

# Affordable Housing Newsletter - November 2024



## Affordable housing



Welcome to November's edition of the Affordable Housing Newsletter. This edition focusses on the success of our Early Stage Feasibility Fund, disposals by Registered Providers, the criteria for renting or buying an Affordable homes and some general policy updates.

**Please feel free to share this Newsletter.**



*St Keverne proposal  
Up to 28 Affordable homes (CCLT)*



*Brigantine, Penryn proposal  
Up to 14 Affordable Homes  
(Ambos Co-housing)*

### Early Stages Feasibility Fund

Supporting community-led housing groups to deliver affordable housing is an important strand of work for the team. Once a group has found a deliverable site, the next step is helping them to get their ideas off the ground.

### Did you know...

**22,290** households are currently registered on Cornwall's Social and Affordable Housing Register (snapshot 28/10/2024).

You can find your Parish's registered housing need alongside a lot of

Bringing sites forward is financially difficult in the early stages when groups often only have a small amount of money available from their Parish Council, so with the support of the previous Government's Community Housing Fund, we were able to set up an [Early Stages Feasibility Grant](#). This grant covers costs such as forming a group, getting constituted, employing professionals to develop plans and undertake surveys and any other costs to support them to the planning application submission stage. Our Early Stage Feasibility grant is only for up to £40k so match funding is required.

### ESFF - good news stories

We have currently provided **eleven** grants to support the communities of Tintagel, Bude, Penryn, Looe, St Keverne, St Endellion and Deviock. Five of the schemes have now received their final Stage 3 awards which will support them in working up documents for their planning submission.

In the attached PDF we have provided you with information about 4 of the projects that have been funded by ESFF.

### ESFF – the next phase

You may be aware that the fund is currently on hold to new schemes whilst we await the final Stage 3 grant applications from groups that have already received their Stage 2 funding. We remain committed to supporting groups, so we are in the process of establishing a successor ESFF. Due to there being limited funds available to be able to continue as a grant we will be supporting groups in the next phase in the form of a "soft loan", which would only become repayable once long-term funding can be secured. We hope to announce the details of this soon so we can continue this highly successful work with communities.

Information on grants and loans that the Affordable Housing Team can support

interesting fact, figures and information about your parish and Cornwall here: [Housing intelligence](#).

### Affordable housing approvals

Since April 2024 there have been **372** planning permissions granted for Affordable Homes. These homes have been brought forward through a combination of routes - Cornwall Council, our Registered Provider partners and Private Sector S106 planning gain.

There were a further **89** Affordable Homes approved that were part of Outline Applications or Permissions in Principle.

### The Home Ownership Team discount sale homes and CC shared ownership

The Affordable Homeownership Team continue to see a strong housing demand for Discounted Market Sale properties with **33** of these properties coming onto the market from mid August to late October.

The team is also continuing to approve the eligibility of purchasers for the Council's own shared ownership sales programme across Cornwall.

More information about Cornwall Council's Shared Ownership process can be found here: [Buying a home](#)

### What is an Intermediate Homes for Sale?

Intermediate Homes for Sale, sometimes known as Discounted Market Sale homes, are homes that are built and sold below market value by private developers and where you own the freehold. These can be

communities with can be found on our [Community-Led Housing](#) web pages.

## Registered Providers – property disposals update

As part of a Registers Provider's Asset Management Strategy, properties are identified which are no longer suitable for their customers. This is based on a number of factors which may include their, current condition, energy efficiency, the significant amount of investment required to bring the properties up to agreed standards. Additionally other potential physical constraints the properties present are considered, including size against the National Described Space Standards and proximity to privately owned homes.

The proceeds from these disposal sales goes towards funding more new homes in Cornwall and where properties are in Designated Protected Areas a local connection restriction will be placed on the properties to ensure they are sold to people who have lived or worked in Cornwall for 3 years.

Registered Providers are permitted to carry out appropriate disposals of their properties, the Council do not have any powers to prevent an RP from disposing of their housing stock. However, when the Council is notified about proposed disposals we do consider whether purchasing these properties meets our own business objectives. Similarly, we need to consider if the remediation costs present good value for residents and it is often the case that the costs are simply prohibitive.

## What is the Homechoice register?

Homechoice is the choice-based system for letting council and housing association homes to rent in Cornwall. Partner landlords advertise their vacant properties

between 50%-80% of the open market value.

The discounted sale percentage is agreed during the planning stage by a Section 106 legal agreement. This remains with the property and applies to all subsequent sales / purchases. This ensures that the property remains affordable. The S106 will detail the discount percentage. It will also determine any other eligibility requirements, such as local connection criteria. Please see [Buying an affordable home](#) for further details.

In Cornwall the Team's Homeownership Service manage approximately 200 sales/resales per year with an overwhelming majority being allocated to people with a Primary Parish Connection.

We're pleased to say there are currently a wide variety of lenders offering mortgages for intermediate sale homes with deposits starting from around 5%.

You can find out more about the [types of affordable housing](#) available on our website.

[Buying an affordable home - Cornwall Council](#)

[Eligibility for an affordable home - Cornwall Council](#)

## Refresher on Affordable Housing Planning policy

The [Cornwall Local Plan Strategic Policies](#) 2010-2030 sets out our main planning approach and policies for Cornwall. Within this document it sets out that the policies for the delivery of Affordable Housing.

with the Council on the [Homechoice website](#).

To join the register, households must meet certain criteria. In most circumstances they will not be able to join if:

- They have a household income (after tax) of £60,000 or more
- They have assets worth more than £50,000

Properties are allocated in line with the Homechoice Common Assessment Framework and Cornwall Council Allocations Policy. Applicants in the most urgent need for housing have the best chance of bidding successfully.

In order for people to be eligible for affordable housing they are required to meet eligibility criteria which is set out within a Section 106 agreement which secures these homes as affordable in perpetuity.

### Where are registered households currently living?

The Affordable Housing Team are often asked: 'Where are the households currently living who are registered on homechoice?'

Each household's circumstances are different, those that are on the register could be living with friends or family, living in overcrowded accommodation, in a shared house which does not meet their needs, in holiday accommodation or in a caravan.

Households may also be living in privately rented accommodation which is too small for the size of their household, but they are unable to move to a larger property due to increased rent costs. Another common occurrence is they may be in rented accommodation which is being sold or used for another purpose, and they have been unable to find any alternative housing on the Open Market within their budget.

### Buying an Affordable Home

There are two main policies that are relevant for the delivery of affordable housing in rural areas: Policy 8 which in general terms refers to development within the development boundary and Policy 9 which is considered outside but adjacent to it, these sites are often referred to as a Rural Exception Site. The following is an extract from the Local Plan:

#### Policy 8: Affordable Housing

All new housing schemes within the Plan area on sites where there is a net increase of 10 or more dwellings or where dwellings would have a combined floorspace more than 1,000 square meters (not including replacement dwellings) must contribute towards meeting affordable housing.

In Designated Rural Areas and Areas of Outstanding Natural Beauty, this threshold is reduced to more than 5 dwellings. For developments of between 6 and 10 dwellings in such areas a financial contribution in lieu of on-site provision of affordable housing will be sought per unit of affordable housing that would have been provided.

Subject to considerations in policy 10, developments should provide the target levels of affordable housing.

#### Policy 9: Rural Exception Sites

Development proposals on sites outside of but adjacent to the existing built-up area of smaller towns, villages and hamlets, whose primary purpose is to provide affordable housing to meet local needs will be supported where they are clearly affordable housing led and would be well related to the physical form of the settlement and appropriate in scale, character and appearance.

When buying an affordable intermediate home such as a Discount Market Sale or Shared Ownership home in Cornwall, the vast majority of affordable housing will have occupancy restrictions which are either set out by Homes England or through a Section 106 planning agreement.

This means that the proposed buyer must be able to demonstrate their eligibility to the Council's satisfaction. They are required to do this before approval can be given for the sale of the property. Most affordable homes are advertised through:

- local estate agents
- developers
- registered providers of housing (housing associations) or
- through a housing register

Eligibility usually covers:

- local connection to the area (town/parish)
- you must be in housing need
- you must be unable to afford to buy on the open market in the area
- you must have a joint household income of less than £80k

Only one applicant needs to meet the local connection to the area if you are applying as a couple for a property.

The number, type, size and tenure of the affordable dwellings should reflect identified local needs as evidenced through the Cornwall Housing Register or any specific local surveys completed using an approved methodology.

The purpose of such developments must be primarily to provide affordable housing. The inclusion of market housing will only be supported where the Council is satisfied it is essential for the successful delivery of the development based on detailed financial appraisal (For example to fund abnormal development costs or to deliver a balanced, sustainable community).

Market housing must not represent more than 50% of the homes or 50% of the land take, excluding infrastructure and services.

The [Housing SPD 2020](#) provides further details in respect of affordable housing requirements.

## **NPPF - Community-led Development**

Did you know that the NPPF now includes a definition of what Community-led development is? You can find it here [National Planning Policy Framework - Annex 2: Glossary - Guidance - GOV.UK](#)



## Helpful links

[Affordable housing](#)

[Community-Led Housing](#)

[Planning Policy Guidance](#)

## Contact us

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(discounted market sale queries)

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