

# Appendix C – Affordable and Specialist/Supported Housing Guidance

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## Introduction

Having a safe, stable and genuinely affordable home is important to everyone. Many people are able to achieve this by themselves, but others need our help. So the Council is committed to ensuring that there are enough homes available in Haringey which people can afford, and which are all of a decent quality.

We believe that increasing the supply of Council housing is one of the most important things we can do, because for many people a Council home offers the only real chance of putting down roots in Haringey, in a stable good-quality home. One of our very highest priorities is to start a new era of Council housebuilding in the Borough, particularly using our own land.

Others need help of a different sort, whether it is a different kind of subsidised rent or support to buy their first home. So we will work with partners to provide the full range of housing to meet local need, always prioritising homes which local people can really afford. This appendix sets out our approach to affordable housing and forms of specialist housing to ensure we meet those needs.

The purpose of this appendix is to clarify for all those delivering affordable housing the preferred tenure and dwelling mix the Council would like to see on schemes providing new affordable housing in the borough. This guidance applies to all affordable housing providers, which includes:

- The Council
- The Council's wholly owned company, once it is established
- Housing associations
- Private developers
- Any other affordable housing provider

The Council will lead by example in this area of policy.

The Council's first preference is that new affordable housing should be developed by the Council itself or purchased by the Council from private developers and delivered as Council housing. As such, the Council's default position is that it will look to secure the first refusal on the purchase of the affordable housing secured through Section 106 agreements. In order to support the delivery of this affordable housing, and in particular the Council's preferred options set out above, the Council is proposing to establish a wholly owned company. But the Council also recognises and positively welcomes the contribution to affordable housing that other sectors can make.

This appendix to the Strategy will be kept under review by the Council as discrete guidance to private developers and affordable housing providers, particularly at the pre-planning stage of developments in the borough. It is intended that this will clarify the Council's expectations, thereby reducing abortive work and helping to achieve successful developments which meet local needs. During the period covered by this strategy, revised versions of this appendix may be published as housing need develops and/or better information becomes available.

## Affordable housing tenures and the Council's preferences

### 1. Low cost rented housing for general needs

This is low cost rented housing that is affordable housing for general needs rent, ie homes let to households in accordance with the Council's Allocations Policy. This includes:

- **Social Rented housing**, which is housing where the landlord is a Registered Provider, usually the Council or a housing association. Rents are significantly lower than market rents, and set in accordance with a formula set by Government. This is the Council's preferred low cost rented option.
- **Affordable Rent**, which is a type of low cost rented housing, targeted at the same groups as Social Rent, but with rents set at a maximum of 80% of market rents. This tenure is no longer funded by the GLA and so is likely to become increasingly obsolete.
- **London Affordable Rent**, which is a type of low cost rented housing, also targeted at the same groups as Social Rent, with rents based on, but in Haringey higher than, Social Rented housing (although the differential goes down as the number of bedroom increases) – ie somewhere between Social Rent and Affordable Rent. This tenure is now the main low cost affordable rented housing that the GLA currently expects to fund.

### 2. Intermediate housing

Intermediate housing is affordable housing for sale and rent at a cost above social rent, but below market levels, which is intended for those not eligible for, or not a priority for, social rented housing, but not able easily to access market housing. This includes, but is not limited to:

- **Shared ownership and shared equity**, which are forms of intermediate home ownership, the former being part rent: part buy and the latter usually an interest free equity loan.
- **London Living Rent**, which is a type of intermediate rented housing developed by the Mayor of London, with rents set at a third of local incomes. After a set period the occupant must purchase the property or move on.
- **Discounted Market Rent**, which is a type of intermediate rented housing where rents can be calculated by a range of methods but cannot exceed 80% of local market rents. The Council's preferred intermediate option is Discounted Market Rent with rents set at London Living Rent levels.
- **Affordable Private Rent**, which is the type of affordable housing that should be provided on Built to Rent schemes, with rents no more than 80% of local market rents. The Council would prefer the rents on these homes to be set at London Living Rent level.

While the above are the Council's preferred options, acceptable forms of intermediate housing can also include a range of other forms of low cost home ownership or routes to home ownership such as Starter Homes, Discounted Market Sale and Rent to Buy.

## Link with the Local Plan

The Housing Strategy needs to be read alongside the Local Plan. The Local Plan sets the expected percentage of affordable housing that should be delivered on new housing developments, and the expected percentage of low cost rented housing for general needs within that.

The Council's Local Plan policies for affordable housing are the starting point for the consideration of individual development proposals; ie development sites with capacity to provide 10 or more units will be required to provide the maximum reasonable amount of affordable housing, contributing to the borough-wide target that 40% of all new homes delivered should be affordable, measured by habitable rooms. The tenure split of the affordable housing provided should be 60% general needs low cost rented housing and 40% intermediate housing (as defined above) except in the Tottenham AAP area, where these proportions are reversed.

Therefore, to achieve the overall borough-wide tenure split, there is a need to deliver a higher percentage of the affordable homes in the rest of the borough outside the Tottenham AAP area as general needs housing, in particular in the west of the borough, where there are currently much lower levels of existing social rented homes. Here the Council wishes to see as high a proportion as possible of the new affordable homes being delivered as homes for general needs.

This appendix also confirms that for general needs homes, there is an explicit preference for Social Rent with rents at target rent levels, especially for Council rented homes at Council rents, where possible within the context of the borough-wide target that 40% of all new homes delivered should be affordable (by habitable room).

## Affordability

The Council expects providers to ensure that all new affordable homes being developed are affordable for Haringey residents.

With regard to intermediate housing, it is noted that, in many cases, intermediate rent will generally be the more affordable intermediate product for Haringey residents. The Council's preference for intermediate housing is Discounted Market Rent with rent levels set at the equivalent London Living Rent. But in all cases, the rent on intermediate homes should never exceed the percentages of local market rents set out below.

With regard to low cost rented housing for general needs, while the Council's preference is for Social Rent, it recognises that the general needs homes delivered by most Registered Providers on schemes funded by the Mayor of London are likely to be at London Affordable Rent. Where there are also existing schemes still being built out as Affordable Rent, ie tied to local rents, the maximum acceptable rent levels that should be charged are set out below.

The maximum rent for any intermediate or Affordable Rent home should not exceed the following: for 1 bedroom homes, 80% of local market rents; for 2 bedroom homes, 65% of local market rents; for 3 bedroom homes, 55% of local market rents; and for 4 bedroom

homes and larger, 45% of local market rents. In addition, all rents for any general needs housing must always be below the applicable Local Housing Allowance threshold.

In addition, the overall affordability requirement for intermediate housing, to buy and to rent, is that net housing costs, including mortgage costs, rents, and service charges, should not exceed 40% of the net income received by a household.

## **Dwelling mix for affordable housing**

The target dwelling mix for Social Rent and other low cost rented housing is:

- 10% one bedroom homes
- 45% two bedroom homes
- 45% three bedroom or more homes (10% being four bed or more)

The target dwelling mix for intermediate housing is:

- 30% one bedroom homes
- 60% two bedroom homes
- 10% three bedroom (or more) homes

A minimum of 10% of all affordable homes should be wheelchair accessible, with an aspiration of 20%.

## **Supported and specialist housing**

The Council's strategic review of Supported Housing was completed in early 2017 and assessed the current and required supply of specialist housing in the borough. The review shows that there is a shortfall in the supply of specialist supported housing for the following groups:

- Older people with complex needs such as learning disabilities, mental health and substance misuse, and accessible sheltered housing units for those with physical disabilities.
- People with mental health conditions leaving hospital and/or secure units, and specific units for women being released / discharged from hospital.
- People with learning disabilities who require supported living units.
- Single homeless adults requiring move on accommodation, including those with complex needs.
- Vulnerable young people/care leavers with complex offending/gang related needs; young women at risk of exploitation; and smaller services for young people to learn independent living skills.
- Survivors of domestic violence, and particularly provision for women from BAME backgrounds and for women with disabilities.

All new and converted supported housing is required to be accessible or adaptable for those with physical disabilities.

## Student Housing

There is no explicitly identified need for additional student housing in the borough and proposals to develop student housing will not normally be supported. In any event, such housing would not fulfil the Council's expectations for affordable housing as set out above.