



SUPPORTING STATEMENT – SCHEME FOR THE PROVISION OF AFFORDABLE HOUSING

LAND AT ASPINALL STREET, PRESCOT, KNOWSLEY

Background

This Statement is submitted in support of the recently submitted planning application for a proposed development of 18 residential apartments on Aspinall Street, comprising 18no. 2-bedroom apartments with associated landscape works and parking (the Proposed Development).

The application is made by **Remstone Ltd**, however a contractual arrangement will exist between **Remstone Ltd** and Torus62 Developments Limited ('Torus'), part of the Torus Group, and the current owner of the site, by which Torus would acquire freehold possession of the site should Knowsley Council (as Local Planning Authority) be minded to grant planning permission for the Proposed Development.

The application submitted seeks consent for affordable housing (100%).

The purpose of this statement is to confirm the numbers, type and tenure of the affordable housing comprised in the development. In addition, details are provided in relation to the timing of completion of the development and occupancy criteria.

The statement seeks to confirm compliance of the Proposed Development with the provisions of Knowsley Core Strategy Policies CS1 *Spatial Strategy for Knowsley*, CS3 *Housing Supply, Delivery and Distribution* and CS15 *Delivering Affordable Housing*.

The above policies would normally seek provision of affordable housing at a rate of not less than 10% of completed units for a development of the scale proposed in this location (outside of a designated Sustainable Urban Extension). Policy CS3 requires the types and tenures of housing brought forward to support the re-balancing of the housing market to better meet housing needs and demands arising in

Knowsley. The Policy requires that applications for new residential development must demonstrate how they contribute to this re-balancing. This is considered further below.

Proposed Affordable Housing

Number, Type and Tenure:

All (100%) of the units would fall within the definition of affordable housing, and are proposed for Affordable Rent. The following table provides a summary:

Number of Apartments	Unit Type	Floor	Floor Area (sqm)	No. of Bedrooms	No. of Bed Spaces	Affordable Housing?	Tenure
6 No.	Apartment	GF	62 – 65	12	18	Y	Affordable Rent
6 No.	Apartment	FF	62 – 65	12	18	Y	Affordable Rent
6 No.	Apartment	SF	62 – 65	12	18	Y	Affordable Rent
			Average:	Total: 36	Total: 54		

Affordable Rent as a tenure clearly falls within the definition of affordable housing set out at Annex 2: Glossary of the National Planning Policy Framework (**our emphasis**):

*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).*

In relation to the conditions listed in the definition, it is confirmed that rent levels will be no more than 80% of local market rents, verified through an RICS 'Red Book' valuation. It is anticipated at this point in time that rents levels will be set below Local Housing Allowance level for each of the unit types.

Torus62 Ltd is incorporated under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society (Number 7973) and is registered with the Regulator of Social Housing (RSH) under the Housing Act (registered office at 4 Corporation Street, Helena Central, St Helens, Merseyside WA9 1LD). It is also affiliated to the National Housing Federation. The company is an exempt charity.

As a Registered Provider, Torus is regulated by legislation including the Housing Act 1985, the Housing Act 1988 and the Housing and Regeneration Act 2008. There are requirements in that legislation for all Registered Providers (other than local authorities) to obtain consent from the Regulator (Homes England) in relation to any disposals of social housing assets, including land (see <https://www.gov.uk/guidance/how-registered-providers-get-statutory-consent-from-the-regulator>).

Disposal will only normally be permitted by the regulator if it encourages and supports the supply of social housing.

It should be noted that whilst as a general principal Torus will seek to operate the residential development as affordable housing 'in perpetuity' (subsequent occupation also being for affordable rent). It is requested, however, that any planning condition or agreement should include for two exclusions to any such requirement:

1. A clause clarifying that any such obligation is not binding on a mortgagee or chargee (or any receiver appointed by such mortgagee or chargee) of the whole or any part of the Property - or any successors in title to such mortgagee chargee or receiver if efforts to safeguard the relevant unit as an affordable home by way of transfer are not successful within a period of 3 months from the date of notice from such mortgagee or chargee to the local council.

Without such an exclusion, Torus would face significant difficulties in raising finance against the property, limiting subsequent investments in affordable housing.

2. An exclusion for statutory or contractual rights for tenants to purchase (i.e. Right to Buy and Right to Acquire).

In such circumstance it should be noted that Torus must recycle subsidy for alternative affordable housing provision under the terms of its grant funding agreement with Homes England, in accordance with the above NPPF definition (a(a)).

Timing of Delivery

A condition build contract (JCT 2016 Design and Build Contract) will be agreed between Torus and contractor Remstone Ltd. The contract sets a date for completion of the works of "52 weeks from the Date of Possession of the site". It is anticipated, subject to planning, that such possession, and a meaningful start on site will be achieved in early 2021.

On this basis, it is anticipated that practical completion and handover of the 18 units to Torus will take place late 2021/early 2022.

It should be noted that the Proposed Development has been supported by an allocation of approximately £648,000 of grant funding from Homes England under a Wave 2 Strategic Partnership arrangement with Torus. Under this programme, units granted funding must be delivered before April 2024.

Letting of the units for affordable rent would be undertaken through the choice based lettings system Property Pool Plus, a local lettings policy being considered in consultation with Knowsley Borough Council's Housing Strategy team.

Meeting Identified Needs

Meeting the Government's Housing Priorities

The Conservative Government has placed increased housing delivery and increased affordability central to its housing agenda¹. Torus is seeking to play its part through the expansion of development activities and through a diversification of its development programme. In this case, affordability is being addressed through the offering of 18 affordable rent units within an area where access to suitable good quality housing is an issue for lower income households.

Torus Vision for future Housing Development

A Development Strategy that sets out the direction Torus wishes to take over the next three years. The Strategy identifies Knowsley as a focus area for new development for the next Business Plan period.

The scheme at Aspinall Street meets several of the key objectives of the Development Strategy and of Torus' Corporate Plan, the latter of which sets out a commitment to the delivery of new affordable housing opportunities and to improve the health and life choices for communities.

In summary the proposal is in keeping with Torus' overall strategic direction. The scheme will bring an Affordable Rent product to an area where affordability and access to suitable good quality housing is a significant issue for lower income households, and will contribute to reducing an identified housing shortage.

Knowsley Council Housing Strategy (2016-2021)

One of the key priorities of the Strategy is new build affordable housing, including for affordable rent. The development activity of Registered Providers including New Build programmes is identified as one route to achieve this, along with participation in the Government's Affordable Housing Programme. The priority of urban residential development is also relevant.

On identifying an unbalanced housing market, it states that "More apartments and smaller homes would help match the North West average and meet the needs of households seeking to downsize."

¹ https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf

Knowsley Borough Council Strategic Housing Market Assessment

The latest Housing Needs Assessment undertaken by Arc 4 on behalf of Knowsley Borough Council² in July 2021 identifies significant need for affordable housing across the Borough. A total annual net affordable housing shortfall of 243 units.

The Housing Needs Assessment considers the future size of affordable housing Local Development Documents in order to provide targets on the size of future affordable housing units required. Table C11 of the Assessment, replicated below, summarises the detailed analysis undertaken of social housing stock by bedroom size and the levels of registered need and actual supply from turnover:

Table C11 Comparison between current supply and annual gross need				
Number of bedrooms	Current supply estimate	%	Annual gross need %	Variance %
1-bedroom	2,660	16.9	29.4	-12.5
2-bedroom	4,409	28.0	28.7	-0.7
3-bedroom	7,561	48.0	39.5	8.6
4 or more -bedroom	1,106	7.0	2.4	4.7
Total	15,736	100.0		

Source: 2019 SDR

The Assessment considers the ratio of waiting list demand to supply. This shows that the annual gross need is higher than the current estimated supply of 2 bedroom properties.

The proposed development seeks to provide accommodation which will supply high quality affordable housing to address the requirements identified, by focussing on an offering of 2-bed homes.

It should be noted that grant funding through Homes England (formerly the Homes and Communities Agency (HCA)) generally encourages provision of 2-bed units, recognising the higher demand and greater flexibility of this size of accommodation. The proposed development is reliant on an allocation of grant funding by Homes England, without which the scheme would not be financially viable.

By way of conclusion, there is clear and significant need for housing, and affordable housing in particular across Knowsley, which the proposed development would help to address. The 2-bed properties here and the smaller apartment format proposed responds to the greatest areas of need identified proportionally and to demand identified through housing market assessment and the choice-based letting system Property Pool Plus.

² http://www.knowsley.gov.uk/pdf/EB05_KnowsleyHousingNeedsAssessment.pdf

Conclusion

By way of brief conclusion, the Proposed Development of 18 affordable rent homes would contribute to addressing an identified affordable housing need and demand within Knowsley. It would fit well with national housing strategy, local housing strategy and planning policy, as well as with Torus' own corporate aspirations, which remain anchored by a social purpose and clear social values.

This statement sets out the details of: the type, and tenure of the affordable housing provision being made in the Proposed Development; the timing of completions anticipated, and; lettings criteria for prospective and successive occupiers.

Should Knowsley Borough Council, as Local Planning Authority, be minded to secure the provision of affordable housing in the grant of planning permission, a suitably worded planning condition securing affordable housing in line with this Scheme would be accepted.

Suggested wording:

The development shall be implemented only in complete accordance with the details contained within the submitted '*Supporting Statement – Scheme for the Provision of Affordable Housing*' (received XX/XX/XXXX). For the avoidance of doubt, the development shall comprise 100% affordable housing, meeting the definition of 'affordable housing for rent' set out in Annex 2 of the National Planning Policy Framework.

Reason: To comply with the principles of Core Strategy Policies CS3 *Housing Supply, Delivery and Distribution* and CS15 *Delivering Affordable Housing*.