

Affordable Housing Guide

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1 Introduction

This document has been produced to help explain what affordable housing is, the different tenures available and the different methods for delivering affordable housing. It is specifically aimed at helping individuals, community groups and parish councils who are interested in understanding and exploring the opportunities for providing new affordable housing within a village/communities.

People need access to suitable housing that is affordable in order to establish a settled home and achieve their ambitions for family life, career development and fulfilling retirement and other goals. As set out in [West Suffolk's Strategic Framework](#), the increased and improved provision of appropriate housing in West Suffolk in both our towns and rural areas is one of our strategic priorities. The [Housing Strategy](#) reflects this priority with the vision for improvement in the quality and delivery of housing to meet local needs, not just for now, but for decades to come.

When considering housing it is important to bear in mind that there are different types and tenures of housing available including affordable housing. Affordable housing can mean different things to different people but no longer means simply providing social housing or council housing. Rents and property prices are rising faster than the average wage which means the prospect of renting or owning your own home is becoming increasingly out of reach for many people in West Suffolk. This means we need a wider choice of homes so that everyone has the option to access housing that best suits their circumstances and is affordable to them.

The Government defines affordable housing "*as housing for sale or rent, for those whose needs are not met by the market*" within the [National Planning Policy Framework](#) (NPPF). In order to provide a range of affordable housing types to meet a household's needs, we encourage developers to deliver a number of different types such as affordable rent, social rent, shared ownership, and low-cost homes for sale.

The adopted and emerging local plans covering the St Edmundsbury local plan area and Forest Heath local plan area (and all related policy documents, including guidance and Supplementary Planning Documents) will continue to apply to those parts of the West Suffolk Council area until the new Local Plan for West Suffolk is adopted. West Suffolk has commenced a review of the local plan which will set out the long-term planning and land use policies for the area. The timeline for the preparation of these documents is available through the following link [Local Development Scheme](#).

2 Securing affordable housing

Affordable housing in West Suffolk is mainly provided through Section 106 agreements (on open market developments which deliver 10 or more dwellings) or through developments led by a Registered Provider (RP) also known as Housing Associations.

On residential developments of 10 or more dwellings, the Council's planning policy requires that a percentage of all new homes built need to be affordable homes. In West Suffolk, the current policies ([Core Strategy Policy CS9](#)) for the Forest Heath local plan area and ([Core Strategy Policy CS5](#)) for the St Edmundsbury local plan area, stipulate that 30% affordable housing should be provided on these sites. The affordable dwellings are secured within a S106 agreement.

2.1.1 Section 106 Agreements

Section 106 agreements are legally binding agreements between the local authorities and housing developers. These agreements contain planning obligations that the developer must meet in order for planning permission to be granted. Section 106 agreements can also contain conditions, for example on a development brought forward as an exception site, eligibility for who can occupy the affordable housing can be included. This enables the local authority to restrict these properties to households with a local connection to a particular village.

The developer will then sell the affordable dwellings to an RP who will own and manage the properties.

2.1.2 Registered Providers (RPs)

Registered Providers (RPs) are organisations which provide and manage affordable properties. In order to provide affordable or social rented housing on a development an agreement with a registered provider must in place.

West Suffolk Council (as Forest Heath District Council and St Edmundsbury Borough Council) was a stock holding authority up until 2004 when our housing stock was transferred to Havebury Housing Partnership and Flagship Homes. The Council is, therefore, no longer a landlord of affordable housing. The Council only provides temporary and emergency accommodation.

3 Types of affordable rented housing

There are a number of different types of affordable rented housing available which are provided at a lower cost compared to open market private rented homes.

The different types of affordable rented housing are as follows:

3.1.1 Social rent

These are homes where rent is typically around 65% of open market private rents. Social rent primarily applies to those homes where the tenancy commenced before 2011.

3.1.2 Affordable rent

Affordable rents are charged at 80% (or less) of the local open market value rents. This type of housing was introduced in 2011 to encourage RPs to deliver new affordable homes without the need for public subsidy. As these rents are higher than social rents West Suffolk Council aims to ensure that the rents do not exceed the nationally set Local Housing Allowance (LHA). The LHA is the maximum amount of benefit that it is considered reasonable to pay towards a household's rent in West Suffolk. LHA rates can be found at <https://lha-direct.voa.gov.uk/>

3.2 Housing allocations

In order to be considered for an affordable or social rented property you must be on West Suffolk's housing register known as Home-Link. Home-Link is the online system used by the Council, together with partners across the Cambridge Housing Sub-region¹, to assess an applicant's housing need in line with the Council's [lettings policy](#). As there is limited social and affordable housing, the Lettings Policy ensures that applicants with the highest level of housing need and/or urgent need are prioritised.

Applications can be made at <https://www.locatapro.org/register/homelink/>.

3.2.1 The housing register

When an applicant is successful in registering on Home-Link and has been accepted onto the register, they will be allocated a band based on their need. The bands used to prioritise applicants are listed in the table below.

Band	Need	Description
A	Urgent	<ul style="list-style-type: none">• You are a council or housing association tenant who needs to move urgently for example your property is being demolished or redeveloped• You are leaving Social Services care or are a current resident of supported housing.• You are occupying a property which has been assessed as posing an urgent health and safety risk.• You have an urgent medical condition• You have been assessed as needing two more bedrooms

¹ In 2013, a Strategic Housing Market Assessment was undertaken for the Cambridge Sub-region and this analysed a range of economic and housing market indicators to define a Cambridge Sub-region Housing Market Area comprising all of Cambridgeshire and the Western part of Suffolk.

		<p>than you currently have.</p> <ul style="list-style-type: none"> • You are a council or housing association tenant with two or more bedrooms than you need and are willing to move to a smaller property. Or, you live in an adapted property and the adaptations are no longer required. • You are homeless and one of the partner councils owes you a main homelessness duty. • You have two or more needs from Band B.
B	High	<ul style="list-style-type: none"> • You are occupying a property which has been assessed as posing a high health and safety risk. • You have a high need to move because of a medical condition • You have been assessed as needing one more bedroom than you currently have. • You are a council or housing association tenant and are living in a property with one bedroom more than you require and you are willing to move to a smaller property. • You have a high need to move because of harassment or threat of violence or abuse. • You are threatened with homelessness and are working with the homelessness prevention service. • You are sleeping rough and have no other accommodation available to you. • You have three or more needs from Band C.
C	Medium	<ul style="list-style-type: none"> • You have a medium need to move because of a medical condition • You have a need to move for social reasons, for example to give or receive support to a family member, or for employment reasons, are more than 24 weeks pregnant or you have a child under 10 years and live above the ground floor. • You are lacking or sharing facilities within your home with people who are not family members • You are homeless or threatened with homelessness and are either intentionally homeless, not in priority need or are owed a main homeless duty by a local authority that are not a partner organisation in the sub-region.
D	Low	<ul style="list-style-type: none"> • Any applicant who does not meet any of the criteria in Bands A, B or C will be placed in Band D. • Any applicant assessed as having sufficient financial resources to resolve their own housing need will be placed in Band D. <p>These applicants will only be considered for an offer of a property once all other bidding applicants who do not have sufficient financial resources to resolve their own housing need have been considered.</p>

3.2.2 Affordable private rent

Affordable private rent is provided on [build to rent](#) schemes as part of the affordable housing provision. Rent levels are set at a minimum of 20% lower than the private market rents. Affordable private rent and private market rent

homes are professionally managed by a single build to rent landlord. The process for managing affordable rent properties will be set out in the S106. There is not a requirement to let these properties to those on the housing register.

3.2.3 Bedroom allocation

The number of bedrooms needed by an applicant will also be assessed. It is important to note that this is based on their need rather than what a household may desire. Bedrooms will be allocated according to the following guidelines:

- One bedroom per couple.
- Children of the same sex can share a bedroom until the age of 16.
- Children of the opposite sex can share a bedroom until the age of 10.

3.3 Affordable housing for sale

Affordable housing for sale assists people in taking the first steps into home ownership. Rising house prices mean many people cannot afford to buy a property or struggle to secure a deposit.

In terms of affordable housing for sale, there are a number of types available to make buying a home more affordable. These can include shared ownership, shared equity, discounted market sale, starter homes and other low-cost homes for sale that are provided at a price equivalent to at least 20% below the local market.

3.3.1 Shared ownership

Shared ownership is the Council's preferred choice for low cost home ownership. It supports households who cannot afford a mortgage on the full market value of a home. Instead, they are able to buy a share of their home which usually means a smaller deposit is required. Rent is then paid to the RP on the remaining share. The initial share the householder owns will usually be between 25% and 75%.

The householder will have the chance to increase the share of the property they own up to 100% when they can afford to, which means they will own the property outright. This is referred to as "staircasing". However, purchasing additional shares will be based on the value of the property at the time and not the initial cost of the property.

Shared Ownership properties are usually advertised through the help to buy agent or on the registered providers website

<https://helptobuyagent3.org.uk/search.asp>

3.4 Accessing shared ownership through the help to buy agent

3.4.1 Help to buy agents

In order to be considered for a shared ownership or equity loan property you must register with the help to buy agent. The help to buy agent is a housing association appointed by central Government to help people purchase an affordable home in their area.

3.4.2 How to apply

Radian is the help to buy agent for West Suffolk. Applications can be made via the help to buy South website <https://helptobuyagent3.org.uk/>

In order to be eligible to register with the help to buy agent, the following criteria has to be met:

- annual household income can be no more than £80,000
- be unable to purchase a home suitable for your needs without assistance on the open market
- cannot be a current home owner
- must not have any outstanding credit issues

3.5 Other affordable home options for sale

There are a number of new affordable home ownership types which can be marketed directly by the developer building the new dwellings.

3.5.1 Shared equity housing

This is where an affordable home is purchased by the householder, directly from the developer, typically at 75% of the open market value on a freehold basis and a second charge or restrictive covenant is placed on the property for the remaining 25% share. No interest is paid on the share which is usually retained by the local authority or registered provider. After first five years the householder will have the option to increase their equity share by a minimum of 5% at a time until they achieve full ownership, subject to council approval.

3.5.2 Discounted market sale

Discounted market sale housing is low cost housing sold at a discount, typically at least 20% below market value directly from the developer. The product is aimed at buyers with low to medium incomes who cannot afford a property at market value. As an affordable product, the property must remain discounted for future eligible buyers. This is achieved by applying the initial percentage discount to all future sales of the property.

3.5.3 Starter homes

Starter homes are new dwellings only available for purchase by first time buyers. The properties will be sold at 20% below market value.

In order to be considered a starter home, the following criteria has to be met:

- the property is a new dwelling
- sold for at least 20% below the market value
- does not exceed the price cap of £250,000 after discount
- Only available for purchase by first time buyers. These buyers are defined as being aged between 23 and 40 and purchasing their first home to occupy
- Cannot be resold or let at the open market value until 5 years after the initial sale.

4. Alternative methods for delivering affordable housing

The Council also works with landowners and parish councils to bring forward new affordable housing. This could be on rural exception sites.

4.1 Rural exception sites (RES)

4.1.1 What is a rural exception site

Rural exception sites are small sites that are acquired for affordable housing where development would not otherwise be permitted. The aim is to provide housing for people who have a local connection to a particular village and who would otherwise be unable to afford market housing within that village. They are most commonly located adjacent to the existing village boundary but outside of the current settlement boundary. The sites are usually no bigger than 10 dwellings. In most cases, all dwellings will be affordable. However, a minimum amount of open market housing may be included if it is required to make the scheme financially viable.

4.1.2 Establishing need

For a rural exception site to be supported and approved, evidence of a proven and specific local need for affordable housing in the area is required. This is achieved by conducting a housing needs study or by analysing data from the local housing register. Establishing the need within an area will also help to guide how many and what type of dwellings should be built.

In West Suffolk a housing needs study is not always required by the Council. Housing needs studies have a cost implication and can quickly become outdated by the time land becomes available. However, if the housing register does not prove a great enough need for affordable housing, a housing needs study would be required.

Community Action Suffolk can assist any village wishing to commission a housing needs study to establish what the housing need is within their area.

More information is available at www.communityactionsuffolk.org.uk or contact Sunila Osborne (Community Development Officer) on 01473 345344 or email: sunila.osborne@communityactionsuffolk.org.uk

4.1.3 Acquiring land

Once a need for affordable housing has been established within an area, land will be required. The Council will help identify a suitable plot of land but often it will need to be land acquired from a willing local landowner.

One reason these sites are suitable for affordable housing is that the land cost tends to be much lower than normal housing land. This is because it has not been allocated as being available for residential development as it is outside of the settlement boundary and tends to be restricted in terms of what can be developed on it.

4.1.4 Funding RES

In most cases, some public money is needed to subsidise affordable housing schemes and housing associations make applications to Homes England for grant funding to support the rural exception scheme.

4.1.5 Community consultation

Community consultations can be held by a landowner, developer or registered provider. Consultation is a process to ensure local people are kept up to date with the development scheme as well as being able to contribute towards the initial design. Key participants in the consultation include councillors, the parish council, the local authority's housing strategy and enabling officers and residents of the village. Community consultations help to address any concerns regarding the project and clear up any misconceptions about the housing that is being provided.

4.1.6 Management

The registered provider appointed to the development will be responsible for the allocation and management of the affordable properties. This includes when a property is let or sold. The parish council and local authority will be made aware so they can begin advertising the properties on the development. This provides the opportunity to circulate information about the property and to encourage anybody with a local connection to that village to apply on the housing register through Home-Link or the help to buy agents. When a resident decides they want to move, they have to inform the registered provider.

The registered provider will be given a list of nominees for the property and will allocate the property based on the strength of the local connection and housing need. As the property will remain affordable for future households, this process will be repeated each time a vacancy arises.

4.1.7 Allocating properties

In order to be considered for a property the prospective buyer or tenant must be registered with a help to buy agent or on the housing register.

Applicants with a local connection to the village will have priority when the properties are allocated. For example if an applicant in Band D has a local

connection to the village and an applicant in Band A does not, the property would be let to the applicant in Band D. West Suffolk Council considers a person with a local connection must meet one of the following in order to be considered for a property:

- I. current residence in the parish for a minimum period of *two* years; or previous residence in the parish, for a period of not less than *five* years; then
- II. a family connection through mother, father, brother or sister, son or daughter, being resident in the parish for a period of not less than *five* years; and then;
- III. employment in the Parish, as a main place of work, on a time served basis; and then
- IV. current residence; family connection, or an employment connection, where the time periods conditions referred to at i to ii above have not been met.

Priority will be given in the order set out above. If no person with such a connection to the parish can be nominated a person with an equivalent relevant connection with the [agreed parishes] can be nominated.

If a local person in need of accommodation cannot be found to occupy the affordable property, a cascade mechanism will be used to widen the search area. The definitions of local connection will be set out in the Section 106 agreement, where applicable.

4.2 Entry level exception sites

Historically, the main option available to landowners with land on the edge of settlements has been rural exception sites. However, the NPPF now also allows for land on the edge of a settlement boundary to be brought forward as entry level exception sites.

Entry level exception sites provide entry level homes that are suitable for first time buyers or those looking to rent their first home. There is currently no requirement for the development to meet a proven and specific local need and no requirement to safeguard homes in perpetuity. The development must simply provide one or more types of affordable housing in line with [Annex 2](#) within the NPPF which can include affordable housing for rent, starter homes, discounted market sale housing and other affordable routes to homeownership (at a price equivalent to at least 20% below local market value)

Typically, they will be outside of the settlement boundary but located next to an existing settlement. Local authorities are expected to support these sites unless they are already meeting demand for first time buyers and renters elsewhere in the area.

These sites should meet the following criteria:

- comprise entry level homes that offer one of more type of affordable housing
- be adjacent to existing settlements
- not be larger than 1 hectare or greater than 5% of the size of the existing adjacent settlement
- comply with local design policies and standards
- not compromise protection given to areas or assets of particular importance
- not be permitted in National Parks, Areas of Outstanding Natural Beauty or Green Belt Land.

This means that a land owner or developer could potentially seek planning permission on land outside of the settlement for entry level housing. Although this will provide affordable housing, policy does not require the affordable dwellings to be restricted to local people and nor are they required to appoint an RP unless they are providing social or affordable rent. Further details can be found at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779764/NPPF_Feb_2019_web.pdf

4.3 Community Land Trusts

Community Land Trusts (CLTs) are a form of community-led housing. The CLT acquires land through purchase (by the community) or a gift and oversees the development of affordable housing to buy or rent. The housing remains affordable in perpetuity – the CLT is a not for profit group and acts as a long-term steward of the homes.

More information can be found at; <http://www.communitylandtrusts.org.uk>

5 Glossary

Affordable housing - These are housing products which cater for those who are unable to afford a home at open market prices and therefore are not provided for by the open market. This includes social rented, affordable rented and intermediate housing.

Affordable rent – Affordable rents are charged at no higher than 80% of the open market rental value. Properties at affordable rent may be let by a registered provider to tenants eligible for social rented housing and must not exceed the Local Housing Allowance.

Build to rent – Developments with purpose-built housing that is typically 100% rented out. Schemes will usually offer long tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control.

Discounted market sales housing – Housing sold at 20% less than the local market value. Eligibility for discounted housing is determined with regard to local incomes and house prices. Provisions should be made to ensure the house remains at a discount for future eligible households.

Entry-level home – Houses that are suitable for first time buyers or renters.

Entry-level exception site - A site which provides entry level homes suitable for first time buyers or renters. These sites will be adjacent to existing settlements and consist of one or more types of affordable housing. They cannot be located in National Parks, Areas of Outstanding Natural Beauty or on Green Belt Land.

First time buyer - A first time buyer is an individual or individuals who have never owned a residential property in the United Kingdom or anywhere else in the world and intends to occupy the property as their main residence.

Housing association- An independent, non-profit organisation who builds, improves and manages affordable housing. The housing association must be registered with and adhere to the regulations of the current government regulating authority.

Local Housing Allowance (LHA) – Local Housing Allowance is used to provide housing benefit to those renting privately or from a registered provider. It relates to the area in which you make a claim, these areas are called broad rental market areas (BRMA) and LHA varies depending on which one you are situated within.

Local housing need survey–An assessment of the number of homes required within a specific area. It helps to establish how many homes need to be planned for in that area.

Open market housing – Housing that is for private rent or sale where the price is set by the open market. Affordable products are designed to be priced below the open market value.

National Planning Policy Framework (NPPF) – A document which sets out the Government's planning policies for England and how they are expected to be applied in practice.

Public Subsidy – Government financial support usually given in the form of a grant

Registered Provider (RP) – An independent, usually a non-profit organisation who builds, improves and manages affordable housing. The RP must be registered with and adhere to the regulations of the current government regulating authority.

Rural Exception Site (RES) – A Rural Exception Site is a small site used for affordable housing where housing would not normally be built. The sites seek to address the needs of the local community by meeting the needs of those already living in the area, who have a local connection to the area or are permanently employed in the area. These sites will remain affordable for the duration of their existence.

Section 106 (of the Town and Country Planning Act 1990) agreements – Referred to as "section 106" or "S106" agreements these are legally binding agreements between the parties involved in a development. This typically consists of the developer, a housing association, the local authority and the landowner. The agreements are planning obligations which must be fulfilled as a term of granting planning permission for the site. These obligations are linked to the land binding it and the owner.

Settlement Boundary – A line drawn on a plan around a village, which reflects its built form. Housing settlement boundaries represent the development limits or residential areas which development proposals would be acceptable, subject to complying with other policies contained in the Core Strategy.

Shared ownership – The purchaser buys a percentage of a property and pays rent of the remaining percentage that they do not own. This remaining percentage will be owned by a registered provider.

Social rent – Socially rented housing is owned and managed by local authorities and RPs. Guideline target rents are set through the national rent regime. Social rents are typically 40-60% of market rents.

Staircasing – The process of a person being able to acquire ownership of a greater percentage of their property in stages. This mainly applies to shared ownership homes when homeowners are able to afford a greater share of their property.

Starter homes – A new build home that is only available to first time buyers. The property has to be sold for at least 20% below the market value and for less than £250,000.

Appendix 1 – Contacts for affordable housing

Strategic Housing Team contacts:

Lee Price	Service Manager – Strategic Housing	Lee.price@westsuffolk.gov.uk 01638 719440
Frank Cracknell	Housing Development & Delivery Officer (Barley Homes)	Frank.cracknell@westsuffolk.gov.uk 01284 757453
Julie Salisbury	Housing Specialist Strategy & Enabling Officer	Julie.salisbury@westsuffolk.gov.uk 01284 757608
Kim Langley	Housing Specialist Strategy & Enabling Officer	Kim.langley@westsuffolk.gov.uk 01638 719344
Charlotte McCallister	Housing Specialist Strategy & Enabling Officer	Charlotte.McCallister@westsuffolk.gov.uk 01638 719374
Jenna Brame	Graduate Housing Strategy & Enabling Officer	Jenna.brame@westsuffolk.gov.uk 01638 719375

Housing Specialist Strategy & Enabling Officers are allocated areas across West Suffolk. Should you wish to discuss affordable housing within these areas please contact the relevant Officer.

Charlotte McCallister	Kim Langley	Julie Salisbury
Ampton	Barrow	Barnardiston
Bardwell	Barton Mills	Brockley
Barnham	Bradfield Combust	Cavendish
Barningham	Bradfield St Clare	Chedburgh
Beck Row	Bradfield St George	Chevington
Brandon	Bury St Edmunds	Clare
Coney Weston	Cavenham	Cowlinge
Elveden	Culford	Dalham
Eriswell	Flempton	Denham
Euston	Fornham St Genevieve	Denston
Fakenham Magna	Fornham All Saints	Depden
Hepworth	Fornham St Martin	Exning
Holywell Row	Freckenham	Gazeley
Honington	Great Barton	Great Bradley
Hopton	Great Livermere	Great Thurlow
Icklingham	Great Whelnetham	Great Wratting
Kenny Hill	Hengrave	Hargrave
Knettishall	Herringswell	Haverhill
Lakenheath	Higham	Hawkedon

Charlotte McCallister	Kim Langley	Julie Salisbury
Little Livermere	Horringer	Hawstead
Market Weston	Ingham	Hundon
Mildenhall	Ixworth	Kedington
RAF Honington	Ixworth Thorpe	Kentford
Rougham	Lackford	Lidgate
Santon Downham	Little Whelnetham	Little Bradley
Sapiston	Nowton	Little Thurlow
Stanton	Pakenham	Little Wratting
Thelnetham	Red Lodge	Moulton
Troston	Risby	Newmarket
Wangford	Rushbrooke	Ousden
West Row	Tuddenham	Poslingford
Wordwell	Timworth	Rede
	Westley	Stanningfield
	West Stow	Stansfield
	Worlington	Stoke by Clare
		Stradishall
		The Saxhams
		Whepstead
		Withersfield