme. At year one the affordable homes will be 100% rented; at year five the mix will change to 75% affordable rented (equivalent) and 25% intermediate homes for sale. This evolving mix of affordable tenures, all of which the Council will have full nomination rights over, will meet local policy requirements and fully deliver the Council’s expectation for a mixed tenure development.
- 5.12 The staggered release of Rentplus homes at years 5, 10, 15 and 20 has the unique benefit of adding to the creation of mixed and balanced communities. In accordance with the Council’s aims, the phased sale of Rentplus homes will add to the diversity

of tenures within Himley Village. Further to this, the long term involvement of Rentplus and a partner housing association guarantees investment in a stable community in the crucial early years that North West Bicester will develop.

- 5.13 Himley Village will not therefore be delivering a single tenure scheme. The dispersal of the affordable housing throughout the scheme, and the staggered sale of Rentplus homes will create a community catering to the affordable housing needs of many. A diverse range of households, including those in Bands 1 - 3 of the housing register, and from all backgrounds and age groups will have access to a Rentplus home, meeting the Council's aim to respond to the full diversity of local needs.
- 5.14 **Policy BSC4** sets the expectation that a mix of homes will be provided that meet current and expected future requirements in order to meet local need and creating socially mixed and inclusive communities. The local housing waiting list is unlikely to have captured the full breadth of housing need in the District, focusing instead on those with priority needs. The delivery of affordable housing at Himley Village will meet a wide range of housing needs in Cherwell as required by **Policy BSC4**, whilst still enabling the Council to meet its statutory housing obligations. Cherwell District Council will have the ability to target allocation of all Rentplus rent to buy homes to those households already on the housing waiting list, with an initial focus on existing social housing tenants. This aims to free up existing stock for the benefit of priority needs households.
- 5.15 As set out in the Secretary of State appeal decision referred to in Section 4, it is important to recognise that affordable housing delivery should not be restricted to meet a narrow definition of need, providing homes only for those households with 'Reasonable Preference'. This is regarded as 'unduly restrictive', failing to recognise the needs of 'hard pressed' households for appropriate affordable housing which meets the Government's intention to enable households to "*climb' to full owner occupation*". Households entering a scheme with a mix of house types and with the ability to save towards accessing home ownership at a flexible point in time will create a full mix of social and economic groups at Himley Village. As in the case referred to above, this will likely:

"accommodate households of differing character, such that the overall development would be accommodating a range and variety of households. Even if the mix of tenures being made available by the operation of the cascade mechanism, were to alter the balance of these tenure groups, the result would be to increase the

proportion of equity sharing households and I see no reason to anticipate that there would be any unusual concentration of socially disadvantaged households.” (IR7.19)

- 5.16 This can only be to the benefit of the local area of North West Bicester and Cherwell District Council more widely as it will create a clear mixed development, accommodating a wide range of households of different sizes and socio-economic characteristics. This approach was confirmed at that appeal by the Secretary of State, and therefore should be considered an opinion with considerable material weight.
- 5.17 It is also noteworthy that affordable housing need not be restricted to retention *in perpetuity*. Permanence is not a realistic planning objective and even in the consideration of delivering traditional affordable housing Planning Inspectors have deemed a period of twenty years to be more suitable when considering the longevity of development (as in the appeal described in Section 4).
- 5.18 The draft Planning Obligations SPD states that in light of the high level of need, “*the Council is open to approaches that deliver affordable housing through innovative means*”. As recognised by the Government in recent announcements, including the consultation on changes to the NPPF, Rentplus rent to buy homes are considered an innovative means of meeting local affordable housing need. Delivery at Himley Village would demonstrate the Council’s commitment to meeting the full range of its local needs. The specific housing mix to be delivered will be fully agreed with the Council.

Other Material Considerations

- 5.19 Grant for affordable rented housing has not been announced beyond March 2018, and as already noted housing associations’ development programmes have been significantly reduced in light of the rent reductions impacting income over the next four years. With the likely extension of the Right to Buy to all housing association tenants the prospect of long term affordable housing retention also becomes less certain. With these changes housing associations are having to change development and investment priorities, driving a greater level of focus on delivering market sale and intermediate (shared ownership) affordable housing to generate profit that can be reinvested in the delivery of social housing. The capacity of housing associations to deliver affordable rented homes in Cherwell will be clearly affected by this.
- 5.20 The Government is also planning to remove the restrictions on availability of affordable housing, including the Help to Buy Shared Ownership model beyond those

with local connections. This will further reduce the Council's ability to meet local housing need for those on its housing register.

- 5.21 As part of the MoU Rentplus is willing to agree with Cherwell District Council to, on a best endeavours basis, replace one for one those homes sold at each five year period within the District wherever possible, and for all of these homes to allocated by the Council. This in fact is a greater commitment than is available with traditional intermediate (shared ownership) affordable housing, which are lost entirely from the affordable housing stock as households 'staircase out', and the losses already experienced due to some social housing tenants with Right to Buy. The planned extension of the Right to Buy to all housing association tenants will further exacerbate this.
- 5.22 Rentplus homes will offer a valuable, NPPF- and Local Plan policy-compliant contribution to local affordable housing supply, without public funding, and with it extend the opportunity for home ownership locally with ongoing local social and economic benefits in Cherwell.
- 5.23 Rentplus will meet the main requirements described by housing officer Gary Owens in his application comments (dated 28th January 2015) that the affordable housing should *inter alia*:
- Make up 30% of the total housing offer;
 - Provide a range of house types, including 1- to 3-bedroom homes, in accordance with evidence of local housing need;
 - Meet the HCA's and any other statutory Standards and be indistinguishable from market housing;
 - Be managed by a Registered Provider as agreed with the Council;
 - Be dispersed across the application site in clusters of a size to be agreed with the Council.
- 5.24 As set out in the National Report that has also been shared with the Council, the Government's recent commitment to delivering 10,000 Rent to Buy homes in addition to other affordable homes nationwide provides clear support for this new affordable housing model as part of the solution to the nation's housing crisis. Utilising Rentplus would positively enable the Council to deliver its strategic objectives, at this crucial stage in the delivery of North West Bicester, capitalising on the consortium's commitment to delivering a significant boost to local housing supply. The specific

commitment by Rentplus to providing the affordable housing early in the phasing of development will have numerous benefits not only for early infrastructure provision but also social benefits for those households who will be able to access homes at an early stage.

- 5.25 Tetlow King Planning considers the Rentplus rent to buy affordable housing model, accepted by the Government as a highly valuable route to affordable home ownership, to be in full compliance with **Policies BSC3** and **BSC4** set out in the adopted Cherwell Local Plan Part 1. The delivery of Rentplus homes at Himley Village will boost the supply of affordable homes in an area with affordability issues and high local need. The ability to meet the diverse range of needs and contribute to mixed and balanced communities will be greatly assisted by this new model of affordable provision that will complement the affordable housing already being delivered by housing associations elsewhere in the District and within North West Bicester.

Conclusions

Section 6

- 6.1 **Rentplus** has reached an agreement with **P3Eco** to deliver the full, policy-compliant 30% affordable housing offer at Himley Village, totalling 510 affordable homes. As set out in Section 3 of this Statement Rentplus rent to buy affordable housing fully accords with the national definition of affordable housing and its delivery will fully comply with the local policy framework which requires a choice of affordable housing to meet diverse local needs.
- 6.2 In delivering Rentplus at this stage of the North West Bicester eco town development Cherwell District Council will be contributing to the diversity of affordable housing available to local people, meeting its statutory obligation to house those in need as well as helping to deliver the Government's ambition to extend opportunities for home ownership. The allocation of Rentplus homes will initially focus on existing social housing tenants, freeing up existing stock for those households with priority needs on the housing register.
- 6.3 The delivery of 100% Rentplus rent to buy affordable homes will contribute to the creation of a mixed and balanced community at Himley Village by the delivery of a unique affordable housing model that offers local households the opportunity to rent at an affordable level for a period of either 5, 10, 15 or 20 years. This is exactly as envisaged in the Council's Housing Strategy, which envisaged two (short and long term) models of 'rent - save - own' to help support homebuyers.
- 6.4 The level of rent is compliant with the definition of affordable rented as set out in the NPPF definition at Annex 2, and will offer a significant benefit to those households unable to access the open market housing in Cherwell. It will also ease the pressure on other, more traditional, affordable housing tenures in the District by meeting the housing needs of the 'squeezed middle' for whom the private rented sector is prohibitively expensive, preventing savings towards unassisted home ownership. By targeting in-work households Rentplus homes will also support the continued economic growth of Cherwell by enabling a greater number of local households to rent at an affordable level with access to home ownership in the District, close to employment in a thriving new environment, plus investment of their income in the local community.

- 6.5 As demonstrated by the Secretary of State appeal decision in Section 4 of this Statement, the delivery of a large quantity of affordable housing is considered highly beneficial in areas of need. Cherwell District has a high need for affordable housing which the growth of North West Bicester is intended to help meet. As Rentplus homes are sold on a phased basis every 5 years the model also creates its own mixed tenure development over the lifetime of the scheme. As Rentplus is a fully funded model and does not require any public subsidy to deliver the homes at Himley Village, it will result in significant additional investment in Cherwell that would not otherwise be available. In addition, at Himley Village agreement has been reached to deliver Rentplus homes early in the phasing of the scheme, with delivery across a number of 'villages' to be agreed with the Council, so as to accelerate overall delivery and support investment in the infrastructure of the scheme providing further confidence in the deliverability of this large scale development. Also important locally is the best endeavours intention to replace Rentplus homes as these are sold in order to maintain the number of affordable homes for rent in the local area. This commitment is particularly valuable at a time when housing associations' ability to deliver social and affordable rented housing is being significantly constrained and investment is being redirected on development programmes towards open market and shared ownership schemes.
- 6.6 Tetlow King Planning considers Rentplus to fully accord with Local Plan Policies BSC3 and BSC4, providing a high level of affordable housing that will meet a range of local housing needs not only at the first point of rental, but going into the future with each point of sale. Cherwell District Council would help create a mixed and balanced community at Himley Village through its inclusion.
- 6.7 The Government has announced its intention to widen the definition of affordable housing within the NPPF to include a fuller range of products that can support people to access home ownership. This specifically includes 'innovative' rent to buy housing. The delivery of a substantial number of Rentplus homes at Himley Village would not only offer substantial local benefits to Cherwell District, but also align the Council with Government policy to turn **Generation Rent** into **Generation Buy**.

The Planning Policy Framework for Cherwell

Appendix 1



Introduction

- A1.1 In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004 the application should be determined in accordance with the Development Plan unless material considerations indicate otherwise.
- A1.2 The Development Plan for Cherwell District is formed of the Cherwell Local Plan 2011-2031 Part 1, adopted 20th July 2015, which provides the strategic planning policy framework for the District. The Local Plan 2011-2031 Part 1 replaced a number of the 'saved' policies of the adopted Cherwell Local Plan 1996 though many of the earlier Plan policies are retained and remain part of the Development Plan.
- A1.3 Other material considerations include the National Planning Policy Framework (NPPF) and the Planning Practice Guidance (PPG). This section sets out the policies and other pertinent Council reports most relevant to the delivery of affordable housing, and briefly describes these.

The Development Plan

The Cherwell Local Plan 2011-2031 Part 1 (Adopted 2015)

- A1.4 The following Plan elements are considered to be relevant to the District's affordable housing policy context. Paragraph A.8 of the Plan sets out the overarching vision for Cherwell District and states that:
- “by 2031, Cherwell District will be an area where all residents enjoy a good quality of life. It will be more prosperous than it is today. Those who live and work here will be happier, healthier and feel safer”*
- A1.5 One of the key factors that will help the achievement of this vision (as listed at paragraph A.9) is ensuring that Cherwell can offer a range and choice of good quality affordable homes.
- A1.6 Paragraph A.21 sets out a number of key challenges to the ability of the District to building sustainable communities over the plan period, including the lack of affordable housing. The Plan recognises that *“median house prices were still over 78 times median earnings”* in 2009; making long term changes to this affordability challenge requires a serious upswing in affordable housing delivery locally.
- A1.7 **Policy BSC3** is the main affordable housing policy devised to respond to the District's *“high level of need for affordable housing”* (paragraph B.104). It sets a target for Bicester for the provision of 30% of new housing on sites of 11 or more

dwellings to be affordable. The policy sets an expectation that all qualifying developments will provide 70% of the affordable homes as affordable/social rented and 30% as *“other forms of intermediate affordable homes”*. The policy specifies that these requirements be met *“without the use of social housing grant or other grant”*.

A1.8 Paragraph B.109 sets out that the most significant way to meet the *“high level of need”* in Cherwell is to secure new affordable housing through larger developments.

A1.9 In terms of site specific affordable housing mix, paragraph B.114 states that the starting point will be **Policy BSC4**, the Council’s Housing Register and local housing need surveys, whilst also considering *“credible information from Registered Providers and developers”*. This is in support of one of the aims of the Local Plan, to:

“encourage a mix that can help improve the functioning of the housing market system, make it more fluid, and enable households to more easily find and move to housing which they can afford and which better suits their circumstances.

There is a need to provide a mix of housing in Cherwell that reflects the needs of an ageing population, a growth in smaller households and which meets the requirements for family housing. The mix of housing needs to enable movement through the market from one house type to another as the needs of households change.” (Paragraphs B.120 and B.121)

A1.10 **Policy BSC4** sets a requirement for a mix of homes to meet current and expected future requirements *“in the interests of meeting housing need and creating socially mixed and inclusive communities”*. Mix is to be negotiated based on up to date evidence of need and local market conditions.

Cherwell Local Plan (1996)

A1.11 A number of policies within the previous adopted Local Plan are saved and as such are still pertinent to the consideration of many proposals submitted to the Council. None however are considered to be of particular relevance to this Affordable Housing Statement. Policy H5: Affordable Housing is no longer saved, having been replaced by Policy BSC3 of the new Local Plan 2011-2031.

North West Bicester SPD (Draft, 2015)

A1.12 The delivery of affordable housing will be integral to the creation of a sustainable large scale development at North West Bicester. Development Principle 4 of this Draft SPD indicates that a range of house types and sizes to meet local needs and create a sustainable community will be delivered. The SPD states that:

“As well as providing attractive places for people to live, the new homes will also be adaptable and provide flexibility for residents to work from home.” (Page 23)

A1.13 The SPD notes the target requirement for delivery of at least 30% affordable housing and the need to create a more diversified tenure mix.

Other Material Considerations

National Planning Policy Framework (NPPF, 2012)

A1.14 The NPPF introduced a presumption in favour of sustainable development and replaced most other existing national planning policy guidance. The following elements of the NPPF are of particular relevance to this specific affordable housing statement:

Section No.	Commentary
14	Applies a presumption in favour of sustainable development to decision making.
47	There is a central commitment to ‘significantly’ boosting the supply of housing.
47 and 50	Local authorities will still need to produce robust evidence to support their chosen threshold and prove it is viable. On-site provision of affordable housing is described in the NPPF as ‘default’.
50	Local authorities need to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Affordable housing policies should be sufficiently flexible to take account of changing market conditions over time.
Annex 2	The definition of affordable housing is set out at Section 3 of this Statement. This includes definitions of social rented, affordable rented and intermediate housing.

Planning Practice Guidance

A1.15 The key elements of the Planning Practice Guidance (PPG) in relation to the affordable housing offer only are set out below.

Section	Commentary
Design	<p>Paragraph: 001</p> <p>Considers that good quality design is an integral part of sustainable development and is about creating places, buildings or spaces that work well for everyone and adapt to the needs of future generations.</p> <p>Paragraph: 040</p> <p>Sets out that well designed housing should be functional, attractive and sustainable. It should also be adaptable to the changing needs of its occupants. In well-designed places affordable housing is not distinguishable from private housing by its design, nor is it banished to the least attractive part of the site.</p>
Determining a Planning Application	<p>Paragraph: 006</p> <p>Decisions must be taken in accordance with the Development Plan and where proposals accord with the Development Plan they should be approved without delay.</p> <p>Paragraph: 008</p> <p>Considers that a material planning consideration is one which is relevant to making the planning decision in question.</p> <p>Paragraph: 009</p> <p>The law makes a clear distinction between the question of whether something is a material consideration and the weight which it is to be given. Whether a particular consideration is material will depend on the circumstances of the case.</p> <p>Paragraph: 010</p> <p>Sets out that the NPPF represents up to date Government planning policy and must be taken into account where relevant to a planning application, and where decision takers choose not to follow the NPPF clear and convincing reasons for doing so are needed.</p>

Planning Obligations SPD (Draft, 2011)

A1.16 The SPD was drafted prior to the incorporation of ten amendment Statutory Instruments to the Community Infrastructure Levy Regulations 2010; the document can therefore be afforded limited weight in the consideration of applications. The document does however set out local planning priorities; at the top of the high priority list is affordable housing.

A1.17 The draft SPD notes the substantial level of affordable housing need, and at paragraph 4.25 states that *“the Council is open to approaches that deliver affordable housing through innovative means”*.

Cherwell Strategic Housing Market Assessment Review and Update (2012)

A1.18 The report identifies that there was a requirement for 831 affordable homes per annum in order to meet the need for those who wish to buy a home but can't afford to do so. The report reduces this need for affordable to 300 per year based on the fact that a large percentage of those who cannot afford to buy can afford to rent via the private rented sector (PRS).

A1.19 The report refers to these households who can afford to rent through the PRS (and so do not need social rented housing) but cannot afford to buy on the open market as the 'squeezed-middle'. The SHMA recognises that low cost home ownership overlaps with affordable rent products, but can also meet need for larger homes in *“more expensive locations”* (paragraph 7.16); it also notes that 'need' can include households on higher incomes.

Oxfordshire Strategic Housing Market Assessment (SHMA, 2014)

A1.20 The report recognises that within Oxfordshire, Cherwell has the highest proportion of housing stock within the PRS at 88% compared to the proportion in the public sector at 12%. This compares to the national situation which is 82% PRS and 18% public sector. Homes are less affordable in Oxfordshire than in the South East and England on average, as demonstrated through the ratio of lower quartile house price to lower quartile earnings which in Oxfordshire was 8.93 in 2011 compared to 8.19 for the South East and 6.57 for England.

A1.21 When studying different affordable housing tenures the SHMA notes:

“a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an [sic] insufficient savings to cover a deposit”. (Paragraph 6.69)

A1.22 It also notes that housing associations are less inclined to develop larger homes due to *“concerns over high rents ... as such [affordable rented] will not currently be meeting needs across the full range of households”* (paragraph 6.71).

Affordable Housing Viability Study Update (2013)

A1.23 Table 2.1 of the Update Study, below, sets out the affordable housing completions in Cherwell in recent years, clearly showing the difficulties the District has encountered in trying to address local housing need.

Table 2.1: Affordable Housing Completions

CDC Housing Completions (Net)	Total Completions (Net)	Affordable Completions (Net)	Affordable % (Net)
2001/02	533	123	23%
2002/03	436	130	30%
2003/04	409	84	21%
2004/05	677	32	5%
2005/06	1,067	61	6%
2006/07	853	166	19%
2007/08	566	133	29%
2008/09	426	87	20%
2009/10	438	97	22%
2010/11	370	96	26%
Totals & average	5,664	1,009	18%

A1.24 The report highlights that in order to meet local affordable housing need a very significant proportion of all development would need to be affordable housing, and that this would not be viable. A policy requirement of 30% for Bicester has been adopted as this has been shown to be viable.

Cherwell District Council Housing Strategy 2012 - 2017

A1.25 The document sets out a number of strategic housing priorities. The first of these aims to increase the supply and access to housing, including access to home ownership. Challenges to achieving this include insufficient supply, local affordability, households' ability to raise a sufficient deposit and the ability to secure a mortgage.

A1.26 The Strategy acknowledges that:

“home ownership is still the preferred tenure of most people in the UK. For many people, home ownership provides an opportunity for stability and an investment. However as house prices have risen disproportionately to wages, home ownership has become out of the reach of a growing number of people”.

A1.27 The Strategy notes that ‘rent - save - own’ models of housing are emerging elsewhere in England, making the link between *“personal savings, personal investment and housing choice”* (page 11). The Strategy supports the delivery of such models where these support homebuyers. Importantly, the Strategy sets a

number of actions for the Council to undertake in response to these challenges, including exploring the viability and demand for:

“two forms of ‘rent - save - own’ models in Cherwell:

- *Medium term (five years) for people (particularly young people) to save a deposit*
- *Long term (up to 25 years) for people to build up an equity share in their home up to 100% over the full term*

If a viable model is worked up, identify potential development partners, investors and sites.”

A1.28 The second strategic housing priority is to develop financially and socially sustainable communities in Cherwell. Part of this priority is helping *“people settle into their new environments and get a sense of belonging”* (page 27). Rentplus clearly fulfils these objectives and the Council’s own vision for delivering models of rent - save - own in Cherwell.