



Appendix 1:

DRAFT AFFORDABLE HOUSING SPD

Working Draft

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1. Introduction

1.1 Ensuring the delivery of affordable housing is long established as an integral part of Government policy. However, in recent years the manner of delivery has changed significantly. Whereas local authorities were once the major providers, Registered Social Landlords (RSLs) have assumed a more prominent role in the development and management of affordable housing. Also a significant amount of affordable housing is now being delivered through the application of planning policies requiring the negotiation of a proportion of affordable housing as part of major market housing developments.

1.2 The provision of affordable housing is essential in facilitating sustainable local communities. People on different income levels all need a choice of where they can live, close to their family and community networks and accessible to their workplaces. It is important to avoid the creation of areas of social exclusion, where people can only afford to live in areas of poor transport, social, health and educational access. Allowing workers of a range of skills and income levels to live reasonably close to their workplace is also important for the economy. Similarly, in reducing travel distances to workplaces, road congestion and associated environmental problems can be reduced.

1.3 This Supplementary Planning Document (SPD) explains Harrow Council's approach to the delivery of affordable housing. It is supplementary to, and expands upon, Harrow Unitary Development Plan (HUDP) Policies H5 and H6. It explains in detail how the policies will be applied and provides additional information on what will be expected when dealing with planning applications for development for which an element of affordable housing should be provided. The SPD provides information for various stakeholders with an interest in affordable housing including developers, RSLs, landowners and interested parties and individuals, so as to ensure the effective application of the Harrow Unitary Development Plan's (HUDP) affordable housing policies.

2. The Need for Affordable Housing

2.1 There is a well-established justification for ensuring an adequate supply of affordable housing. As with all London boroughs and other Councils in the South East, Harrow Council continues to experience a significant gap between affordable housing supply and demand.

2.2 A Housing Needs survey was last carried out in 2000, and updated in 2003 to take account of the latest government guidance¹. The information from the Housing Needs Survey forms the basis of the justification for the affordable housing policies in the HUDP. The survey confirms the high levels of housing need in Harrow. It was estimated that 1,904 existing households in the Borough could not afford market housing. A total of 10,339 households (12.6% of all households) are living in unsuitable housing. It was also estimated that newly arising housing need came to 1,923 households per annum. When added to existing need (281 units per annum) Harrow has a total annual housing need of 2,204 units per annum.

2.3 The West London sub-region also continues to experience higher housing need than any other London region due to a combination of high land/property values and a growing population². The need for additional housing throughout London is well documented in the London Plan. This estimates that at least 10,000 new affordable homes are required in West London for the period up to 2016.

2.4 In Harrow the high level of demand is further exacerbated by the Borough having the smallest pool of social housing in London. This means the Borough has a limited number of

¹ Housing Needs Survey Update 2003

² West London Housing Strategy

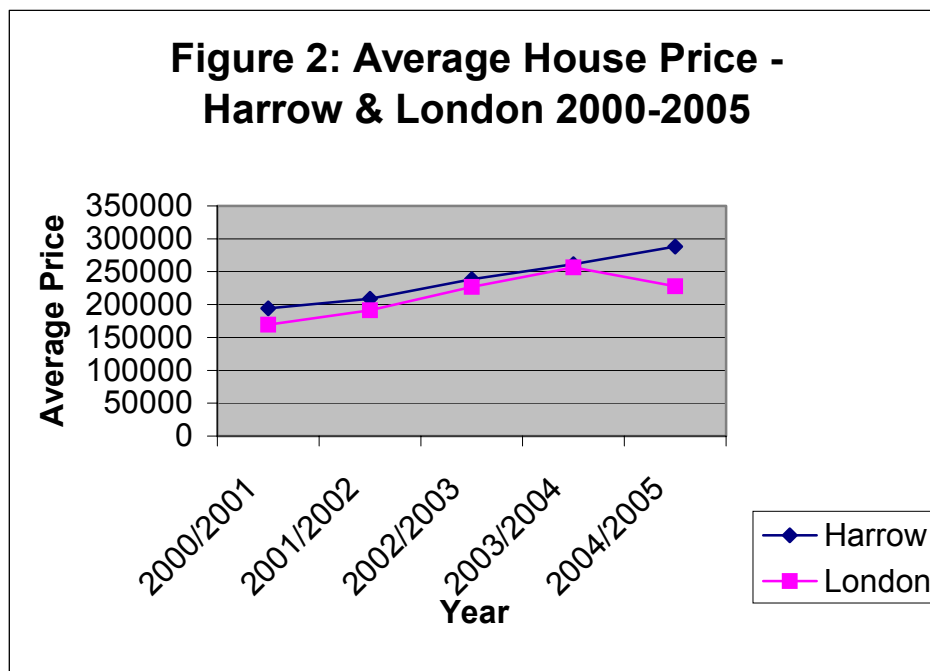
housing opportunities to offer those in housing need. The table below gives a picture of demand (taken from the Council's Low Cost Home Register *Locata*) and supply (new lettings and relets) at the end of the 2004/2005 financial year. There is a very high demand for larger family units:

Figure 1: Housing Need in Harrow

Supply 2004/5	1 bed	2 bed	3bed	4 bed	5+ bed	Total
New units 2004/5	0	26	4	0	0	30
Re-lets 2004/5	224	107	58	2	1	392
TOTAL SUPPLY (2004/5)	224	133	62	2	1	422
Demand	1 bed	2 bed	3bed	4 bed	5+ bed	Total
Band A (less under occupiers)	7	5	8	5	1	26
Band B (less under occupiers)	52	11	21	5	3	92
Band C	723	1026	822	342	141	3054
Band D	1456	781	381	49	9	2676
TOTAL DEMAND (as at 1.6.05)	2238	1823	1232	401	154	5848

Source: Housing Need Update 2003

2.5 As shown in the following graph, house prices have risen considerably throughout recent years, with the increase even more significant in Harrow than in London.



SOURCE: Land Registry Online

2.6 Incomes have failed to match this trend. Between 2002 and 2005 average incomes in Harrow rose 13% while over the same period average house prices rose by 37%. This is an indication of how housing is becoming increasingly unaffordable in Harrow.

2.7 In 2006 Harrow Council will undertake a new Housing Needs Survey. This will further inform the nature of housing need in the Borough.

3. Harrow Unitary Development Plan Affordable Housing Policies

3.1 The affordable housing policies of the HUDP were developed to meet Harrow's needs and take account of London Plan's targets, government policy papers (including PPG3 and Circular 6/98) and the London and West London Housing Strategies. The policy context for affordable housing continues to be updated with new research and policy direction from the different levels of Government. The recent publications PPS3 and 'Housing – The London Plan Supplementary Planning Guidance' have provided the latest indication of the Government's and Mayor's policy. This SPD provides the opportunity to amplify on HUDP policies H5 and H6 while taking account of up-to-date national and regional government policy.

3.2 The Harrow Unitary Development Plan (HUDP) was adopted in July 2004. Policies H5 and H6, which this SPD amplifies, set out the Council's affordable housing policies.

3.3 HUDP Policy H5 is as follows:

POLICY H5:

THE COUNCIL WILL SEEK THE MAXIMUM REASONABLE PROPORTION OF AFFORDABLE HOUSING ON SUITABLE SITES OF 0.5 HECTARES OR MORE, OR ON DEVELOPMENTS OF 15 OR MORE DWELLINGS. PROVISION SHOULD NORMALLY BE ON-SITE. IN AGREEING THE LEVEL AND FORM OF AFFORDABLE HOUSING PROVISION ON ANY INDIVIDUAL SITE, THE COUNCIL WILL HAVE REGARD TO:-

A) BOROUGH-LEVEL, SUB-REGIONAL AND REGIONAL TARGETS (SEE POLICIES [SH1](#) AND [H6](#)); AND

B) INDIVIDUAL SITE COSTS AND ECONOMIC VIABILITY, INCLUDING THE AVAILABILITY OF PUBLIC SUBSIDY AND OTHER PLANNING OBJECTIVES.

THE COUNCIL CONSIDERS THAT THE LIKELY MINIMUM PERCENTAGE OF AFFORDABLE HOUSING TO BE NEGOTIATED ON SUITABLE SITES SHOULD BE 30%.

THE COUNCIL WILL ENSURE, THROUGH THE USE OF PLANNING OBLIGATIONS, THAT THE OCCUPATION OF AFFORDABLE HOUSING IS RESTRICTED TO PEOPLE WHO ARE REGARDED BY THE COUNCIL AS IN NEED OF AFFORDABLE HOUSING.

THE AFFORDABLE HOUSING PROVIDED SHOULD BE AVAILABLE TO PROSPECTIVE OCCUPANTS (TO BOTH INITIAL AND SUBSEQUENT OCCUPIERS).

THE REQUIREMENT SET OUT IN THE LAST TWO PARAGRAPHS ABOVE WILL BE DEEMED TO HAVE BEEN MET IF THE AFFORDABLE HOUSING IS TRANSFERRED TO A REGISTERED SOCIAL LANDLORD APPROVED BY THE COUNCIL.

3.4 The Housing Needs evidence clearly shows the overwhelming need for large family housing for rent. The Council will calculate the proportion of affordable housing provided either in units, habitable rooms or floorspace, so as not to discourage the development of larger units suitable for family accommodation. For monitoring purposes both units and habitable rooms will be measured to assess the delivery of affordable housing in the Borough.

3.5 Policy H6 is as follows:

POLICY H6:

THE COUNCIL WILL AIM TO SECURE AN AVERAGE ANNUAL AFFORDABLE HOUSING PROVISION OF AT LEAST 165 NET ADDITIONAL UNITS IN THE 10-YEAR PERIOD FROM THE ADOPTION OF THE PLAN.

3.6 Draft alterations to the London Plan at the time of production of this SPD indicate that the target for housing provision and therefore affordable housing provision is likely to be increased. (The proposed overall annual housing target of 400 units would result in an increased annual affordable housing target of 200 units.) Indications are therefore that the already substantial pressure to enable the development of affordable housing will increase.

3.7 HUDP Policies H5 and H6 apply to all housing developments of 15 units or 0.5 ha or more, including residential, mixed-use developments, hostels, sheltered housing and live-work schemes.

4. Site Specific Affordable Housing Targets

4.1 Delivering affordable housing in Harrow to meet the targets of HUDP Policy H6 poses particular challenges. Harrow does not have a large number of developable sites capable of providing 15 or more residential units or 0.5 ha or larger. This means that, in order to achieve the Borough's targets for affordable housing provision, it is necessary to negotiate the maximum reasonable proportion of affordable housing on all qualifying sites.

4.2 To achieve this, the Council will initially seek, in line with the London Plan and HUDP, a target provision of 50% affordable housing on all qualifying sites. Should an applicant propose less than 50% affordable housing, a financial appraisal will be required to enable agreement of the maximum reasonable proportion for the specific site. (see Section 14, page 11).

5. Ensuring the Optimal Use of Land

5.1 In the interests of sustainability, the Council aims to ensure the optimal use of land in the Borough. As the housing provision and affordable housing provision targets adopted by the Council represent substantial challenges, the Council wishes to maximise the delivery of housing, including affordable housing, as opportunities arise.

5.2 Any attempt to circumvent the thresholds of 15 units or 0.5 ha set in HUDP Policy H5, for which the maximum reasonable proportion affordable housing shall be negotiated, is likely to lead to refusal of the application. For example, the Council will consider all phases of a proposed site development when assessing the affordable housing contribution. Where a potential site is split into different ownerships, the proposal will be seen as part of a larger, overall potential developable area. In such instances, where a development in combination with neighbouring sites could accommodate residential development of 15 or more dwellings, or is 0.5 ha or more, the Council will treat the proposal as part of a larger developable site and will expect to negotiate a proportion of units for affordable housing, even if less than 15 units or less than 0.5 ha of development are proposed.

5.3 When 15 or more units or 0.5 ha of development are proposed, the Council may seek an increased housing provision in accordance with HUDP density and efficient use of land policies.

5.4 The Council continues to welcome affordable housing provision on sites below the 15 unit and 0.5 ha thresholds.

6. How Does Harrow Council Define Affordable Housing?

6.1 The HUDP defined affordable housing as:

Housing that meets the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing, and comprises social housing, intermediate housing and may include low cost market housing.

6.2 The Council no longer considers that, in a Harrow context, low cost market housing can be affordable housing. Proposals made over recent years to provide low cost market housing, typically by discounting the market price, have not met policy requirements for two reasons:

1. They have not been affordable to people on incomes in the range £17,000 – £48,000
2. They have not been made available 'in perpetuity'.

6.3 Recently published advice from the Government contained in the consultation PPS3 supports this analysis. It is our assessment that, due to the acuteness of the housing affordability problem in Harrow, low cost market housing is unlikely to address any housing needs in the Borough.

6.4 It is therefore considered that, in practical terms, affordable housing in Harrow is housing that can be rented or bought by the occupier at a price substantially below the market rate. This will mean that a level of subsidy will be required to enable the housing to be acquired at a sub-market rate. This can be in the form of public subsidy such as Social Housing Grant secured from the Housing Corporation, a financial contribution from a developer, or other subsidies such as the provision of land at a discounted rate.

6.5 Affordable housing needs to be accessed in accordance with the priorities determined by the Council. For this reason the Council will nominate the occupiers of affordable housing from either the Council's housing register through the *Locata* Choice Based Letting system or the Council's on-line Low Cost Home Ownership Register. The occupation by those in need and the affordability of the property will be secured in perpetuity through legal agreement.

7. Social Housing

7.1 In accordance with the Mayor's definition, Harrow Council defines Social Housing as:

Housing that is affordable in that rents are no greater than target rents as set by Government (ODPM) for local authority and housing association and co-operative tenants. Service charges should not be so great as to make a tenancy unaffordable for a household with an income of less than £16,400 on the basis of rents and service charges not exceeding 30% of net household income.

7.2 Social Housing needs to be available for rent on a long-term basis (five years or more).

7.3 The Council seeks to ensure Social Housing is let and managed by an RSL. Any other arrangements will need to satisfy the Council that equivalent management and standards will be secured.

8. Intermediate Housing

8.1 Intermediate housing is sub market housing where the costs are greater than target rents (see Social Housing, above) but affordable to households that have incomes in the range £17,000 and £48,000 per annum (at the time of production of the SPD).

Shared ownership

8.2 Shared Ownership is a form of intermediate housing. This is a low cost home ownership scheme where an applicant acquires a property from an RSL on a part rent -part buy basis. The applicant raises a mortgage in the normal way to buy a share of the property (normally around 40-50%) and pays subsidised rent to an RSL on the remaining share. The applicant can increase their share in the property as their finances improve if they wish, until they own the property outright.

8.3 Shared ownership will need to be affordable to households with annual incomes of £17,000 – £48,000 (at the time up SPD production) as explained under 'Intermediate Housing' (above). The homes will be offered to applicants on the basis of housing need in accordance with the priorities determined by the Council. The current priorities are listed on the Low Cost Home Ownership Register (see Section 10, below).

Intermediate Rent

8.4 Intermediate rent is a form of intermediate housing that allows households to rent properties above target rent levels but below market rent levels. As with shared ownership the rents must be affordable to those with annual household incomes of £17,000 to £48,000 (at the time of production of the SPD). This income ranges puts the cost above social housing but below market housing. As with Social housing, Intermediate Rented housing needs to be available for long term rent.

8.5 To be affordable intermediate rent should be set at no more than 80% of the market rent for the type of units in the area where the scheme is located. This will be considered on a case-by-case basis as proposals arise. For advice on intermediate rents in new developments, contact the Harrow Council Housing Enabling Team.

8.6 The Council seeks to ensure Intermediate Rent housing is let and managed by an RSL. Any other arrangements will need to satisfy the Council that equivalent management and standards will be secured.

9. Key Worker Housing

9.1 The high cost of housing is a contributing factor to recruitment problems for public sector workers on low-to-moderate incomes in London. The Government's 'Key Worker Living' programme seeks to help address these problems. A number of units secured as Intermediate housing in Harrow are available to key workers under this scheme.

9.2 Funding for the Key Worker Living scheme is allocated by the Housing Corporation on a sub-regional basis. The units are offered to key workers as defined by the Government. Harrow Council accepts a wider range of professions as being eligible for key worker housing, reflecting documented recruitment and retention problems in the Borough. As well as those units that are allocated under the Government's Key Worker Living scheme, some of the other intermediate housing may be set aside by the Council for key workers that qualify according to Harrow's criteria as described in the Harrow Key Worker Strategy (see Low Cost Home Ownership Register for the current priorities).

10. Further Information

10.1 The most up to date information on affordable tenures and the Council's priorities for these including key worker provision can be found on the Council's Low Cost Home Ownership Register at:

<https://www.lowcost-housing.org.uk/harrow/>

AFFORDABLE HOUSING REQUIREMENTS

11. Mix Between Social and Intermediate Housing

11.1 The Council seeks a 70:30 ratio between Social and Intermediate tenure for affordable housing delivered in the Borough.

11.2 As with the amount of affordable housing, the mix between Intermediate and Social housing for a development will need to be established at the time of application. This should be agreed with Harrow Council officers at the pre-application stage (advice on pre-application procedures is given in Section 20, page 16). The Council will usually seek the target 70:30 mix on developments for which Policy H5 applies.

11.3 There may be rare instances, however, when the Council accepts that an alternative mix between Social and Intermediate housing is appropriate. For example in areas that are deemed unsuitable for family occupation, such as high density town centre developments that lack adequate access to open space and/or child play areas, a higher proportion of intermediate housing may be negotiated.

11.4 Should the Council consider that the proposed mix between Social and Intermediate housing is not acceptable, permission for the development may be refused.

11.5 The Council monitors the delivery of Intermediate and Social housing. In the interests of meeting the target mix, this monitoring information will be used to determine the mix on individual developments. This information is available for public consideration by contacting the Harrow Council Housing Enabling Team.

12. Mix of Units and Space Standards for Social Housing

12.1 The Council seeks to ensure that the mix of dwellings, types, sizes and tenures in large housing developments (as developments of 15 units or 0.5 ha or more are considered) reflects the housing needs of the Borough. Accordingly, targets for the following mix of units by bedroom numbers/people accommodated for and minimum space standards have been set for Social Housing.

Figure 3: Target Bedroom Numbers Per Unit and Minimum Space Standards Sought for Social Housing

Number of bedrooms/ People accommodating	Percentage sought	Minimum space standards
1 bed/ 2 persons	7%	50m ²
2 beds/ 4 persons	48%	75m ²
3 beds/ 5-6 persons	23%	95m ²
4 beds/ 6-8 persons	17%	115-120m ²
5 beds +/- 9-10 persons	5%	125-140m ²

12.2 The units by bedroom numbers target is similar to the West London target and reflects the housing need of the Borough, particularly the need for large family units, as assessed in the Housing Needs Survey Update 2003. The Council will seek, while taking account of a site's characteristics, the above mix of housing types for all Social Housing developments.

12.3 The Council wishes to ensure that new social housing is fit for purpose now and in the future. The need to maximise land use through higher density housing, often in flatted developments with limited amenity space, means that internal space standards are now more important to ensure sustainability and livability into the future. In order to address these issues the Council has set the above target space standards by size of unit and numbers of persons

housed for Social housing. These are at the upper end of Housing Quality Indicator standards. The Council will work with developers and RSL partners to deliver new Social housing at these target space standards. In doing this consideration will be given to the specific circumstances of each scheme. For example where there is a good level of external amenity to meet the needs of a wide age range of children it may be acceptable to consider space standards at the lower end of the Housing Quality Indicator standards.

12.4 Monitoring information regarding the nature of Borough-wide delivery of Social housing may influence the mix sought on individual developments. For instance should monitoring information indicate that a certain types of housing, such as larger family accommodation, are not being delivered to targets, the Council may seek increased provision of such types of housing on individual developments.

13. Mix of Units and Categories of Affordability for Intermediate Housing

13.1 In assessment of the Council's Low Cost Home Register *Locata*, the following target mix of units by bedroom numbers/people spaces in Intermediate Housing has been identified:

Figure 4: Target Bedroom Numbers Per Unit for Intermediate Housing

Number of bedrooms/ people accommodated for	Percentage sought
1 bed/ 2 people	60%
2 bed/ 4 people	40%

13.2 The Council welcomes the provision of larger family units (3 bedroom plus) for intermediate housing on appropriate sites, providing they are affordable according to the criteria set below (figure 5).

13.3 The Council seeks to ensure that intermediate housing is affordable for its residents. Accordingly, it will seek the provision of a range of intermediate housing rents or prices to meet the full range of those in need of intermediate housing. Analysis of the Council's Low Cost Home Ownership register has been used to establish the income levels of those registered in the Borough. Accordingly the Council will seek Intermediate housing to be provided in the following income ranges, with a percentage target for each range:

Figure 5: Affordability Requirements for Intermediate Housing

Income range	Percentage Provision Sought
£17,000 - £24,999	50%
£25,000 - £34,999	35%
£35,000 - £48,000	15%

13.4 The targets are relevant at the time of production of the SPD and will be revised as circumstances dictate.

13.5 In considering what is affordable to intermediate households the Council regards that no more than 40% of a net household's annual income should be allocated towards housing costs (including service charges).

14. Negotiating the Maximum Reasonable Proportion of Affordable Housing

14.1 The Council will seek the maximum reasonable proportion of affordable housing on qualifying sites. In accordance with the HUDP and London Plan the initial basis for negotiations is that 50% of all housing should be provided as affordable housing. Should an applicant propose a lower proportion of affordable housing a financial appraisal will be required in order to demonstrate the maximum reasonable proportion for the specific site.

14.2 One method for which proposed developments may be assessed in Harrow is through the use of the Development Control Toolkit developed for the Greater London Authority (GLA) by Three Dragon's Consultants and Nottingham Trent University. Although it is recognised that a methodical approach to projecting costs and profits will never be perfectly accurate, in the interests of objectivity and consistency of analyses, the Development Control Toolkit is publicly available and therefore is recommended as a tool to inform the negotiation process.

14.3 The Toolkit requires a number of inputs of information regarding incurred and projected costs. A reasonable profit for the developer is projected for, as is the amount of Social Housing Grant (if any) that may be available. An outcome projecting what would be a reasonable proportion of affordable housing contribution is provided, which will be used as one basis for negotiating the proportion of affordable housing.

14.4 It is important that the information provided for use in the Development Control Toolkit is accurate. The Council may seek detailed evidence of costs incurred, the assumptions made for those costs and sale prices that are projected. Pre-application research should be sufficient to consider all likely costs to be incurred in the development.

14.5 Applicants should not automatically assume that Social Housing Grant will be made available for private sector developments. The amount of money available is limited at a sub-regional level and the Housing Corporation requires a financial appraisal to demonstrate that grant is needed. The applicant should consult with the Council's Housing Enabling Team at an early stage, preferably in cooperation with an RSL partner, to establish whether Social Housing Grant or an alternative source of funding is likely to be secured.

14.6 Other sources of grant and other types of subsidies such as discounted land acquisition costs will be incorporated into the model as well as other exceptional costs on the development, where relevant. In addition to affordable housing, it is also possible that developments that incorporate affordable housing will need to contribute to other community needs. Contributions to schools, environmental improvements, transport or social infrastructure may alter the amount of affordable housing sought by the Council. Such inputs need to be incorporated into the financial appraisal to inform the negotiation of the amount of affordable housing to be provided. The delivery of affordable housing is a corporate priority so the Council will need to be satisfied that the nature and amount of any other contributions will be necessary, to justify the potential negotiation of a lower proportion of affordable housing.

14.7 Although the Development Control Toolkit is recommended as a financial appraisal method, the Council will not preclude information being presented through other appraisal methods. However, all figures and assumptions will need to be clearly shown in any model used, so the Council can understand how the assumptions are made.

14.8 The Council will not disclose confidential information provided in a financial appraisal subject to the overriding duty to disclose such information in the public interest under the Freedom of Information Act 2000.

14.9 Early engagement with the Council is critical to ensure the processes of negotiation and securing affordable housing set out above are undertaken efficiently. Pre-application procedures are discussed in section 20 (page 15).

15. The Nature of Affordable Housing Provision

15.1 The following process explains the manner in which affordable housing can be provided in Harrow, in order of the most to least likely type of provision to be accepted.

1. On-site provision

On-site provision is the Council's preference for how affordable housing will be provided by developers. ***Only in very rare circumstances, where the Council is satisfied that it would be appropriate, will any other form of provision be accepted.*** This reflects the shortage of developable sites in the Borough and the Government's policy of ensuring a mix of housing types in communities so as to encourage the development of mixed and inclusive communities.

2. Off-site provision

There may be very rare occasions where on-site provision is not the most suitable option. Such instances will be where there are demonstrable benefits in providing off-site affordable housing (in part or in full). Exceptional circumstances will need to be demonstrated by the applicant. Examples of where it may be accepted (in part or in full) are:

- Where ongoing *necessary* costs of a considerable amount would be incurred by the occupants of the affordable units of a development, such as necessary and reasonable service charges
- Where there are unusually high build costs, in recognition of the need to enable residential development rather than discourage it, and off-site provision leads to the improved viability of the scheme.
- Where certain affordable housing types, such as larger family provision, cannot be easily accommodated or be unsuitable on-site. This scenario may be considered should the Council's monitoring information indicate that certain unit types are not being delivered to the Council's targets (see Section 12, page 9).

In instances where it is accepted that off-site provision is appropriate, the onus will be upon the developer to find and acquire a more suitable site which would not otherwise be expected to come forward for affordable housing. In such instances the amount of affordable housing will be negotiated as a proportion of both sites combined.

3. Financial Contribution to the Council

It is considered very unlikely that the Council will accept any financial contributions instead of affordable housing provision. However, if exceptional circumstances are shown by the applicant to demonstrate that neither on- nor off-site provision are appropriate, the Council may accept a financial contribution.

All financial contributions will be placed in the Council's Affordable Housing Fund, which is a specific interest bearing account administered by the Group Manager Housing Services. The Fund is only used for the provision of affordable housing in the Borough in accordance with policy and procedure determined by the Council. Appendix 3 explains how a financial contribution will be calculated should such instances arise.

DELIVERING AFFORDABLE HOUSING IN HARROW

16. Obtaining Subsidy

16.1 The Council will support bids to the Housing Corporation for Social Housing Grant for mixed tenure schemes that include Social housing, where the amount and type of affordable housing would not be deliverable without it. Schemes that provide only shared ownership or other intermediate housing will not normally be supported for grant bids unless they are in support of other corporate Council initiatives such as the regeneration of a specific area.

16.2 In order for the Council to support the level of subsidy required it will need to be satisfied that the amount is reasonable and necessary. In order to ensure affordability in the long term and meet Housing Corporation expectations in relation to value for money, the Council will require the affordable housing units to be transferred to an RSL at a cost that does not exceed 80% of the last published Total Cost Indicator (TCI) less actual on-costs of the RSL. The TCI will be updated annually typically by a percentage uplift in the region of 5%.

17. Securing Affordable Housing

17.1 The Council's preferred method for securing affordable housing is via a legal agreement in accordance with Section 106 of the Town and Country Planning Act (1990).

17.2 Where possible, RSLs who are to be involved in the delivery of affordable housing will be expected to be party to the Section 106 agreement.

17.3 In order to ensure that affordable housing continues to be affordable to those in housing need, and managed to standards set by the Housing Corporation and Audit Commission, the Council requires the legal interest and management of the affordable housing produced through policies H5 and H6 to be transferred to an RSL or equivalent. If the housing is transferred to an RSL these requirements will be deemed to have been met. However, if an RSL is not to assume ownership, heads of terms in the Section 106 agreement will include mechanisms to ensure these requirements are met. A list of the Council's current preferred RSL partners is included in Appendix 2).

17.4 The proposed number and tenures of affordable units, and the number of bedrooms in each of those units, will be stated in the legal agreement. All parties with an interest in the land will be bound by the legal agreement.

17.5 For rented properties (Social housing and Intermediate housing), the Council will nominate 100% of initial lettings and 75% of relets, all of whom will be on the Council's register and will be allocated in accordance with the choice-based lettings system *Locata*. For shared ownership properties the Council will retain the right to nominate 100% of sales and resales (subject to future Government advice in relation to properties funded from the National Affordable Housing Programme). The Council's nominations will be secured through a Nominations Agreement, which will also bind an RSL where one is involved.

17.6 The Council has a draft model Section 106 agreement and a Nomination Agreement that can be obtained from the Council upon request from Legal Services

18. Design Issues

18.1 Developments need to comply with the design policies of the HUDP, and aside from the need to comply with affordable housing policies, issues relating to the design of a development can lead to the refusal of an application.

18.2 There are, however, particular design issues that are raised by residential developments that provide affordable housing alongside market housing.

18.3 The Council considers that, as far as reasonable, the outward appearance of affordable housing should not be easily distinguishable from market housing. Façades should consist of the same building materials and elements as the market houses of the same development. This is in order to ensure the provision of developments that contribute positively to the streetscape and landscape and to minimise the impression of segregation between affordable and market units (which may create or reinforce problems of social exclusion). Design and management proposals that create or imply segregation between market and affordable housing are likely to be regarded unfavourably by the Council. Such issues are best discussed and resolved with Council officers during the pre-application stage.

18.4 After permission is granted, revisions that reduce the quality of the design, including minor changes that can lead to accumulative effects, will be resisted by the Council.

18.5 Communal open space and other amenities should, unless special circumstances can be demonstrated, be accessible to all occupants of a development.

18.6 On larger developments, as in developments of 15 or more residential units or 0.5 ha or more for which the provision of a proportion of affordable housing will be expected, the Council seeks to ensure that a proportion of units are built to full wheelchair housing standard as well as the remaining housing being built to Lifetime Homes standards. The Council will seek that a minimum of 10% of Social Housing units be provided to full wheelchair standard.

18.7 In developments for which Social Housing Grant will be sought, applicants should be aware of the need to comply to the most up to date Housing Corporation Scheme Development Standards. It is advised that these standards be considered from the outset of the development and are incorporated in the design to maximise the chance of a successful bid.

18.8 Designers of affordable housing schemes should also pay attention to Secured by Design, a good practice guidance on designing out crime. This can be viewed at:

<http://www.securedbydesign.com>

18.9 Applicants should also ensure that they have considered the design guidance and implications of:

- Harrow Council's parking standards (as contained in the HUDP)
- Accessible Housing Supplementary Planning Document
- Designing New Development Supplementary Planning Guidance

19. Higher Density Developments

19.1 Higher density developments, such as flats, can be suitable for all types and tenures of affordable housing, including larger family housing (units of three bedrooms or more). Schemes that incorporate good design, intensive management and appropriate access to amenity space such as gardens, public open space and/or children play areas are suitable for on-site provision of affordable family housing.

19.2 Applicants should consult the London Housing Federation's guides *Capital Gains – Making High Density Work, a report for the London Housing Federation* and in particular *High Density Housing for Families – a design and specification guide* when designing higher density developments. The Council requires affordable housing developments to meet these standards

and they should be considered from early in the design of a scheme to ensure their successful integration. In accordance with this guide the Council will consider, in consultation with RSLs, the implementation of sustainable lettings plans in higher density schemes, to ensure the creation of mixed and balanced communities. Careful design will be required to ensure the appropriate placement of family units.

19.3 *High Density Housing for Families – a design and specification guide* includes information on the following areas considered important to ensure the long term liveability of a scheme:

- Access to dwellings and security
- Lifts
- Private open space
- Shared and semi-private open space, in particular with regard to child play areas
- Space standards, storage and amenity within the dwelling
- Privacy and sound insulation
- Clothes drying

20. Harrow Council's Procedures for Schemes that Include Affordable Housing

20.1 The Council wishes to deal efficiently with planning applications and aims to issue decision notices within the target 13-week period for major applications. It is thus important for all parties to engage in early discussions regarding issues that could influence the Council's decision. Among these issues would be whether affordable housing should be provided, and if so the level and nature of provision. In Harrow the responsibility for negotiating affordable housing schemes lies with the Housing Enabling Team.

20.2 Before applicants commit the time and financial resources to submitting a full application, they should put the proposal before the Council's Planning Advice Team. This group will give officer-level advice on whether the application has any major issues that need to be resolved before it is submitted. The Contact address for the Planning Advisory Team can be seen in the section Harrow Council Contact Details (below).

20.3 Once the Planning Advice Team has issued its advice, the applicant should begin pre-application discussions regarding matters related to the planning application with the Council's Development Control officers.

20.4 At this point, in order to begin the drafting of a section 106 agreement, evidence of title and an undertaking to pay the Council's legal costs in drafting the agreement should be given to the Council (regardless of whether permission is subsequently granted or not). The legal agreement will need to be finalised before permission is issued, so early engagement should help to avoid delays to the Council's decision notice being issued.

20.5 The applicant should engage in early discussions with an RSL partner (unless the applicant is itself an RSL). This is because the Council prefers RSL involvement and recommends that their experience be utilised in the process of bidding for grant. Appendix 2 lists the Council's preferred RSL partners and their contact details, and Harrow Council can provide further assistance if desired.

20.6 Before an application is submitted the applicant should ensure, through discussions with Development Control officers, that they have included the required information, including specific information relating to affordable housing. Insufficient information is a common cause in delays in the Council reaching a decision as to whether to grant permission or not.

20.7 In terms of affordable housing, the applicant will need to provide:

- Information on the amount of affordable housing in terms of units, habitable rooms and floorspace, and how this relates to the policy requirements in terms of:
 - the amount of affordable housing
 - the target mix between Social and Intermediate housing and bedroom numbers in the units
 - amount of living space in the units,
- a financial appraisal (should less than 50% affordable housing be proposed), including evidence of how all figures were arrived at and assumptions made,
- the affordability of each unit of affordable housing, in terms of costs to the occupants (including service charges)
- the number of units that are developed to full wheelchair and lifetime homes standards

21. Harrow Council Contact Details

Harrow Council phone number: 020 8863 5611

Housing Enabling Team:

Housing Enabling Team
Harrow Council
Civic 2
PO Box 65
Harrow Civic Centre
Middlesex
HA1 2XJ

Development Control Department:

Development Control Department
Garden House
5 St John's Rd
Harrow
Middlesex
HA1 2EE

Planning Advice Team:

Write to:

Attention Planning Advice Team:
Garden House
5 St John's Rd
Harrow
Middlesex
HA1 2EE

Legal Services:

Harrow Legal Services
Po Box 2
Civic Centre
Harrow
Middlesex
HA1 2UH

APPENDICIES

Appendix 1: Glossary of terms

Affordable Housing: Housing that meets the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing, and comprises social housing and intermediate housing.

Intermediate Housing: Sub-market housing, where costs, including service charges, are above target rents for social housing, but where costs, including service charges, are affordable by households on incomes of less than £48,000 (as at March 2006). This figure will continue to be reviewed on an annual basis to reflect changes in income house-price ratios.

Key Worker Housing: Regarded as housing for people in jobs that provide services deemed to be vital to the local and wider London economy and the maintenance of essential services, where there is evidence of recruitment and retention problems. A key worker is on a low to moderate income that is insufficient to allow them to access open market housing either for rent or sale and includes those employed in the public sector.

Lifetime Homes: Dwellings which are designed to a standard that allows easy adaptation to meet the needs of occupiers throughout their whole life. (Criteria and Design standards have been defined by the Joseph Rowntree Foundation).

Market housing: Housing available for sale or rent on the open market without subsidy for the occupant (i.e. non-affordable housing).

Registered Social Landlord (RSL): A non-profit organisation usually providing housing, and registered with the Housing Corporation.

Shared Ownership: Housing schemes provided on the basis of shared equity (i.e. the occupiers part-buy, part-rent the property), allowing the occupiers to buy what they can afford, with the flexibility to increase the degree of ownership if they so wish.

Social Housing: Housing that is affordable in that rents are no greater than target rents as set by Government (ODPM) for local authority and housing association and co-operative tenants. Service charges should not be so great as to make a tenancy unaffordable for a household with an income of less than £16,400 on the basis of rents and service charges not exceeding 30% of net household income.

Office of the Deputy Prime Minister (ODPM): The government department responsible for planning, local government, housing and regional development.

West London Sub Region: The West London sub region consists of seven boroughs - Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon, Hounslow and Kensington & Chelsea.

Appendix 2: Preferred RSL Partners in Harrow

The following lists the Council's preferred RSL partners for affordable housing delivery in the Harrow. The Council wishes to avoid instances whereby competition between RSLs could occur. Although other RSLs will not be precluded from involvement with new affordable housing developments in the Borough, the Council will need to be satisfied that their involvement will be beneficial to the Borough.

Dominion Housing Group
Capital House
25 Chapel Street
Paddington
London NW1 5DH

Contact: Gerry Walker
Development Manager
Tel Switchboard: 020 8840 6262
Direct: 020 8799 2212

Stadium Housing Association
(formerly Network)
Network House
10 – 12 Neeld Parade
Wembley Hill Road
Wembley
Middlesex HA9 6QU

Contact: Tim Holden
Assistant Chief Executive
Tel: 020 8900 0185

Chiltern Hundreds Housing Association (Paradigm Housing Group)
Hundreds House
24 London Road West
Amersham
Bucks HP7 0HD

Contact: Charles Shaw
Head of Development
Tel: 01494 830991

Asra Housing Association
Asra House
No 1 Long Lane
London SE1 4PG

Contact: Mukhtar Latif
Director of Development
Tel: 020 7940 6600

Harrow Churches Housing Association
Penn House
16 Peterborough Road
Harrow HA1 2BQ

Contact: Carmel Miedziolka
Chief Executive

Tel: 020 8426 4995

Metropolitan Housing Trust
Alexander Place
Lower Park Road
New Southgate
London N11 1QD
020 8976 1000

Contact: Angela Epps
Assistant Development Director
Tel: 020 8976 1180

Denise Field
Head of Programme
London Development Services
Metropolitan Housing Trust
denise.field@mht.co.uk

North Thames Office
Alexander Place
Lower Park Rd
London N11 1QD
Tel 020 8976 1180

South Thames Office
MHT House
Crescent Lane
London SW4 9RS
Tel 020 7501 2300

Tel 020 8976 1189 (direct)
fax 020 8976 1182

Tel 020 7501 2310 (direct)
Fax 020 7501 2307

Mobile : 07989 547208

Paddington Churches Housing Association (Genesis Housing Group)
Capital House
25 Chapel Street
Paddington
London NW1 5DT

Contact: Gareth Jones/Dominic Whiston
Tel: 020 8150 4100

Warden Housing Association (Home Group)
Malt House
281 Field End Road
Eastcote
Ruislip
Middlesex HA4 9XQ

Contact: Keith Harley
Tel: 020 8868 9000

Inquilab Housing Association
Grove House
77 North Road
Southall
Middlesex UB1 2JL

Contact: Reggie Lathbridge

Development Manager
Tel: 020 8843 1263

John Grooms Housing Association
50 Scrutton Street
London EC2A 4XQ

Contact: Mary Hannington
Head of New Business
Tel: 020 7452 2063

Appendix 3: Financial Contributions

In cases where a financial contribution instead of on-site or off-site provision is appropriate, as identified in section 15. The Nature of Affordable Housing Provision (page 14), Harrow Council will calculate the contribution as follows:

- a) *An amount per habitable room that would have been provided as the affordable housing contribution on site in accordance with the Council's target mix in respect of social housing.*

The amount per habitable room to be used in the above calculation is:

Financial Contribution per habitable room	£29,341
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The above has been calculated by reference to the Housing Corporation TCI for an 85-90m² dwelling to reflect the overarching need for larger family homes for rent, at an average public subsidy rate of 62% [$£189,300 \times 62\%$ divided by 4].

- b) *an increase in the above total sum to reflect the increase in market units that will arise from not providing affordable housing on the site.*

The basic contribution calculated in a) above is then increased by the percentage increase in the number of market units that will be provided on the site in place of the affordable housing. For example:

Proposed Housing Scheme = 50 units.

- Amount of affordable housing sought on site = 25 units in the mix 2 x1 beds, 12 x 2 beds, 6 x 3 beds, 4 x 4 beds and 1 x 5 beds = 90 habitable rooms
- Number of market houses = 25
- Making a financial contribution means that the number of market units increases from 25 to 50, an increase of 100%

Total payment is therefore: $90 \times £29,341 \times 2.0 = £5,281,380$

All financial contributions will be placed in the Council's Affordable Housing Fund, which is a specific interest bearing account administered by the Group Manager Housing Services. The Fund is only used for the provision of affordable housing in the borough in accordance with policy and procedure determined by the Council.

This formula is relevant at the time of production of the SPD and will be revised as circumstances dictate.