

Record of Executive Member Decision Taken Under the Scheme of Delegation	On
	23rd March 2021

Title	Report of
Shared Ownership Homes at Croston Road	Cabinet Member (Planning, Business Support and Regeneration)

Is this report confidential?	No
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Purpose of the Report

1. This report sets out the requirements of Homes England's Designated Protected Area (DPA) policy in delivering grant funded shared ownership homes and seeks to request approval for the Council to apply to Homes England for a waiver of DPA grant conditions for a specific named site at Croston Road, Farington Moss.

Recommendations

2. To approve and support the request for the Council to make an application to Homes England for a Designated Protected Area Waiver as set out in the body of this report for the specific site at Croston Road known as 'The Pastures'.
3. To authorise the Director of Planning and Development to make the request to Homes England.

Reasons for recommendations

4. Waiving the DPA grant conditions will enable additional affordable housing to be delivered as shared ownership in South Ribble and will provide a greater choice and variety of homes to households unable to access housing on the open market.
5. Approval will increase the mortgage market for prospective buyers looking to purchase through shared ownership.

Other options considered and rejected

6. An alternative option would be not to apply to Homes England for a waiver and to continue to require that any additional affordable homes delivered on this site as shared ownership through Homes England grant funding do so with the DPA restrictions in place.
7. This option has been rejected as it would not deliver additional affordable homes with Heylo Housing reluctant to acquire and for the reasons mentioned in paragraph 14. Shared ownership homes are being delivered through several registered providers on

adjacent and nearby sites within the DPA and Farington area and the levels of development demonstrate that shared ownership homes are not hard to deliver in the area.

Corporate outcomes

8. The report relates to the following corporate priorities: *(tick all those applicable)*:

An exemplary council		Thriving communities	
A fair local economy that works for everyone		Good homes, green spaces, healthy places	✓

Background to the report

9. Designated Protected Areas came in to existence in September 2009 with areas detailed in Statutory Instrument no. 2009/2098 The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009. The policy was introduced with the objectives to remove the risk of enfranchisement for shared ownership homes where staircasing is restricted and to ensure that shared ownership homes are retained in areas where it would be hard to replace if 100% staircasing is allowed. DPA settlements remain subject to review by the Ministry of Housing, Communities and Local Government.
10. In considering whether housing in an area would be hard to replace, the Secretary of State will consider:
- Whether the area has already been designated as 'rural' for the purposes of the Right to Acquire scheme (i.e. rural settlements with a population of less than 3,000)
 - Availability of land for housing development in the particular location and the existing available stock
 - Availability of shared ownership (and the size any type) in the particular location
 - Level of need for shared ownership housing
 - Affordability of housing i.e. average income vs. lower quality house price
11. Homes England 's DPA policy is designed to maintain availability of grant funded shared ownership properties within specific areas and requires that shared ownership leases issued must contain certain clauses to enable the property to be retained as shared ownership for future purposes, leases must either:
- Restrict staircasing to a maximum of 80% or;
 - Where the lease allows staircasing to exceed 80%, for the leaseholder to sell their share back to the landlord when they wish to sell the property
12. Homes England has agreed that under certain conditions, it is able to waive the particular conditions of grant relating to the DPA status with any applications to be made by a local authority through a DPA waiver form (from 1 April 2011). If approved, providers can develop shared ownership homes without the need for one of the two clauses as set out in paragraph 11 to be included in the lease agreement.
13. Some areas of the South Ribble borough are covered by the DPA policy. It is recognised that retaining shared ownership homes would be more difficult for some areas than in others i.e. rural areas where developable land is limited, and where affordable housing is in limited supply.

Lending Market

- 14.** Registered providers report issues and concerns from the lending market on restricted shared ownership homes. Whilst there are mortgage lenders that are willing to lend on restricted shared ownership homes, the lending market is quite limited which creates a challenge for prospective buyers looking to buy through shared ownership in raising the finances to be able to purchase a share in these homes.
- 15.** The Council of Mortgage Lenders highlighted in a 2016 report the barriers to lending on shared ownership homes that have restrictions in place. In particular, the report noted lenders concern over risk to security and the value of the homes with restrictions on re-sale in place. As such, fewer lenders are willing to lend on shared ownership homes that include restrictions within lease agreements.

DPA Waiver

- 16.** A Local Authority may be approached by a registered provider (housing association) about a site whereby there is an element of affordable housing which would be developed as shared ownership through Homes England grant funding. The Local Authority can apply to Homes England for a waiver of Designated Protected Area grant conditions as noted at paragraph 12.
- 17.** A waiver can only be made regarding specific sites, not for a whole area and would enable registered providers to deliver grant funded shared ownership homes on a specified site without the requirement to include specific clauses enabling households to increase shares up to 100% in an unrestricted way.
- 18.** Heylo Housing, a for profit registered provider specialising in shared ownership homes have approached the Council to request formal support for a DPA Waiver in relation to the Kier Living site at Croston Road known as 'The Pastures' in order to deliver additional affordable homes through Homes England grant funding.
- 19.** Heylo Housing have an opportunity to deliver 5no. affordable homes as shared ownership through Homes England grant funding. These homes will be delivered in addition to the affordable rent and shared ownership homes already secured through s106 planning obligation for the Kier Living development. All 5no. homes will be 3-bedrooms and different house-types to that already being provided as shared ownership on the site offering greater choice and availability to households looking to purchase through shared ownership in South Ribble.
- 20.** The site at Croston Road, Farington Moss falls within a DPA. The DPA for the Farington Civil Parish is covered by a map location and can be viewed at Appendix 1 to this report.
- 21.** Whilst some areas and sites in South Ribble would clearly benefit from retaining the DPA status such as rural areas whereby affordable housing and shared ownership housing is limited in number and would be hard to replace with fewer land opportunities, the site at Croston Road is slightly different in nature.
- 22.** The site being considered in this report forms part of a wider residential led allocated site in the South Ribble Local Plan under Policy C3 and is considered a major site for development known as Land between Heatherleigh and Moss Lane, Farington Moss. Affordable housing has been secured for this site across three developments being built out by Miller Homes, Keepmoat Homes and Keir Living and in total will deliver a total of 82no. shared ownership homes through section 106 planning obligation.

23. Additionally, there are other sites within the DPA and Farington area that have/are being developed to deliver shared ownership homes, including the former Roadferry Depot and Grasmere Avenue sites.
24. The level of existing and planned development in the area demonstrates that shared ownership homes are not hard to deliver as they may be in rural areas of the borough.

Risk

25. Waiving of the grant conditions will enable any purchasers of a shared ownership homes delivered through Homes England grant funding to increase their share to 100%. Given the level of development in the area and number of homes being provided as shared ownership on this and other sites, it is not considered that homes are limited in number.

Equality and diversity

26. There are no adverse impacts to protected groups envisaged through the request for a DPA waiver for this site. If approved, the development will offer additional shared ownership homes providing greater choice to households requiring affordable housing.

Comments of the Statutory Finance Officer

27. There are no direct financial implications as a result of this proposal..

Comments of the Monitoring Officer

28. This is a somewhat unusual situation for South Ribble. Seeking to waive DPA conditions is not something we would normally do. However, in this instance there is good reason – we are trying to enable more affordable housing units to come forward. The request only relates to the specific site and the final decision will be with Homes England.

Background documents

Planning application 07/2019/2313/REM

Appendices

Appendix 1 – DPA map Farington Civil Parish

Report Author:	Email:	Telephone:	Date:
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Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained within this report in accordance with my delegated power to make executive decisions.

Signed:	<i>W Evans</i>
	Cabinet Member, Planning, Business Support and Regeneration
Date:	23 rd March 2021
Publication Date (DSO use only):	23 March 2021

This decision will come into force and may be implemented five working days after its publication date, subject to being called in in accordance with the Council's Constitution.