**Appendix 2:**

**Affordable Housing Statement Template – Full or Reserved Matters Application**

**Statement prepared on behalf of XXXXX XXXXXXX (*applicant*)**

**By XXXXXXXXX XXXXXXXXXX (*agent*)**

**Site address:**

*(Enter site address*

*here)*

**Statement dated** *XXth XXXXXXXX 20XX*

This statement is provided in support of the full/reserved matters *(delete as necessary)* planning application for the erection of XXX dwellings. It relates to Condition XX of Outline Planning Permission application no. *XX/XXXX* OUT *(if applicable)*, which states:

*(provide the text of the planning condition on the outline application if applicable)*

**Name of Registered Provider appointed to take the housing stock:**

*(insert name of Registered provider)*

**Number, mix and distribution of affordable homes**

The application proposes *XXX* net additional homes on the whole site. Of these, *XXX* will be affordable. The number of affordable homes proposed on site has been calculated as follows:

*XXX* net homes x 30% = *YYY* net affordable homes

(*provide further explanation of any other elements of the calculation*)

**Mix of dwellings on site:**

The affordable homes are shown individually identified by the plot numbers below on the site layout plan with the drawing number *XXXXXXXXXXX* and will be:

*(fill in table)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Developer’s house type (name) | House/ flat/ bungalow | Bedrooms | Floor area  sq m | Tenure | Number of units | Plot numbers |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

The affordable homes are distributed in *XXX* groups of between *XX* and *XX* affordable homes. The distribution has been chosen in order that … *(Explain the reasoning for the distribution of the affordable dwellings within the site)*

**Phasing of delivery:**

No more than *XXX* market dwellings shall be delivered prior to the completion of transfer of *YYY* affordable dwellings to the agreed Registered Provider named below.

No more than *WWW* market dwellings shall be delivered prior to the completion of transfer of *ZZZ* affordable dwellings to the agreed Registered Provider named below.

**Transfer or sale of the completed affordable homes**

All affordable homes shall on completion be transferred to a Registered Provider of affordable housing, except in the case of Discount Market Sales Housing / First Homes units, which will be dealt with as detailed below.

**Arrangements in the Event of Default**

In this section, a “Chargee” shall refer to a mortgagee or chargee of the Registered Provider (or any receiver (including an administrative receiver)) appointed by such mortgagee or chargee or other person appointed under any security documentation to enable such mortgagee or chargee to realise its security or any administrator (however appointed) including a housing administrator (each a Receiver)) of the whole or any part of the Affordable Housing Units, or any persons or bodies deriving title through such mortgagee or chargee or Receiver

The affordable housing provisions in this Affordable Housing Scheme shall not be binding on a Chargee (or any receiver (including an administrative receiver) appointed by such Chargee or any other person appointed under any security documentation to enable such Chargee to realise its security or any administrator (howsoever appointed) including a housing administrator (each a Receiver)) of the whole or any part of the affordable housing units or any persons or bodies deriving title through such Chargee or Receiver **PROVIDED THAT**:

i) such Chargee or Receiver shall prior to seeking to dispose of the affordable housing units pursuant to any default under the terms of its mortgage or charge give not less than one months’ prior written notice to the Council and addressed to the Head of Planning and Housing of its intention to dispose of the affordable housing units (“Chargee’s Notice”); and

ii) in the event that the Council responds in writing within two months from receipt of the Chargee’s Notice indicating that arrangements for the transfer of the affordable housing units can be made in such a way as to satisfy the terms of the mortgage or charge and to safeguard them as affordable housing units then the chargee shall co-operate with such arrangements and use its reasonable endeavours to secure such transfer;

iii) in the event that within three months of the date of the Chargee’s Notice served under paragraph i), and despite using reasonable endeavours to do so, the Chargee or Receiver has been unable to complete the transfer of the affordable housing units to another Registered Provider for a consideration not less than the amount due and outstanding under the terms of the relevant security documentation including all accrued principal monies, interest and costs and expenses (so for the avoidance of doubt there shall be a total period of only three months from the Chargee’s Notice to completion of such transfer) then subject to the Chargee or Receiver providing written evidence to the Council of the negotiations with the Registered Provider and the reasons why the Chargee or Receiver has been unable to complete the transfer with the Registered Provider, the Chargee or Receiver shall be entitled to dispose of the affordable housing units free from the restrictions set out in this affordable housing statement which provisions shall thereby cease to apply;

iv) if the Council does not serve its response to the Chargee’s Notice served under paragraph i) within two months then the Chargee or Receiver shall be entitled to dispose of the affordable housing units free of the restrictions set out in this affordable housing statement which provisions shall thereby cease to apply.

**Affordable Rent Units** - the completed affordable rent homes shall be acquired by *(insert name of Registered Provider)*. The transfer value of the affordable rented homes shall be determined by agreement between *(insert name of developer)* and *(insert name of Registered Provider)*.

The affordable rent homes shall be transferred to *(insert name of Registered Provider)*. They shall be made available by the Registered Provider for affordable rent through MyHomeChoiceFyldeCoast to eligible applicants in accordance with the Council’s lettings policy as detailed below in the section regarding occupancy.

At the end of any tenancy in connection with the above, the affordable rent properties shall be relet in the same way, and this shall continue in perpetuity unless subsequently agreed otherwise by the Council, or where the obligation is released by right-to-buy legislation.

The rent chargeable shall not exceed that specified in government policy in relation to affordable rented homes.

**Shared Ownership Homes:** These units shall be transferred directly to the end purchaser on a shared ownership basis, using a lease based on the Homes England standard shared ownership lease. The retained proportion of ownership will be transferred to the Registered Provider who will own and manage the property. The proportion owned by the purchaser can be varied according to the means of the purchaser, but will be between 10% and 75% of the open market value of the property.

Where a purchaser subsequently purchases further shares of the property, the Registered Provider shall reinvest the proceeds into further affordable housing: firstly in Fylde; secondly in the Fylde sub-region; thirdly elsewhere in North West England.

All transactions, both initial and subsequent shares, shall be reported periodically to the Council in a form and at intervals to be specified by the Council.

*(The section below is applicable only within parishes covered by Designated Protected Area status)*

*(Either:)*

The lease shall specify that purchase of additional tranches of equity (“staircasing”) shall be restricted to 80%;

*(Or)*

The lease shall ensure that once the leaseholder has acquired 100% share of the house, that when it becomes available for resale that it is sold back to the landlord (or a designated alternative landlord);

*(Or)*

*(In the event that the shared ownership units are not being acquired with Homes England grant funding)* The lease shall restrict the purchase of further equity shares above 80% to the following circumstances:

1. where this is agreed in writing with the Council and supported by legitimate reasons (i.e. that a new eligible purchaser cannot be found after a set period of marketing and evidence of that marketing provided);
2. after a minimum period of 10 years; and
3. providing that the 20% staircasing funds received after the 10 year period are recycled/reinvested in Fylde – including an agreed mechanism for that to take place (e.g. notices from the Registered Provider as to when that occurs, confirmation of the sale price and a time limit for the relevant monies to be paid into the Council’s affordable housing S106 fund thereafter).

In the event that it is demonstrated to the Council’s satisfaction that an eligible person to occupy the shared ownership units cannot be found within a period of 6 months of marketing, the tenure of the unsold units may be transferred to affordable rent.

**Discounted Market Sales Housing Units** - The discounted market sales units shall be disposed of in perpetuity to an end purchaser for a price which does not exceed 70% of market value, and to a person who meets the occupancy criteria.

The Transfer or lease (as appropriate) of every discounted market sales unit shall contain the following covenants by the Transferee for the benefit of the Council.

1) Not to allow the unit to be occupied other than by the Transferee and the Transferee’s immediate dependents as their primary and sole residence (without prior consent of the Local Authority).

2) Not to dispose in perpetuity of the discounted sale unit at a price exceeding the Discount Pricewhich shall not exceed 70% of market value.

3) Not to dispose of the discounted sale unit other than to a person in housing need who meets the occupancy criteria as detailed elsewhere in this statement.

4) To enter the following restriction on the registered title in favour of the Council as soon as reasonably practicable following first registration and to produce official copies of the title to the Council within 14 days of the completion of such registration:

“No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by Fylde Council of Town Hall, St Annes Road West, Lytham St Annes FY8 1LW or their conveyancer that the provisions of clause XX (the Discounted Market Sales provision) of the Transfer dated *[Date]* referred to in the Charges Register have been complied with or that they do not apply to the disposition.”.

5) Not to dispose of a discounted sale unit without the intended buyer covenanting directly with the Council (and paying the Council’s associated legal costs) to observe and perform the terms of this Scheme and delivering a completed deed of covenant in such terms to the Council in a form reasonably acceptable to the Council.

**First Homes Units:**

The First Homes units shall be disposed of in perpetuity to an end purchaser for a price which does not exceed 70% of market value, and to a person who meets the occupancy criteria. The Transfer or lease (as appropriate) of every First Homes unit shall contain the following covenant by the Transferee for the benefit of the Council.

1) To enter the following restriction on the registered title in favour of the Council as soon as reasonably practicable following first registration and to produce official copies of the title to the Council within 14 days of the completion of such registration:

“No disposition of the registered estate (other than a charge) by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a certificate signed by Fylde Council of Town Hall, St Annes Road West, Lytham St Annes FY8 1LW or their conveyancer that the provisions of clause XX (the First Homes provision) of the Transfer dated [Date] referred to in the Charges Register have been complied with or that they do not apply to the disposition.”

**Rent-to-Buy Units:** - These units shall be transferred on completion to *(insert name of Registered Provider)* the Registered Provider. Each unit shall be made available by the Registered Provider in accordance with the government guidance concerning rent-to-buy, for affordable rent for a period of *(insert specified period, normally to be 5 years, other periods through agreement with the Council)*, which shall be to an eligible applicant in accordance with the Council’s lettings policy as detailed below in the section regarding occupancy.

At the end of the period of *(insert period specified above)*, each rent-to-buy property shall be offered for sale, solely to the tenant that has occupied the property in the first instance. The offer for sale shall be either outright, or through shared ownership using the Homes England standard shared ownership lease, with the Registered Provider retaining the residual share of the equity. If the tenant does not exercise the opportunity to purchase either outright or through shared ownership, the units will be offered on a shared ownership basis to a new eligible applicant (which may be on rent-to-buy terms if appropriate for the new tenant’s circumstances). The terms of the arrangement, including the length of rental term (notwithstanding the actual tenancy length), arrangements for purchase or shared ownership, the terms of any shared ownership arrangement to be offered, the rental level and any management charges shall be clearly indicated to any applicant before the tenancy commences, and copies of such documentation provided to the Council.

In the event that a tenancy ends before the five year period, the property shall be relet for a five year term to a new eligible applicant, unless it is sold to the tenant that has occupied the unit, which early sale shall not take place within the first two years of occupancy.

The rent chargeable shall not exceed that specified in government policy in relation to affordable rented homes.

Where a property is sold or a share in the property is sold through a shared ownership arrangement, the Registered Provider shall reinvest the proceeds into further affordable housing: firstly in Fylde; secondly in the Fylde sub-region; thirdly elsewhere in North West England. All transactions shall be reported periodically to the Council in a form and at intervals to be specified by the Council.

**Occupancy of the Affordable Homes**

**Affordable rented units:** the properties shall only be rented to people with a local connection as set out in the Consistent Assessment Policy operated by MyHomeChoiceFyldeCoast, the choice-based lettings scheme. This will mean that homes will be allocated to those applicants with a local connection to the Borough of Fylde, either through residence or work. Applicants must therefore be able to demonstrate they meet one or more of the following criteria:

* Local residency: has lived in the local authority of Fylde continuously for the last three years;
* Permanent employment in the area of Fylde or offer of permanent employment that is intended to last for at least 12 months;
* Close family association – has a parent, adult child, adult brother or sister who is living in the area of Fylde and has done continuously for the last 5 years;
* Applicants who are serving in the Armed Forces and who are either employed or are resident in the area of Fylde; and
* Former armed forces personnel who had a previous residence in the area of Fylde as a result of a former posting in the area of Fylde within the last 5 years.

*(Where the application site is located within or adjacent to the rural settlements)* In addition, as the application site lieswithin / adjacent to the rural settlement of *(insert name of settlement)* the properties shall only be rented to people who have demonstrated a local connection to *(insert name of parish)* parish in line with the criteria above. Immediately prior to and during the period of offer for let, the availability of the properties shall be publicised locally by *(insert name of developer)* jointly with *(insert name of registered provider)*, the parish council *(insert name of parish)* and Fylde Council, by means of advertising within the parish, on parish noticeboards, in parish newsletters and the holding of an open day. Where an occupant does not come forward with a local connection to *(insert name of parish)* within a period a period of 3 weeks commencing with the day of first offering a dwelling for let or within the first 3 letting cycles (whichever is the earlier) through MyHomeChoiceFyldeCoast, the eligibility criteria may be widened to a Fylde Borough connection. The affordable rented homes on this site cannot be let to households that do not demonstrate any of the connections to Fylde specified above.

In addition, the properties shall only be rented to people with no more than £30,000 in savings and with a household income of no more than £60,000 per annum. These amounts shall be updated in accordance with the MyHomeChoiceFyldeCoast Consistent Assessment Policy, or any successor policy.

When a tenancy ends and a property vacated, the property shall be relet only to people who fulfil the same criteria above.

**Shared Ownership Homes**

The developer *(enter developer name)* will market and sell shared ownership homes in line with the criteria in Homes England’s regulatory framework, using the Homes England standard shared ownership lease. The properties must be occupied as the main or only home by the purchaser.

Initial and future sales of shared ownership homes will be marketed and sold to customers whose eligibility is determined with regard to local incomes and local house prices, in accordance with the Shared Ownership and Affordable Homes Programme in force at the time of the application. The Council would expect that applicants will normally meet the local connection criteria as detailed above.

**Discounted Market Sales Homes / First Homes** *(delete as appropriate)***:** the discounted market sales dwellings / First Homes *(delete as appropriate)* (plot numbers (*insert plot numbers)*) shall be marketed by *(insert name of applicant)*.

*(In all cases):* Purchasers shall be required to meet the following criteria:

* They are first-time buyers;
* They must have a household income not exceeding £80,000;
* The Discounted Market Sales Home *(or)* First Home *(delete as applicable)* will be the buyer’s only home;
* The purchaser will need to use a mortgage or home purchase plan for at least 50% of the purchase price of the home.

*(Either):*

*(In the case of discounted market sales housing):* Purchasers shall be required to meet the following criteria:

*(Or):*

*(In the case of First Homes):* Purchasers shall also be required to meet the following local criteria. If no purchaser has agreed to buy within the first three months of marketing, these criteria shall cease to apply:

*(In all cases):*

* Shall have reasonably demonstrated to the Council that having regard to house prices within the Local Area, they are unable to afford Open Market Housing based on their earned income and any available capital and on the earned income and available capital of any person living with them which it would be reasonable to take into account and assuming a mortgage of not more than three (3) times their earned income plus the earned income of any other person aforesaid or such other less restrictive criteria as may be reasonably agreed by the Council from time to time;
* They must not have equity or savings in excess of £30,000; and
* Be able to demonstrate they meet one or more of the following criteria:
  + Local residency – they have lived in local authority of Fylde continuously for the last three years;
  + Permanent employment in the area of Fylde or offer of permanent employment that is intended to last for at least 12 months;
  + Close family association – has a parent, adult child, adult brother or sister who is living in the area of Fylde and has done continuously for the last 5 years;
  + Applicants who are serving in the Armed Forces and who are either employed or are resident in the area of Fylde; and
  + Former armed forces personnel who had a previous residence in the area of Fylde as a result of a former posting in the area of Fylde within the last 5 years.
  + For First Homes, Members of the Armed Forces, divorced/separated spouses/civil partners or members of the Armed Forces, the spouses/civil partners of deceased members of the Armed Forces (if their death was wholly or partly caused by their service) or veterans within 5 years of leaving the Armed Forces will be exempt from any local connection criteria.
* Must be approved in writing by the Council such approval not to be unreasonably withheld or delayed and will in any event be provided within 3 working days of application by the developer.
* Shall enter into a covenant directly with the Council to observe and perform the terms of this Scheme, particularly those contained above.

On the resale of the property, the same criteria shall apply to the subsequent purchaser.

**Rent-to-Buy Homes**

Applicants for Rent-to-Buy units must satisfy the following criteria:

* Shall have reasonably demonstrated to the Council that having regard to house prices within the Local Area, they are unable to afford Open Market Housing based on their earned income and any available capital and on the earned income and available capital of any person living with them which it would be reasonable to take into account and assuming a mortgage of not more than three (3) times their earned income plus the earned income of any other person aforesaid or such other less restrictive criteria as may be reasonably agreed by the Council from time to time; and
* Must be approved in writing by the Council such approval not to be unreasonably withheld or delayed and will in any event be provided within 3 working days of application by the developer.

In the event that the property is relet under the terms of the scheme, the same criteria shall apply to any further applicant.

In the event that a unit has been marketed for a period of three months without a suitable applicant coming forward, the Registered Provider may apply to the Council for a waiver to the local connection requirement.

**Management and charges**

The following aspects of the management of the site will be undertaken by the Registered Provider *XXXXXXXXXXXX* / *YYYYYYYYYYYYY* Management Company *(delete as applicable, insert name of RP or company*) in perpetuity, unless agreed in writing by the Council:

*(List areas or responsibilities covered).*

*e.g.*

* Maintenance and upkeep of the landscaped areas denoted by *(insert colour or means of denotation)* shading on the landscaping plan / site layout plan *(delete as applicable, insert plan reference)* in accordance with the approved landscaping management plan ref *(insert reference of document)*.

Charges will be imposed per dwelling, payable by the occupiers to the Registered Provider *XXXXXXXXXXXX* / *YYYYYYYYYYYYY* Management Company *(delete as applicable, insert name of RP or company*), at a rate of £ZZZ annually per dwelling, which may be increased annually by no more than the Consumer Price Index published by Government.

No further charges will be payable other than as stated within this document.