

Synopsis of Crosthwaite and Lyth Neighbourhood Plan Steering Group (NPSG) Meeting with Castles and Coasts (C&C)

- C&C agree in general with NSPG's interpretation of the Housing Needs Assessment
- Rent to buy - Five years of lower rent allow tenants to accrue capital to buy the property at the end of the contract. Property has to be rented for the first 5 years at an affordable rent (80% of market rent). The tenant has first refusal to buy. At 5 years a chartered surveyor would assess the value of the property, paid for by C&C. Value would be assessed by C&C and the tenant, possibly with a second opinion, to agree a price. If tenants were not able to purchase the property, C&C have several options.
 - extend the rent to buy contract for two-years to allow capital to be raised (This would be determined on a case by case basis and would be specific to individual residents' financial positions)
 - sell the property on the open market
 - convert it to affordable rented or shared ownership

The Section 106 local occupancy would apply in perpetuity.

- Rental Homes - C&C mentioned that the rental homes they develop in Staveley in the LDNP were 4x oversubscribed.
- C&C Baseline for developments are 10% open market, 15% intermediate, 75% rented (although this is currently being revised and applies across the whole development programme so will vary by individual scheme). In the LDNP, these splits are different, driven by development costs e.g. Oak Fold - three properties were open market units to generate more funds to support the affordable units.
- Cost of Development - C&C have to compete with developers for land and often end up with the most complex and smaller plots to develop which makes it even more expensive with less economies of scale. Landowners have high expectations of land value, usually based on the open market value, challenging what C&C can afford for land. Therefore, the number of affordable units is restricted if the development is to be financially viable. Within the LDNP a high level of cross subsidy is needed for affordable housing. Other factors driving the high development costs in the LDNP:
 - Materials, transport and travel are more expensive in the NP, plus higher travel costs for builders.
 - Local authorities have to determine their own house space requirement, according to national guidelines; in the LDNP this requirement is at national guidelines, e.g. 77sq.m. instead of 66sq.m. per 2-bed unit. Other local councils/C&C work on a minimum of 80% of the national guidelines (NDSS).
 - NP also demands a restricted pallet of materials for construction which can increase development costs
- Subsidised Development of Affordable Housing - South Lakes District Council should be receiving funding via Section 106 to provide facilities that are proven as required. Homes England provides grants to support 'affordable' developments;

SLDC may also provide a grant. LDNP Planning Authority should work with SLDC to ensure that any development meets identified housing needs, e.g. affordable rented units. The recent Coniston development of seven rental houses was subsidised with a 99k grant from SLDC. Local councils retain money contributed by developers for affordable housing.

- Issue of suitability e.g. for older people downsizing. Two bungalows in Oak Fold were limited to over 55s and were shared ownership which probably restricted the interest from potential tenants and slowed down their sale.
- Land may be flagged by builders to C&C, e.g. Russell Armer suggested Crosthwaite to C&C, but increasingly C&C find their own land through their inhouse development team of seven staff.