

Affordable Housing Statement for 40no Apartments at Brown Street, Littleborough.

Introduction

Rochdale Boroughwide Housing is a membership-based provider of affordable housing. In March 2012, following a vote of support from tenants, RBH took ownership of the homes formerly owned by Rochdale Council and now own and manage approximately 13,000 homes across the Borough.

RBH is a lead investment partner with Homes England and secured funding from them to deliver 119 new homes across the Borough during 2016-21. The 40 new apartments to be provided at Brown Street are in addition to this programme and will be part of a new Continuous Market Engagement bid to Homes England under the 2021-26 programme.

This affordable housing statement has been prepared to support the planning application submitted by The Casey Group on behalf of Rochdale Boroughwide Housing. The proposed development relates to the storage units located at Brown Street, close to Littleborough town centre, and will deliver 40 apartments for affordable rent.

Policy

'Affordable housing, as defined by the National Planning Policy Framework, is housing for sale or rent for those whose needs are not met by the market. The provision of affordable housing is a key element of the Government's plan to end the housing crisis, tackle homelessness and provide aspiring homeowners with a step onto the housing ladder.' *Homes England and the Ministry of Housing, Communities and Local Government, 10th September 2020.*

The Affordable Homes Programme provides grant funding to support the capital costs of developing affordable housing for rent or sale, consequently Homes England have indicated £7.39 billion will be available from April 2021 to deliver up to 130,000 affordable homes by March 2026 for schemes outside London.

In terms of affordable rent, these are homes which are let below market value by a registered provider such as RBH. The rent, including service charge, is typically set at up to 80% of the local market rent for an equivalent property and in most cases capped in line with Local Housing Allowance. This means that, although the local market may dictate a higher rental level, the Registered Provider will not enforce a rent above Local Housing Allowance to ensure residents maintain an affordable rent in proportion to living costs.

It is widely recognised in the sector that rental income of 80% of market rent/local housing allowance is not financially viable and therefore, to bring any development to market and help reduce homelessness, it is essential land and build costs are subsidised by Homes England grant.

The Core Strategy is the lead document of the Rochdale Borough Local Plan and provides an overview of objectives for the whole of the borough. This was adopted in October 2016 and states the borough requires 460 new homes per year between 2012 and 2028. It considers 460 additional homes per year is necessary to meet demand and to help regenerate the borough. It is agreed, within the document, pressure for housing is great and opportunities are limited so it is the Local Authorities remit to encourage housing. This is substantiated by demand figures for this area with 150 couples requiring one-bedroom properties, 685 households requiring two-bedroom properties and 1106 single persons requiring a studio or one-bedroom property. So, in total, there are 1941 persons shown on the waiting list as demanding the type of property RBH are aiming to provide at Brown Street, Littleborough.

The New Development

The new development will deliver 40 new apartments which consist of 9no 1b2p and 31no 2b3p homes, therefore housing a potential 111 new residents which will help reduce the number of single people and couples on the housing register.

The scheme will see the production of high-quality affordable homes to compliment the attractive area of Littleborough and its location in relation to the local high street, Hollingworth Lake and the surrounding countryside. This supports the aspiration Rochdale Local Authority laid out in the core document which is to provide homes that have quality of place, are in fantastic locations and have access to recreational facilities.

RBH has a strong track record of delivering good quality greatly needed Affordable Housing for rent and for sale across the Borough. We have developed over 245 new homes over the past 5 years which support the long-term sustainability of our neighbourhoods and meet the needs of our customers now and in the future.

Financial Feasibility

Due to the schemes desirable location the land value is reflective of the local market which is, understandably, at the higher end of land values typical of homes for affordable rent. This means the scheme, even with Homes England subsidy and additional internal subsidy does not achieve a positive Net Present Value.

Build costs are in line with standard rates typical of this type of dwelling and we have received a Value for Money Statement from our Employers Agent to verify this.

To deliver these homes for residents in a desirable area we have minimised On Costs, any additional costs could jeopardise RBHs ability to deliver the scheme.

Although RBH's ability to deliver this scheme is marginal from a financial perspective we feel it's important to progress schemes in a variety of areas to give our residents access to good quality homes in areas of outstanding beauty.

Conclusion

RBH have developed a number of successful schemes across the Rochdale area and have a strong relationship with the local authority. We feel this opportunity at Brown Street offers an excellent opportunity to provide 40 affordable homes for those on the housing waiting list with good access to local amenities, transport networks and employment.

As a registered provider we feel affordable homes should be delivered across the borough and, as per the core strategy, all people deserve an attractive place to live with access to local amenities and the attractive countryside found in the surrounding area.

We have established, from a financial perspective, the scheme requires a substantial amount of Homes England subsidy and internal subsidy to ensure it is viable; albeit marginal. Additional On Costs could affect RBHs ability to deliver the scheme.

