

Factsheet 1

Affordable Housing

Affordable housing has been a key priority for the Council for a number of years. There is a high level of need for affordable housing in North Norfolk due to the cost of housing in relation to average incomes.

What is Affordable Housing?

Affordable Housing is homes provided to meet the needs of those households who needs are not met by the market, to be affordable homes must:

- Be provided at a cost low enough for households to be able to afford with regard to local incomes and house prices
- Be protected as affordable in perpetuity and if this restriction is lifted, the subsidy is recycled into new affordable housing provision.

Historically, there have been 2 types of affordable housing:

- Social Rented
- Intermediate Housing

What is Social Rented Housing?

Properties which are owned and managed by Local Authorities or Registered Providers (Housing Associations) and which are let at target (sub market) rents controlled by Government. For more information see Factsheet 5).

What is Intermediate Housing?

Properties at rents which are above social rents but below market rents or properties for sale at below market prices. Intermediate housing must meet the definition of affordable housing above. In North Norfolk, intermediate housing has generally shared ownership (see Fact Sheet 9).

What are Affordable Rents?

Affordable Rents will be charged on new homes developed with Government funding provided by the Homes and Communities Agency (HCA) from July 2011. Registered Providers in receipt of funding from the HCA will also be able to convert some existing social rented properties to affordable rent from July 2011 these properties can be let on either a lifetime tenancy or a fixed term tenancy. A property let on an Affordable Rent will be let at a rent of up to 80% of local private market rents (it is likely that 80% will be used in practice).

How is Affordable Housing Provided?

As affordable housing is let or sold at less than market prices, subsidy is needed to ensure that the housing is affordable. The subsidy can either be from a public source or private source. In North Norfolk, the main source of subsidy has been public subsidy provided by the HCA or the Council. The Council has a long history of providing subsidy (called Local Authority Social Housing Grant) to Housing Associations to fund schemes which are a priority to the Council but which have been unsuccessful in attracting funding from the HCA. The Council has also provided subsidy through the provision of land at nil cost although most of the land suitable for development has now been developed.

Private subsidy is the subsidy provided by private developers, when they provide affordable housing on market sites. Such properties will generally be sold on to a Housing Association at a discounted price. The North Norfolk Core Strategy (available on the Council's website) sets out the affordable housing requirements for eligible sites in the district.

Who is the Homes and Communities Agency?

This is the national body which funds (and from 2012 regulates) Registered Providers. All funding is provided through a competitive process to ensure value for money. Funding will be allocated in July 2011 for the 4 year period to 2015. The Council's priorities for investment in affordable housing and pipeline of schemes are set out in its Local Investment Plan.

How is Affordable Housing provided?

The Council has an enabling role, it identifies housing need and works with Housing Associations to develop affordable housing schemes which meet the identified housing need. On market sites, the Council advises the private developer what type and size of affordable housing should be provided on their site and if the developer states that it is not viable to provide the level of affordable housing required, will carry out a viability assessment and negotiate the appropriate level of affordable housing that the site is viable to provide.

How do we know what the housing need is?

There are 2 main sources of information. The district wide Housing Needs Survey (2007) shows that there is a need for an additional 921 affordable dwellings per annum in North Norfolk. The Housing Register shows the number of households who have applied for housing and allows us to look at the level of need at a settlement level, including identifying which households have a local connection to that settlement (used for Exception Housing Schemes).

What different types of schemes are provided?

General needs housing schemes are provided in settlements where planning rules allow new housing to be provided, these schemes will be occupied by households from the housing register who have a housing need. Exception Housing Schemes are provided to meet local housing need, local means the parish (including towns) in which the scheme is provided and the immediately adjacent civil parishes. On Exception Housing Schemes the affordable homes are prioritised to households who have a local connection.

Guide to Affordable Housing

A Guide to Affordable Housing has been produced for District and Parish Councillors, voluntary organisations and anyone with an interest in how affordable housing is delivered. Part 1 of the guide provides information on what affordable housing is, how the need for affordable housing is identified and how it is provided and managed. The guide also explains how local members and parish councils will be involved in the process of delivering more affordable housing to meet the identified housing need. Part 2 details step-by-step the process of providing affordable homes. The guide was last updated in November 2010.

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