

## Affordable Housing Statement

### Site: H3 Ennor Farm; Self & Custom Build Project

This application forms part of the Council led Housing Delivery Programme which seeks to deliver over 30 new affordable homes across a range of tenures. This site addresses the pent-up demand for self and custom build homes.

Under Section 1 of the Self Build and Custom Housebuilding Act 2015, Local Authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand. The [National Planning Policy Framework \(NPPF\)](#) recognises that self and custom-build properties could provide market or affordable housing.

The NPPF defines affordable homes as follows:

**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

The outline planning proposal seeks to provide up to 13 serviced, self and custom build plots for 2-4 bedroom dwellings at site H3 of the emerging Local Plan, Ennor Farm, Old Town. The provision will be through a mixture of detached and semi-detached plots, with the mix on the current illustrative layout showing 4 semi-detached (2 pairs) and 9 detached plots.

The properties will meet the definition of affordable housing as set out in the NPPF, they will provide discounted market sales homes for those on the Council's Self and Custom Build register.

The Council's Self and Custom Build register has a recorded unmet demand of 40<sup>1</sup> households with an expressed interest in self and custom build opportunities on the islands. Many of these households have recognised the barrier to the delivery of this type of opportunity relating to lack of affordable land for sale. Through this proposal, the Council aims to address this barrier through the provision of serviced plots sold at cost. This is in line with the emerging [Local Plan \(2015-30\)](#) Policy LC3 to provide a balanced housing stock.

This scheme will provide an affordable route to home ownership for households otherwise priced out of the market by providing serviced plots sold at cost to eligible, qualifying self-builders.

### **Local planning policy context**

The current adopted Local Plan (2005), Policy 3 states;

*"1) To endeavour to ensure that housing is available to meet the needs of the community in perpetuity and to promote sustainable communities on the inhabited islands, no general open market housing will be permitted.*

*2) To ensure that suitable housing is available to meet the long-term needs of the community, residential development will only be permitted where it is required to meet:*

*a) an identified and recognised local need or to accommodate a key worker whose needs cannot be met by the existing housing stock; or*

*b) the provision of staff accommodation for businesses on or near the premises where possible and where it can be demonstrated that there is no other accommodation available and it is not possible to recruit staff already housed on the islands.*

*3) All new residential development will be subject to secure arrangements to ensure that it remains permanently available to meet specific identified need that justified its original permission."*

The emerging Local Plan (2015-30) Policy LC1 states that;

*"All new homes must contribute towards the creation of a sustainable, balanced and inclusive island community by making a positive contribution to addressing the local housing needs of present and future generations, through the provision of:*

*a) Affordable homes, either on the sites specifically allocated for housing in Policy LC6, or through windfall sites elsewhere on the five inhabited islands, in accordance with Policy LC7."*

In terms of local housing need eligibility, the scheme will be in conformity with the emerging Local Plan Policy LC2 which states;

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<sup>1</sup> As of 6<sup>th</sup> January 2021

## **POLICY LC2 Qualifying for Affordable Homes**

All new affordable homes that are not delivered by the Council or other Registered Provider will be subject to occupancy restrictions, to ensure they will be occupied in perpetuity by a person or persons (and their dependants) with a local housing need, as their principal residence throughout the year. A local housing need is where:

- (1) The property would be their sole private residence and their need cannot be met by the local housing market; and
- (2) They need to live permanently on the islands due to their employment circumstances and work commitments; or
- (3) They have been continuously resident on the islands for at least five years and require new accommodation as a result of the requirement to:
  - a) vacate tied accommodation; or
  - b) relocate to more suitable accommodation due to a medical and/or mobility condition; or
  - c) relocate to smaller/larger accommodation due to under/over-occupation; or
- (4) They are a former resident who has previously lived permanently on the Isles of Scilly for a continuous period of at least five years, and who:
  - a) has been away for educational or training purposes, or to obtain work experience or professional or technical accreditation; or
  - b) is currently employed by the armed forces or merchant navy and whose main residence will be on the islands; or
  - c) is retired from the armed forces or merchant navy; or
  - d) needs to provide substantial care to a relative who has lived continuously on the islands for at least five years ('substantial care' means that the requirement for such care has been identified by a medical doctor or relevant statutory support agency).

**Footnote:**

Eligibility for affordable housing managed by the Council or Housing Association will be subject to separate qualifying criteria, in accordance with the Council's Housing Department or national affordable homes qualifying criteria.

In addition, the Council will be producing a bespoke allocations criterion to allow a fair and transparent plot allocation to be undertaken. The development of the Allocations Policy will run in parallel and separate to the planning application process. It will require separate Full Council approval.

### **Proposed affordable housing provision**

The proposed housing scheme at Ennor Farm will provide an affordable route to home ownership for households whose current housing needs are not met by the market.

The Isles of Scilly has a unique housing market. Second homes and holiday accommodation represent approximately 30% of the Island's housing stock, limiting access to the Island's stock for local households, while forming a key element of the areas holiday offer and stock. This creates a market failure and an increase in overall house prices due to a lack of choice in terms of housing tenure and size.

The proposed scheme at Ennor Farm will be subject to the qualifying criteria of the emerging Local Plan Policy LC2, whereby the homes will need to be principle residence, which will address the issue of market failure and ensure that these homes are not lost to second homes and holiday lets.

In order to ensure that obligation is retained in perpetuity the following **planning condition** is suggested:

*The dwelling hereby permitted shall not be occupied otherwise than by a person as his or her Only or Principal Home. For the avoidance of doubt the dwelling shall not be occupied as a second home or holiday letting accommodation.*

### **Future onward sales of Homes**

It is expected that through the selection process future residents will be building homes for life; however, it is recognised that personal circumstances can change and there will be circumstances when the properties will be resold.

A number of principles will be established regarding resale through both the planning and legal sales and covenant process;

- Homes must to be sold at a price no greater than 80% of open market value.
- A formal open market valuation of the affordable home, undertaken by a RICS (or equivalent) valuer, will be required.
- Homeowners must notify the Council if they decide to sell their home.
- The Council of the Isles of Scilly will be the first to be offered the property to add to the Council's housing portfolio at a price no greater than 80% of market value.
- If the CIOS do not wish to purchase the home, the property will be offered to the Duchy of Cornwall at a price no greater than 80% of market value.
- If the Duchy of Cornwall do not wish to purchase the property, the property will be offered to those defined as in local housing need at a price no greater than 80% of market value.
- If those in local housing need do not wish to purchase the property, the property will be offered to a Registered Provider of Affordable homes at a price no greater than 80% of market value.

External grant funding and support continues to be explored to support the viability of this project and to enable the sales values of the serviced plots to remain at an affordable level and support the overall aim of the project to support an affordable route to home ownership.