

# Creating a better place: Waltham Forest 2014-18

## Affordable Housing Guidance – April 2014

### 1. Introduction

- 1.1 Increasing the number of new homes for local people is one of the Council's priorities for the next few years. It is estimated that around 16,000 new homes are needed over the next 15 years to 2031 to meet existing and projected housing needs in the borough.
- 1.2 The Council will support the delivery of new high quality homes of all tenures to meet the needs of local residents. With high and increasing house prices and rents, many households cannot afford to meet their housing needs on the open market, so the Council's focus is to maximise the number of new affordable homes built in the borough.
- 1.3 This document provides a concise guide to the Council's affordable housing requirements for anyone looking to build new homes in the borough. It is based on adopted and published Council strategies and policies, primarily the Waltham Forest Housing Strategy 2008-2028, the housing prospectus **Creating Better Homes: Waltham Forest 2014-18**, and the **Waltham Forest Local Plan** which sets out the Council's planning policies that guide new development in the borough, and is broadly in line with the **London Plan** and **London Housing Strategy**<sup>1</sup>, as well as affordable housing funding and regulatory requirements.

### 2. Need for new affordable homes

- 2.1 There are over 16,000 households<sup>2</sup> on the Council's housing register waiting for affordable homes in Waltham Forest. The number of households waiting for affordable homes keeps increasing year on year as the supply of affordable homes fails to keep pace with demand.
- 2.2 The Council's 2014-18 Housing Prospectus<sup>3</sup> sets out our strategic priorities in terms of housing over the next 4 years. These are increasing the supply of new, high-quality homes; creating opportunities for local residents to own their own home; improving our housing estates; and ensuring private rented homes provide high quality accommodation.
- 2.3 Council officers will work with private developers, housing associations, registered providers and other partners to facilitate and enable the delivery of good quality new affordable homes.

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<sup>1</sup> <http://www.london.gov.uk/priorities/housing-land>

<sup>2</sup> Waltham Forest Housing Register February 2014

<sup>3</sup> <http://www.walthamforest.gov.uk/Documents/creating-better-homes-report-2014-18-web-version.pdf>

### 3. Planning policy

- 3.1 The **Waltham Forest Local Plan** is a suite of documents that sets out how the Council will guide and regulate growth and change of the built environment in the borough. The Core Strategy<sup>4</sup> was published March 2012, updated in response to the National Planning Policy Framework (NPPF), and contains the planning vision and strategy for the Borough to 2026.
- 3.2 For the purpose of this guide the key policy we will be referencing is **Local Plan Policy CS2 – Improving Housing Quality and Choice**, while other important policies relating to the provision of new homes include **Local Plan Policy CS4 – Minimising and Adapting to Climate Change**, and **Local Plan Policy CS15 – Well Designed Buildings, Places and Spaces**.

### 4. Affordable Housing Requirements

- 4.1 Local Plan Policy CS2 – Improving Housing Quality and Choice is the key policy in terms of the Council's approach to securing new affordable housing, and is supported by supplementary planning documents.
- 4.2 In summary, the Council will seek to maximise the number of affordable homes by aiming for at least 50% of new homes provided over the plan period to be affordable. This affordable housing will be a range of tenures and homes sizes in order to create economically mixed and sustainable communities.
- 4.3 The Council will seek, on any proposed new development of ten or more dwellings, to ensure that 50% of these are provided as affordable housing. On new developments with fewer than ten dwellings where no affordable housing is proposed the Council will require a commuted sum to be used to fund the provision of affordable housing elsewhere in the borough.

### 5. Planning agreements and viability

- 5.1 The Council recognises that 50% affordable housing may be challenging to achieve on some sites. The Council will therefore take into consideration the mix of tenure and dwelling sizes of affordable housing (calculating the proportion on the basis of habitable rooms), as well as a comprehensive viability appraisal provided by the applicant as part of the planning application process to justify the level of affordable housing if less than 50%. The applicant will also be required to pay for an independent evaluation and assessment of validity of the viability appraisal.

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<sup>4</sup> <http://www.walthamforest.gov.uk/Documents/adopted-core-strategy.pdf>

- 5.2 The introduction of the local Community Infrastructure Levy (CIL) charging structure in May 2014, with waivers for affordable housing, should address some of the financial viability issues relating to the delivery of affordable housing, and enable reasonable proportions of affordable housing to be provided on most sites in the borough.

## 6. Creating mixed, balanced and sustainable communities

- 6.1 The Council will seek a range of dwelling sizes and tenures to meet affordable housing requirements. As a general guide the Council will seek a 40% / 60% split of Intermediate and Rented homes. Intermediate homes include affordable home ownership such as shared ownership and shared equity schemes, as well as rent-to-buy schemes; and Rented homes include Social (Target) Rent homes and Affordable Rented homes let at significantly less than open market rents.

## 7. Affordable home ownership

- 7.1 The Council will support the provision of a variety of low cost home ownership products including shared ownership schemes. We would consider new and innovative low cost home ownership products, provided we are assured that these will provide long term affordable home ownership, with equity and receipts recycled back into affordable housing schemes in the borough.
- 7.2 The Council will seek to ensure that low cost ownership homes are affordable to local people and families. Our definition of affordability for this guidance is based upon the assumption that the total of mortgage, rent and service charge payable should be no more than 33% of gross household income.
- 7.3 The Council will expect marketing of low cost home ownership homes built in the borough to be targeted so as to achieve the maximum possible take-up by local households.

## 8. Affordable rent homes

- 8.1 The Council will seek to ensure that affordable rented homes are affordable for local households at first let and into the future. To be affordable rents should be significantly lower than market rents. We would seek to ensure that rents for property types are not be higher than the rents set out in the table below, including services charges and capped at the Local Housing Allowance (LHA):

**Table - Recommended maximum affordable rent**

Dwelling Size	1 bed	2 bed	3 bed	4 bed+
% of market rent	Up to 80%	Up to 70%	Up to 60%	Up to 50%

- 8.2 We encourage housing associations and registered providers that have policies, funding and regulatory obligations that would lead to higher rents on two-bedroom and larger properties to discuss and agree rent levels with the Council as early as possible.

## 9. Social rented homes

- 9.1 We consider that any affordable housing programme in the borough should contain a proportion of social (target) rent homes. This will enable the Council and its housing partners to make better use of existing social rent housing by supporting 'lettings chains', for example to enable under-occupier moves.
- 9.2 In addition there are a significant number of households on the housing register for whom social rent housing is the only affordable solution to their housing needs, including households requiring specialist housing like supported and extra care housing.

## 10. Providing homes for families

- 10.1 There is significant demand for family-sized affordable homes in the borough. To meet this need we require a range of property sizes to be provided for affordable and social rent homes in the proportion set out below:

**Table - Recommended dwelling size mix**

Dwelling Size	1 bed	2 bed	3 bed	4 bed & larger
% required	20%	30%	40%	10%

## 11. Access to rented homes

- 11.1 The Council expects all providers of affordable and social rent homes to enter into some form of nominations agreement with the Council to ensure the maximum number of households on the local housing register have the opportunity to access these homes. We also expect affordable and social rent homes to be let on reasonably secure and longer term tenancies whenever possible, and for landlords to have in place and implement effective tenancy sustainability policies and procedures.

## 12. Relets, rent conversions and disposals

- 12.1 The Council's aim is to, at the very least, maintain the current number of social rented homes in the borough. For this reason we will not only support the development of new social rented homes, we would also like to limit in as much as is possible, the conversion of social rent properties to higher rent affordable rent products.

- 12.2 In addition we will resist the disposal of social rent dwellings if the receipts are not ring fenced for reinvestment to provide new affordable homes in the borough.

### **13. Design, quality and sustainability**

- 13.1 The Council will expect all new homes built in the borough to at the very least comply with the London Mayor's London Plan Housing Supplementary Planning Guidance (November 2012) and the Council's Urban Design Supplementary Planning Document (SPD). We encourage even higher design, quality and sustainability standards wherever possible.
- 13.2 We also require that 10% of all new homes are built to full wheelchair accessibility standards and the remaining 90% to Lifetime Homes standards in accordance with the Council's Inclusive Housing Design SPD.

### **14. Further guidance**

- 14.1 Please note that while every care was taken to ensure the policies cited in this guidance were the most up-to-date available, at the time of writing a number of these strategy and policy documents were being reviewed and may have been revised or superseded by the time you read this.
- 14.2 To discuss these guidelines and for further information, advice and assistance in relation to developing affordable housing in Waltham Forest, please contact the Strategic Housing Team at Waltham Forest Council:

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