



Local Plan
Planning Policy and Programmes
Warrington Borough Council
New Town House
Buttermark Street
Warrington
WA1 2NH

Date: 17 June 2019

Our Ref: M15/0715-274

Your Ref: Submission Local Plan

By email only:
localplan@warrington.gov.uk

Dear Sirs

RE: WARRINGTON PROPOSED SUBMISSION VERSION LOCAL PLAN CONSULTATION

We represent **Rentplus UK Ltd**, an innovative company providing **affordable rent to buy housing** for hard-working people aspiring to home ownership with an accessible route to achieve their dream through the rent - save - own model, renting at an affordable rent and a gifted 10% deposit upon purchase.

Each scheme delivered by Rentplus offers a unique, affordable route to home ownership through affordable rented housing, with rent set at the lower of 80% market rate (affordable rent) or LHA, including any service charge, with a planned route to ownership at 5, 10, 15 or 20 years after delivery. As demonstrated by the schemes already delivered across England, the affordable rented period provides local families with security of tenure, with management and maintenance by a local partner Housing Association and the opportunity to save towards purchase. Support is offered to help save for the mortgage deposit, and the gifted deposit provided at the point of sale assists households with purchase.

The Affordable Housing Commission, chaired by one of the pre-eminent voices on affordable housing, Lord Best, published its interim report *Defining and Measuring housing affordability – an alternative approach* this month¹. This was produced in response to the difficulties that the current measure of affordability, comparing house prices to incomes, poses in recognising housing stress and affordability across the housing spectrum. The report proposes recalling the approach of measuring affordability by reference to rents or purchase costs exceeding one third of household income (for those in work) in order to better pose a pro-active and interventionist response to housing difficulties. This follows recent work which suggests that the probability of housing stress increases with housing costs exceeding a quarter of gross income on rent.

The report notes the findings of numerous surveys which state that the majority of tenants and adults living with parents aspire to own their own home; of the 5.5m 'frustrated first time buyers', 1.6m are in the private rented sector. This group is one of four the report identifies as having particular needs and housing stresses, and who can't buy "*mainly because of the time needed to save for large deposits*". These numbers represent an increase of 0.6m renters since 2010, many of whom are paying over 40% of household income on rent. The report recognises the well-known problem that many households in the private rented sector are likely to have multiple affordability issues, exacerbated by insecurity of tenure and poor-quality living standards.

The report states that "**good quality homes of the right size for the household is seen as a basic minimum**"; while this is a generally accepted principle in the delivery of housing, and in particular of affordable housing across England, this can be difficult to achieve through the planning system which

¹ The report is accessible via www.affordablehousingcommission.org.

does not adequately reflect the variations in household needs. The decrease in the numbers of households able to access home ownership is in large part due to the time taken to save for a mortgage deposit without the help of the 'Bank of Mum and Dad'. The Affordable Housing Commission notes that ***“those just able to buy are likely to have to save for an unrealistic period or unlikely ever to be able to raise an adequate deposit”*** – the Commission ‘cuts off’ the savings period at five years. The difficulty in saving for a deposit is one of the most critical barriers to home ownership, and the focal point for Rentplus – providing a clear route and time period for working households, including those with children, to save. Using the Commission’s proposed measure of affordability would better capture the needs of struggling first-time buyers, many of whom are otherwise likely to remain trapped in insecure private rented sector accommodation.

It is important to recognise the difficulties in assessing affordable housing need in light of the amended definition of affordable housing in the NPPF (2019), and the consequent amendments to the Planning Practice Guidance. The Local Housing Needs Assessment rightly notes that those amendments are not comprehensive, providing little guidance on how to assess the quantitative need for those innovative tenures now recognised in the NPPF as meeting a wider range of needs.

That the Assessment notes the difficulties of those households with an income that may allow them to buy but who may be unable to as a result of lack of savings for a deposit, is positive, as is the suggestion that the Council may wish to seek a supply of housing on which upfront capital payment is provided. As already noted, the Rentplus model of rent to buy housing delivers this, providing a 10% gifted deposit to households at the point of purchase (at years 5, 10, 15, or 20). The recommendation that such payments may need to be protected *in perpetuity* is not in accordance with the definition in the NPPF which seeks such protection for housing delivered with public grant funding only.

The Rentplus model offers the opportunity for the Borough Council and local Housing Associations to diversify the local housing offer to better meet local housing needs without recourse to public subsidy. The model helps to reduce the number of families on the local housing waiting list, whilst also helping those already in another affordable tenure but who can afford to move on with rent to buy, freeing up those homes for others in need.

The statement in the Needs Assessment that shared ownership housing is likely to be the most appropriate option is not supported, as this fails to recognise the distinct benefits that rent to buy offers to those aspiring to purchase, and the problems of saving for and accessing a deposit that many still face when looking at shared ownership options. *“Given that the rent would also be subsidised”* should give the Council additional reason for looking more carefully at rent to buy to meet the wide range of local needs, considering that a higher overall provision of affordable housing options for ownership would provide a reasonable and realistic alternative to long term renting. We support the reference at **paragraph 4.1.38** to the Council’s support for delivering rent to buy in Warrington.

In the context of the above understanding of how the Council can better approach meeting local housing needs, we suggest that **Policy DEV2** look more carefully at expanding the role other affordable routes to home ownership can make in meeting local housing needs. Limiting the ability to meet those needs to just 10% of each major residential development is too restrictive, curtailing the local housing associations’ ability to meet needs across the spectrum of tenures and responding to site specific circumstances. We propose the below wording to better reflect the aims of the NPPF and the aspirations of local people to meet their own housing needs:

2. Of the affordable housing provision, affordable home ownership should be provided to the equivalent of a minimum of 10% of the total number of homes within the development. The balance of affordable housing should be provided for either affordable rent or social rent. The exception to this is ‘build to rent’ schemes where all affordable housing should be rented.
3. A ~~lower~~ different proportion and/or ~~different~~ tenure split will ~~only~~ be permitted where it can clearly be demonstrated to the satisfaction of the Council that development would otherwise not be financially viable or the proposal would better meet local housing needs.

Part 2 of the policy should also be amended to remove the conflict between the policy and its supporting text, as **paragraph 4.1.34** indicates that a split of 50/50 rented to low cost home ownership will be sought in Inner Warrington and 66/34 in all other areas. This is a far more appropriate approach to the

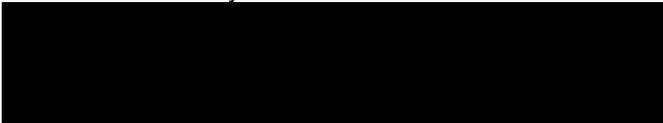
delivery of mixed tenure developments than that set out in the policy, and we would ask that this is reflected.

The second element of **Part 6** of Policy DEV2, “*will seek to ensure that the affordable housing is secured in perpetuity*”, is not appropriate in the context of the NPPF definition of affordable housing which sets clear guidelines on which tenures are to be retained *in perpetuity* and in which circumstances. This particularly applies to affordable housing delivered on rural exception sites (noting that this is not applied to entry-level exception sites), but does not extend to the general provision of affordable housing. We recommend that this part of the policy, together with **paragraph 4.1.37**, is removed as it is not consistent with national policy and potentially damaging to the delivery and long term supply of affordable housing.

The Council’s aspiration to deliver more affordable housing across Warrington is supported, as is the indication that the Council will support delivery of rent to buy housing as part of the affordable tenure mix.

We would like to be notified when the Plan is submitted for examination, and the stages thereafter; please notify **Tetlow King Planning** as agents of **Rentplus** by email only to consultation@tetlow-king.co.uk. Should the Council’s housing and planning officers wish to discuss the practicalities of delivering rent to buy across the Borough with Rentplus, please get in touch.

Yours sincerely



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For and On Behalf Of
TETLOW KING PLANNING

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