



Report

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Site Allocations and Policies DPD Viability Testing to support Site Allocations Document

Wyre Forest District Council

March 2011



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1. Introduction

- 1.1 GVA have been instructed by Wyre Forest District Council (WFDC) to develop a framework for viability testing to support the Site Allocations and Policies Development Plan Document (DPD), which is being prepared as part of the Local Development Framework (LDF) process. The overall objective of this document is to suggest policy wording, which will be included in the Site Allocations DPD to guide applicants' (developer/landowner) assessments of viability when seeking to challenge planning gain / affordable housing provision on the grounds of viability at planning application stage. This document will set out the appraisal inputs and detailed evidence required to support the various assumptions adopted as part of the viability assessment in order to support applicants' requests for reduced affordable housing provisions / planning obligations to WFDC.

Approach and Methodology

- 1.2 Our approach has been to draw upon the previous viability work undertaken on behalf of WFDC in 2009/10, which provided a viability assessment of a selection of potential housing sites to be allocated through WFDC's emerging Local Development Framework (LDF).
- 1.3 We have undertaken a review of other Development Plan Documents (DPDs) and Supplementary Planning Documents (SPDs) in relation to planning obligations and affordable housing to assess the approach taken to viability modelling elsewhere. We have also assessed the implications of our emerging best practice guidance note for the RICS on financial viability in planning, which seeks to provide Local Authorities and Chartered Surveyors with definitive and objective guidance on evaluating the impact of planning obligations and planning policy on the financial viability of development proposed by developers / landowners. This should be adopted as a formal guidance note by the RICS imminently.
- 1.4 This research and best practice guidance has been utilised to set out recommendations as to the policy wording, key inputs and evidence which will need to be submitted by applicants to WFDC. These recommendations set out a robust and clear framework for

developers and / or landowners when seeking to negotiate affordable housing provision / planning gain requirements on grounds of viability with WFDC.

Report Structure

1.5 The remainder of the report is structured as follows:

- **Section 2** sets out the legislative and policy background, highlighting the relevance of viability to the current planning system;
- **Section 3** sets out the background to the project and the research undertaken to inform our recommendations;
- **Section 4** identifies our recommendations as to policy wording regarding the inputs and evidence required by developers for inclusion in the Site Allocations DPD; and
- **Section 5** identifies conclusions and next steps.

2. Relevance of Viability to Planning Policy

Legislative Context and National Policy

- 2.1 Viability implications should be a key consideration in the formulation of planning policy. The current planning policy framework and guidance on planning policy preparation is set out in Planning Policy Statement 12: *Creating strong safe and prosperous communities through Local Spatial Planning* (PPS12) (2008). In accordance with the principles of PPS12, good spatial planning should aim to create a framework for private investment and therefore encourage appropriate development in the right locations. If viability is not appropriately considered in setting planning policy objectives and strategies then development can become unnecessarily constrained and policy targets may become undeliverable.
- 2.2 PPS12 sets out the tests of ‘soundness’ in the adoption of Core Strategies and other Development Plan Documents (DPDs), such as Site Allocations and Area Action Plans. To be ‘sound’, PPS12 states that Core Strategies and other DPDs should be justified, effective and consistent with national policy. The issue of development viability, along with the availability of sites and their suitability for development, is critical to the consideration of deliverability and the effectiveness of the Core Strategy. At paragraph 4.44 PPS12 states that Core Strategies must be:
- Deliverable;
 - Flexible;
 - Able to be monitored
- 2.3 In order to achieve the above criteria it is necessary for the viability implications of planning policy objectives to be understood to ensure that they can be delivered. In this sense the concept of viability is highly relevant to spatial planning.
- 2.4 In particular, viability is a key consideration when setting affordable housing policy and targets to ensure they are deliverable, flexible and set with regard to a robust and credible evidence base including an assessment of economic viability. This is acknowledged by Planning Policy Statement 3: Housing (PPS3) (June 2010). Paragraph 29

of PPS3 states that in preparing Local Development Documents, LPAs should set an overall target for the amount of affordable housing to be provided and that this should "*reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured*".

- 2.5 Certainty and clarity in policy making is important however at the same time policies should be able to adapt to changing market circumstances. For example, in considering appropriate levels of affordable housing, policies should allow account to be taken of scheme viability on a site-by-site basis.
- 2.6 In recent years it has become common practice for LPAs to set 'tariffs' or 'standard charges' for Section 106 contributions on new developments through Supplementary Planning Documents (SPDs). The key principles of PPS12 should also apply to the adoption of SPDs by ensuring that the requirement and levels of contributions sought are 'justified' by a robust and credible evidence base. The evidence base should again take account of the viability implications of the amounts sought. As set out in Circular 05/2005 (Planning Obligations) (July 2005), standard charges should not be applied in blanket form regardless of their actual impacts.

Determination of Planning Applications (Section 106 / CIL and Tariffs)

- 2.7 Scheme viability is also a material consideration in the determination of planning applications as it is inherently linked to 'delivery'. The consideration of financial viability in determining planning applications is particularly important in the context of negotiating Section 106 contributions/obligations, including affordable housing.
- 2.8 The source of the Council's powers to seek planning obligations is Section 106 of the Town and Country Planning Act 1990 (as amended). The Government has issued guidance on Planning Obligations in Circular 05/2005 in which it provides detail on how planning obligations should work and when and how they should be sought by Council's. Planning Obligations are intended for use to make development acceptable, which would otherwise be unacceptable in planning terms. Obligations can also be secured through unilateral undertakings by developers.

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- 2.9 The tests for planning obligations are set out in Circular 05/2005 and these apply to all land uses. Paragraph B5 requires that planning obligations are only sought where they meet all of the required tests, namely that they must be:
- i. Relevant to planning;
 - ii. Necessary to make the proposed development acceptable in planning terms;
 - iii. Directly related to the proposed development;
 - iv. Fairly related in scale and kind to the proposed development; and
 - v. Reasonable in all other respects.
- 2.10 Section 106 contributions are a development cost whilst the level of affordable housing sought affects the Gross Development Value (GDV). These in turn impact upon residual land value and profit. It is important to understand these impacts when negotiating Section 106 Agreements to ensure that development remains attractive. An inconsistent approach to Section 106 negotiations can increase development risk, which can deter development coming forward.
- 2.11 Financial viability is a key consideration in the above, particularly in determining whether a planning obligation is 'fairly related in scale and kind to the proposed development' and 'reasonable in all other respects'. This is noted in Paragraph B10 of the Circular, which states the following:
- 2.12 *"In some instances, perhaps arising from different regional or site-specific circumstances, it may not be feasible for the proposed development to meet all the requirements set out in local, regional and national planning policies and still be economically viable. In such cases, and where the development is needed to meet the aims of the development plan, it is for the local authority and other public sector agencies to decide what is to be the balance of contributions made by developers..."*
- 2.13 LPAs should therefore be aware of the cumulative impact of all planning obligations and scheme requirements sought on development viability. It is not just Section 106 obligations that can impact on scheme viability. Other scheme requirements and planning benefits sought can have a significant effect, including for example sustainability requirements. Circular 05/2005 makes it clear that it is for the LPAs to have regard to what may be an appropriate balance of contributions. It is acknowledged that a number of Section 106 and other such obligations may be necessary to mitigate the impact of development and
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make it 'acceptable' and 'sustainable'. It is for decision makers to balance the aspiration for sustainable development but whilst also ensuring development is 'deliverable', however if sustainability measures are required by statute, by European or national law, then there is less scope to negotiate a balance of benefits.

Additional Considerations

- 2.14 In addition to Section 106 contributions required to mitigate the impact of development, in recent years there has been an increasing requirement for developments to contribute towards more general local infrastructure improvements. This has been seen as a way of plugging funding gaps such as through a Community Infrastructure Levy (CIL), the introduction of the Crossrail Levy and standard charges / tariffs for infrastructure. Any basis for tariffs must be made on sound evidence and imposed charges need to take account of viability, to ensure that infrastructure requirements do not come at the expense of previously deliverable development proposals.
- 2.15 Further, recent prominent case law highlights the importance of economic viability in planning policy decision-making. Previous appeal decisions have sometimes been inconsistent in terms of the approach to viability and the weight to be attached to it; however, some general themes have emerged. Inspectors' decisions have shown that changing economic circumstances are relevant in the negotiation of affordable housing, including 'pre-recession' land value, in assessing viability provided the price paid was not excessive or over inflated. Other cases have shown that viability assessments should allow for a reasonable uplift in land value for development to be viable and in order to incentivise 'delivery'.
- 2.16 Appeal decisions have demonstrated the importance of considering viability when setting affordable housing policy and targets. These have established the requirement for affordable housing targets to be deliverable and flexible and set with regard to a robust and credible evidence base including an assessment of economic viability

Local Policy – Adopted Core Strategy

- 2.17 The Wyre Forest District Adopted Core Strategy DPD (December 2010) seeks the use of planning obligations under policy CP07 Delivering Community Wellbeing and states that as an indicative guide the Council will require developer contributions with regards to the following:

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- Affordable housing provision;
 - Sustainable transport initiatives;
 - Highways infrastructure and local utility infrastructure;
 - Education and learning, including schools and libraries;
 - Sports, recreation, youth facilities, play space and amenity space;
 - Health and community safety (includes emergency services) facilities and services;
 - Community and shared use facilities;
 - Cultural facilities;
 - Public art, public realm, heritage and environmental improvements; and
 - Biodiversity, geodiversity and green infrastructure.

2.18 Policy CP07 also states the following:

The level of contribution required towards social infrastructure will be dependent upon the type and size of the development proposed, its cumulative impacts on particular areas and the existing facilities and services into which the proposed development falls. Detailed information on the range of contributions relating to social infrastructure provision and those circumstances under which contributions would be required is set out in the Adopted Planning Obligations Supplementary Planning Document (2007).

The Adopted Planning Obligations SPD will continue to be used as a basis for securing developer contributions. The Council's approach will also be informed by the national regulations for the Community Infrastructure Levy and any future proposals advocated/implemented by Government. The independent viability work commissioned by the Council demonstrates that with the exception of 100% affordable housing sites, planning obligation assumptions as set out in the Council's Planning Obligations SPD would be deliverable in the future.

2.19 The following section sets out the background to the project and the research undertaken to inform the recommendations and draft policy wording.

3. Research and Background Evidence

Background

- 3.1 GVA undertook the Viability Assessment of SHLAA Sites (2009) and Updated Addendum (2010) to support WFDC's Core Strategy process. This Viability Assessment was also intended to inform the development of more specific policies within WFDC's Site Allocations and Policies DPD and Kidderminster Central Area Action Plan (KCAAP). The Examination in Public (EIP) of the Core Strategy in July 2010 found the document to be sound and as such the Core Strategy was adopted by WFDC in December 2010, as part of the LDF process.
- 3.2 In order to now progress with the Site Allocations and Policies DPD, the following issues will require consideration to ensure that the sites identified are available, deliverable and viable, and hence PPS 12 compliant:
- The framework for testing the viability of sites should be set in the Site Allocations and Policies DPD. This policy will guide applicant's (developer's) viability assessments of specific sites in the future where they are seeking to reduce either planning gain or infrastructure requirements, to ensure that the Council's Development Control Officers can make an informed decision regarding Developer's submissions as to site viability; and
 - Consideration should be given as to the most appropriate appraisal software or 'toolkit' that applicants should utilise when undertaking site specific viability assessments.
- 3.3 Despite the changing planning policy environment, since the Coalition Government came into power and the emphasis on localism as part of the wider "Big Society" agenda, local authorities will still be required to support their housing growth targets by a credible and robust evidence base. As such viability assessments and testing of financial viability will continue to form an integral component of the planning process in the future to ensure policy targets are achieved.
- 3.4 In order to inform the Site Allocations and Policies DPD and ensure that the above criteria are met, a framework for viability testing is to be developed. This is in recognition of the

fact that planning applications are now often accompanied by a viability assessment, demonstrating the level of affordable housing that may be viable, as well as other planning obligation requirements of the scheme. If guidance is offered to applicants early on in the process, this will encourage a transparent and open working environment between the Local Authority and the applicant, and assist in the delivery of affordable housing and other planning obligations as part of development proposals.

- 3.5 In order to develop this framework it was important to undertake a review of other DPDs, SPD's and planning policy documents to understand and assess the approach taken to viability modelling elsewhere. This exercise demonstrates best practice guidance, as well as determining the most effective structure required to ensure clarity for the applicant and robustness from WFDC's perspective in achieving the maximum level of affordable housing achievable, considering other scheme requirements.

Evaluation of Evidence

- 3.6 The following DPDs, SPDs and planning policy documents were reviewed to inform the viability framework for WFDC's Site Allocations and Policies DPD, copies of which are provided at Appendix A:
- Bath and North East Somerset Planning Obligations SPD (July 2009);
 - Dover's Draft Section 106 Negotiation / Viability Guidelines;
 - South Cambridgeshire Affordable Housing SPD (March 2010);
 - Darlington Affordable Housing SPD (April 2007);
 - Middlesbrough Affordable Housing SPD (September 2010); and
 - Doncaster Interim Planning Position Statement 1 – Affordable Housing in Doncaster (February 2008).
- 3.7 The above review highlighted variations in detail, scope and prescriptiveness of policy wording and viability frameworks. It was also evident that a careful balance is required between providing detail and clarity for applicants, without providing a prescriptive framework, which loses an element of flexibility. Flexibility is often key due to the length of the plan period and likely changing market conditions over this period.

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- 3.8 As such the above review highlighted that when providing a framework for viability testing for inclusion in WFDC's Site Allocations and Policies DPD, the framework should clearly articulate the evidence and format of such evidence required to be submitted by an applicant at planning application stage, to challenge the viability of the Council's requirements. It should not be overly prescriptive that it loses flexibility, which is required due to the length of the plan period (up to 2026).

Impact of Emerging RICS Best Practice Guidance

- 3.9 The role of effective development viability testing in the planning system has become ever more important, but to-date has been undertaken using diverse methods and approaches. There has been little commonality or standardisation in approach and coupled with a lack of development and valuation skills within the planning profession this has become a significant barrier to successful plan-making and to the grant of planning permissions. In addition, there is as yet no clear, single or standard definition of 'viability'. We advise that it is important to assess viability not only from the developer or house-builder's perspective, but also from that of both the landowner and Local Planning Authority.
- 3.10 Against this background, GVA is currently formulating best practice guidance in conjunction with the University of Reading, on behalf of the RICS, which addresses the above. Our emerging best practice guidance recognises that there is currently a gap between what Local Planning Authorities consider to be viable and what development proposals are actually capable of supporting financially in terms of obligations. The guidance seeks to provide Local Planning Authorities and Chartered Surveyors with definitive and objective guidance on evaluating the impact of planning obligations (including affordable housing, other Section 106 requirements, tariffs and levies) and planning policy on the financial viability of development proposed by developers and landowners. The guidance is designed to provide an effective framework for assessing financial viability, regardless of the regulatory regime that may operate or prevailing economic conditions.
- 3.11 The guidance defines a rigorous approach to evaluating financial viability in the context of assessing the introduction of planning obligations, rather than a prescriptive tool or financial model. The guidance will also not replace the need for developers or Local

Authorities to seek professional advice from a Qualified Surveyor when undertaking or reviewing viability assessments.

3.12 The guidance when adopted by the RICS will form a RICS Guidance Note. RICS Members are not required to follow the advice and recommendations as set out in Guidance Notes, however Members should have regard to the documents contents and advice.

3.13 Emerging best practice guidance considers the following elements as critical when undertaking or reviewing a viability assessment:

- **Assessment of the value of the site in its current or existing use.** This assessment establishes a benchmark for assessing the viability of development proposals against. If the residual land value produced by the viability assessment is too low, the land owner may not sell. If other alternative use values are higher than the residual land value produced by the viability assessment, the landowner may wish to pursue these higher value uses, which would compromise the delivery of the site for redevelopment.
- **Market Value (including 'Hope Value').** Landowners will be influenced in their decision to bring forward their land for development by the market value of the site. When assessing the market value of a site, allowance should be made for an element of 'hope value' relating to a potential redevelopment project or the possibility of achieving an alternative use. Alternative uses must be in accordance with the policies in the development plan and only be reflected to the extent they would be by the market.
- **Purchase Price.** A viability assessment is undertaken at a point in time utilising current day costs and values. Site values can fluctuate between the date of purchase and a viability assessment taking place; this is part of a developer's risk. Historic site values, or purchase prices may not be relevant and should be reviewed at the date of assessment.

3.14 Given the likely pressures on the Council's resources moving forward, the onus should be on applicants to research and assess the market inputs to the appraisal and input this information into the appropriate software/tool kit. On this basis, Development Control officers should only need to assess whether the evidence underpinning the appraisal inputs appears reasonable (rather than utilising appraisal/tool kit software to assess schemes themselves). As such, should an independent review of a viability assessment

submitted at planning application stage be required by a Local Authority, the applicant (developer) will normally be required to pay for such a review, given that they are seeking to challenge Council policies in regards to affordable housing or other planning obligations.

- 3.15 In addition, pre-application discussions between an applicant and a Local Authority usually proceed on a confidential basis. As such viability assessments submitted to Local Authorities are earmarked as confidential. This will encourage applicants to disclose the maximum amount of information to the Local Authority for their review and proceed on an open and transparent basis. Should Local Authorities be required to undertake an independent viability assessment of an applicant's proposals at planning application stage, this will require their consent, prior to disclosing any confidential information.
- 3.16 All of the above issues, guidance and recommendations have been incorporated into the suggested policy wording for the Site Allocations DPD. This is provided in the following section.

4. Recommendations

- 4.1 We set out below draft policy wording, which we suggest is incorporated into WFDC's Site Allocations and Policies DPD. The draft policy wording is based upon our review of other planning policy documents, SPDs and DPDs undertaken elsewhere and incorporates our emerging best practice guidance being formulated on behalf of the RICS.
- 4.2 We suggest below, firstly wording which could appear in the main Site Allocations and Policies DPD to contextualise the importance of viability assessments in the planning process and the scope and format of the assessment required by the Local Authority. We then present in an appendix format the detailed inputs and evidence required as part of a viability assessment.

Financial Viability - Policy Wording

- 4.3 This policy provides for negotiation over the proportion and type of affordable housing, to take account of any particular costs associated with the development and other viability considerations, the relative priority of other planning considerations and the need to achieve mixed and balanced communities. In the case of financial viability considerations the following procedures will apply.

Suggested Policy Wording and Supporting Text

- 4.4 *Policy CP04 of the Adopted Core Strategy (December 2010) indicates that the Council will generally seek to secure affordable housing provision of 30% on sites of 10 units or more in Kidderminster and Stourport-on-Severn. Affordable housing provision of 30% will be sought on sites of 6 units or more in Bewdley and rural areas.*
- 4.5 *Where an applicant (developer) considers that there are significant cost constraints affecting a development and that these are sufficient to impede the developer meeting the Council's affordable housing policy expectations of 30%, or other planning gain requirements, the developer will be expected to demonstrate that the viability of the proposals would be jeopardised by this level of provision. The developer will be required to provide financial information in the form of a full viability assessment to enable the Council*

to assess the nature, extent and impact of the constraints and the level of affordable housing that could be provided.

- 4.6 *It is recommended that the methodology, underlying assumptions and any software used to undertake the appraisal should be agreed with the Council preferably during pre-application discussions or prior to planning application stage. However, it is recognised that there are a number of software packages available for use, the industry standards being Prodev, Argus (Circle) Developer and the Homes and Communities Agency (HCA) Economic Appraisal Tool developed by GVA. However, the Council will not preclude other appraisal software or toolkits, if the viability assessment includes the level of detail required by the Council.*
- 4.7 *Where the Council needs to undertake independent advice to validate a viability assessment submitted by an applicant that seeks to justify the variation in affordable housing provision, the Council will require all reasonable costs of this independent advice will be met by the developer / applicant. All information submitted by the developer will remain confidential.*
- 4.8 *The viability assessment should be presented on a residual land value or profit basis, (to be agreed with the District Council through pre-application discussions) which takes into account various inputs, including projected sales revenues and values (including affordable housing revenue) to establish a Gross Development Value (GDV) from which Gross Development Costs (GDC) are deducted. GDC either includes: (i) a site value as a fixed input cost resulting in a developer's return or profit becoming the residual figure which is then compared to a benchmark profit level to assess viability, or (ii) alternatively a developer's return is adopted as an input cost giving a residual site value which reflects the land value that a developer would pay for the site. This residual land value should then be compared to the benchmark market value of the site.*
- 4.9 *Further guidance on the appraisal inputs and supporting evidence required is set out in the attached appendix.*

Financial Viability Assessments - Additional Appendix

- 4.10 This appendix, highlights the main inputs that the Council would expect to assess as part of a viability assessment, as well as the information and extent of evidence required to be submitted by the applicant (developer). The attached appendix is intended as a guide to

the inputs and information required by the Council and is not intended to be exhaustive; further information may be requested by the Council on a site specific basis.

- 4.11 The Council reserves the right to obtain independent advice from a qualified professional with regards to any of the development appraisal inputs and evidence submitted by the applicant (developer), in order to validate cost or revenue / value assumptions. As previously stated the Council will ensure confidentiality and will gain the developer's consent prior to releasing any details that have been submitted in confidence.

Site Value

- 4.12 Where the site in question has already been acquired by the applicant, prior to planning permission being granted, the basis of the acquisition cost must be fully explained in the supporting evidence. The acquisition cost must also include costs and fees in relation to purchasers costs (i.e. stamp duty, legal fees and agency fees). If the site is yet to be acquired the applicant must set out how much they are proposing to pay for the site.
- 4.13 It follows that a landowner will not be willing to release land for development if the residual site value does not exceed the value of the site in its existing use value. We set out below the various valuations which should be included in a viability assessment.

Existing Use Value (EUV)

- 4.14 The viability assessment should include an assessment of the value of the site in its existing use with no prospect of any alternative planning consent.

Alternative Use Value (AUV)

- 4.15 The viability assessment should, where relevant, also include an assessment of the market value of the site if that differs from the existing use value, including any allowance for 'hope value' of a potential project or alternative uses which are in accordance with the policies in the development plan. It is critical that any alternative uses must be realistic and can be shown to be capable of implementation. An alternative use value assessment may be required for the residential proposals and for any other realistic alternative land uses.
- 4.16 The Council will obtain an independent opinion from a qualified professional valuer, with local market knowledge, of the historic acquisition cost (if applicable), current existing use

value, and the market value of the proposed residential uses and any other realistic alternative uses.

Build Costs (Basic Build Costs Only)

- 4.17 The viability assessment should specify the standard build costs for the following elements:
- Market housing;
 - Affordable housing;
 - Non-residential uses (where relevant);
 - Ancillary facilities (including car parking and landscaping as separate items)
- 4.18 While base build costs can be expressed as a composite figure (per sq m / sq ft) for each item (identified above) including external works, drainage, utilities, fees, preliminaries and contingencies, the evidence submitted to support the development appraisal must also provide a breakdown of these factors by cost and / or percentage on cost where appropriate. Average standard build costs as well as overall build cost must be included in the supporting evidence.
- 4.19 The Council may request a professionally prepared cost plan, including justification for any costs which vary markedly from industry standard indices such as the Building Cost Information Services (BCIS).
- 4.20 Build Costs should be based on current day costs, however should the applicant have allowed for building cost inflation, these assumptions must be spelt out clearly and be fully justified.

Abnormal Costs

- 4.21 The viability assessment must include any abnormal build costs over and above those basic build costs identified above. These abnormal costs must be itemised individually in the appraisal and fully explained in the supporting evidence. Examples of abnormal costs include decontamination and remediation works.

Fees and Other On-Costs

- 4.22 The applicant should provide an itemised breakdown of the main development and sales related fees and other costs that the developer expects to incur, including fees for design (architects), engineering, planning, building control, surveying, warranties, project management, legal fees, introduction fees, marketing and direct sales costs and contingencies. The applicant must include within the supporting evidence a statement which sets out which services are provided in-house and those which are out-sourced.
- 4.23 The Council will also expect finance costs, the borrowing rate and the period of borrowing, as well as any credit rates to be specified in the development appraisal.

Planning Gain / Obligations / Levies / Tariffs

- 4.24 The development appraisal must include a detailed breakdown of planning obligations / levies / tariffs, which conform with published policy documents and reflect any pre-application negotiations between the Council and the applicant. The nature, extent and timing of the contributions should also be specified. The Council will expect the supporting evidence to provide a breakdown of planning gain / obligations to be broken down on a per unit basis.
- 4.25 The Council will compare the estimated figures with its own knowledge on the levels of planning gain contributions sought and have reference to any pre-application discussions. Comparisons may be made with similar schemes within the District to ensure the levels identified are reasonable.

Profit Margin (Gross / Net)

- 4.26 The development appraisal must specify the total projected return for risk and profit, also expressed as a percentage of the gross development value / cost. A breakdown must also be provided for overheads and net profit levels.

Other Development Costs

Infrastructure Requirements

- 4.27 The development appraisal should include itemised costs relating to infrastructure requirements, such as neighbourhood and major roads and utilities. These costs relate to

the development site itself and therefore will exclude contributions to strategic highways and infrastructure requirements as these are likely to be classified as planning obligations / levies / tariffs above.

- 4.28 The supporting evidence should explain the basis of these costs and the Council may request a professionally prepared cost plan.

Code for Sustainable Homes (CSH)

- 4.29 Build costs assumed within the development appraisals may increase over time, as higher code levels of the Code for Sustainable Homes (CSH) become mandatory in the future. The most recent report, 'Cost Analysis of the Code for Sustainable Homes' (Communities and Local Government) indicates that the additional costs of achieving higher code compliant homes could be significant. Code Level 6 – the highest code level - is scheduled to become mandatory by 2016.
- 4.30 As such, the Council will expect the appraisal and supporting evidence to specify the level of CSH assumed for both market and affordable dwellings and the basis of the costs assumed. Should Council policy specify a particular level of CSH to be achieved for a particular development, the applicant should ensure costs to achieve the relevant level are included within the assessment.

Projected Sales Prices for Dwellings

- 4.31 The supporting evidence should provide a schedule which includes the number, size and type (bedroom numbers and gross internal floorspace) of the market and affordable dwellings to be provided as part of the development.
- 4.32 The development appraisal must set out how much the developer is proposing to sell the completed dwellings for, broken down by dwelling type and the assumptions made as to sales rates for market housing.
- 4.33 The Council will expect the above assumptions to be supported by evidence, which will include a local residential property market report, setting out comparable new build developments in the locality to assist in establishing the base values for the proposed development. Local agents' advice will assist in the process, but will not be adequate in isolation.

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- 4.34 Sales values should be based on current day values and, if predicted to the point of completion, these assumptions must be spelt out clearly and be fully justified.

Affordable Housing Revenues

- 4.35 The supporting evidence should provide details of the tenure mix of the affordable dwellings, which should be in accordance with Policy CP04 of the Adopted Core Strategy which sets an indicative tenure split of 70% social rented and 30% intermediate housing unless indicated otherwise through pre-application discussions. Applicants should provide a breakdown of the number of affordable dwellings, types and size (bedroom numbers and gross internal area).
- 4.36 The applicant should provide within the development appraisal and supporting evidence the value attributable to providing affordable housing, including social rented units, affordable rented units, shared ownership units and any other form of intermediate housing. The Council will require a statement as to the assumptions made regarding target rents and the likely levels of Social Housing Grant, where appropriate.
- 4.37 The Council may seek advice from preferred partner Registered Social Landlord's (RSLs), as to the assumptions made with regards to the value attributed to the various affordable housing types.

Summary

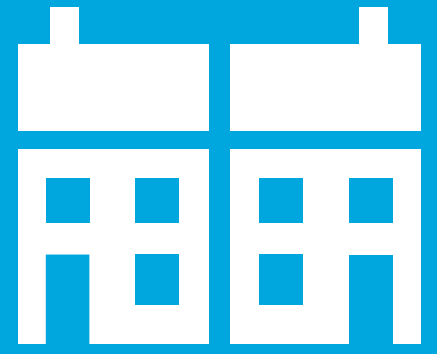
- 4.38 The Council are aware that development viability is a material consideration when considering development proposals, which otherwise comply with planning policy. The Council will expect development proposals to be policy compliant in respect of contributions to infrastructure and other planning gain requirements (including affordable housing), unless a robust and fully justified viability assessment can be presented.
- 4.39 We set out in the final section our conclusions and next steps.

5. Conclusions and Next Steps

- 5.1 The previous section set out the recommended policy wording for inclusion in the Site Allocations and Policies DPD, in order to inform developers / applicants of the requirements of a fully justified and robust viability assessment, when seeking to negotiate WFDC's affordable housing provision / other planning obligations on the grounds of viability.
- 5.2 The previous section set out the key inputs and evidence that must be submitted by a developer at planning application stage in order to challenge WFDC's policy on the grounds of viability. The draft policy wording does not seek to provide an exhaustive list, or prescriptive set of requirements as to the scope and evidence required, but rather seeks to provide clarity to developers on the type of evidence required when preparing and submitting a viability assessment to WFDC.
- 5.3 Where an applicant successfully satisfies the Council that the financial viability of a development would be jeopardised by the full provision of the affordable housing target, taking into account any other planning obligations, we suggest that the Council should take the following action:
- Negotiation of the preferred mix and tenure of dwellings with a view to establishing whether this would enable the 30% target to be met;
 - If the 30% target cannot be met through the negotiation of mix and tenure, the Council should then negotiate over varying the percentage of affordable housing sought;
 - Alternatively, the Council could seek to reduce other planning gain contributions sought, for example infrastructure works, the provision of additional services etc.
- 5.4 If the percentage of affordable housing is agreed at less than the 30% currently sought, the Council may require the Section 106 agreement to include provisions for a review mechanism. For example, if the development is not be carried out in a defined number of years from the date of planning permission, a further consideration of viability should be carried out for the purposes of re-assessing the level of affordable housing provision sought with reference to market conditions current at the time.
- 5.5 We could assist WFDC in determining this approach in the future should this be required.

Appendix A

Other DPDs, SPDs and Planning Policy Documents

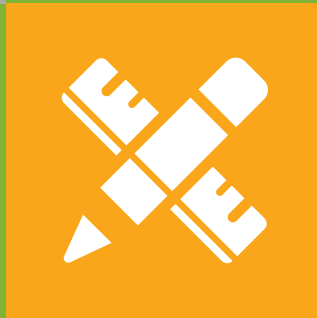
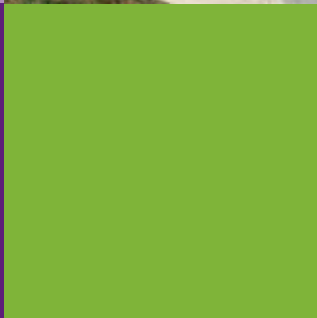
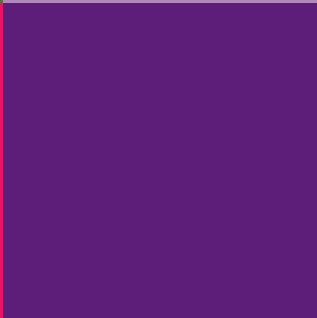


Bath and North East Somerset
Supplementary Planning Document

Planning Obligations



Adopted July 2009



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Executive Summary

The aim of this supplementary planning document (SPD) is to provide clear guidance on the Council's approach to Planning Obligations, otherwise known as Section 106 Agreements or simply Planning Agreements. The policy basis for this SPD is to be found in Government Guidance on Planning Obligations in Circular 05/2005, and the associated Good Practice Guide of June 2006, together with the Council's Policy IMP.1 in the adopted Local Plan 2007.

The SPD provides guidance on Planning Obligations in respect of 5 key policy areas:

- Affordable housing
- Children's services and life-long learning
- Sustainable transport
- Green Space and Play Services
- Sport and Leisure

The SPD sets out the procedure which the Council intends to follow, including pre-application discussions about planning obligations, and describes how the Council will examine the viability of projects if a developer considers that the level of obligations required would render their proposal unviable.

The SPD also explains that the drafting of Section 106 Agreements will usually be undertaken by the Council's legal services team, or by solicitors contracted by the Council to represent them, and in addition to meeting these costs, the Council will also charge an administration fee which varies with the size of the contributions.

The SPD explains how the Council propose to monitor compliance of Section 106 Agreements, and publish an annual monitoring report.

The SPD then deals with each of the 5 topics outlined above, explaining the policy background, and providing links to other Council strategies and documents, which are relevant to that particular topic.

Each section of the SPD then sets out the trigger for obligations in each case, and the Council's expectations in terms of developer provision or contribution. It explains the basis of contribution for each topic, how contributions are to be calculated for specific development proposals, and what exemptions or exceptions, (if any) will apply.

Finally, the SPD contains, by way of illustration, 3 case studies relating to circumstances typically likely to occur in the Bath & North East Somerset area. These comprise a mixed use urban site, a medium sized brownfield site for residential development, and a larger greenfield site for residential development.

1.1 Introduction

- 1.1.1 The aim of this Supplementary Planning Document (SPD) is to provide clear guidance on the Council's approach to Planning Obligations, "S.106 Agreements" or simply "Planning Agreements" as they alternatively are termed. Planning Obligations on developers are used to secure affordable housing and financial contributions to mitigate the impact of new development on social and other infrastructure such as roads and community facilities. The contributions provide finance to assist in the development of infrastructure and facilities where they are needed. The SPD will provide the general public, landowners, developers and other stakeholders with clarity about what planning obligations are, when they will be sought, and how they will be obtained.
- 1.1.2 The SPD is envisaged as a "living document". It will be updated to ensure that it remains relevant and responsive to change, and new topic areas where contributions will be sought will be added during this review process. This Planning Obligations SPD is supplementary to Bath & North East Somerset's Local Plan (adopted in 2007). The first revision of the SPD is now timetabled in the Council's Local Development Scheme, the review will commence in summer 2009 with anticipated adoption date of the revised SPD being 2010 following a period of public consultation.
- 1.1.3 It is important to bear in mind that contributions for items not listed in Part 2 of the SPD may be sought if warranted by the circumstances of a particular development proposal. It is not possible or practical to produce a document that sets out every conceivable situation. The SPD should not therefore be seen as an exhaustive inventory of the Council's requirements, but as a guide to the Council's approach to dealing with matters that normally and generally are the subject of planning obligations. The relevant topic areas in this inaugural version of the SPD are set out below and expanded upon in Part 2 of the document.
- 1.1.4 The SPD has been produced in accordance with National Planning Guidance, Regional Planning Guidance and Local Planning Policy. The document should be read in conjunction with the Bath & North East Somerset Local Plan 2007 having particular regard to Policy IMP.1. The adopted SPD will carry considerable weight as a material consideration in the determination of planning applications.
- 1.1.5 The Draft SPD has been subject to formal public consultation and has been the subject of a sustainability appraisal.

1.2 Planning Policy Context

Legislative Context and National Policy

- 1.2.1 The source of the Council's power to seek planning obligations is s.106 of the Town and Country Planning Act 1990 (as amended). This is where the term "Section 106 Agreement" is derived. It is synonymous with the phrase "Planning Obligations" in planning terms.
- 1.2.2 The government has issued guidance on Planning Obligations in Circular 05/2005 in which it provides detail on how planning obligations should work and when and how they can be sought by Councils. In accordance with Paras B2 and B51 of the Circular, where condition can secure the Council's objectives, they will be preferred to the use of planning obligations.
- 1.2.3 Planning Obligations are used in a series of different ways as set out in Circular 05/2005 at Para B11 to B16.
- To prescribe the nature of development (e.g. by requiring that a given proportion of housing on a site is affordable);
 - To secure a contribution from a developer to compensate for loss or damage created by a development (e.g. loss of open space); or
 - To mitigate the impact of a development (e.g. through increased public transport provision)
- 1.2.4 The use of Planning Obligations has to be appropriate, so knowing when to use them is important. The fundamental principle that has to be adhered to in dealing with planning obligations and their use is that planning permission cannot be bought or sold.
- 1.2.5 Para B5 of the Circular provides a list of 5 tests that a planning obligation should comply with. A Planning Obligation must be:
- i. relevant to planning;
 - ii. necessary to make the proposed development acceptable in planning terms;
 - iii. directly related to the proposed development
 - iv. fairly and reasonably related in scale and kind to the proposed development; and
 - v. reasonable in all other aspects

Part one

Planning Policy Context

- 1.2.6 Planning Obligations can be obtained in a series of ways as follows.
- Site by site basis
 - Use of standard formula/tariff
 - Provision of area based infrastructure, e.g. where developments occur within close proximity to each other and the cumulative effect will result in the requirement a new community facility, the Council may pool contributions from each of the developments to fund improvements in an equitable way, for example the provision of a new school
 - Strategic Infrastructure e.g. new bus link
- 1.2.7 The Circular advises that Planning Obligations can be used as follows:
- To restrict the development or use of the land in a specified way;
 - To require specified operations and activities to be carried out on the land;
 - To require the land to be used in a specified way;
 - To require that a sum or sums to be paid to the authority on a specified date or dates or periodically
- 1.2.8 The Circular also provides important advice on two topics, off-site provision, and pooled contributions.

Off Site Provision

- 1.2.9 On suitable sites provision of affordable housing, open space, Children's Services facilities, community facilities and transport infrastructure and other infrastructure may be provided on-site, subject to agreement by the Council and the developer, i.e. a S.106 Agreement or Planning Obligation. However, in some cases on-site provision may not be appropriate. In these instances the Council may enter into an agreement with the developer for off-site provision of the necessary facilities and/ or infrastructure or seek financial contribution towards off-site provision.

Pooled Contributions

- 1.2.10 For certain smaller scale developments the contributions raised through planning obligations may not be of a level that could contribute significantly towards improvements in an area. However, if considered cumulatively the contributions raised through smaller scale development may be pooled together to allow the Council to make a single improvement to an area. Similarly for larger infrastructure improvements, including strategic infrastructure projects, contributions may also be pooled so that they can be used more cost effectively. It is important to note that the financial contributions pooled will be ring-fenced to contribute towards the programmes and schemes that have been identified in the relevant planning agreements. In the unlikely event that financial contributions secured from developers cannot be spent within the timescale provided for in the agreement, the money will be refunded to the developer.

Part one

Planning Policy Context

Regional Policy

- 1.2.11 The current regional planning policy guidance is RPG 10 which shortly will be superseded by the Regional Spatial Strategy (RSS).

Local Policy

- 1.2.12 The Bath & North East Somerset Local Plan seeks the use of Planning Obligations under Policy IMP.1.

Policy IMP.1:

In determining planning applications, Planning Obligations under section 106 of the Town and Country Planning Act 1990 may be sought:

- i) where a particular form of development is required to comply with policy; or
- ii) to provide compensatory provision for what is lost or damaged as a result of the development; or
- iii) to mitigate an otherwise unacceptable impact of the development on local facilities and infrastructure; or
- iv) to overcome any other identified harm which would make the development otherwise unacceptable.

- 1.2.13 The Community strategy 2004 and Beyond for Bath & North East Somerset has set out improvement ambitions for the district which the SPD has taken into account.

1.3 Scope and Procedure

Scope of the SPD

- 1.3.1 The SPD provides guidance on planning obligations in respect of five key policy areas:
- Affordable Housing
 - Children's Services & Life-long Learning
 - Sustainable Transport
 - Green Space & Play
 - Sport & Leisure
- 1.3.2 The list identifies the areas that have commonly been the subject of planning obligations in relation to various planning permissions granted in Bath and North East Somerset in recent years, or for which adequate evidence now exists to support their inclusion in this SPD. As further work is undertaken to identify other needs arising from development in the Council's area, then the list may be expanded by means of a periodic review of this SPD (see para 1.1.2).
- 1.3.3 A detailed explanation of the approach to each of these five topic areas is provided in Part 2 of this SPD which will outline the circumstances and mechanics of how the planning contributions will be required and negotiated. Apart from affordable housing, where on-site provision is expected except in very exceptional cases, on-site provision of other facilities will be fully taken into account.

Procedure

- 1.3.4 It is essential that developers enter into early discussions with the Council's planning officers during the pre-application stage about planning obligations that may be required for their development by the Council. The nature of planning obligations that are likely to be required for a particular development will be made known to the developer as early as possible in the planning process including contributions based upon this SPD unless the circumstances are exceptional.
- 1.3.5 Officers, in conjunction with statutory consultee's will advise on the planning obligations based upon this SPD as set out in Part Two and where necessary on other matters which need to be the subject of the Section 106 Agreement.

These might include phasing of development, restrictions on use, or other requirements which cannot be covered by planning conditions and matters such as travel plans designed to maximize the use of sustainable transport modes of travel. In addition, where a larger development is to be phased, the Council will consider proposals to phase the contributions in line with the phasing.

Part one

Scope and Procedure

- 1.3.6 As shown in Diagram 1, the Council will expect draft Heads of Terms for a Section 106 Agreement to be submitted with planning applications where relevant. This will help to ensure that formal planning applications can be dealt with in a more informed and efficient manner, and assist interested parties in commenting on the application. It will also avoid unnecessary delays over complex negotiations following a Committee decision to approve the application subject to an obligation.

Case Studies

- 1.3.7 In order to illustrate the operations of this SPD, three case studies are attached in Part Three covering three types of development likely to occur in the district in the next few years.

Viability

- 1.3.8 If a developer considers that the level of obligations required would render their proposal unviable, then the developer will be expected to provide the full financial details of the proposal to the Council, in a financial appraisal submitted and signed by an appropriately qualified and independent financial professional. For the Council to consider an “unviable” argument, it will be essential that the developer shares information substantiating this on an open book basis. The following information will be required:

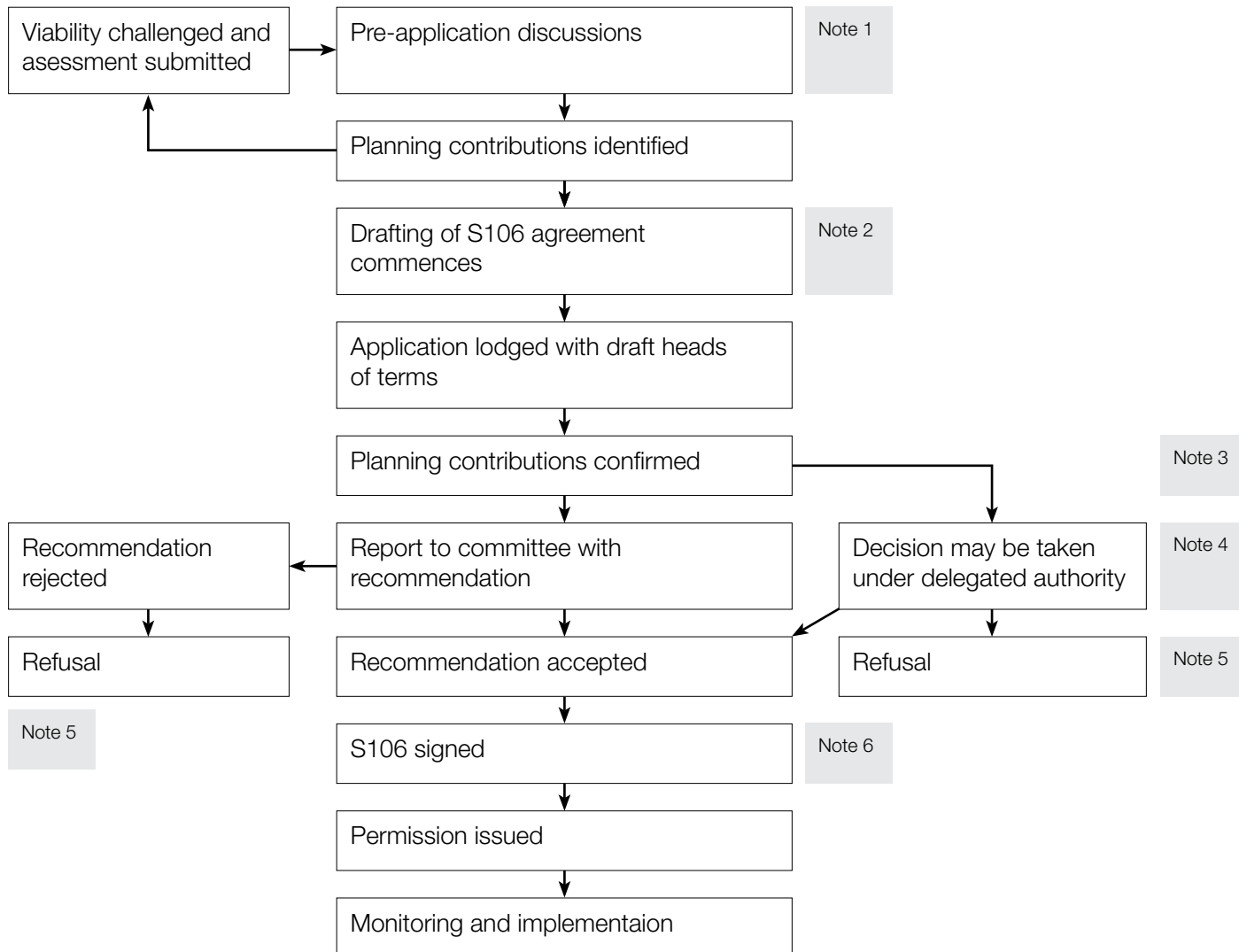
- Site or building acquisition cost and existing use value
- Construction costs and programme
- Fees and other on costs
- Projected sale prices of dwellings
- Gross and net margin
- Other costs and receipts

If there is any disagreement on the financial appraisal the Council will expect the developer to agree to an adjudication by an independent body usually a Fellow or Member of The Royal Institution of Chartered Surveyors and will expect the developer to agree to an adjudication by an independent person, usually a Fellow or Member of the Royal Institution of Chartered Surveyors, with the costs of the adjudication funded by the developer.

The Council will be able to commission an independent chartered surveyor (or suitably qualified and independent financial professional) to interrogate any economic viability assessment provided by a developer. The costs of this work are to be met by the developer.

- 1.3.9 A change in the Council’s standard obligations will be considered as an unusual exception. If this occurs the developer will be required to demonstrate what exceptional circumstances would give rise to the case made. If the Council agrees that a scheme cannot reasonably afford to meet all the normal requirements after going through the above process, then these requirements may be prioritised.

Planning Contribution Process under the SPD



Note 1 – There will be a charge for pre-application discussions on major applications. This ensures that applicants are able to proceed with a clear understanding of what is required from them in order to obtain planning permission, assuming that the scheme is generally compliant with adopted policies and national advice. At this stage the likelihood of the scheme being acceptable in policy terms will be discussed.

Note 2 – Use of a Model Agreement is under consideration.

Note 3 – Or Unilateral Undertaking for small applications.

Note 4 – Where in accordance with the councils delegation scheme.

Note 5 – At this stage applications may be refused on other grounds.

Note 6 – Applicants failing to deliver the necessary agreement or obligation within the statutory time period can expect their application to be refused. Unless an alternative arrangement have been agreed.

Part one

Scope and Procedure

Drafting of Agreements

- 1.3.10 The drafting of Section 106 Agreements will be undertaken by the Council's Legal Services team or by solicitors contracted by the Council to represent them. The developer will be expected to meet the full cost of drawing up the Section 106 Agreement. Where the obligation relates to contributions totalling less than £20,000, or to a simple obligations of a non-monetary kind, the Council may be prepared to accept a Unilateral Undertaking. The Council will advise on this issue as part of pre-application discussions.

Administration Fee

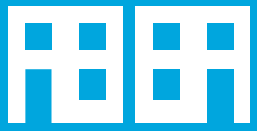
- 1.3.11 In order to meet the costs of the Council in monitoring the agreement an additional fixed rate fee will be levied, dependant on the sum of the contribution to be paid. This additional administration fee will be set as follows:

Table 1.3.1

Contribution	Fixed Administration Fee
£20,000-£250,000	£1000
£251,000-£500,000	£2500
Over £500,000	£5000

Monitoring

- 1.3.12 Compliance with Section 106 Agreements will be monitored by the Council. The Council will normally expect payment on commencement of development, but on larger schemes may be prepared to consider a series of targets tied to milestones, each of which triggers an instalment of the agreed total payment. Monies that are not spent within the agreed timescale and budget provided for in the section 106 agreement will be refunded by the developer.
- 1.3.13 Planning Obligations will be monitored and an annual monitoring report will be prepared and made publicly available.



Affordable Housing



2.1 Affordable Housing

Policy Background

- 2.1.1 The policy justification for requesting planning contributions for affordable housing flows from Planning Policy Statement 1 (PPS1) Delivering Sustainable Development, Planning Policy Statement 3 (PPS3) Delivering Affordable Housing, Bath & North East Somerset Local Plan policies IMP.1 and HG.8. The Council's Supplementary Planning Guidance (2003) on Affordable Housing will be superseded. Further guidance on Affordable Housing can be found in Appendix B.

Trigger for Obligation

- 2.1.2 The Council will seek to secure 35% affordable housing with about a 75/25 percent split between social rent and intermediate housing and without the need for public subsidy before determining applications for planning permission in the following circumstances:
- In Bath, Keynsham, Norton Radstock, Saltford, Peasedown St John and Paulton where permission is sought for 15 dwellings or more or the site has an area of 0.5ha or more; and
 - In settlements where the population is 3000 or below, where permission is sought for 10 dwellings or more or the site has an area of 0.5ha or more.
 - Where the calculations on affordable housing requirement which is not a whole number of units the figure will be rounded up when 0.5 or above and down below 0.5.

The Council will normally expect affordable housing to be provided on site, but in accordance with para B7.60 of the Local Plan, in very exceptional circumstances, the Council will consider provision in other ways (see paragraphs 2.1.5 and 2.1.6).

What will developers have to provide?

- 2.1.3 It is important that developers make early contact with the planning and housing development departments to discuss the affordable housing requirements for the proposed development.
- 2.1.4 The Council will require the developer to provide the following information prior to agreeing the planning contribution in terms of affordable housing to ensure that the proposals comply with current Affordable Housing Policies and Supporting Guidance including the Affordable Housing Companion that sits with this SPD:
- Details of the mix of housing, number of units, type of units (e.g. social rented/intermediate) size of units
 - Details of design layout and construction standards (e.g location of affordable units, phasing of development, compliance with lifetime homes standards)
 - Details on affordability of intermediate housing unit
 - How the affordable housing provision complies with either HG.8, or if relevant HG.9

**Required when not forthcoming under Local Plan policy HG.8*

Part two

Affordable Housing

- 2.1.5 In situations where on-site provision is not proposed the developer will need to provide the following:
- sound and detailed reasons why affordable housing cannot be provided on-site and/or
 - sound and detailed reasons why affordable housing cannot be provided off-site in the vicinity of the proposal, and
 - show how off-site provision or a commuted sum contribute to the creation of mixed communities in the local authority area

Off-site

- 2.1.6 Where the Council accepts that off-site provision is appropriate, the tables below show the basis of calculating the off-site elements of affordable housing contributions

Formula for calculating the number of affordable units where off-site provision is agreed:

For schemes where 35% affordable housing is expected the following formula can be used to calculate the number of off site affordable units expected:

Table 2.1.1

$$B = \frac{A \times 35}{65}$$

Where

B = No of affordable homes required off site

A = No of market homes provided on applicants site

For example, site for 100 units, all of which will be market housing

$$B = \frac{100 \times 35}{65} = 53.8$$

Therefore, in this example, the number of off-site dwellings needed are 54 (after rounding to nearest whole number) i.e. 35% of the combined total of 154 units

Commuted Sum Formula

In very exceptional cases where the Council accepts neither on-site or off-site can be provided following formula should be used:

Step 1

Calculate the number of off-site affordable housing units in line with table 1.[LE1]

Step 2

Take the supportable deficit, the amount payable by the Affordable Housing Provider (AHP), away from the full market value of the market houses as if provided on site

For example:

Step 1 100 unit residential application, all of which to be market housing – calculations from table 2.1.1 above prove that 54 affordable homes are justified as off site contribution.

Step 2 Total Notional Market value of 54 properties = £ 10,800,000

(assuming MV of £200,000 per unit)

Less notional price payable by AHP = £ 3,800,000

Therefore the commuted sum = £ 7m

To summarize the comparison of developer contributions between an off-site or commuted sum (CS) approach and on site provision (OS):

	CS	OS
MV of private units	£20M	£13M
No. affordable units	54	35
OMV of affordable	£10.8M	£7M
Price paid for AH	£3.8M	£2.5M
Developer contribution	£7M	£4.5M

assuming MV of £200,00 per unit

The formula for Step 2 is as follows:

Table 2.1.2

$$CS = MV - SD$$

Where,

CS = Commuted Sum

MV = Market Value of affordable housing with vacant possession/no restrictions

SD = Supportable Deficit (amount payable without the need for grant by a (RSL or AHP)

Guide to Supportable Deficit Figures

- 2.1.7 The Council does not prescribe what amount RSLs or AHPs should pay developers for affordable housing contributions, provided it is delivered on a grant free basis with all the outputs of Policy HG.8 and this SPD fully met. However to calculate commuted sum contributions the Council has given below supportable deficit figures that are to be used for the sole purpose of calculating these sums. They are:

Social Rent Units (to be updated annually)

Table 2.1.3

Unit	AH- social rent supportable deficit 2008/9
1 bed flat 46m2	£51,248
2 bed flat 61m2	£63,379
2 bed house 76m2	£68,832
3 bed house 86m2	£80,663
4 bed house 110m2	£90,342

Intermediate Housing Units:

- 2.1.8 In order to achieve affordability, an AHP could realistically pay the developer a maximum of 40% of the market value for the intermediate units. In higher value areas of the district, this figure may be as low as 30%. This figure would become the supportable deficit for intermediate housing in terms of commuted sum calculations. Developers are recommended to discuss this with the housing development team at as early a stage as possible.



Children's Services & Life-long Learning



2.2 Children's Service & Life-long Learning

Policy Background

- 2.2.1 The policy justification for requesting planning contributions for Children's Service flows down from the Schools White Paper: Higher Standards, Better Schools for all and 14-19 education and Skills White Paper at national/regional level and the Bath & North East Somerset Local Plan Policies IMP.1 and CF.3. The latter also applies to Life-long Learning.

Trigger for Obligation – Children's Service

- 2.2.2 The trigger for Children's Service can fall into two categories as follows:
- The extension or upgrading of existing off-site facilities where a housing development results in a single school or group of school's capacity being exceeded or in a shortfall in Early Years provision, Special Educational Needs (SEN) facilities and Youth Services provision.
 - The provision of new facilities where the impact of a new housing development requires this.
- 2.2.3 The type of provision required will range from:

Primary and Secondary School Provision

Where additional capacity is required in the school or schools that serve the area of the development. The determination of whether or not there is sufficient capacity in the school or schools in the area of the development will usually be done with reference to the Net Capacity Figures as reported to the Department for Children Schools and Families (DCSF) in the annual Surplus Places Return and to the school census, which records number of children on roll (NOR). Calculations will be based on published current and projected school population figures. These figures are available on the Bath and North East Somerset Council website via the following link: <http://www.bathnes.gov.uk/BathNES/educationandlearning/childrensservices/Births+and+Pupil+Projection+Data+htm>

Post 16 Provision

Where additional capacity is required in the school or schools that serve the area of the development. The determination of whether or not there is sufficient capacity in the school or schools in the area of the development will usually be done with reference to the Net Capacity Figures as reported to the Department for Children Schools and Families (DCSF) in the annual Surplus Places Return and to the annual school census, which records number of children on roll (NOR). The number of Post 16 pupils is based on the current 'staying on rate' – currently 60% of pupils who have completed their secondary school education stay on to access Post 16 education in Bath and North East Somerset schools.

Calculations will be based on published current and projected school population figures. These figures are available on the Bath and North East Somerset Council website via the following link: <http://www.bathnes.gov.uk/BathNES/educationandlearning/childrensservices/Births+and+Pupil+Projection+Data+htm>

Early Years Provision

Where additional provision is required in the area of the development. The determination of whether or not there is sufficient Early Years provision in the area of the development will be done via reference to the Bath and North East Somerset Childcare Sufficiency Report and an assessment of the impact of the development on existing capacity. The 2006 Childcare Act states that Local Authorities have a statutory obligation to ensure that they have a strategy in place for the provision of childcare sufficient to meet the needs of parents who require childcare in order to work or to undertake training to obtain work. If capacity is exceeded then the Council in its role of market facilitator and commissioner will require resources to stimulate the market and provide additional capacity. Calculations will be based on national take up rates for Early Years services - currently 20% of children aged 0 - 2 and 95% of children aged 3 -4 take up Early Years services.

SEN Provision

As existing special school provision in Bath and North East Somerset is sufficient to meet the needs of the current population only and as provision is widespread across B&NES and not specific to one location, this contribution applies to every new dwelling that generates primary, secondary or post 16 pupils.

Calculations will be based on the percentage of pupils in B&NES who have Special Educational Needs (SEN) - currently 2.12% - and the percentage of these pupils requiring special school provision - approximately 39%. The remaining 61% of pupils with SEN will be educated in mainstream schools. The percentage of SEN pupils will be reviewed annually.

Youth Services Provision

As existing provision in Bath and North East Somerset is sufficient to meet the needs of the current population only, this contribution applies to all new houses of 2 beds or more. This contribution covers the 13-19 age group and will support the work of the Youth Service via Youth Centre provision and activities, equipment, mobile provision and Detached Youth Workers in the area of the development.

What developers will have to provide

- 2.2.4 Where an existing off-site primary, secondary or post 16 (16+) school is to be extended or upgraded, the relevant DCSF cost per place multiplier and Location Factor will be used to calculate a contribution. Where the development creates a requirement for a new on-site school, the developer will be expected to pay the full cost of construction, including design fees and charges and provide the site free of charge, as the DCSF multiplier is based only on the average new build costs and extension costs and not the full cost of building new whole schools. This would also apply in the case of significant more substantial extensions to existing schools. The accommodation requirements will be calculated by reference to the maximum DCSF guidelines as outlined in Building Bulletin 98 and Building Bulletin 99. The specification will also need to meet the needs of the Government's Extended School and Services agenda, comply with current Council design, build and space requirements, meet best practice for the type of school and Government advice on design and environmental issues. This would also apply if it was agreed that the developer could provide the additional accommodation in kind rather than make a financial contribution.

Part two

Children's Services & Life-long Learning

- 2.2.5 Where an existing off-site Early Years facility is to be extended or upgraded, the Early Years cost per place multiplier will be used to calculate a contribution. Where the development creates a requirement for a new on-site Early Years facility the developer will be expected to pay the full cost of construction, including design fees and charges and provide the site free of charge. The accommodation requirements will be calculated by reference to Building Bulletin 99 and to the Sure Start Guidance. The specification will also need to comply with current Council design, build and space requirements, meet best practice for the type of facility and Government advice on design and environmental issues. This would also apply if it was agreed that the developer could provide the additional accommodation in kind rather than make a financial contribution.
- 2.2.6 Where an existing off-site special school is to be extended or upgraded, the SEN cost per place multiplier will be used to calculate a contribution.
- 2.2.7 Where Youth Services provision is to be extended or upgraded, the Youth Services cost per place multiplier will be used to calculate a contribution.
- 2.2.8 A formula is set out for the calculation and the following paragraphs and tables provide a breakdown of the expected planning obligations costs the developer will in most cases have to meet. The elements in the formulae below will be subject to annual review in line with government guidance and where new or updated information becomes available from relevant government or Council departments that update current use values or cost indicators, the Council will make amendments to levels of contribution on this basis.
- 2.2.9 The DCSF cost per place multiplier is the assessment made by the government of the cost of building a primary, secondary and post 16 school place. The DCSF also issue a Location Factor for each Local Authority which is derived from the Building Cost Information Service (BCIS) run by the Royal Institute of Chartered Surveyors (RICS). This Location Factor is applied to the primary, secondary and post 16 cost per place multipliers to arrive at the cost of providing a primary, secondary and post 16 school place in Bath and North East Somerset. The cost per place multiplier and Location Factor will be reviewed annually and may be updated at the start of each new financial year.
- The cost per place multiplier for Early Years provision is derived from the cost of actual recent projects delivered in support of the National Childcare Strategy in Bath and North East Somerset.
- 2.2.10 The cost per place multiplier for special school provision is based on per pupil space requirements and recent build costs in Bath and North East Somerset. Building Bulletin 77 issued by the DCSF, provides guidance on the provision of special schools and SEN space. This guidance identifies an average space requirement per SEN pupil as 34m². Recent average build costs in Bath and North East Somerset are in excess of £2,300 per m² giving an indicative build cost of £78,200 per place.
- 2.2.11 The cost per place multiplier for Youth Services is based on actual costs of current provision in Bath and North East Somerset.

Part two

Children's Services & Life-long Learning

Table 2.2.1

The 2008-2009 DCSF cost per place multipliers are those currently being used and are as follows:

Primary School per place	£12,257.00
Secondary School per place	£18,469.00
Post 16 per place	£20,030.00

The current 2009-2010 DCSF Location Factor for Bath and North East Somerset is as follows:

Location Factor	1.06
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Therefore the current DCSF cost per place multipliers (including Location Factor) that will be used when calculating contributions are as follows:

Primary School per place	£12,992.42
Secondary School per place	£19,577.14
Post 16 per place	£21,231.80

- 2.2.12 The other cost per place multipliers that will be used when calculating contributions are as follows:

Table 2.2.2

Early Years per place	£18,739.60
SEN per place	£78,200.00
Youth Services per place	£1,334.00

- 2.2.13 The Council will be notified of the proposed mix of dwellings in the development and the following formula based on type of dwellings and number of bedrooms will be used to calculate the contribution:

Part two
Children's Services & Life-long Learning

Table 2.2.3

	Number of Bedrooms					
	Flats		Houses			
	2	3+	2	3	4	5+
All Early Years children age 0-2 per 100 dwellings	7.2	10.8	14.4	21.6	23.4	19.2
Early Years Children age 0-2 per 100 dwellings 20% take up rate	1.44	2.16	2.88	4.32	4.68	3.84
All Early Years children age 3-4 per 100 dwellings	4.8	7.2	9.6	14.4	15.6	12.8
Early Years children age 3-4 per 100 dwellings 95% take up rate	4.56	6.84	9.12	13.68	14.82	12.16
All Primary pupils per 100 dwellings	4	30	9	30	46	65
Primary pupils per 100 dwellings minus Special School pupils	3.96	29.75	8.92	29.75	45.61	64.46
All Secondary pupils per 100 dwellings	0	0	3	14	27	46
Secondary pupils per 100 dwellings minus Special School pupils	0	0	2.97	13.88	26.77	45.61
All Post 16 pupils age 17-18 per 100 dwellings	0	0	1.66	5	16.66	13.33
All Post 16 pupils per 100 dwellings 60% stay on rate	0	0	1	3	10	8
Post 16 pupils per 100 dwellings 60% stay on rate minus Special School pupils	0	0	0.99	2.97	9.91	7.93

Part two

Children's Services & Life-long Learning

Table 2.2.3 (continued)

	Number of Bedrooms					
	Flats		Houses			
	2	3+	2	3	4	5+
Youth Services per 100 dwellings	0	0	15	15	15	15
Special School pupils Primary per 100 dwellings	0.0330	0.2480	0.0744	0.2480	0.3803	0.5374
Special School pupils Secondary per 100 dwellings	0	0	0.0248	0.1157	0.2232	0.3803
Special School pupils Post 16 per 100 dwellings	0	0	0.0082	0.0248	0.0826	0.0661

2.2.14 Where the precise housing mix is not known the following will apply:

- early years children age 0-2: 4 places per 100 dwellings of 2 bedrooms or more
- early years children age 3-4: 11 places per 100 dwellings of 2 bedrooms or more
- primary school pupils: 31 places per 100 dwellings of 2 bedrooms or more
- secondary school pupils: 15 places per 100 dwellings of 2 bedrooms or more
- post 16 pupils: 4 places per 100 dwellings of 2 bedrooms or more
- 13-19 year olds: 10 places per 100 dwellings of 2 bedrooms or more
- primary SEN pupils: 0.25 places per 100 dwellings of 2 bedrooms or more
- secondary SEN pupils: 0.13 places per 100 dwellings of 2 bedrooms or more
- post 16 SEN pupils: 0.03 places per 100 dwellings of 2 bedrooms or more.

Bed sits, temporary housing and any dwellings designated for restricted use such as student accommodation, sheltered housing for the elderly or adults with learning difficulties etc. would not be expected to contribute as the number of children generated would be marginal or nil. All other new dwellings of 2 bedrooms or more will be included in the calculations.

2.2.15 There is no threshold for contributions and contributions could be sought for any number of dwellings of 2 beds or more from 3 upwards.

2.2.16 When calculating a contribution, the impact of any proposed or previously approved housing developments not yet built will be taken into account.

Part two

Children's Services & Life-long Learning

Contribution Calculations

The following table shows the contribution per dwelling in £:

Table 2.2.4

	Number of Bedrooms					
	Flats		Houses			
	2	3+	2	3	4	5+
Early Years (age 0-2) per dwelling	269.85	404.77	539.70	809.55	877.01	719.60
Early Years (age 3-4) per dwelling	854.52	1,281.78	1,709.05	2,563.57	2,777.20	2,278.73
Primary per dwelling	514.50	3,865.24	1,158.92	3,865.24	5,925.84	8,374.91
Secondary per dwelling	0	0	581.44	2,717.31	5,240.80	8,929.13
Post 16 per dwelling	0	0	210.19	630.58	2,104.07	1,683.68
Youth per dwelling	0	0	200.10	200.10	200.10	200.10
Special School Primary per dwelling	25.86	193.97	58.19	193.97	297.42	420.26
Special School Secondary per dwelling	0	0	19.40	90.52	174.57	297.42
Special School Post 16 per dwelling	0	0	6.47	19.40	64.66	51.72

Payment of Contributions

- 2.2.18 As the Council is responsible for providing the additional Children's Service infrastructure at a rate which matches the increase in demand from the proposed housing development, any contribution will normally be paid in full on commencement of the development. Where it is reasonable for the developer to ask for a phased payment arrangement, the Council will require all outstanding sums of money to be bonded and the phased payments made at the completion of agreed percentages of properties. All capital sums will be indexed from signature of the Section 106 agreement up to the payment date using the RICS BCIS All-In Tender Price Index. Revenue sums will be indexed using the RPI.

Life-long Learning

Trigger for Obligation

2.2.19 The trigger for life-long learning contributions will be new housing which will carry a minimum standard cost of £90 per person for a contribution towards libraries.

2.2.20 The type of provision required will range from:

- 216 additional books per 1000 population
- 10,000 population - work stations must exceed or equal 6
- static library requirement to households - 100% within 2 miles or 88% within one mile
- 128 annual hours the aggregate opening hours per 1000populations

What will developers have to provide?

2.2.21 The MLA (Museums, Libraries and Archives) Council have been consulting on a National Public Library Tariff, so that library authorities can be consistent in their approach to developers.

This National Tariff recommends that local planning and library authorities adopt a minimum tariff of £90 per person in new housing, for negotiation with developers. This is made up as follows;

- a minimum standard of 30 sq meters of new library space per 1,000 population
- a construction and initial equipment cost of £2,987 per sq meter.

This gives a cost of $(30 \times £2,987) = £89,610$ per 1,000 people or £89.61 per person (rounded to £90). For a new household with an average size of 2.4 persons, the tariff would therefore be £216.

Table 2.2.5

Type of Dwelling	Occupancy
1 bedroom	2 persons
2 bedroom	2 persons
3 bedroom	3 persons
4 bedroom	3 persons
5 or more bedrooms	4 persons

Part two

Children's Services & Life-long Learning

Contribution Calculations

- in the case of libraries the tariff should Apply to all new housing sites from one new unit upwards
- apply to sites for affordable or local needs housing, student halls of residence, and residential homes and sheltered housing, the residents of which will also make use of public libraries
- allow for pooled contributions, so that contributions from a number of small sites can be assembled together for meaningful enhancements to library provision in the appropriate catchment.
- be updated annually to reflect building and equipment cost inflation
- form part of any Supplementary Planning Document, produced as part of the local development framework, by the authority.



Transport



2.3 Transport

Policy Background

- 2.3.1 The policy justification for requesting planning contributions in respect of Transport flows from PPG13 on Transport and the Bath & North Somerset Local Plan policies IMP.1, T.24 and the Bath & North East Somerset Joint Local Transport Plan (JLTP).
- 2.3.2 The district suffers from traffic congestion and there is a need to ensure that further development does not result in further congestion and an overloading of the highway and transport network. Therefore contributions are anticipated to feed into the objectives of the JLTP which includes the Greater Bristol Bus Network, Bath Public Transport Package, CIVITAS project and the A36 Rossiter Road traffic management and environmental scheme. The aim is to reduce reliance on the vehicular car and promoting other forms of transport to provide sustainable transport.

Trigger for Obligation

- 2.3.3 The Council will seek planning contributions to any improvements to the transport system necessary due to any impact created by the proposed development.

Three categories have been identified;

1. Access and local works.
2. On-site works, services or incentives.
3. Strategic highway and transport works

Each of these are considered in detail below.

Access and Local Works

- 2.3.4 All development, irrespective of size, must be capable of being accessed safely by vehicles, including public transport, pedestrians, cyclists and people with disabilities. To achieve this, the developer may need to carry out and/or fund on and off site works. The type of works secured under this heading may include:
- new junction/site access works for all modes;
 - works for cycle, pedestrian and disabled facilities close to the site that provide a route for cyclists, pedestrians and the disabled into the site;
 - traffic calming close to the site if there is a risk of the development generating unsuitable traffic on residential roads close by;
 - improvements to bus services and/or bus/rail infrastructure; (see table 2.3.2 for further details)
 - parking controls in nearby streets where there is a risk of overspill parking from the development.

- individualised marketing projects to promote sustainable travel
- commuted sums for maintenance of structures, drainage systems, traffic signals and enhanced paving materials.
- environmental improvements for the benefit of pedestrians

Mitigation measures for developments which would result in a material impact on the capacity of the Strategic Road Network would need to be fully funded by the developer.

Onsite works, services or incentives

- 2.3.4 Onsite works, services and incentives required to encourage occupants of residential development to use more sustainable modes of travel to access local services may also be sought by planning condition and/or as part of a Section 106 Agreement. Measures to encourage visitors, employees and customers of non residential development to travel by a means other than private car may also be sought as part of Section 106.
- 2.3.5 The type of works secured under this heading may include, on site cycle, pedestrian, disabled and public transport facilities travel plans (for employment/retail/educational developments, which may include things such as car sharing, free bus passes, interest free loans for cycle/bus pass purchase. Lockers showers, provision of travel information, car park charging amongst other things) provision of travel information, cycles and free bus passes (in residential development)

Strategic Highway and Transport Works

- 2.3.6 As more development occurs within Bath & North East Somerset, there is increased pressure for travel. To meet JLTP targets this increased demand for travel must be accommodated whilst the increase in vehicles traveling around the highway network in Bath and North East Somerset must be limited. This will only be achieved by ensuring there is a shift from car use to more sustainable modes of travel. This will only happen if the alternatives are available, safe, comfortable, convenient and affordable when compared to the car and have journey times comparable with or quicker than the car.
- 2.3.7 For development to be accommodated without prejudicing these targets, it should minimise any increase in vehicular traffic by ensuring that those travelling to and from it can do so using more sustainable transport modes than the private car. Development should also contribute towards removing vehicular traffic already on the network to compensate for increases resulting from the development eg by contributing towards Park and Ride facilities.

- 2.3.8 Contributions will therefore be sought in relation to development which adds 20 trips per day or more to the highway and transport network towards works and/or services to:
- ensure that visitors to and occupiers of a site have available to them and are encouraged to use sustainable modes of travel.
 - encourage a modal shift to more sustainable modes of travel along transport corridors into town and city centre's to ensure that the additional motorised vehicular traffic from the development can be accommodated without an unacceptable increase in congestion, delays to public transport or reduced safety to any road user.
 - improve access by walking and cycling to local primary and secondary schools.
 - improve access by public transport to local hospitals and other amenities
 - improve the pedestrian environment in city and town centre's
 - promote walking and cycling by providing a network of pedestrian and cycle routes, including recreational routes.
- 2.3.9 The works which a contribution is to fund will be specified for each development to ensure that they pass the tests of Circular 05/2005. The works will be schemes required to achieve the objectives of the JLTP by improving the quality, safety provision and reliability and ease of use of sustainable modes of travel along that corridor and the safety of all modes of transport.
- 2.3.10 The works will be based on strategies and action plans included in the JLTP, but not anticipated to be fully funded through the Capital Programme and works to achieve these strategies may include:
- bus facilities including bus priority measures, junction improvements, improvements to bus stops, the provision of real time information.
 - funding of bus services
 - improvements to rail stations
 - park and ride (facilities and/or services)
 - cycle facilities
 - pedestrian facilities
 - disabled facilities
 - traffic management (eg provision of variable message or other signing, traffic calming and speed management, traffic regulation orders)
 - on street parking controls
 - car clubs
 - off street public car parks in urban centre's
 - improvements to the pedestrian environment in town and city centres.

What developers will be expected to provide?

- 2.3.11 The developer will be expected to provide a contribution in instances where the threshold for transport contributions is triggered as outlined above. The Council will expect this matter to be dealt with in the developer's Transport Assessment carried out in accordance with DfT *Guidance on Transport Assessment* March 2007.
- 2.3.12 The contribution that would be required from the developer would be calculated by multiplying the contribution rate per trip by the maximum number of trips per day and then applying a discount depending on the location of the site and the existing level of accessibility by public transport or by walking as represented by the following formula.
- Contribution = t x n x d
 - Where t = contribution per trip
 - n = number of trips per day
 - [LE3]d = discount, to be assessed on the basis of the applicants transport assessment

Calculation of Developer Contribution

- 3.2.13 The calculation of developer contribution will be as follows:
- i. Estimated Funding Gap at 31st July 2008 (see Table 2.3.1 below). The funding gap represents the difference between the estimated cost of the projects listed and the public funds already secured or anticipated.
£6,297,000
 - ii. Forecast at 31st July 2008 of development not previously subject to legal agreements but expected to be implemented between 2008 and 2011.

1032 units	Dwellings
9400 sqm	B1
21150 sqm	B2
0 sqm	B8
2000 sqm	Food Retail
0 sqm	Non-Food Retail
 - iii. Approximate multi-modal daily trip rates by development type

7.0	per unit dwellings
18.7	per 100 sqm gfaB1
7.5	per 100 sqm gfaB2
9.4	per 100 sqm gfaB8
96*	per 100sqm gfa Food Retail
51*	per 100sqm gfa Non-Food Retail

*variable, to be negotiated on site by site basis

iv. Estimate at 31st July 2008 of the total number of daily trips generated by forecast development:

= 12488

Developer contribution towards funding gap required per trip at 31st July 2008

£504-24

Table 2.3.1

List of Transport Schemes	Total Funding Gap @ 31/07/08 Received @ 31/07/08	Private Sector Contribution Gap @ 31/07/08	Resultant Funding	Stage of Implementation
GREATER BRISTOL BUS NETWORK	£479k	£221k	£258k	DfT Programme Entry
A4 Bristol to Bath Corridor 4				Design Stage
A37 Bristol – Norton Radstock Corridor 6				
A367 Bath – Norton Radstock Corridor 10				
BATH PACKAGE	£6828k	£1989k	£4839k	DfT Programme Entry
BRT Routes				Design Stage
New & Expanded Park and Ride				
Showcase Bus Routes				
Pedestrian and Pedestrian Safety – High St and Grand Parade				
Lorry Management – Loading Restrictions Bath City Centre				
Information Systems – Driver Variable Message Signs				
– Real Time Passenger Information				
A 36 Rossiter Road/Claverton St including Bridge Widening	£1200k		£1200k	Design stage
Total Sum	£8507k	£2210k	£6297k	

Table 2.3.2 below gives further information regarding the Council's requirements for Public Transport and Infrastructure provision:

Table 2.3.2

Criteria for Public Transport Bus Service and Infrastructure Provision

4 buses per hour 0700-1900 Mondays to Saturdays to the main locally accepted centres of employment, shopping, medical and leisure purposes.

Appropriate services to any locally accepted subsidiary employment, shopping, medical or leisure centres.

A feeder service to the appropriate local rail station.

Services providing a direct and convenient link between all parts of the development and any local shops, schools, medical centres and leisure facilities.

Bus stop within 400m maximum walking distance of entrance to furthest building for occupation within development.

Bus stop, with lay-bys where appropriate, shall be provided with high quality bus stop furniture including shelters, stop posts with plates and timetable information displays.

Footpaths shall provide a direct, convenient and safe pedestrianised route to any bus stops. Direct routes shall be provided between neighbourhood areas for buses, with bus gates where required.

Minimum bus requirement = Optare Solo, or equivalent and Euro IV compliance.

Public transport service levels shall be provided by either:

- A free-standing service
- A diversion of an existing service
- Reinforcement of the frequency
- A combination of the above

Highways on the development shall be of sufficient width to accommodate buses without undue difficulty and turning circles shall be provided for buses where appropriate.



Green Space & Play Services



2.4 Green Space & Play Services

Policy Background

- 2.4.1 The policy justification for requesting planning contributions in respect of Green Space and play services flows from PPS1 Sustainable Development, Planning Policy Guidance (PPG) 17 Planning for Open Space, Sport and Recreation down to the Bath and North East Somerset Adopted Local Plan Policies IMP.1 and CF.3 and SR.3 and the Council's Green Space Strategy (2007).
- 2.4.2 The Council's Green Space Strategy identifies the types of provision where existing facilities are inadequate to meet increased demand created by new development.

Trigger for the Obligation

- 2.4.3 The Council will seek planning contributions where development would create a demand for additional green space and/or places additional pressure on existing facilities. The trigger will in general be activated by residential development. However, it is recognised that other proposals such as commercial development (for example, offices, retail or tourism proposals) could trigger the need for planning contributions towards the provision of Green Space. Contributions will be reviewed on a case by case basis for non-residential development and will take account of provision of open space or improvements to the public realm that form part of any development proposal.

What developers will be expected to provide?

- 2.4.4 There are three categories of Green Space for which contributions may be sought as follows:-
- Formal Green Space (including Doorstep Green Spaces, Local Green Spaces, Neighbourhood Formal Green Spaces, District Formal Green Spaces)
 - Natural Green Spaces (including Neighbourhood Natural Green Spaces, District Natural Spaces)
 - Allotments
- 2.4.5 All development attracting green space planning obligations will create additional potential demand for use of green space set out above. Where the council is taking financial contributions towards green space provision to meet the local standards, the commuted sums will be directed towards providing the full range of facilities in the hierarchy. However, in the case of the provision on site by developers, there will be very few circumstances where the full range of facilities can be achieved within the application site given the size and scale of Neighbourhood and District Green Spaces. The council will, therefore, in cases where only doorstep or local green spaces are provided on site, require an additional contribution from the developer to enhance the facilities of the neighborhood and district formal green spaces. This contribution will be equal to 50% of the normal off site contribution for enhancement as shown in Table 2.4.4.

Part two

Green Space & Play Services

2.4.6 The calculation is based on local standards of provision as follows:

Table 2.4.1

Quantity Standards for the Provision of Green Space

Type	Quantity
Formal Green Space	a minimum of 15 sq. m per person
Natural Green Space	a minimum of 15 sq. m per person
Allotments	a minimum of 3 sq. m per person with a minimum site size of 1,500 sq. m / 10 plots*

*Refers to minimum allotment sites to be adopted by the Council. Other management arrangements may apply for smaller sites.

2.4.7 Generally, on site provision will be required where the size, topography and other characteristics of the application site makes this feasible. On site green space should be an integral part of the development's design concept and should fully take account of, for example, considerations relating to access, orientation, topography, biodiversity and the character of the locality.

2.4.8 Where green space is provided by the developer, it must be maintained to the satisfaction of the Council for a period of no less than 12 months. In some cases this period may be extended (e.g. if remedial works required prior to transfer are not completed within an agreed timescale). Developers will then be required to demonstrate to the Council's satisfaction that the green space will be permanently maintained and managed (e.g. through a management company) or dedicate the green space and any associated facilities (e.g. changing facilities, play equipment, landscaping) to either the District or Parish Council and to make a capital commuted contribution to cover their maintenance over a 10 year period.

2.4.9 The commuted sums used by the Council represent the cost of maintaining the different types of open space per annum and will be revised annually. The current rates (2008/09[GB4]) are as follows.

Table 2.4.2

Annual Maintenance Costs (on & off site)

Type	(£/sq.m)
Formal Green Space	58.33
Natural Green Space	16.48
Allotments	13.75

Part two

Green Space & Play Services

- 2.4.10 In cases where a proportion of the required green space is to be provided on site with the rest off-site, there will be a need for a similar level of financial contribution towards annual maintenance, but also a contribution to pay for the capital costs of construction. The current rates for the construction costs (2008/09) are as follows:

Table 2.4.3

Off-site Green Space – Construction costs

Type	Cost of Provision (£/sq.m)
Formal Green Space	36.23
Natural Green Space	6.65
Allotments	7.99

- 2.4.11 NB -these rates do not include land purchase which would be an additional cost to be added. These rates include a 6% supervision fee.

Alternatively it may be that offsite provision can be made (at least in part) through enhancement of existing facilities rather than new construction. The current rates (2008/09) for off-site enhancement are as follows.

Table 2.4.4

Off-site Green Space – Cost of enhancement of existing facilities

Type	Cost (£/sq.m)
Formal Green Space	47.29
Natural Green Space	11.56
Allotments	10.84

- 2.4.12 This is a combined cost which includes both capital and maintenance elements. The capital element includes a 6% supervision fee to cover the costs to the Council of supervising/ inspecting/monitoring the laying-out, maintaining and transfer of the green spaces to the Council. If the quantity of land dedicated by the developer to the Council is greater than the minimum local standards, then the commuted sums to cover maintenance will relate to the total land area not just that required by the standards. In all cases the calculation is to be based on the anticipated net increase in population based on the following Local Plan occupancy rates.

Table 4.2.5

Residential Development

Type of Dwelling	Occupancy
1 bedroom	2 persons
2 bedroom	2 persons
3 bedroom	3 persons
4 bedroom	3 persons
5 or more bedrooms	4 persons

Commercial Development

10% total no. of occupiers

Play Services

Introduction

2.4.13 Bath & North East Somerset Council is a Play Pathfinder Authority and as such is testing a variety of innovative approaches to supporting and creating play spaces for their local communities.

Financial contribution are to be sought from developers towards Play Services which include:

- Community Play Rangers
- Holiday Play Schemes
- Community Play Projects

2.4.14 Contributions to play services is a key element of delivering quality of play for children (ages 5 – 16 years) will be sought from developers and/or landowners regardless of the size of the development due to the flexible nature of how play services can be delivered by Community Play Rangers, holiday play schemes and community play projects.

Policy Background

2.4.15 A key objective of PPG17 is to “promote better use of open spaces”, to this end, the Bath & North East Somerset Council recognises the key role of Play Services in enhancing the quality of the play experience and the use of existing and planned spaces.

2.4.16 Circular 05/2005 also provides justification for contributions to be sought for Play Services. This approach supports the objectives of the Play Strategy published in December 2008 by the Department of Children, Schools and Families.

Part two

Green Space & Play Services

- 2.4.17 The contribution to play services is sought on the basis of the mitigation of impact on the Play Service which contributes to quality of use of the open spaces and is fairly and reasonably related to the scale of development.

Trigger for Obligation

- 2.4.18 A contribution to play provision should be sought from developers of residential schemes who like to accommodate children and young people, regardless of the size of development due to the flexible nature of how play services can be delivered.
- 2.4.19 Where families and children do not find adequate places to play near their homes they will travel, frequently by car, to neighbouring areas that offer opportunities for play. A primary objective of sustainable communities must be to encourage people to access services within walking distance of their homes. Barriers to movement such as busy roads and rail lines can limit the catchment area of play provision and mean that children and young people do not have access to facilities within reasonable distance from their homes.

What developers will be expected to provide

- 2.4.20 Developers will be expected to contribute to Play Services in respect of children of primary and secondary school age.
- 2.4.21 Where there contributions towards play are too small to develop play services that stand alone and cater for the specific area of the development they will be used to enhance play services nearby. For example additional time for Community Play Rangers working in the vicinity to develop play sessions in an open space that is accessible on foot to families and children from the new development.

In calculating how much planning contribution is made available for play, the likely child yield in the primary and secondary age groups will be assessed using the methodology explained in the Education chapter of this SPD.

Cost of Community Play Ranger Scheme

Cost per annum of Community Play Ranger Scheme	£30,000
Number of Children served	£ 382
Cost Per Child	£78.53
Example calculation:	
Child yield from dwelling of 2 bedrooms or more	0.54
Cost per unit	£42.41
Commuted sum at factor of 10 years = £424 per unit.	



Sport & Recreation



2.5 Sport & Recreation

Policy Background

- 2.5.1 The policy justification for requesting planning contributions in respect of Sport & Leisure flows from PPS17 Planning for Open Space, Sport and Recreation down to the Bath and North East Somerset Local Plan IMP.1 and SR.3. In addition, the Council has had regard to a Built Facilities report by Knight, Kavanagh and Page (2009) which has identified the types of facility where there are existing short falls in provision (see Appendix A).

Trigger for Obligation

- 2.5.2 All new residential developments (including single dwellings) place additional burdens on sport and recreation facilities and therefore contributions will be sought towards their provision and maintenance

What developer will be expected to provide?

- 2.5.3 Sport and recreational facilities can be provided on or off site. Where possible the requirement should be provided on site, as it is usually the most practical way to serve the recreational needs of residents of the new housing development unless the provision can be more cost effectively meet if combined with an identified shortfall off site.

On Site Provision

- 2.5.4 On site provision is an option where:
- there is a deficiency in the local area for provision.
 - developments are large enough to create their own demand for facilities and the sum of contributions is large enough to create a site of appropriate size.

Off Site Provision

- 2.5.5 Off site provision is an option where:
- there is a local deficiency in the quantity of provision.
 - there is a local deficiency in the quality of provision.
 - the development is not large enough to create demand for on site provision.

Part two

Sport & Recreation

2.5.6 Off site provision can be delivered through:

- the creation of new sites within the same analysis area as the development by the housing builder.
- the enhancement of facilities within the appropriate analysis area by the developer.
- the provision of a contribution to be used to create/upgrade provision within the District.

Thresholds

2.5.7 In all cases the calculation is to be based on the anticipated net increase in population. Therefore, the theoretical occupancy rate of any existing dwellings to be lost in the proposed development is deducted from the demand generated. The Local Plan occupancy rates are as follows:

Table 2.5.1

Type of Dwelling	Occupancy
1 bedroom	2 persons
2 bedroom	2 persons
3 bedroom	3 persons
4 bedroom	3 persons
5 or more bedrooms	4 persons

In the case of non-residential forms of development attracting planning obligations (i.e. office and retail) the following occupancy and contribution rates will apply:

Table 2.5.2

Type of Development	Occupancy Rate
Contribution rate	Business development (e.g. office and retail)
Total number of employees	10% total number of employees x local quantity standards

Employees of such development will only be likely generate demand for the use of facilities in the locality of the development for a smaller proportion of the time than local residents or hotel guests. This is reflected in the contribution rate.

Part two

Sport & Recreation

2.5.8 The minimum provision standards for sport and recreational provision are summarised in Appendix A, and used to set up Table 8.3. The steps are as follows:

- A. calculating current provision in square meters.
- B. calculating identified shortfalls in square meters.
- C. adding A to B to calculate total future requirements.
- D. dividing C by projected future population (i.e., 181,700).
- E. multiplying D by 1,000.

(Note: the Assessment does not identify any 'over provision'. They are not included in this calculation).

Table 2.5.3

Type of facility	Spatial 1 requirement for a single facility (square metres)	A Current provision (square metres)	B Future additional requirements (square metres)	C Total future requirements square (metres)	D Total future requirements divided by future population	E Quantity standard per 1,000 people (square metres)
Swimming pools (i.e., 25m swimming pool)	230	3,541.56	115	3,656.56	0.02	20.12
Synthetic turf pitches (STPs)	6,095	73,140	6,095	79,235	0.43	436.08
Multi-use (or small) halls (i.e., 1-badminton court hall)	207	13,455	None	13,455	0.07	74.05
Multi-use games areas	787.2	23,616	7,872	31,488	0.17	173.29

2.5.9 For residential development the calculation of financial contributions will be based on the following information:

- potential number of persons per dwelling in new development.
- the future spatial requirement for the provision of the required type of facility.
- the cost per sq. m of provision and maintenance of the required facility or enhancement of existing facilities.

2.5.10 When a financial contribution is secured in lieu of new development, it will be used to improve existing facilities or purchase new land for recreation. Financial contributions will be required where it is clear that the new development would create additional demands for such facilities. Generally financial contributions will be directed towards local facilities.

Part two

Sport & Recreation

- 2.5.11 Circumstances where 'off site provision' or a payment of a financial contribution to improve existing provision may be acceptable are:
- where the development site is too small or of an inappropriate shape to reasonably accommodate sport and recreation facilities.
 - high density schemes in the urban areas where on site provision would not optimise the use of land or meet sustainability objectives.
 - where topography or other site constraints would not allow for acceptable provision. Examples include sites which flood, or with steep gradients or other site features, such as pools, streams, vegetation or man-made structures which would prevent effective use as a sport / recreation area.
- 2.5.12 Where new off site provision is proposed, an area should be identified by the developer in consultation with the Local Planning Authority. The area identified should be within easy walking distance of the new development and should be consistent with the layout and sitting principles referred to elsewhere in this guide.
- 2.5.13 Where a financial contribution is required, the form of the proposed improvements should be in consultation with the community.
- The level of commuted payment is calculated from the number of houses.

Provision for Maintenance

- 2.5.14 Where facilities are provided by the developer, they/it must be maintained to the satisfaction of the Council for a period of no less than 12 months. In some cases this period may be extended (e.g. if remedial works required prior to transfer are not completed within an agreed timescale). Developers will then be required to dedicate the facilities, including ancillary facilities to either the District or Parish Council and to make a capital commuted contribution to cover their maintenance over a 10 year period following adoption by the Council.

Capital Costs of Provision

- 2.5.15 The table below outlines the costs of various components of sport and recreation provision. The costings are for the development of community sports facilities and are based on data provided by Sport England for the costs of providing good quality sports facility for the 2nd Quarter 2008. These rounded costs are based on schemes most recently funded through the Lottery, updated to reflect current forecast price indices for 2nd Quarter 2008 provided by the Building Cost Information Service (BCIS). They will be updated annually.

Table 2.5.4

Facility Type	Facility Details	Costs
Sports Hall	1-badminton court (i.e. a small hall,)	£695,000
	4-badminton court	£2,765,000
Swimming pools	25m pool (5 lane)	£2,670,000
Synthetic Turf Pitches	Sand based 100 x 64m fenced and floodlit	£600,000
	Rubber crumb 100 x 64m fenced and floodlit	£740,000
	Water based 100 x64m fenced and floodlit	£925,000
Multi-use games areas	40 x 18m fenced and floodlit	£80,000

The costs above include allowances for the following:

- external works (car parks, roads, paths, services connections etc) are included at an average rate of 15% addition to the cost of the works.
- fees are included at 15% for Sports Halls, and swimming pools,
- fees are included at 5% for Synthetic Turf Pitches and multi-use games areas

The costings above exclude the following:

- inflation beyond current 4th Quarter 2007 prices.
- site abnormalities such as poor ground conditions, difficult access, long service connections.
- VAT.
- land acquisition costs.
- regional cost variations in materials and labour.

Commuted Sums for Future Maintenance

- 8.20 All schemes that necessitate sport and recreation facility provision will require the developer to maintain the facility or pay for the maintenance costs incurred by the scheme. The contributions will be in the form of a commuted sum payment, which relates to the size and content of the facility. The table below shows the commuted sum calculation for a new facility comprising a 25 metre swimming pool, fitness suite, small hall, reception and two changing rooms (i.e., a total of 494.5 square metres) – criteria used should be appropriate to the facility. Costing for specific developments should be carried out in conjunction with the facility's 'operator' or 'manager'.
- 8.21 In the table it is assumed that the machinery for maintenance is leased over a five year period and written off over the same period. The cost of consumables and maintenance should be included but finance costs for the machinery should not. The frequency of operations should be in line with current maintenance schedules but may be adjusted according to site.

Example Calculation of Financial Contribution for Future Maintenance

8.22 The table below provides a format of the calculation of a financial contribution. It is based on a facility comprising a 25 metre swimming pool, small hall and MUGA. The table provides indicative costs for maintaining this type of sport and recreation facility.

Table 2.5.5

Item	Description	Annual total
Weekly checks (including preventive maintenance)	General: 15 hours per week @ £9 per hour	£7,020
	Specialist plant @ £1,250 per month	£15,000
Annual risk assessment	9 hours @ £15 per hour	£135
Hard surface cleaning	2.5 hours per day (equivalent) @ £6.50	£5,850
Building maintenance (external)	Contingency	£5,500
Building maintenance (internal)	Repair and maintenance	£15,000
Maintenance of equipment	Contingency	£10,000
Health & safety	Compliance with policy	£3,000
Bins emptying/Litter picking	Refuse contract, including recycling	£2,500
	Cost per annum	£64,005
	Annual cost per m2	£8.77

Example Calculation of Financial Contribution in Lieu of on Site Provision

Part two

Sport & Recreation

2.5.21 The table below provides a format of the calculation of financial contribution. It is based on a facility comprising a 25 metre swimming pool, small hall and a MUGA.

Table 2.5.6

Size of development	40 dwellings				
No. of people generated by development	100				
Type of facility	Swimming pool	Small hall	MUGA	STP (sand based)	Total
Quantitative standard (m ² per 1,000) – from table 8.3	20.12	74.05	182.28	526.58	–
Space requirement generated by development (m ²)	2.01	7.405	18.23	52.658	–
Capital cost per m ² of provision – using table 8.4	£11,304	£3,260	£90	£79	–
Capital costs of space requirement	£22,744	£24,140	£1,641	£4,160	£52,685
Maintenance costs of provision per m ² – using table 8.5	£8.77	£8.77	£8.77	£8.77	–
Maintenance costs (over 10 years) of space requirement	£1760	£650	£1520	£3820	£7750
Total contribution (based on one year's maintenance)	£24,504	£24,790	£3,161	£7,980	£60,435

Notes:

- number of people generated by development is calculated using the occupancy rates set out in Table 8.1
- space requirement generated by development equates to the number of people divided by 1,000, multiplied by the quantitative standard identified in table 8.3.
- capital costs of provision are derived from Table 8.4.
- capital costs required equals the capital cost of provision divided by the space requirement.
- maintenance costs of provision per m² are derived from table 8.5 (i.e., £8.77 per annum).
- maintenance costs (per annum) equal the space requirements multiplied by maintenance cost of provision per m².
- the value of the total maintenance cost should equate to 10 years maintenance.
- total contribution is the capital costs and the maintenance costs of space required added together.

3.0 Case Studies

Case Study 1

Urban Brownfield Site in Bath

1000 sq m retail (non-food)

500 sq m offices

30 residential flats, 20 x 2 bed, 10 x 1 bed

Affordable housing

Section 2.1	On site: (Para 2.1.2)	Affordable 35% = (10.5) 11 units 75% Rented = 8 25% Intermediate = 3
	Off site: (Para 2.1.6)	Affordable = 30 x 35/65 = 16 75% Rented = 12 25% Intermediate = 4

Children's services and lifelong learning

Assumes 100% demand in every area of Childrens Services.

Section 2.2	Children's Services Total per Unit (Table 2.2.4)	2 bed units only 20	£1,664.73	£33,294.60	
	Lifelong Learning (Para 2.2.19) 30 x 2 pers.	60	£90	£5,400.00	£38,694.60

Strategic transport

Section 2.3	Area sq m	Trips/100 sq m or unit	Total trips	Contrib/ trip	
Retail	1000	51	510		
Office	500	18.7	93.5		
Resid	30	7	2.1		
			605.6	£349.30	£211,536.08

Green space & play services

Section 2.4		Green Space		Assume no on-site provision – enhancement of existing only			
Occupation		Resid 30x2	60				
		Comm 150x10%	15				
			75				
		Standard (Table 2.4.1)	Provision Required	Capital Cost (Table 2.4.4)	Maint. Cost (Table 2.4.2)	Total Cost /sq m	Total
	Formal Green Space	15	1125	47.29	58.33	£105.62	£118,822.50
	Natural Green Space	15	1125	11.56	16.48	£28.04	£31,545.00
	Allotments	3	225	10.84	13.75	£24.59	£5,532.75
							£155,900.25
Play Services (Para 2.4.21)							
	Child Yield		9				
	Cost per child pa	£78.53					
	Committed Sum 10 yrs		10				£7,067.70

Sport & leisure

Section 2.5		Occupation – Resid only					
			60				
		Provision reqd/1000 occup	Provision sq m	Capital cost	Maint. over 10yrs	Total Cost /sq m	Total
	Sports Hall	74.05	4.443	£3,260.00	£87.70	£3,347.70	£14,873.83
	Swimming	20.12	1.2072	£11,304.00	£87.70	£11,391.70	£13,752.06
	Synthetic Turf Pitches	436.08	26.1648	£79.00	£87.70	£166.70	£4,361.67
	Multi Use Games Area	173.29	10.3974	£90.00	£87.70	£177.70	£1,847.62
							£34,835.18

Total contribution

£447,197.61

Case Study 2

Brownfield Site c.1ha

40 residential units, 10 x 2 bed flats, 20 x 3 bed & 10 x 4 bed houses

Affordable housing

Section 2.1	On site: (Para 2.1.2)	Affordable 35% = 14 units 75% Rented = 11 25% Intermediate = 3
	Off site: (Para 2.1.6)	Affordable = 40 x 35 /65 = 22 75% Rented = 16 25% Intermediate = 6

Children's services and lifelong learning

Assumes 100% demand in every area of Childrens Services.

Section 2.2	Children's Services	(Table 2.2.4)			
		2 bed flats	3 bed hses	4 bed hses	
	Total per unit	£1,664.73	£11,090.24	£17,661.67	
	No. of units	10	20	10	
	Total Contribution	£16,647.30	£221,804.80	£176,616.70	£415,068.80
	Life-long Learning	(Para 2.2.19)			
	Occup	2	3	3	
	Units	10	20	10	
	Total	20	60	30	110
	Cost/person				£90.00
	Total				£9,900.00

Strategic transport

Section 2.3		Units	Trips/unit	Total trips	Contribution/ trip	
	Resid	40	7	280		
				280	£349.30	£97,804.00

Green space and play services

Section 2.4

Green Space

Assume on-site provision 50% Formal Green Space – remaining provision by enhancement of existing

Occup: Resid as above 110

Total 110

	Standard (Table 2.4.1)	Provision Required	Capital Cost (Table 2.4.4)	Maint. Cost (Table 2.4.2)	Cost/ sq m	Total
Formal Green Space	7.5	825	47.29	58.33	105.62	£87,136.50
Natural Green Space	15	1650	11.56	16.48	28.04	£46,266.00
Allotments	3	330	10.84	13.75	24.59	£8,114.70
						£141,517.20

Play Services (Para 7.16)

Child Yield 18.4

Cost per child (£) pa 78.53

Commuted Sum 10 yrs 10

14449.52

Sport & leisure

Section 2.5

Occup as for Green Space 110

	Provision reqd/1000 occup	Provision sq m	Capital cost	Maint. over 10yrs	Total Cost /sq m	Total
Sports Hall	74.05	8.1455	3260	87.7	3347.7	£27,268.69
Swimming	20.12	2.2132	11304	87.7	11391.7	£25,212.11
Synth Turf Pitches	436.08	47.9688	79	87.7	166.7	£7,996.40
Multi Use Games Area	173.29	19.0619	90	87.7	177.7	£3,387.30
						£63,864.50

Total contribution

£717,686.12

Case Study 3

Greenfield Site c.3ha

100 residential units: 20 x 2 bed, 60 x 3 bed, 20 x 4 bed houses
Formal Green Space
Multi Use Games Area

Affordable housing

Section 2.1	On site: (Para 2.1.2)	Affordable 35% = 35 units 75% Rented = 26 25% Intermediate = 9
	Off site: (Para 2.1.6)	Not acceptable

Children's services and lifelong learning

Assumes 100% demand in every area of Childrens Services.

Section 2.2	Children's Services	2 bed flats	3 bed hses	4 bed hses	
	Total per Unit (Table 2.2.4)	£1,664.73	£11,090.24	£17,661.67	
	No. of units	20	60	20	
	Total Contribution	£33,294.60	£665,414.40	£353,233.40	£1,051,942.40
	Life-long Learning (Para 2.2.19)				
	Occup	2	3	3	
	Units	20	60	20	
	Total	40	180	60	£280
	Cost/person				£90
	Total				£25,200.00

Strategic transport

Section 2.3		Units	Trips/100 m or unit	Total trips	Contribution/ trip	
	Res units	100	7	700	700	349.3
						£244,510.00

Green space and play services

Section 2.4

Green Space

Assume on-site provision of Formal Green Space only -other categories new provision off-site

Occup: Resid as above 280

Total 280

	Standard (Table 2.4.1)	Provision Required	Capital Cost (Table 2.4.4)	Maint. Cost (Table 2.4.2)	Cost/ sq m	Total
Natural Green Space	15	4200	6.65	16.48	23.13	£97,146.00
Allotments	3	840	7.99	13.75	21.74	£18,261.60
						£115,407.60
Play Services (Para 2.4.21)						
Child Yield	46					
Cost per child (£) pa	78.53					
Commuted Sum 10 yrs	10					36123.8

Sport & leisure

Section 2.5

Occup as for Green Space 280

	Provision reqd/1000 occup	Provision sq m	Capital cost	Maint. over 10yrs	Total Cost /sq m	Total
Sports Hall	74.05	20.734	3260	87.7	3347.7	£69,411.21
Swimming	20.12	5.6336	11304	87.7	11391.7	£64,176.28
Synth Turf Pitches	436.08	122.1024	79	87.7	166.7	£20,354.47
Multi Use Games Area	On site					nil
						£153,941.96

Total contribution

£1,616,904.96

Appendix A: Sport and recreation minimum provision standards

Introduction

This document provides supporting information to the sport and recreation facilities assessment to enable Bath and North East Somerset (B&NES) Council to develop supplementary planning documents seeking developer contributions. B&NES Council is committed to providing quality sport and recreational opportunities for its residents and visitors. An extensive research process has been undertaken to identify the needs of residents in terms of sport and recreational facilities.

This guidance sets out the Council's strategy (up to and including 2011) for securing sport and recreational facilities through new development. The guidance forms the basis for negotiation with developers for the provision of appropriate sport and recreational facilities.

This guide aims to help developers provide sport and recreation facilities of sufficient quality and quantity and to ensure that new developments do not result in future problems. A variety of sport and recreational opportunities will be encouraged to meet changing demands. The guide is primarily concerned with the provision built facilities such as leisure centres, sports halls or facilities for specific forms of recreation such as skate-boarding.

The role of the local planning authority

The Local Planning Authority aims to:

- Safeguard existing important sport and recreation facilities through its Local Development Framework.
- Ensure that new developments meet the needs of residents.

It is the latter function with which this guide is principally concerned.

The guide will address the quantity of sport and recreation facilities required and offer best practice for location, layout and design. It will also indicate where financial contributions to upgrade existing facilities, or provide new off site opportunities may provide more appropriate solutions to meeting the recreational requirements of local people.

The involvement of the local community is critical in developing sport and recreation facilities. It is the community who will use the facilities, and their views should be properly taken into consideration. This will occur primarily through the development control process. The Council is committed to involving the community in the siting and design sport and recreational facilities in all its schemes.

Aims of the guide

The guide has a number of key aims. These are to ensure that:

- Clear standards and criteria for the provision of sport and recreation within the District are provided.
- Sports and recreational facilities are of high quality.
- Sports and recreational facilities are provided in the most appropriate location.
- Sports and recreational facilities provided are those most appropriate to meet demand.
- Sports and recreational facilities are available for all members of the community.
- Informal facilities are designed and sited so as to maximise use and minimise negative effects such as noise and disturbance.
- Recreation provision should be responsive to changes in demand and the needs of different locations.
- Adequate provision is made for subsequent maintenance of facilities.
- Sport and recreation facilities are designed to be safe and secure for their users and to safeguard the privacy and security of adjoining development.
- Appropriate consultation is carried out with the community to ensure sport and recreation facilities meet local needs.

Sport and recreation facilities assessment

As part of the production of this guidance, a detailed assessment of sport and recreational provision in B&NES has been undertaken to assess the provision and accessibility of facilities.

Where a deficiency of a specific type of sport and recreational facility is identified through the assessment, it would be appropriate for investment arising from off site contributions to address this shortfall, provided it is commensurate with the scale of development proposed. Depending on the findings of the assessment, this may take the form of new provision (to address a quantitative shortfall) and/or investment in improving existing provision (to address a qualitative shortfall). Regular monitoring of sport and recreational provision will therefore occur through an annual monitoring report.

Current policy

In lieu of publication of a local development framework, the B&NES Local Plan helps to guide development in the area. Housing development will be concentrated within urban areas (i.e., Bath, Keynsham and Norton-Radstock). The overall vision for the Plan is achieve 'balanced communities'. The overall strategy is focused in four localities with the following objectives:

Table 1

Locality	Objectives
City of Bath	To maintain the character and setting of the City, consistent with its status as a World Heritage site and with the objectives of the Bristol/Bath Green Belt, by focusing development and change on the existing built up area.
Keynsham	To develop new housing and associated social infrastructure and employment opportunities will facilitate the town's increasing importance within the District.
Norton-Radstock	To create a sustainable pattern of development within Norton-Radstock, new residential development will be limited to that required to ensure the plan is able to provide an adequate supply of housing land within the plan period. Development will be mainly on brownfield sites, and will include mixed use schemes wherever appropriate in order to contribute to the provision of modern employment facilities.
Rural areas	To enable limited development to meet economic, social and environmental considerations by focusing development on those settlements/clusters of settlements which have at least a reasonable level of local services and sufficient public transport access both to the local service centres.

The adopted Bath City Local Plan and the Bath & North East Somerset Local Plan set out the local policy justification, which should be read in conjunction with this guidance.

Definition of sport and recreation facilities

The guide covers the following typologies as set out in ‘Assessing needs and opportunities: Planning Policy Guidance 17 companion guide.’

Table 2

Sport and recreation facilities	PPG17 typology	Primary purpose
	Outdoor sports facilities (pitch and non-pitch)	Participation in outdoor sports, such as tennis, bowls and athletics (but not formal green space).
	Indoor sports facilities (built facilities)	Participation in indoor sports, such as badminton, swimming and gymnastics.

Summary of assessment

Analysis (for the period to 2011) of the assessment of sport and recreation facilities is summarised as follows:

Table 3

Type of facility	Summary of key points
Sports halls	<p>There are 16 4-badminton court sports halls and one 5-badminton court sports hall and three that are significantly larger.</p> <p>The majority of sports hall sites are education facilities, although Wellsway and Oldfield schools don't have sports halls.</p> <p>There is no evidence to suggest that sports halls in neighbouring areas have a significant impact on local provision. The exception could be the new Longwell Green leisure facility, in South Gloucestershire.</p> <p>Community use of sports halls on secondary school sites is limited due to the poor condition of facilities, but this situation could change if facilities are enhanced as a result of the 'extended schools' initiative.</p> <p>Future shortfall is approximated as one 4-badminton court sports halls (i.e., six badminton courts).</p>
Multi-use (or small) halls	<p>There are over 60 multi-use halls (i.e., village, church, community and school halls, the majority of which have a hall the size of at least one badminton court and could accommodate a range of fitness activities.</p> <p>They are generally well spread throughout the District.</p> <p>The accessibility of halls is variable.</p> <p>Primary school halls could provide venues for regular use by sports clubs and organisations.</p>

Sport and recreation minimum provision standards

Type of facility	Summary of key points
Synthetic turf pitches (STPs)	<p>There are 12 STPs in B&NES. All STPs are 'sand based'.</p> <p>The distribution of STPs is reasonable.</p> <p>There are limited variety of surfaces.</p> <p>Existing STPs are well used and an additional STP is required for hockey.</p> <p>There are limited opportunities for day-time community use of existing STPs.</p> <p>Future shortfall is estimated as one full-size STP.</p>
Swimming pools	<p>There are 16 swimming pools in B&NES. One is a hydrotherapy pool, another is outdoors and one can accommodate international swimming (i.e., it is 50 metres long and has electronic timing). There is one learner pool (at South Wansdyke Sports Centre) and a leisure pool at Bath Sports and Leisure Centre. There are also two swimming pools of various descriptions and sizes in hotels.</p> <p>Swimming pools are clustered in the largest centres of population, which means that residents living in the 'rural parishes' will need to travel further than those living in the largest centres of population.</p> <p>Future shortfall is approximated as half a 25m swimming pool.</p>
Indoor tennis courts	<p>There are three bespoke, indoor tennis facilities.</p> <p>Covering existing outdoor courts at Writhlington Sports Centre with a 'dome' will significantly improve the distribution of indoor tennis facilities.</p>
Outdoor tennis courts	<p>There are 27 sites with outdoor tennis courts relatively evenly distributed throughout B&NES. Four are double court sites and four sites have four courts or more.</p> <p>There are few qualitative issues with outdoor tennis courts.</p> <p>All outdoor tennis courts assessed are at least 'good' quality.</p> <p>Thirteen sites (72%) are available for community use and there is a mix of voluntary (17%), publicly (39%), education (33%) and privately (11%) managed sites with between one and 12 courts.</p>
Indoor bowling facilities	<p>There are three dedicated indoor bowls facilities.</p> <p>Levels of demand vary seasonally.</p> <p>The quality of facilities is generally good.</p>
Outdoor bowling greens	<p>There are 17 outdoor bowling facilities.</p> <p>The majority of outdoor bowling facilities are in 'good' or 'excellent' condition.</p> <p>The facilities are generally well used, with no reported overuse.</p>
Multi-use games areas	<p>The distribution of MUGAs is generally good.</p> <p>The condition, use and accessibility of MUGAs is also good.</p> <p>Future shortfall is estimated as ten MUGAs.</p>

Sport and recreation minimum provision standards

Type of facility	Summary of key points
Fitness suites/gyms	<p>There are 30 fitness facilities spread across the District.</p> <p>There is significant clustering of fitness facilities in urban areas and poor provision in 'the Parishes'.</p> <p>The education and public sector is the largest provider of fitness facilities.</p> <p>There is no significant need for additional fitness facilities in B&NES.</p>
Squash courts	<p>There are 17 squash courts available, on six sites.</p> <p>There are no glass back courts.</p> <p>There is no reported decline in demand or over-use.</p> <p>Retention of existing squash courts is important.</p>
Golf courses	<p>There are eight golf courses, two of which are available for use by non-members.</p> <p>All golf courses are 'well used'.</p> <p>Most are in 'excellent' condition.</p>
Youth facilities	<p>There are 109 individual youth facilities, on nearly 40 sites.</p> <p>Provision is extremely variable with facilities being placed on sites largely in response to local demand.</p> <p>There is fairly good coverage in Whitchurch and the Keynsham and Norton Radstock analysis areas but only sparse provision within Bath.</p> <p>Provision and distribution in 'the parishes' tends to be based around the larger villages, where facilities are usually sited in the main areas of formal green space.</p> <p>Provision should be made on neighbourhood green spaces wherever possible.</p>
Athletics tracks	<p>There is one permanent, all-weather 400 metres athletics track.</p> <p>There is insufficient justification for development of comparable facilities elsewhere in the District.</p>
Recreation ground pavilions/ changing accommodation	<p>A significant proportion of recreation ground pavilions/changing accommodation is 'clean and well decorated', although there is a concentration of poor quality, small changing pavilions in the Norton Radstock area.</p> <p>However, changing accommodation on sites with more than one grass pitch and shared by two or more teams, particularly those owned by parish/town councils, are generally poorer quality and insufficient to cater for peak demand.</p>

The creation and use of standards

Quantity standards provide a guideline as to how much sport and recreation provision per 1,000 people is needed to strategically serve the District up to and including 2011. Standards for each type of facility have been created in relation to demand, access and future population growth. Quality and accessibility standards are also provided per type of provision, where appropriate.

Where a quality standard is provided, it is based on the audit and assessment of sites and provides a minimum level of quality (i.e., threshold), which sites should achieve. An accessibility standard is also provided based on catchment areas and how far people should be expected to travel to visit each type of provision.

KKP has applied a composite approach to the setting of sport and recreation facility provision standards in B&NES. It has taken account of the other possible options including the application of national standards and believes that this is the most appropriate way to produce locally derived standards for B&NES and conforms to the guidance set out by PPG17 and the Companion Guide 'Assessing Needs and Opportunities'.

The audit is a 'living document' and the recommendations contained within it will be reviewed on a regular basis as outlined in PPG17 and the Companion Guide 'Assessing Needs and Opportunities' and to take account of adopted local plan housing sites as and when required.

Methodology

The current level of provision

The current level of provision has been calculated using the information collected within the accompanying Assessment Report and analysed using the sport and recreation and 'pitch and non-pitch' database.

In order to be consistent with the future population figures, population figures used are based on the Census data (2001), which identifies that the population profile for B&NES is similar to those for the South West Region and England and equates to 169,040 people across the District in 2001.

Mapping deficiencies

Catchment mapping has been used to demonstrate which areas are deficient in sport and recreation provision. All sites are mapped with the appropriate catchment area (effective catchments have been identified and applied against a settlement backdrop). Deficiency is then calculated by identifying gaps/ areas not covered by the catchment areas for each type of sport and recreation facility covered in the Assessment. Regardless of its quality and value, where appropriate, if a site is identified as meeting a catchment gap, then it is recommended to increase its quality and value.

If a settlement is not covered by a catchment it is deemed deficient. Several larger settlements may be partly covered by catchment areas. Where this has occurred KKP has indicated that additional facilities are needed to provide comprehensive access to this type of provision.

Future population growth

Future population growth is incorporated into the provision standard calculations for sports halls, swimming pools and indoor bowls facilities by assessing the additional demand for provision using the Sport England Facilities Calculator. The projected population for B&NES in 2011 is 181,700 ('West of England revised 2004-based population projections', Office of National Statistics).

Appendix A

Sport and recreation minimum provision standards

According to the South West Regional Spatial Strategy (the RSS), the sub-region is continuing to grow. The RSS projects a total of 775 new dwellings, across the District, per year. This is based on an average of 300 dwellings per year as part of Bristol's south eastern urban extension, 75 dwellings per year in Bath's southern urban extension, 300 dwellings per year in Bath's urban area and 100 dwellings per year elsewhere in the District. Development of new dwellings will be focused in these areas.

Additional demand resulting from population growth is calculated for sport and recreation facilities based on current levels of provision, plus identified shortfalls. This guide identifies spatial requirements for additional facilities, to which developers will be expected to contribute. Spatial requirements are calculated using recommended minimum sizes, plus an allowance for circulation, reception, changing accommodation and run-off areas, as appropriate.

Occupancy rates

The District's average household size is getting smaller (reflecting the national trend) and is projected to reduce from 2.31 in 2006 to 2.24 by 2016. Population projections are calculated by multiplying the housing projections by the projected household size (i.e., occupancy rate). It is assumed that (for the purposes of calculating the number of people generated by a development) that an occupancy rate of 2.3 provides a reasonable average.

Quantity standards

The minimum provision standards for sport and recreational provision are summarised in the Appendix 2. Quantity standards for the period to 2011 are calculated by:

- A** Calculating current provision in square meters.
- B** Calculating future additional requirements in square meters.
- C** Adding A to B to calculate total future requirements.
- D** Dividing C by projected future population (i.e., 181,700).
- E** Multiplying D by 1,000.

(Note: the Assessment does not identify any 'over provision', which is not included in this calculation).

Table 4

Type of facility	Spatial ¹ requirement for a single facility (square metres)	A Current provision (square metres)	B Future additional requirements (square metres)	C Total future requirements (square metres)	D Total future requirements divided by future population	E Quantity standard per 1,000 people (square metres)
Sports halls (i.e., 4-badminton court halls)	683.1	16,906.72	683.1	17,589.82	0.09	96.81
25m swimming pools	230	3,541.56	115	3,656.56	0.02	20.12

Appendix A

Sport and recreation minimum provision standards

Type of facility	Spatial ¹ requirement for a single facility (square metres)	A Current provision (square metres)	B Future additional requirements (square metres)	C Total future requirements (square metres)	D Total future requirements divided by future population	E Quantity standard per 1,000 people (square metres)
Synthetic turf pitches (100m x 64m)	7,360	88,320	7,360	95,680	0.53	526.58
Multi-use (or small) halls (i.e., 1-badminton court hall)	207	13,455	None	13,455	0.07	74.05
Fitness suites/ gyms (i.e., 20 stations)	57.5	2,745.62	None	2,745.62	0.01	15.11
Indoor bowling facilities (six lane)	2,015	6,046	None	6,046	0.003	33.27
Multi-use games areas (40 x 18m)	828	24,840	8,280	33,120	0.18	182.28
Outdoor bowling greens	36.02	504.28	None	504.28	0.002	2.77
Indoor tennis courts (three courts)	1,943.3	31,093	None	31,093	0.17	171.12
Outdoor tennis courts (two courts)	1,101.6	88,128	None	88,128	0.48	485.02
Squash courts	71.76	121,992	None	121,992	0.67	671.39
Youth facilities	-	109	-	-	-	One facility per 1,000 residents
Recreation ground pavilions / changing accom. (two teams)	34.5	1,690.5	None	1,690.5	0.009	9.30

All new residential developments (including single dwellings) place additional burdens on sport and recreation facilities and therefore contributions will be sought towards their provision and maintenance.

¹ Spatial requirement includes the recommended minimum size for a single facility plus 15% for circulation, changing accommodation, reception, run-off (as required) etc.

Methods of meeting sport and recreational facility provision

Location of provision

Sport and recreational facilities can be provided on or off site. Where possible the requirement should be provided on site, as it is usually the most practical way to serve the recreational needs of residents of the new housing development unless the provision can be more cost effectively meet if combined with an identified shortfall off site.

On site provision

On site provision is an option where:

- There is a deficiency in the local area for provision.
- Developments are large enough to create their own demand for facilities and the sum of contributions is large enough to create a site of appropriate size.

Off site provision

Off site provision is an option where:

- There is a local deficiency in the quantity of provision.
- There is a local deficiency in the quality of provision.
- The development is not large enough to create demand for on site provision.

Off site provision can be delivered through:

- The creation of new sites within the same analysis area as the development by the housing builder.
- The enhancement of facilities within the appropriate analysis area by the developer.
- The provision of a contribution to be used to create/upgrade provision within the District.

Thresholds

In all cases the calculation is to be based on the anticipated net increase in population. Therefore, the theoretical occupancy rate of any existing dwellings to be lost in the proposed development is deducted from the demand generated. The Local Plan occupancy rates are as follows:

Table 5

Type of Dwelling	Occupancy
1 bedroom	2 persons
2 bedroom	2 persons
3 bedroom	3 persons
4 bedroom	3 persons
5 or more bedrooms	4 persons

In the case of non-residential forms of development attracting planning obligations (i.e. office and retail) the following occupancy and contribution rates will apply:

Table 6

Type of Development	Occupancy Rate	Contribution rate
Business development (e.g. office and retail)	Total number of employees	10% total number of employees x local quantity standards

Employees of such development will only be likely generate demand for the use of facilities in the locality of the development for a smaller proportion of the time than local residents or hotel guests. This is reflected in the contribution rate.

Implementation

It is unrealistic to expect land to become available at all strategic locations for development of sport and recreation facilities over the next ten years. Where appropriate land cannot be acquired, contributions should be used to increase the quality of existing provision within the specific analysis area so that sites offer facilities for various groups within the community. In urban areas, this means that contributions will be used within the defined analysis area (see below). Although the rural analysis area covers a significant swathe of land in the District, this principle will be applied in this area, although priority will be given to utilising contributions as close as possible to the development generating the contribution.

Sport and recreation minimum provision standards

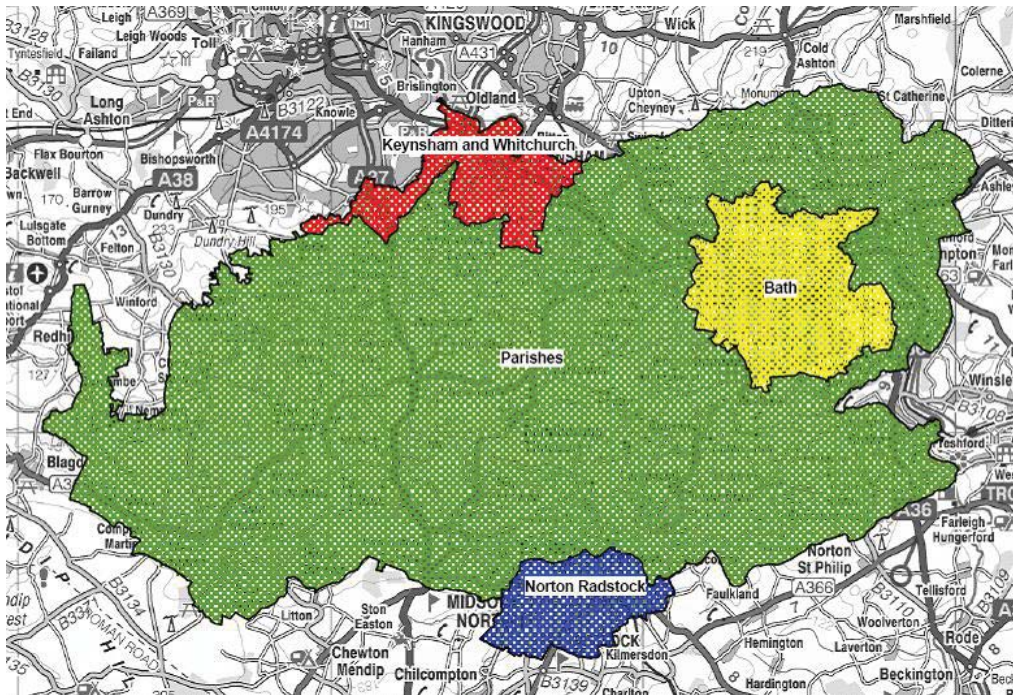


Figure: Bath & North East Somerset analysis areas

The analysis areas for the District are (based on ward boundaries):

Analysis Area	Map key/colour	Ward	
Bath	Yellow	Abbey	Odd Down
		Bathwick	Oldfield
		Combe Down	Southdown
		Kingsmead	Twerton
		Lambridge	Walcot
		Lansdown	Westmoreland
		Lyncombe	Weston
		Newbridge	Widcombe
		Keynsham & Whitchurch	Red
Keynsham North			
Norton Radstock	Blue	Midsomer Norton North	Radstock
		Midsomer Norton Redfield	Westfield
Parishes	Green	Bathavon North	High Littleton
		Bathavon South	Mendip
		Bathavon West	Paulton
		Chew Valley North	Peasedown
		Chew Valley South	Publow and Whitchurch
		Clutton	Saltford
		Farmborough	Timsbury

B&NES Council will pool off site contributions in an ‘area specific development pot’. This will allow deficiencies in quality and quantity to be dealt with strategically.

Financial contributions

For residential development the calculation of financial contributions will be based on the following information:

- Potential number of persons per dwelling in new development.
- The future spatial requirement for the provision of the required type of facility (see Tables 5 and 6 above).
- The cost per sq. m of provision and maintenance of the required facility or enhancement of existing facilities.

When a financial contribution is secured in lieu of new development, it will be used to improve existing facilities or purchase new land for recreation. Financial contributions will be required where it is clear that the new development would create additional demands for such facilities. Generally financial contributions will be directed towards local facilities.

Circumstances where 'off site provision' or a payment of a financial contribution to improve existing provision may be acceptable are:

- Where the development site is too small or of an inappropriate shape to reasonably accommodate sport and recreation facilities.
- High density schemes in the urban areas where on site provision would not optimise the use of land or meet sustainability objectives.
- Where topography or other site constraints would not allow for acceptable provision. Examples include sites which flood, or with steep gradients or other site features, such as pools, streams, vegetation or man-made structures which would prevent effective use as a sport / recreation area.

Where new off site provision is proposed, an area should be identified by the developer in consultation with the Local Planning Authority. The area identified should be within easy walking distance of the new development and should be consistent with the layout and siting principles referred to elsewhere in this guide.

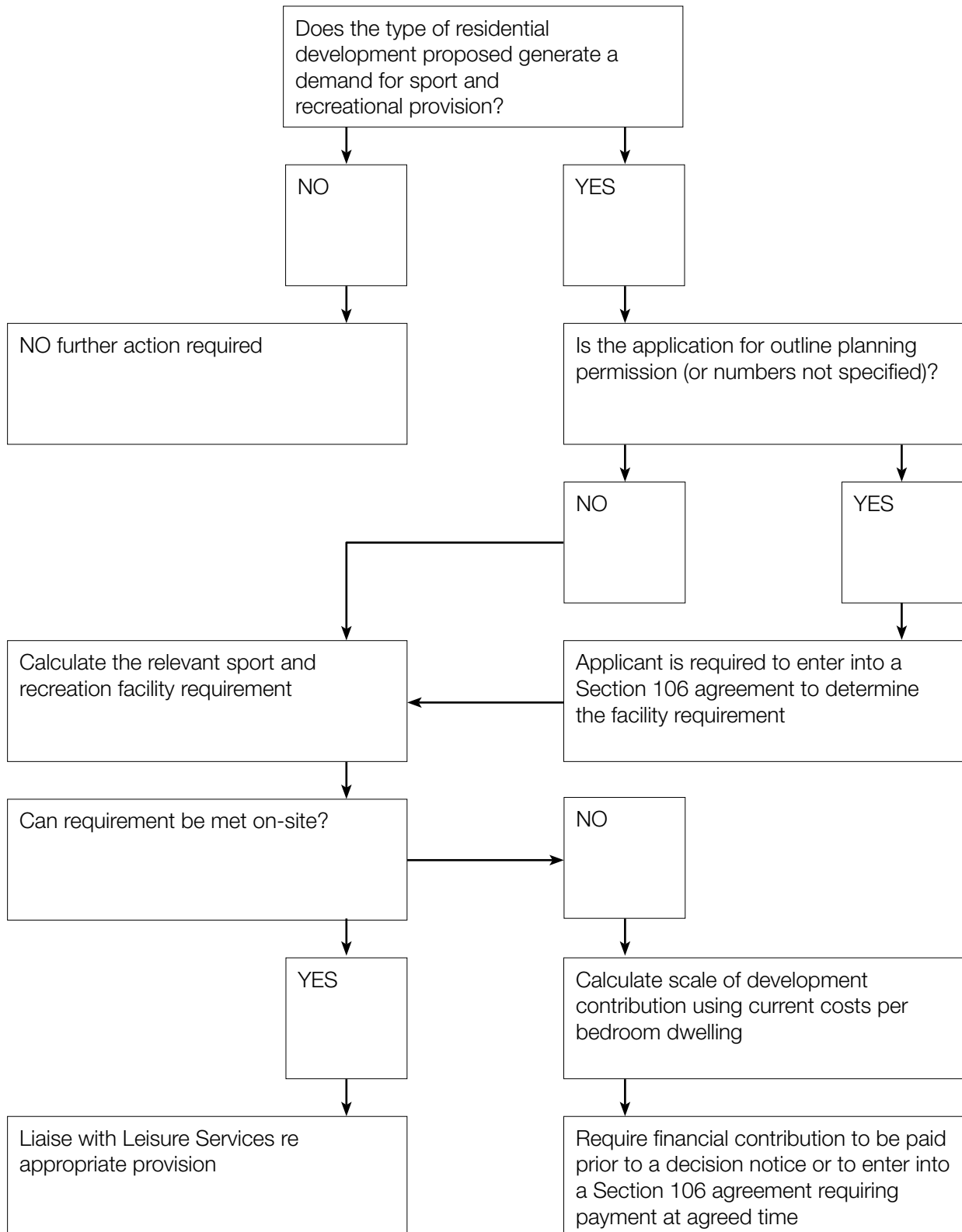
Where a financial contribution is required, the form of the proposed improvements should be in consultation with the community.

The level of commuted payment is calculated from the number of houses. The method of calculation is attached as information note 1 to this appendix.

Commuted Sums for Maintenance

Where facilities are provided by the developer, they/it must be maintained to the satisfaction of the Council for a period of no less than 12 months. In some cases this period may be extended (e.g. if remedial works required prior to transfer are not completed within an agreed timescale). Developers will then be required to dedicate the facilities, including ancillary facilities to either the District or Parish Council and to make a capital commuted contribution to cover their maintenance over a 15 year period following adoption by the Council.

Application of policy



Information note 1

Financial contributions

This section outlines where financial contributions will be required in lieu of on site provision and also for the subsequent maintenance where a developer chooses not to carry out these works.

Off site provision / payments in lieu of sport and recreation facility calculations

For the purpose of contributions towards off-site provision the formula outlined below will be used.

The calculation makes a number of assumptions:

- The average occupancy rate is based on an occupancy of 2.3 persons/dwelling.
- The spatial requirements for sport and recreational provision are as set out in the main body of this document.
- Financial contributions can be paid as a lump sum at a specified trigger point or through index-linked annual payments.

Capital costs of provision

The table below outlines the costs of developing various components of community sport and recreation facilities. Figures are based on data provided by Sport England for 4th Quarter 2007. They are rounded costs based on schemes most recently funded through the Lottery, updated to reflect current forecast price indices for 4th Quarter 2007 provided by the Building Cost Information Service (BCIS).

Table 7

Facility Type	Facility Details	Costs	Cost per m ²
Sports Hall	1-badminton court (i.e. a small hall,)	£675,000	£3,260
	4-badminton court	£2,700,000	£3,952
Swimming pools	25m pool	£2,600,000	£11,304
Changing Rooms	4 team changing pavilion	£550,000	£7,971
Indoor Bowls Centre	6 lane	£1,525,000	£757
	extra lane	£210,000	–
Indoor tennis Centre	3 court	£1,750,000	£900
	Extra court	£575,000	–
Outdoor Tennis Court	2 court, macadam, fenced and floodlit.	£130,000	£118
Skate park	40 x 18m fenced and floodlit	£110,000	£153
Synthetic Turf Pitches	Sand based 100 x 64m fenced and floodlit	£580,000	£79
	Rubber crumb 100 x 64m fenced & floodlit	£720,000	£98
	Water based 100 x64m fenced and floodlit	£890,000	£121
Multi use games areas	40 x 18m fenced and floodlit	£75,000	£90
Athletics Track	6 lane floodlit	£1,125,000	–

The costs above include allowances for the following:

- External works (car parks, roads, paths, services connections etc) are included at an average rate of 15% addition to the cost of the works.
- Fees are included at 15% for;
 - Sports Halls
 - Pools
 - Changing rooms
 - Indoor tennis centres
 - Indoor bowls centres
- Fees are included at 5% for:
 - Synthetic Turf Pitches
 - Multi-use games areas
 - Athletics Tracks
 - Outdoor tennis courts

The costings above exclude the following:

- Inflation beyond current 4th Quarter 2007 prices.
- Site abnormalities such as poor ground conditions, difficult access, long service connections.
- VAT.
- Land acquisition costs.
- Regional cost variations in materials and labour.

Sport and recreation minimum provision standards

Commuted sums for future maintenance

All schemes that necessitate sport and recreation facility provision will require the developer to maintain the facility or pay for the maintenance costs incurred by the scheme. The contributions will be in the form of a commuted sum payment, which relates to the size and content of the facility. The table below shows the commuted sum calculation for a new facility comprising a 25 metre swimming pool, fitness suite, small hall, STP, MUGA, reception and two changing rooms (i.e., a total of 7,299.2 square metres) – criteria used should be appropriate to the facility. Costing for specific developments should be carried out in conjunction with the facility's 'operator' or 'manager'.

In the table it is assumed that the machinery for maintenance is leased over a five year period and written off over the same period. The cost of consumables and maintenance should be included but finance costs for the machinery should not. The frequency of operations should be in line with current maintenance schedules but may be adjusted according to site.

Example calculation of financial contribution for future maintenance

The table below provides a format of the calculation of financial contribution. It is based on a facility comprising a 25 metre swimming pool, small hall, STP and MUGA. The table provides indicative costs for maintaining this type of sport and recreation facility.

Table 8

Item	Description	Annual total
Weekly checks (including preventive maintenance)	General: 15 hours per week @ £9 per hour	£7,020
	Specialist plant @ £1,250 per month	£15,000
Annual risk assessment	9 hours @ £15 per hour	£135
Hard surface cleaning	2.5 hours per day (equivalent) @ £6.50	£5,850
Building maintenance (external)	Contingency	£5,500
Building maintenance (internal)	Repair and maintenance	£15,000
Maintenance of equipment	Contingency	£10,000
Health & safety	Compliance with policy	£3,000
Bins emptying/Litter picking	Refuse contract, including recycling	£2,500
	Cost per annum	£64,005
	Annual cost per m ²	£8.77

Example calculation of financial contribution in lieu of on site provision

The table below provides a format of the calculation of financial contribution. It is based on a facility comprising a 25 metre swimming pool, small hall, STP and a MUGA.

Table 9

Size of development	40 dwellings				
No. of people generated by development	100				
Type of facility	Swimming pool	Small hall	MUGA	STP (sand based)	Total
Quantitative standard (m² per 1,000) from table 4	201.2	74.05	182.28	526.58	984.11
Space requirement generated by development (m²)	20.12	7.405	18.23	52.658	98.41
Capital cost per m² of provision using table 7	£11,304	£3,260	£90	£79	£14,733
Capital costs of space requirement	£227,436	£24,140	£1,641	£4,160	£257,377
Maintenance costs of provision per m² – using table 8	£8.77	£8.77	£8.77	£8.77	–
Maintenance costs (per annum) of space requirement	£176	£65	£152	£382	£775
Total contribution (based on one year's maintenance)	£227,612	£24,205	£1,793	£4,542	£258,152

Notes:

- Number of people generated by development equates to size of development (i.e., the number of dwellings) multiplied by 2.3 (i.e., the average number of persons per dwelling)
- Space requirement generated by development equates to the number of people divided by 1,000, multiplied by the quantitative standard identified in table 4.
- Capital costs per m² of provision are derived from table 7.
- Capital costs required equals the capital cost per m² of provision multiplied by the space requirement.
- Maintenance costs of provision per m² are derived from table 8 (i.e., £8.77).
- Maintenance costs (per annum) equal the space requirements multiplied by maintenance cost of provision per m².
- The value of the total maintenance cost should equate to the number of years maintenance. For example, £775 for one year's maintenance and £2,325 for three year's maintenance.
- Total contribution is the capital costs and the maintenance costs of space required (multiplied by the number of years required) added together.

Information note 2

Minimum provision standards

Type of facility	Component	Minimum provision standard
Sports halls	Quantity	All B&NES residents should live within a 15-minute travel time of a 4-badminton court sports hall.
	Quality	4-badminton court sports halls (and ancillary facilities) should be in at least 'adequate' condition ² .
	Accessibility	Adequate access, DDA compliance and 'adequate daytime community use' ³ .
	Minimum acceptable size	33m x 18m x 7.6m (based on Sport England guidance)
Multi-use (or small) halls	Quantity	All B&NES residents should live within a 10-minute travel time of a multi-use hall.
	Quality	Multi-use halls should be in at least 'adequate' condition ⁴ .
	Accessibility	Adequate access, DDA compliance and 'adequate' daytime community use ⁵ .

² 'Adequate' condition is defined as:

- Adequately maintained, with no signs of neglect.
- Sufficient changing accommodation for facilities available.
- Well lit for sport and recreation activities, as appropriate.
- At least adequate appearance.
- Clean and adequately decorated.

³ 'Adequate daytime community use' is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

⁴ 'Adequate' condition is defined as:

- Adequately maintained, with no signs of neglect.
- Sufficient changing accommodation for facilities available.
- Well lit for sport and recreation activities, as appropriate.
- At least adequate appearance.
- Clean and adequately decorated.

⁵ 'Adequate daytime community use' is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

Sport and recreation minimum provision standards

Type of facility	Component	Minimum provision standard
Swimming pools	Quantity	All B&NES residents should live within a 15-minute travel time of a swimming pool.
	Quality	Swimming pools (and ancillary facilities) should be in at least 'adequate' condition ⁶ .
	Accessibility	Adequate access, DDA compliance and 'adequate daytime community use' ⁷ .
	Minimum acceptable size	25 metre swimming pool with 4 lanes and adequate accommodation for competitors and spectators to stage local galas and events. Teaching/learner swimming pool = dedicated area of shallow water for 'teaching' purposes.
Synthetic turf pitches (STPs)	Quantity	All B&NES residents should live within a 20-minute drive time of a STP.
	Quality	STPs (and ancillary facilities) should be in at least 'good' condition ⁸ .
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ⁹ .
	Acceptable size	Minimum: Length (i.e., direction of play): 100m Width: 53m Maximum: Length (i.e., direction of play): 130m Width: 98m

⁶ 'Adequate' condition is defined as:

- Adequately maintained, with no signs of neglect.
- Sufficient changing accommodation for facilities available.
- Well lit for sport and recreation activities, as appropriate.
- At least adequate appearance.
- Clean and adequately decorated.

⁷ 'Adequate daytime community use is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

⁸ 'Good condition' is defined as:

- Well decorated
- Well maintained, with no signs of neglect.
- Reasonable number of changing accommodation for available facilities.
- Well lit for sport and recreation activities, as appropriate.
- Well equipped, as appropriate.
- Effective storage space.
- Segregated changing and shower areas, as appropriate.
- Segregated, lockable changing areas, as appropriate.

⁹ 'Adequate day-time community use is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

Sport and recreation minimum provision standards

Type of facility	Component	Minimum provision standard
Indoor tennis courts	Quantity	All B&NES residents should live within a 20-minute travel time of indoor tennis courts.
	Quality	Tennis courts should be in at least 'good' condition ¹⁰ .
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ¹¹ .
	Minimum acceptable size	Indoor (air supported structures): One court – 20.97m x 37.77m Two courts – 36.21m x 37.77m Three courts – 51.45m x 37.77m Four courts – 66.69m x 37.77m Five courts – 81.93m x 37.77m Six courts – 97.17m x 37.77m (+ runback – 7.00m, side run – 5.00m, in between courts – 4.27m)
Outdoor tennis courts	Quantity	All B&NES residents should live within a ten-minute drive time of outdoor tennis courts.
	Quality	Tennis courts should be in at least 'good' condition ¹² .
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ¹³ .
	Minimum acceptable size	Outdoor: One court – 17.07m x 34.75m Two courts – 31.70m x 34.75m Three courts – 46.33m x 34.75m Four courts – 60.96 x 34.75m Five courts – 75.59m x 34.75m Six courts – 90.22m x 34.75m (+ runback – 5.49m, side run – 3.05m, in between courts – 3.66m)

¹⁰ 'Good condition' is defined as:

- Clear line markings
- Well maintained, with no signs of neglect.
- Reasonable changing/social accommodation for available facilities.
- Well lit for club and competition activities, as appropriate.

¹¹ 'Adequate day-time community use' is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

¹² 'Good condition' is defined as:

- Clear line markings
- Well maintained, with no signs of neglect.
- Reasonable changing/social accommodation for available facilities.
- Well lit for club and competition activities, as appropriate.

¹³ 'Adequate day-time community use' is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

Sport and recreation minimum provision standards

Type of facility	Component	Minimum provision standard
Indoor bowling	Quantity	All B&NES residents should live within a 20-minute travel time of an indoor bowls facility.
	Quality	Indoor bowls facilities should be in at least 'good' quality ¹⁴ .
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ¹⁵ .
	Minimum acceptable size	Indoor rink dimensions: Length = 36.5m Width = 4.6m
Outdoor bowling greens	Quantity	All B&NES residents should live within a 10-minute travel time of an outdoor bowls facility.
	Quality	Outdoor bowls facilities should be in at least 'good' quality ¹⁶ .
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ¹⁷ .
	Minimum acceptable size	Outdoor bowling greens: 6 rinks.

¹⁴ 'Good quality' is defined as:

- Well decorated
- Well maintained, with no signs of neglect.
- Reasonable number of changing accommodation for available facilities.
- Well lit for sport and recreation activities, as appropriate.
- Well equipped, as appropriate.
- Effective storage space.
- Segregated changing and shower areas, as appropriate.
- Segregated, lockable changing areas, as appropriate.

¹⁵ 'Adequate day-time community use is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

¹⁶ 'Good quality' is defined as:

- Well decorated
- Well maintained, with no signs of neglect.
- Reasonable number of changing accommodation for available facilities.
- Well lit for sport and recreation activities, as appropriate.
- Well equipped, as appropriate.
- Effective storage space.
- Segregated changing and shower areas, as appropriate.
- Segregated, lockable changing areas, as appropriate.

¹⁷ 'Adequate day-time community use is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

Appendix A

Sport and recreation minimum provision standards

Type of facility	Component	Minimum provision standard
Multi-use games areas	Quantity	All B&NES residents should live within a ten-minute travel time of a MUGA.
	Quality	MUGAs should be in at least 'good' condition ¹⁸ and meet relevant British Standards
	Accessibility	Unrestricted access to MUGAs on none-school sites and full DDA compliance.
	Minimum acceptable size	Length (i.e., direction of play): 37m Width: 18.5m
Fitness suites/gyms	Quantity	All B&NES residents should live within a 20-minute travel time of a fitness facility.
	Quality	Fitness facilities should be in at least 'good' condition ¹⁹ .
	Accessibility	Day-time availability and full DDA compliance.
	Minimum acceptable size	10 stations
Squash courts	Quantity	All B&NES residents should live within a 20-minute travel time of a squash court.
	Quality	Squash courts should be in at least 'good' condition.
	Accessibility	Good access, DDA compliance and 'adequate daytime community use' ²¹ .
	Minimum acceptable size (between plastered surfaces)	Length: 9.75m Width: 6.4m

¹⁸ 'Good condition' is defined as:

- Well maintained, with no signs of neglect.
- Floodlit for all-year round sport and recreation activities, as appropriate.
- Well equipped, as appropriate.

¹⁹ 'Good condition' is defined as:

- Well maintained, with no signs of neglect.
- Floodlit for all-year round sport and recreation activities, as appropriate.
- Well equipped, as appropriate.

²⁰ 'Good condition' is defined as:

- Well decorated
- Well maintained, with no signs of neglect.
- Reasonable number of changing accommodation for available facilities.
- Well lit in accordance with NGB standards, as appropriate.
- Well equipped, as appropriate.
- Effective storage space.
- Segregated changing and shower areas, as appropriate.
- Segregated, lockable changing areas, as appropriate.

²¹ 'Adequate day-time community use is defined as, "some availability for non-programmed use between 9am and 5pm, plus dedicated parking for day-time users".

Appendix A

Sport and recreation minimum provision standards

Type of facility	Component	Minimum provision standard
Youth facilities	One facility for every one thousand residents.	
Recreation ground pavillions/changing accommodation	Quantity	Sufficient, accessible changing accommodation for multi-pitch sites.
	Quality	Recreation ground pavilion changing accommodation should be in at least 'good' condition ²² .
	Accessibility	Good access, DDA compliance and adequate community use ²³ .
	Minimum acceptable size	<p>The changing accommodation should be big enough to accommodate the largest number of players likely to use the room, including substitutes, coaches and, where applicable, the physiotherapist.</p> <p>Generally the minimum area is calculated at 1m² per person. However, cricket requires 1.2m² minimum for players carrying kit bags, but kit boxes will justify more space.</p> <p>Minimum recommended areas for teams for the principal sports are: Association football 16m² Cricket 15m² Hockey 16m² Rugby league and union 20m² For tennis allow two changing spaces per court. For bowls at least 8+8 spaces and an officials' room.</p>

²² 'Good condition' is defined as:

- Well decorated
- Well maintained, with no signs of neglect.
- Reasonable number of changing accommodation for available facilities.
- Well lit for sport and recreation activities, as appropriate.
- Well equipped, as appropriate.
- Effective storage space.
- Segregated changing and shower areas, as appropriate.
- Segregated, lockable changing areas, as appropriate.

²³ 'Adequate community use is defined as, "available when pitches are available for competitive use".

Appendix B Affordable Housing – Further Guidance

1 Introduction purpose and status

- 1.1 Bath and North East Somerset Council has prepared a Planning Obligations Supplementary Planning Document (SPD) to support Policy IMP.1 'Planning Contributions' of its Local Plan.
- 1.2 In relation to affordable housing, planning obligations can be used to prescribe the nature of a development by requiring the inclusion of a given proportion of affordable housing. The affordable housing element of the Planning Obligations SPD focuses on the delivery of the on site provision and in exceptional circumstances provides a methodology for calculating commuted payments or where off-site provision is considered acceptable. Further guidance on the application of the Councils affordable housing policies as they relate to on-site provision have been included in this companion guide to the Planning Obligations SPD.
- 1.3 The purpose of this companion guide provide supplementary information to enable applicants to understand how the affordable housing policies of the Local Plan have been formulated and how the Council intends to operate these policies in practice. The guide:
- Directs applicants to relevant local, regional and national policy documents
 - Provides definitions for affordable housing and affordability
 - Directs applicants to the evidence the Council has used to formulate its policies
 - Clarifies how Policies HG.8 and HG.9 will be implemented.
 - Confirms mix, size, design, layout and construction standards
 - Considers the availability of public subsidy
 - Sets out the information the Council requires from applicants in order consider financial viability arguments.
 - Discusses Management Standards and Perpetuity Arrangements
- 1.4 In every instance the Council advises early contact be made with the Housing Development Team to discuss the implications of its affordable housing policies on development proposals
- 1.5 The affordable housing companion guide is an integral part of the Planning Obligations SPD and has been subject to the same consultation procedures as its parent document. Once the adopted the Obligations SPD and affordable housing companion guide will form a material consideration in the determination planning applications.

2 Policy context

2.1 Applicants should be fully aware of national, regional and local policy guidance and other supporting documentation relating to the provision of affordable housing in Bath and North East Somerset.

National

- Planning Policy Statement 1: Delivering Sustainable Development
- Planning Policy Statement 3: Housing (CLG, 2006)¹
- Delivering Affordable Housing (CLG, 2007)
- Strategic Housing Market Assessment Practice Guidance (CLG, 2007)

Regional

- Regional Planning Guidance for the South West (2001) – Policy HO3
- Draft Regional Spatial Strategy for the South West (2006) – Policy H1
- Report of the EiP Panel on the DRSS (2008)
- Secretary of States proposed modification expected June 2008

Local

- Bath and North East Somerset Local Plan (2007) Policies HG.8 and HG.9
- Inspector's Report into the Bath and North East Somerset Local Plan (2006)
- Emerging Core Strategy of the Bath and North East Somerset Local Development Framework (preferred options consultation Autumn 2008)
- Bath and North East Somerset Housing Strategy (2002-2011)

3 Defining affordable housing and affordability

- 3.1 The terms ‘affordability’ and ‘affordable housing’ have different meanings. ‘Affordability’ is a measure of whether housing may be afforded by certain groups of households. ‘Affordable housing’ refers to particular products outside the main housing market.

Affordable Housing

- 3.2 The Government defines the following terms in Annex B of ‘Delivering Affordable Housing’ (CLG: 2007) as follows.

“Affordable housing is:

‘Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision’.*

Social rented housing is:

‘Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.’

Intermediate affordable housing is:

‘Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent.’

These definitions replace guidance given in Planning Policy Guidance Note 3: Housing (PPG3) and DETR Circular 6/98 Planning and Affordable Housing.”

- 3.3 The Council also regards the following specialist housing types as affordable housing:

- **Supported housing** – accommodation for households in need of affordable accommodation with support needs which may be specifically adapted for people with particular disabilities.
- **Extra Care housing** – self contained accommodation which provides care and support arrangements for the elderly whilst allowing them to maintain a level of self dependence.

- 3.4 The following will not be regarded as affordable housing in the context of Policies HG.8 and HG.9, though their provision may be encouraged as part of the market housing element of a scheme where demand exists.
- **Low-cost market housing** – housing for sale at below market levels but that does not meet the affordability criteria outlined below and that does not benefit from an arrangements to be retained in perpetuity.
 - **Key worker housing** – The Council considers that the definition of intermediate housing should relate to affordability and not to employment status or function of an individual household member. Key worker income levels cover a wide range. They are likely to require both social rented and intermediate housing. The Council expects the affordable housing element of all qualifying proposal to be expressed as social rented and intermediate housing rather than in terms of accommodation for key workers.

Affordability

- 3.5 In order that the affordable housing provided under Policy HG8 is accessible to eligible households, providers will be required to demonstrate that it is available at a cost to the occupiers that they can afford, irrespective of the price paid by a registered social landlord (RSL) or other affordable housing provider (AHP) to the developer for the affordable housing units.

Social rented

- 3.6 Social rented housing must be let at no more than target rents as determined by the national rent regime, or equivalent, as agreed with the Council. The annual percentage increase in rent will be limited to RPI² plus 0.5%, as recommended by the Housing Corporation.
- 3.7 The Council may work in partnership with RSLs and the Housing Corporation to try and achieve social rents below target rents in locations where target rents may be very high and therefore unaffordable to local households in low paid employment without reliance on housing benefits.

Intermediate housing

- 3.8 In order to comply with PPS3, intermediate affordable housing must cost less than threshold market housing, either for sale or rent, in the local area. Currently the cost of market rents sets the threshold within the district.
- 3.9 The Strategic Housing Market Assessment Practice Guidance (CLG: 2007) considers that to be affordable to those in need of intermediate housing total housing costs should not exceed 25% of a household's gross income. The Council will therefore use this threshold to assess the affordability of all intermediate housing proposals.
- 3.10 In order to establish whether an intermediate housing product provided through is affordable, the Council will compare the cost of market renting an equivalent sized property in the locality to the cost of the intermediate housing product, both on the basis of spending no more than 25% of gross income.

- 3.11 The cost of the market rent option will establish the upper threshold of affordability for the intermediate housing product. For example, if a two-bed flat with an open market value of £190,000 costs £650 fully inclusive per month to rent, the cost of buying the same property on a shared ownership basis (i.e. including mortgage, rent on the unsold equity and service charges) must cost less than £650 per month.
- 3.12 The Council considers that very few people in housing need would be able to afford intermediate affordable housing priced at or just below the cost of market renting, and that there should be a clear margin between the cost of private renting and intermediate affordable housing if it is to be genuinely affordable.
- 3.13 The Council will have regard to 'Opening Doors Improving Access to Affordable Home Ownership' (Ark Consultancy: April 2008). This examined the affordability of intermediate home ownership housing in four authorities within the West of England sub-region. The findings help to define appropriate levels of affordability for households in need of intermediate housing across the district. The Ark report considers that a household is unable to afford private sector housing if it would take up more than 25% of its gross household income.
- 3.14 An extract from the Ark report is reproduced at Annex 2. The district is divided into 6 zones with each zone attributed a lower and upper limit in terms of the intermediate housing market and the need to make the units affordable for households with a range of incomes between the lower and upper limits.
- 3.15 The Council will seek intermediate housing that is affordable to a range of people in housing need, not just those households which can raise and sustain a mortgage to access the upper end of the intermediate market. This approach will ensure that housing options are available for the full range of households that can afford intermediate affordable housing.
- 3.16 To achieve this, the Council will seek to negotiate a range of options to be offered to initial purchasers. These could include options to buy equity shares of 30-40%, all with rent on the unsold equity at a maximum of 1% or on larger sites may include some intermediate rented accommodation.
- 3.17 Service charges: The Council will expect service charges to be limited to a reasonable level that will maintain affordability for local households in need of affordable housing. Where service charges are higher than the norm for affordable housing of a similar size type and location the Council will expect affordability calculations to take account of the service charge.

4 Evidencing current and future need

- 4.1 The affordable housing policies of the B&NES Local Plan are based on the West of England Housing Need and Affordability Model (WENHAM). This study was undertaken in 2004/05 by Prof Glen Bramley and covers the combined areas of four local authorities Bath and North East Somerset, Bristol, North Somerset, and South Gloucestershire.
- 4.2 Paragraphs B7.70 – B7.75 of the B&NES Local Plan set out the main conclusions of the assessment and are contained in Annex 1. The full assessment (WENHAM) is available from the Council on request.
- 4.3 The Council has begun the process of reviewing its Local Plan. The Draft Regional Spatial Strategy for the South West defines a West of England Housing Market Area that includes the West of England Authorities together with Mendip and West Wiltshire District Councils. These authorities have jointly commissioned a 'Strategic Housing Market Assessment' (SHMA) as required by PPS3.
- 4.4 The SHMA will help the Council to develop an evidence base to inform the development of spatial housing policies to be included in the Core Strategy of its Local Development Framework (LDF). In addition it will help to inform decisions about the policies required in any review of the Council's Housing Strategy.
- 4.5 Once published the SHMA will have no status as a policy document and will not supersede the policies HG.8 and HG.9 of the Local Plan. Only when the policies of the Core Strategy have been consulted upon, examined and adopted will the policies of the Local Plan be replaced, which is anticipated to be in Spring 2010.

5 Implementing policy HG.8

- 5.1 Developers and Landowners are advised to take the implications of Policy HG.8, the detail of which is contained in Annex 1, into account when valuing potential housing sites. The Council will not be sympathetic to arguments that the price paid for a site precludes the provision of amount and mix of affordable housing required by Policy HG.8

Thresholds

- 5.2 The Council will have regard to the gross number of dwellings being proposed when considering whether Policy HG.8 is applicable to an application.
- 5.3 The Council will be mindful of applications that deliberately seek to circumvent the relevant threshold for affordable housing. Proposals for residential development just below the relevant threshold must be based on the assessed housing potential of a site and not an attempt to avoid the provision of affordable housing. Applications that do not make efficient use of land can be refused.

Appendix B

Affordable Housing – Further Guidance

Amount of Affordable Housing

- 5.3 Policy HG.8 allows the Council to seek a higher proportion of affordable housing or accept a lower proportion of affordable depending on the circumstances. Where applicants argue that the provision of 35% affordable housing will render a scheme unviable, the Council will expect the information set out in Section 6 to be made available.

Tenure of Affordable Housing

- 5.5 Paragraph B7.76A of the Local Plan details the tenure split that the Council will seek to achieve on qualifying sites.
- Social Rented 75%
 - Intermediate Housing³ 25%

Type of Affordable Housing

- 5.6 In determining the appropriate mix of affordable units in terms of size the Council will have regard to the WENHAM (2005)⁴. Paragraph B7.75 and Table 3B of the Local Plan reproduce the key findings of WENHAM, setting out the projected needs for various sizes affordable housing across the district and in its key settlements. The Council will also have regard to other sources of housing needs data, such as the Housing Needs Register. Applicant should be mindful that there may be occasions where the Council will seek to achieve a larger proportion of family units (3bed, 4bed, 5bed) in order to help create balanced sustainable communities.
- 5.7 There may be circumstances where the Council will seek to ensure that a development provides specialist affordable housing units e.g. supported housing, where a need has been identified (see 3.3).
- 5.8 Where applicants propose a housing mix that deviates from the needs set out in Table 3 of the Local Plan, the Council will require the submission of housing needs research and analysis to support alternatives to the Council's preferred mix.

Internal Design of Affordable Housing

- 5.9 Affordable housing units should achieve the minimum sizes and standards set out the Housing Corporations Design and Quality Standards. The current minimum sizes are reproduced in Annex 3.
- 5.10 The Council will expect at least 60% of affordable housing to meet the Lifetime Homes Standard (Annex 3) where possible. This target should be deliverable on all units except flats above the ground floor without lift access.

6 Availability of grant funding and viability assessments

Provision of Grant

- 6.1 The available of grant support is very limited in Bath and North East Somerset. The Council expects its affordable housing targets to be met without the need for public subsidy. The Council offers no further guidance to that given in Annex E of 'Delivering Affordable Housing' (CLG: 2007).
- 6.2 The Council will accept a lower provision and/or a different mix of affordable housing, or agree the need for public subsidy if the economics of provision are such that overall scheme viability is threatened.

Financial Viability Assessments

- 6.3 Where a developer considers that there are significant economic constraints affecting a development and that these are sufficient to jeopardise the developer meeting the Council's affordable housing policy expectations, then the developer will need to provide financial and other information to enable the Council to assess the nature, extent and impact of the economic constraints.
- 6.4 The Council does not prescribe the amount that RSLs or other Affordable Housing Providers (AHP) should pay developers for affordable housing units, provided they are delivered on a grant free basis with the requirements of Policy HG.8 and this companion met in full. The Council will be keep itself informed of the number of affordable units, tenure split, the type, size and quality of the product, and its affordability and details of S.106 agreements, whilst leaving negotiations between developers and RSLs or other AHPs to the relevant parties.
- 6.5 Should a viability assessment demonstrate that a scheme requires public subsidy in order to meet the Council's expectations, the price to be paid by the RSL or AHP to the developer for the affordable unit will be examined as part of the assessment of viability. The Council will, subject to viability, support a bid for funding by one of its approved partner RSLs. AHPs not on the Council's approved list will need to seek the Council's support for funding and must demonstrate their ability to deliver affordable housing in line with Council policy and management standards.
- 6.6 As a guide, the following schedule highlights the main economic factors the Council would expect to assess, the information which will be required from the developer and the action the Council will take to carry out the assessment. This list is not exhaustive and further information may be required. The Council may seek consultancy advice when assessing development costs. Arrangements will be made to ensure that all information remains confidential.

i. Site or building acquisition cost:

Information to be provided by the developer:

- How much the developer has paid or is proposing to pay for the land or building, net of any site abnormalities and including VAT if applicable.
- Where the site has an existing use value, an independent estimate of its market value for its current use must be made available.
- Whether the site or building has been fully acquired at this price and when exchange of contracts took place ('full acquisition' would not normally mean exchange of a conditional contract or entering an option agreement).

Action to be taken by the Council:

The Council will obtain an independent opinion from a qualified professional valuer with local market knowledge of:

- the value of the site or building in its existing use.
- the value of the site or building for the proposed residential use.
- the value of the site or building for any realistic alternative uses.

ii. Construction costs:

Information to be provided by the developer:

- How much the developer is estimating to pay for all aspects of the construction of the development including abnormalities, siteworks, houseworks and estate completions.
- Abnormalities should be itemised and costed individually and general construction costs should also be expressed as a price per m² or ft² of proposed built form.
- What allowances are made within the estimated figures for building cost inflation.

Action to be taken by the Council:

The Council will obtain independent advice from a qualified professional quantity surveyor with knowledge of the local construction sector on:

- the reasonableness of the estimates for general construction and items such as preliminaries and infra structure costs.
- the reasonableness of the estimated abnormal costs and the construction solutions which underlie them.

iii. Fees and Other On-Costs

Information to be provided by the developer:

- An itemised breakdown of the main development and sales related fees and other costs the developer expects to incur including fees for design, engineering, planning, building control, surveying, warranties and such like, legal fees, introduction fees, marketing and direct sales costs and interest charges where identified at a scheme level.
- A statement of which services are provided in-house and which are out sourced.

Action to be taken by the Council:

- The Council will obtain independent advice from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates.

iv. Projected Sale Prices for Dwellings

Information to be provided by the developer:

- How much the developer is proposing to sell the completed dwellings for broken down by dwelling type.
- What assumption has been made on sales rates for the market housing.
- What allowance has been made by the developer for inflation on values up to point of sale when compared to prices applicable at the time of compiling the information.
- How much the developer will sell any commercial property that forms part of a mixed use development.

Action to be taken by the Council:

- The Council will obtain an independent opinion from a qualified professional valuer with local market knowledge of both the proposed sale prices compared to reasonable market expectations and the assumptions on price inflation and rates of return for commercial property.

v. Gross and Net Margin

Information to be provided by the developer:

- As a percentage of the proposed gross sales value of the developments, what contribution the developer is assuming to achieve for overheads and profit, combined.
- Separate figures for overheads and net profit levels.

Action to be taken by the Council:

- The Council will obtain independent advice from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates and make comparisons with other residential developments of a similar scale and nature.

vi. Other Costs and Receipts

Information to be provided by the developer:

- How much the developer has allowed, by item, for any other contributions or costs associated with the development including planning gain contributions for education, transport, local facilities and such like.

These planning contributions and other costs to be broken down on a per unit basis.

- How much the developer has allowed in its assessment of viability for receipts attributable to providing affordable housing in accordance with the Council's policy expectations, broken down by dwelling numbers, types and tenure.

Action to be taken by the Council:

- The Council will compare the estimated figures with its own knowledge on levels of planning gain contributions sought and affordable housing required and prices attributable to this.
- Comparisons will be made with other similar schemes within BANES to ensure the level of planning contributions are reasonable.
- When appropriate, the Council will seek advice from suitability qualified external consultants to validate certain cost or receipt assumptions.

Notes on the schedule

- 6.8 Abnormal costs – these do not include demolition works, landscaping, noise bunds, archaeological or ecological surveys, drainage and flood prevention measures.
- 6.9 In flatted developments, the provision of lifts, communal areas or other costs specially associated with the construction of large multi story buildings will not be considered as abnormal site costs.
- 6.10 Fees associated with of the viability assessment – the Council will recover the costs of the appraisal process from applicants, where the applicant has sought to deviate from the Council's policy expectations based on the economic of provision. On occasion the Council will employ and pay for the consultancy advice to assess whether higher levels of affordable housing can be achieved.

7 Design, layout and construction standards

- 7.1 Affordable housing should not be distinguishable from market housing in terms of location, appearance, build quality and materials. Reductions in size, use of substandard materials, or poor finishing and detailing should not be perceived as an acceptable shortcut to achieving scheme viability.
- 7.2 On sites larger than 30 units the Council wishes to see at most a cluster of 8 affordable houses or 8 affordable flats in a block. On smaller sites, housing layouts should consist of clusters of no more than 4 affordable units
- 7.3 Planning layouts submitted as part of an application must clearly show the location of affordable housing units and identify their tenure and size.
- 7.4 Affordable Housing should aim to comply with The Housing Corporation's Design and Quality Standards. Meeting these standards will be a requirement where grant funding has been agreed. Further requirements are that:
- When assessed against the 20 Building for Life criteria the affordable units should:
- Achieve 10 out of 20 positive responses for rural or street-fronted infill schemes.
- Achieve 12 out of 20 positive responses for all other newbuild developments.
- At least 60% of affordable units should meet the Lifetime Homes recommendations of the Joseph Rowntree Foundation (applicable to all dwellings other than flats above ground floor without a lift).
 - A minimum of 10% of affordable units should be built to full wheelchair standards
 - Partner RSL Development Standards should be met
 - Code for Sustainable Homes, national or regional requirements – currently zone 3 for affordable housing.
 - Secure by Design

8 Management standards and perpetuity arrangements

- 8.1 The Council will require a mechanism to be in place to ensure that affordable housing remains affordable and available to those in housing need in perpetuity. The involvement of a RSL registered with the Housing Corporation is the most effective way of developing a successful, well managed scheme that will ensure that the benefits of affordable housing are secured in perpetuity.
- 8.2 The involvement of a RSL at the beginning of the design process is strongly recommended to ensure full compliance with development and management standards. Bath and North East Somerset Council has appointed 6 preferred RSL development partners (see Annex 4).
- 8.3 The Council's preference is for the involvement a partner RSLs but, will not prescribe which organisation the developer chooses to work with. However, the chosen provider must demonstrate that they can adhere to the Council's minimum housing management standards relating to; housing income management; estate management; tenancy management; void property management and lettings; resident involvement; and maintenance. These are available on request. The Council will reject any provider's on the basis that they cannot meet these standards.
- 8.4 Where a developer proposes to develop and manage the affordable homes without the involvement of a RSL, planning obligations and a legal agreement must be signed to ensure nomination rights, occupancy controls other arrangements are in place to guarantee initial and subsequent affordability.
- 8.5 The Council's intention is to provide affordable housing which is available for first and subsequent occupiers, i.e. in perpetuity.
- 8.6 Social rented housing which is delivered without public subsidy is exempt from the requirements of the Right to Acquire. Tenants in grant funded social rented housing may exercise their Right to Acquire. In this case the Council will require that any net capital receipt is recycled towards the provision of additional affordable housing in Bath and North East Somerset. The same rule applies to social homebuy.
- 8.7 Intermediate housing may be lost as affordable housing through staircasing to full ownership. In order to be able to replace it, the Council will require net capital receipts to be recycled for the provision of additional affordable housing in the district. There may be exceptional circumstances where the Council allows the staircasing receipts to be recycled into the existing scheme if it can be demonstrated that it will significantly improve affordability levels for purchasers in need of intermediate housing.

9 Special circumstances

Paragraphs 2.1.5 – 2.1.8 inclusive of the parent Obligations SPD give details of how to calculate off site provision and commuted sums in exceptional circumstances.

10 Implementing policy HG.9

10.1 Policy HG.9 is the Council's Rural Exception Site Policy

10.2 The following points clarify HG.9 and its supporting text.

- A **local needs assessment** should be carried out to demonstrate that there is a local need for the number and type of proposed dwellings for the given parish or group of parishes. The survey may be carried out by a RSL appointed by the Council or other qualified organisation. The housing development team can provide advice on the particular requirements of any settlement or scheme.
- A **land availability assessment** should be carried out in and adjoining the parish settlements to demonstrate that there are no reasonable alternatives.
- The scheme should be supported by the Parish Council or Parish Meeting.
- The affordable housing should not be able to be provided elsewhere on a site allocated for residential development, or on a site meeting the criteria set out in Local Plan Policy HG.8.
- Proposals will be subject to conditions or a **legal obligation** to ensure initial and all subsequent occupancy is restricted to members of the local community in need of affordable housing. Local connection for means residence in the parish in which the site is located; a connection due to family ties, support network, birth or formative years spent in the parish. Someone whose place of work is in the parish but is not resident in the parish also would be considered to have a local connection.
- Restrictions will be placed on the ability of residents to staircase out of intermediate housing completely, with a maximum share of 80% of equity available thus guaranteeing the affordable housing remains available for the benefit of future households.
- The Council in conjunction with the RSL or the long term manager of the affordable housing will be expected to be given the **right to nominate** future purchasers of intermediate housing.
- See also Para 74 of **Delivering Affordable Housing** (CLG: 2006)
- The proposal should comply with all **other policies** in the plan.

11 Protocol for delivering affordable housing obligations

- 11.1 Pre-application discussions are encouraged with the Housing Development Team (HDT) and Development Control officers. It is the HDTs responsibility to carry out negotiations on the amount and type of affordable housing to be delivered on a particular site. In addition the HDT will be responsible for liaison with other stakeholders such as the Housing Corporation or RSLs. The HDT will make comments on any planning application as an internal Council consultee. Development control officers will make recommendations to committee who have the authority to approve or refuse the planning application's affordable housing contribution based on other planning considerations.
- 11.2 Consultation responses prepared by the HDT will cover the following ground:
- Policy considerations
 - Proportion of affordable housing
 - Mix, size, and type of all housing, both private and affordable
 - Quality of construction
 - Location, clustering strategy
 - Affordability
 - Funding requirements, only exceptionally when necessary
 - Viability, if the affordable housing varies from Policy HG.8, i.e. 35% affordable housing, with a 75/25 rent/intermediate tenure split
 - Timing/trigger dates
 - Special circumstances/issues
 - Any other issues deemed to be material
- 11.3 Early negotiation, resolution and drafting of the legal agreement (usually a S.106 agreement) is also encouraged. The terms and obligations for the delivery of the affordable housing will be set out in a legal agreement made between the owner of the land and the Council.
- 11.4 In order to provide a responsive service to applicants and RSLs the Council will charge the Affordable Housing Provider or RSL a fee of £400 per dwelling to help pay for the time taken in carrying out discussions that enable a valuable asset to be acquired. This fee will be reviewed annually to ensure that the Council's costs are recovered.
- 11.5 Annex 8 provides a list of relevant contact details for the housing development team at Bath and North East Somerset. Section 11 of this sets out a process flow chart to illustrate the likely sequence of stages involved in handling planning applications that require an affordable housing contribution.

Appendix B

Affordable Housing – Further Guidance

References

- 1 Applicants are advised that the B&NES Local Plan was drafted and examined when Planning Policy Guidance Note 3: Housing and Circular 6/98 formed Government policy towards affordable housing and has since been superseded in terms of affordable housing definitions by the guidance provided in PPS3
- 2 General Index of Retail Prices CZBH all items percentage change over 12 months
- 3 Newbuild Homebuy (see affordable housing definitions in 3.2 of this report)
- 4 WENHAM will be superseded by the West of England SHMA in May 2008

**Bath & North East
Somerset Council**

This documents about community involvement in planning can be made available in a range of community languages, large print, Braille, on tape, electronic and accessible formats from the Planning Policy team.

Tel (01225 477548) fax (01225 477617), Minicom (01225 477535).

Development Appraisal Financial Guidelines - DRAFT

1. Introduction

- 1.1. In response to the increasing emphasis in planning guidance on the financial viability of planning policies (such as Para.29 of PPS3 regarding affordable housing thresholds), and the increasing relevance of particular site specific development circumstances, especially in the current economic climate, the Council will expect applicants for planning permission who are suggesting that exceptional financial circumstances exist and are a material consideration, to provide a robust development appraisal calculation and appropriate supporting evidence to justify the financial variables cited.
- 1.2. To facilitate consideration of such cases and in order to standardise submissions as far as possible, the Council have issued these guidelines together with a standard summary appraisal template which all applicants should adopt. The Council accepts that additional exceptional financial circumstances may well arise in individual cases, evidence of which can be appended to the template and detailed in the supporting statement. For simplicity, the template is based on a summary Residual Valuation but where necessary, especially on larger phased schemes, the Council may require in addition more detailed Discounted Cashflow Analysis.

2. Development Appraisal Principles

- 2.1. Development Appraisal models are in essence simple, and can be summarised via the following equation;

$$\begin{aligned} &\text{Completed Development Value} \\ &\quad \text{Minus} \\ &\quad \text{Total Construction Costs} \\ &\quad \text{Minus} \\ &\quad \text{Developers Profit} \\ &\quad = \\ &\quad \text{Residual Land Value} \end{aligned}$$

- 2.2. **Residual Land Value** – what the landowner receives – will normally be the critical variable. If a proposal generates sufficient positive land value, it may be capable of implementation; if not, unless, there are alternative funding sources to bridge the 'gap', the proposal will not go ahead.

2.3. The Council notes one major proviso to this simple approach, namely that the Residual Land Value – i.e. the value of the land in question arising from the development proposal – must exceed (significantly)

- Existing Use Value (EUV) – i.e. the value of the land in its current use and also
- Alternative Use Value (AUV) – i.e. the value of the land if used for another purpose for which planning permission exists.

2.4. Clearly, if the Residual Land Value is lower than either EUV or AUV, then it is unlikely that the landowner will pursue the development proposal.

2.5. More particular problems with Development Appraisals all stem from the requirement to identify the key variables – values, costs etc. - with some degree of accuracy in advance of implementation. Even on the basis of the standard convention, namely that current values and costs are adopted (not values and costs on completion), the Council accept that this can be difficult.

2.6. Problems with key variables can be summarised as follows:

- Values attached to Completed Development Value are largely dependent on comparable evidence, which requires sufficient new-build development in the locality of a similar size and type, to provide a realistic value base. If it is necessary to use more general transactional evidence, an adjustment to reflect the premium on new build will be expected.
- Development costs are subject to extensive national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. Where development proposals arise on brownfield sites, the Council accepts that 'exceptional' costs such as decontamination may arise which will require detailed assessment in individual cases (however, see paras. 3.14 and 3.19 below as to how such costs should be treated when purchasing sites).
- Costs are further being driven by changes in terms of sustainability requirements currently emerging.
- Development value and costs will also be significantly affected by assumptions about the nature and type of affordable housing provision and other Planning Obligations and on major projects, assumptions about development phasing and infrastructure triggers.
- While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the

greater the profit level, in part as a contingency against the unexpected.

- Ultimately, the landowner holds the key and will make a decision on implementing the project or not on the basis of return and the potential for market change and thus alternative developments.

3. Development Appraisal Details

3.1. In the light of these basic principles, this section considers each key financial variable and identifies the issues likely to arise and thus the questions which may need to be addressed in the applicant's financial appraisal and the supporting evidence. While appraisals and supporting evidence should be based on metric measures, the Council note that elements of the development industry continue to use imperial measures. Where necessary, both metric and imperial units may be included.

3.2. **Gross Development Value.** GDV, that is the capital value of the development proposal on completion but at today's values, will comprise some or all of the following;

- The value of residential sales;
- The capitalised value of commercial elements and any other non-residential elements;
- The value of the affordable housing units
- The capitalised value of ground rents;
- The capital value of parking spaces.

3.3. **Residential Sales.** Freehold and/or long leasehold (in flatted schemes) sales will require comparable evidence based on actual values achieved (via the Land Registry or an alternative dataset such as Hometrack). Local agents' advice may be helpful but will not be adequate in itself. Sales values should not be projected to the point of completion.

3.4. The appraisal must include a breakdown of house and flat types and their average floorspace based on gross internal area, tenure, bedrooms, and average unit value per m².

3.5. **Commercial Values.** While in some cases, freehold evidence of, for example, free standing business units may be available, most commercial space will be valued on the basis of rents being achieved, capitalised by an appropriate yield. Both rental and yield evidence will therefore be required to substantiate value, with particular attention paid to local variations reflecting precise location, quality of build and potential tenant covenants. Where pre-lets are achieved, appropriate

supporting evidence should be included. The Council is well aware of the sensitive nature of these variables and will review the submitted evidence carefully.

- 3.6. **Affordable Housing.** In terms of the provision of affordable housing, applicants will be required to provide supporting evidence from the Council's preferred partner Registered Social Landlords (Housing Associations), with particular regard to the values which partner RSLs are prepared to pay for social rented units, affordable rented units, shared ownership units and any other relevant intermediate tenure forms of occupation approved from time to time by the Homes and Communities Agency. The Council will require a statement of the assumptions made regarding target rents and likely levels of Social Housing Grant where appropriate. Applicants should provide an unconditional or conditional offer in writing from at least one partner RSL.
- 3.7. The appraisal must include a breakdown of affordable house and flat types and their average floorspace based on gross internal area, tenure, bedrooms, and average unit value per m².
- 3.8. **Ground Rents.** In flatted schemes, applicants should include capitalised ground rents as a separate income item in Gross Development Value.
- 3.9. **Car Parking etc.** Similarly, capitalised income from car parking spaces and any other elements, such as satellite TV facilities and entry-phone systems, should also be identified where appropriate.
- 3.10. **Density.** The appraisal and supporting evidence should include the overall gross site area (in hectares), the net developable area, the dwelling and non-residential density per net hectare and the floorspace per net hectare.
- 3.11. **Basic Build Costs.** The appraisal should specify standard build costs for market housing, for affordable housing, for non-residential uses and any ancillary facilities including car parking, landscaping and infrastructure works as separate items. While base build costs can be a composite figure per m² for each item, including external works, drainage, utilities, fees, preliminaries and contingencies, the supporting evidence must also provide a breakdown of these factors by cost and/or percentage on cost where appropriate. Average standard build cost as well overall total build cost must be included.
- 3.12. A professionally prepared cost plan may be required including a written justification for any costs which are markedly different from standard industry indices such as BCIS.

- 3.13. **Code for Sustainable Homes (CSH) and BREEAM.** The appraisal and supporting evidence must specify the level of CSH or BREEAM certification which is to be attained in both market and affordable housing units, and any commercial or mixed-use elements, the measures being included to achieve those standards and the costs associated.
- 3.14. **Abnormal Costs.** Any abnormal build costs over and above basic build costs must be itemised in the appraisal and fully explained in the supporting evidence. Thus for example, decontamination and remediation works must be specified and costed by appropriate contractors.
- 3.15. The Council will consider carefully any costed items presented as 'abnormal', not least those items e.g. decontamination and remediation works which should have been identified prior to acquisition and reflected in the land price and/or option to purchase agreement.
- 3.16. **Planning Obligations.** The development appraisal calculation must include a detailed breakdown of planning obligations in line with published policy documents and reflecting pre-application negotiations with the Council, County Council and any external provider. The nature, extent and timing of contributions should be specified.
- 3.17. **Finance Costs.** Finance costs, the borrowing rate and period of borrowing must be specified in the development appraisal calculation.
- 3.18. **Profit Margin.** The appraisal must specify total projected profit, profit margin on gross development value and return on cost.
- 3.19. **Land Acquisition Cost.** Where the site in question has been acquired by the applicant in advance of planning permission, the basis of the acquisition cost must be fully explained in the supporting evidence. If the land cost is based on **Existing Use Value**, then the Council will require evidence of an appropriate existing use valuation in the form of an RICS 'Red Book' or bank valuation. Similarly, if acquisition cost is based on Alternative Use Value, i.e. an extant planning permission, and it can be demonstrated that the consent is capable of implementation, then an appropriate development appraisal calculation for that alternative scheme will be required in the supporting evidence.
- 3.20. Where development sites are subject to Option to Purchase agreements with fixed returns to the landowner(s) when planning consent is achieved, the Council will expect such Options to be re-negotiated if proposals cannot meet policy requirements.
- 3.21. Applicants should be aware that while the Council will exceptionally consider cases where bona fide land purchases have been undermined

by subsequent unexpected site specific circumstances, the Council will not entertain arguments that site acquisition costs were such that policy compliant development proposals cannot be delivered. Planning policy requirements must be fully reflected in land acquisition valuations.

4. Conclusion

4.1. In considering development proposals which otherwise comply with planning policy the Council are aware of the need to take account of development viability where this is a material consideration. Nevertheless, the Council will expect development proposals to be policy compliant in respect of contributions to infrastructure requirements unless a robust and fully justified financial argument can be presented.



South
Cambridgeshire
District Council

Local Development Framework
Affordable Housing

Supplementary Planning Document

Adopted March 2010

03450 450 500
www.scambs.gov.uk



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Affordable Housing

Supplementary Planning Document

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Published by South Cambridgeshire District Council

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CHAPTER 1

INTRODUCTION

- 1.1 This South Cambridgeshire District Council (SCDC) Supplementary Planning Document (SPD) forms part of the South Cambridgeshire Local Development Framework (LDF)¹.
- 1.2 The SPD expands on affordable housing policies in the Development Control Policies Development Plan Document (DPD), adopted in July 2007, and provides additional details on how they will be implemented. Policies seek to secure the provision of an appropriate level, mix and size of affordable housing so that the significant amount of new housing planned overall in the district addresses the identified housing needs of all parts of the community. The SPD provides further detail of the Council's approach to securing affordable housing through the planning process.
- 1.3 The affordable housing policies build on Planning Policy Statement 3: Housing (PPS3) and Planning Circular 05/05 to provide a balanced and fair approach which ensures the creation of mixed and balanced communities.
- 1.4 This Supplementary Planning Document applies across the District, and identifies where there are differences in approach to securing affordable housing between major developments, such as the urban extensions to Cambridge and the new town of Northstowe, and affordable housing provision in the rural area.
- 1.5 A Glossary of Terms is included at the end of the document.
- 1.6 Those preparing planning applications for residential development and rural exception sites are advised to contact the Council to discuss their proposals during the preparation of the application to discuss the Council's requirements for affordable housing before the application is submitted, in order to speed up the application process.

PURPOSE

- 1.7 The objective of this SPD is to assist achievement of the Development Control Policies DPD Objective HG/a:

“to ensure the provision of a range of housing types and sizes, including affordable housing, to meet the identified needs of all sectors of the community, including Key Workers.”

¹ Note - this SPD is referred to as 'Affordable Housing SPD' in the Council's approved Local Development Scheme (July 2007) and proposed updated LDS (March 2009).

- 1.8 Specific objectives for this document are to:
- Facilitate the delivery of affordable housing to meet housing needs;
 - Assist the creation and maintenance of sustainable, inclusive and mixed communities;
 - Provide detailed guidance on the interpretation of the requirements in respect of the amount, type and size of affordable housing to be provided in accordance with the policies in the Local Development Framework;
 - Provide certainty to developers about the requirements for affordable housing as part of residential developments or on rural exception sites;
 - Provide principles on the design, appearance and layout of affordable housing;
 - Provide detailed guidance on the calculation of financial contribution in lieu of on-site provision of affordable housing.

SOUTH CAMBRIDGESHIRE LDF POLICY

- 1.9 Affordable housing provision is addressed in three policies contained in the Development Control Policies DPD, which respond to Government guidance in PPS3: Housing and evidence from the Council's Housing Needs Survey and the then emerging Strategic Housing Market Assessment. These deal with the overall policy requiring provision of affordable housing in new housing developments, circumstances where there are exceptional circumstances relating to affordable housing subsidies, and rural exception sites for affordable housing. The SPD is consistent with the policy requirements of the LDF. The policies are set out in Appendix 1 for convenience.

SOUTH CAMBRIDGESHIRE HOUSING STRATEGY

- 1.10 South Cambridgeshire District Council's current Housing Strategy covers the period 2007-10 and was approved by the Council in July 2007. It can be accessed via the Council's website at www.scamb.gov.uk. The strategy identifies the approach to be taken for specific needs groups such as Travellers and people in need of supported housing which will guide negotiations on suitable sites. Where such provision is made for eligible households at costs they can afford below market prices, it would fall under the terms of the Affordable Housing SPD. The Council is preparing a separate Gypsy and Travellers Development Plan Document which will include policies and allocation of land to address the needs of Gypsies and Travellers for both private and affordable sites, i.e., funded and delivered by

gypsies and travellers themselves on allocated land, or provided as affordable housing with a subsidy and usually by RSLs. The strategy indicates that the requirements for general needs affordable housing will be informed by the findings of the Strategic Housing Market Assessment which are which are contained elsewhere in this SPD..

CHAPTER 2

HOUSING NEED

HOUSING NEEDS SURVEY 2002

- 2.1 In order to obtain an objective assessment of the housing needs of South Cambridgeshire's residents and provide an evidence base for the then evolving LDF policies, a Housing Needs Survey was undertaken in 2002. The survey assessed the general characteristics of households across the District, housing need for the whole district, and affordability in the housing market, taking into account house prices, rental and income levels. The key findings of the survey were an existing backlog at that time of 800 affordable homes, with an additional 1,047 households per year moving into housing need. The total need for affordable housing was therefore 1,207 households per year but the supply of affordable homes from all sources was considered likely to be only 336 per year. The report therefore concluded that there was a need for an extra 871 affordable homes per year to cope with newly arising need and to reduce the existing backlog over a 5-year period. In policy terms, at that time the study concluded that the level of identified housing need was significant enough to justify an affordable housing target of 50% and this was the target the Council proposed in the draft Development Control Policies DPD that was submitted for independent Examination.
- 2.2 Whilst the Inspectors examining the "soundness" of the Development Control Policies DPD agreed that the level of unmet need in South Cambridgeshire goes beyond the amount that can realistically be achieved from new housing, they concluded there was no adequate evidence base to justify any particular proportion of new housing which should be required to be affordable. They commented that there was merit in seeking consistency with the policy in the Local Plan adopted in 2006 for Cambridge City, where there is also a very high need. Their conclusion was therefore for a policy including a target for 40% or more affordable housing of the dwellings for which planning permission may be given on all sites of two or more dwellings. They also recognised the need to take account of financial viability of developments. The Area Action Plans for the major developments at Northstowe, Cambridge East and Cambridge Southern Fringe, and the Site Specific Policies DPD policy allocating NIAB Extra, include an additional caveat making clear that these are major and complex developments, which have a wide variety of requirements covering infrastructure and services, and a balance may need to be struck between competing requirements, in the light of economic viability. For North West Cambridge AAP this specific additional caveat on viability is not added given the special nature of the development and the importance of addressing university needs, although the usual reference to viability is included.

STRATEGIC HOUSING MARKET ASSESSMENT

- 2.3 Planning Policy Statement 3: Housing (PPS3) introduced Strategic Housing Market Assessments (SHMA) as the new approach to assessing housing needs for the whole of the community, both market and affordable housing. A Cambridge Sub-Region SHMA has been undertaken and will be updated on a rolling basis as significant new data becomes available. Whilst the Strategic Housing Market Assessment was not available to inform the policies in the Development Control Policies DPD and the overall target for affordable housing provision in South Cambridgeshire in the adopted DPD, it now provides an up to date evidence base to inform the implementation of the DPD policies, particularly in terms of the likely profile of household types requiring market housing e.g. families with children, couples, and single persons; and the size and type of affordable housing required.
- 2.4 The DPD makes clear that the mix in the type of affordable housing appropriate for an individual site will be considered having regard to the nature of the identified need at the time of a planning permission, and the SMHA findings will help the Council ensure that the provision of social-rented and intermediate affordable housing meets the needs of both current and future occupiers.
- 2.5 The key findings of the first phase of the SHMA are summarised in Appendix 1 and the published results are available on the Cambridgeshire Horizons website. The first SHMA was published in 2008 and individual parts of the SHMA will be updated as new information comes available. The results for the period 2006/7 showed that the amount of unmet need for affordable housing of various types had risen to 1,503 affordable homes per annum. This compared with average annual supply as at 2008 of 315 dwellings per annum, whilst 614 dwellings per annum were required simply to stop the backlog increasing. It was therefore clear that the need for affordable homes of all types far exceeds current and likely future levels of provision.
- 2.6 This information in the SHMA has been updated for the period 2007/8 and at the time of writing, the figures were published on the Horizons' website for consultation. They show that the amount of unmet need has risen from 1,503 to 1,966. Although projected supply has risen from 315 to 341, the amount needed to stop the backlog growing has increased by even more from 614 to 916 dwellings per annum. The original conclusions about the shortfall in the supply of current and future provision of affordable housing therefore holds true.

HOUSING REGISTER

- 2.7 Demand for affordable housing in all locations across the district exceeds potential supply. Prior to the introduction of Choice Based Lettings, the Housing Register demonstrated a high level of need for individual villages.

The latest figures available are for 2007 and showed that an average of 691 applicants expressed a desire for each village. The figures were even higher for Minor Rural Centres at 842 applicants per village and 1,927 applicants per village for Rural Centres (as defined in the Core Strategy of the LDF). Since the introduction of Choice Based Lettings, information is no longer available in this form.

CHAPTER 3

PLANNING AFFORDABLE HOUSING PROVISION

DEFINITION OF AFFORDABLE HOUSING

- 3.1 Policy HG/3 of the Development Control Policies DPD states that proposals for housing developments will only be permitted if they provide an agreed mix of affordable housing as defined in PPS3. The definition of 'Affordable Housing' included in Annex B of PPS 3 is set out in Appendix 2 of this SPD for convenience. The definition can be summarised as follows:
- 3.2 **Affordable housing** – housing that is available at a cost low enough to meet the needs of eligible households, having regard to local incomes and local housing prices, and which will remain at an affordable price for future eligible households or, if not, that the subsidy is recycled for alternative affordable housing provision. Affordable housing includes:
- **Social rented housing** - housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons, for example private sector bodies, or provided without grant funding where it is provided under equivalent rental arrangements.
 - **Intermediate affordable housing** - housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products e.g. Home Buy, other low cost homes for sale, and intermediate rent.
- 3.3 Where the affordable housing is to be owned and retained (as opposed to managed), by a body other than a RSL, equivalent safeguards concerning its long-term nature and the recycling of benefit will need to be secured by legal agreement.
- 3.4 Those homes that do not meet the affordable housing definition, for example, 'low cost market housing', may not be considered, for planning purposes, as affordable housing, because by definition it is a form of market housing. It will nonetheless serve an important function in providing housing for those who cannot access more expensive market housing but who are not eligible for affordable housing.
- 3.5 The North West Cambridge Area Action Plan prepared jointly with Cambridge City Council plans for the long term needs of Cambridge University and requires the provision of 50% affordable housing for Cambridge University and College Key Worker Housing. In determining planning applications the Councils will take account of evidence of housing need, housing costs, household incomes and development viability in order

to ensure that identified need is being met, that the housing will be affordable to the households in need, and that mechanisms are in place to ensure that the benefit of the housing will be retained over the long term. Section 106 legal agreements (S106 Agreements) forming part of a planning permission will be used to ensure the acceptable provision of this housing.

AMOUNT OF AFFORDABLE HOUSING

- 3.6 Policy HG/3 of the Development Control Policies DPD states that the Council will seek 40% or more affordable housing on all sites of two or more dwellings. The policy makes clear that the Council will take account of any particular costs associated with the development and that viability of the development will be a consideration. In view of the significant level of housing need in South Cambridgeshire, the Council will seek at least 40% affordable housing unless the applicant is able to provide sound evidence that this cannot be achieved without rendering the development unviable. Indeed, if testing demonstrates that a higher level of affordable housing provision is viable, the Council will seek a higher proportion of affordable housing, consistent with Policy HG/3 and the level of housing need in the district. Where an application is proposing 40% affordable housing, the Council will take account of market conditions at the time of an application and the realistic potential for securing more than 40% affordable housing, in considering whether it is appropriate to seek viability testing of the potential for a higher level of provision. The policy for the major developments reflects that they are major and complex developments which have a wide variety of requirements covering infrastructure and services and recognising that a balance may need to be struck between competing requirements in the light of economic viability. The approach to testing financial viability is dealt with in Chapter 5 on Financial Matters.
- 3.7 In terms of the application of the 40% target, a standard mathematical approach will be taken to rounding and where applying 40% (or any other target that the development will stand, higher or lower) achieves 0.5 or more of a dwelling, the approach will be to round up, e.g. in a scheme of 2 dwellings, applying 40% gives 0.8 homes, which would be rounded up to give 1 affordable home. Anything below 0.5 will be rounded down, e.g. in a scheme of 8 dwellings, applying 40% gives 3.2 homes, which would be rounded down to give 3 affordable homes.
- 3.8 The application of 40% or more will apply to the net increase in dwellings on a site where existing dwellings are being demolished.

TENURE MIX FOR AFFORDABLE HOUSING

- 3.9 Key characteristics of a mixed community are a variety of housing, particularly in terms of tenure and price, and a mix of different households such as families with children, single person households and older people.

- 3.10 The Council is planning for a mix of housing on the basis of the different types of households that are likely to require housing over the plan period. This includes having particular regard to:
- Current and future demographic trends and profiles.
 - The accommodation requirements of specific groups, in particular, families with children, older and disabled people.
 - The diverse range of requirements across the area, including the need to accommodate Gypsies and Travellers. A specific DPD is being prepared to cover Gypsy and Traveller provision.
- 3.11 The size and type of housing is addressed in the next section.
- 3.12 In terms of tenure mix, it is necessary to establish a logical starting point for the negotiations about the tenure split of affordable housing to be provided in residential developments (Rural Exception Sites are addressed separately in Chapter 6), given that it is recognised that it is not possible for all housing needs to be met, even with the high overall levels of housing growth proposed.
- 3.13 The district wide targets for tenure mix in new affordable housing is 70% social rent and 30% intermediate housing. They are the appropriate targets because they:
- Conform to the needs identified in the Strategic Housing Market Assessment for at least the first 5 years covered by the study (SHMA May 2008- Source Chapter 30 Table 6);
 - Respond to the greatest amount of need (rented housing) but it still produce balanced sustainable developments;
 - Are close to the Council's current practice which has shown itself to be viable and deliverable.
- 3.14 In sites which form part of the urban extensions to Cambridge, the starting point for negotiations will be amended to 75% rent and 25% intermediate housing. They are the appropriate targets because they:
- Are consistent with the targets contained in Cambridge City Council's Affordable Housing Supplementary Planning Document;
 - Are extensions to Cambridge and the targets for Cambridge are the most appropriate to apply to the whole urban extension, including parts within South Cambridgeshire;

- Mean that even in the largest developments the amount of rented housing will not exceed the amount shown to be sustainable in the largest local settlement, Cambridge City, in the recent past. It therefore follows a “precautionary approach”, building on local circumstances.
- 3.15 The targets will be the starting point for negotiations on individual sites. Long term developments on major sites will have a review mechanism for the mix incorporated into the S106 Agreements.
- 3.16 Housing for Key Workers will not be subject to any separate target since Key Workers will be accommodated in both rented and intermediate tenures. The definition of Key Worker will be that used by the government plus any additional categories added by the Regional Housing Board, including teachers, nurses and others whose role relates to the care and comfort of the community or sustaining the success of the Cambridge High Technology and Research Clusters, and who are unable to meet their housing needs on the open market.
- 3.17 Housing for people with special needs will be an element included in the overall amount of affordable housing being negotiated within the rent / intermediate targets. Such housing would include supported housing, accessible housing and fully wheelchair accessible housing. Wheelchair housing should conform to the standards adopted by the Homes and Communities Agency. This will be negotiated on a site by site basis according to identified need and will be informed by the commissioning strategies of relevant agencies, particularly the Primary Care Trust (PCT) and Supporting People (a government funded scheme addressing the support needs of vulnerable people in supported housing).
- 3.18 In determining the tenure mix on individual sites, a balance will be struck between new affordable housing contributing towards meeting unmet current needs, meeting newly arising needs, and at the same time forming sustainable mixed and balanced communities.

TYPES AND SIZES OF AFFORDABLE HOMES

- 3.19 The Development Control Policies DPD makes clear at paragraph 4.12 that in the case of planning applications for development at the higher order settlements (i.e. the major developments, Rural Centres and Minor Rural Centres) the type (e.g. house, bungalow, apartment) and size (i.e. number of bedrooms) of affordable housing will be based on the characteristics of the site and the proposed development, viability, local factors and overall need across the district at the time of a planning application. In the case of planning applications for development at smaller settlements (i.e. Group and Infill village) and exceptionally in the countryside, the type and size of affordable housing will address identified needs in the individual village or the area it serves. This is defined as the village or the parish in which it is

located. Affordable housing on Rural Exception Sites is addressed separately in Chapter 6.

- 3.20 To ensure that the affordable housing to be provided meets local housing needs, the type and size of property to be provided in individual schemes will be based upon advice from the Council's Housing Strategy and Development Team, and will be based on the information contained on the Housing Register, the Village Housing Needs Surveys and other sources such as Parish Housing Needs Surveys. The overall balance of the type and size of affordable housing to be sought across the district will be informed by the Strategic Housing Market Assessment (SHMA) subject to local considerations on a site by site basis.
- 3.21 In smaller sites of less than 10 dwellings the preferred mix of type and size of affordable dwellings will be heavily influenced by local need and local circumstances. The SHMA includes an indicative breakdown of needs for general needs affordable housing for rent, which suggests that around 30% of affordable homes should be for singles / couples (i.e. studios / one bed homes). However, in practice the Council considers that this is a higher figure than would be desirable as the proportion of small units to be sought from new affordable housing because:
- the existing supply of affordable homes already provides a reasonable supply of one bed units relative to larger units. Between 2003 and 2006 the relets and nominations available to housing register applicants included 32% one beds / bedsits;
 - couples (particularly those intending to start a family) generally aspire to a two bedroom home which provide greater long term flexibility. Of the couples and single people who purchase affordable shared ownership homes across the Cambridge Sub Region 88% buy units with two bedrooms or more (source: SHMA);
 - the needs figures in the SHMA do not differentiate special needs and sheltered homes which can be expected to include a significant number of smaller units to cater for these households: this type of affordable housing will be specified separately by the Council; and
 - two bed units not only provide flexibility for couples who wish to start a family, they are more acceptable to older households "trading down" from under occupied larger family homes who are generally unwilling to move into very small homes.
- 3.22 For these reasons the Council will seek a target figure of not more than 10% one bed units or studios, unless local circumstances dictate otherwise in the context of a specific development.

LAYOUT AND DISTRIBUTION

3.23 The document Balanced and Mixed Communities – A Good Practice Guide (2006) was commissioned by Cambridgeshire Horizons, Cambridge City Council, South Cambridgeshire District Council and the Cambridge Landowners Group. The intention was to inform the achievement of a well integrated mix of decent homes of different types and tenures, to support a range of household sizes ages and incomes, within sustainable new communities in and around Cambridge, and to support the implementation of the LDF policies.

3.24 The document makes recommendations relating to the mixing of tenures within residential schemes and the layout of developments, the provision and management of facilities, mixed-use developments, green infrastructure, integration and accessibility, relationship with existing communities, design and monitoring and delivery. The key lessons regarding mixing tenures and development layout are that:

*“There is no obvious ‘best’ method of mixing tenures, although ‘ghettos’ of affordable housing are best avoided. We found examples where physical integration had been achieved through **pepper potting, buffering** (i.e. providing a graduated range of different house types within the same street, starting from small affordable units and going through to large executive market housing), **clustering** and development of **separate sites but to the same physical appearance**. We recommend that consideration should be given to the use of all four techniques in developing affordable housing in the new communities in Cambridgeshire. This will offer maximum flexibility to accommodate a range of household types.”* (bold highlighting added)

3.25 Policy HG/3 of the Development Control Policies DPD requires that affordable housing is distributed through a residential development in small groups or clusters. Paragraph 4.13 of the DPD elaborates that affordable housing should be integrated with market housing and that in order to ensure sustainable communities. It says that small groups or clusters will typically be of 6 to 8 units. This description of the size of cluster in the district wide Development Control Policies DPD is particularly relevant to development in the rural area at villages where it reflects the relatively small settlement size.

3.26 The Area Action Plans forming part of the LDF for the major developments on the edge of Cambridge and at Northstowe make clear that affordable housing will also be distributed in small groups or clusters, but explains that the appropriate cluster size will be determined having regard to the location within the development, including whether it is in a town or district centre or in a residential neighbourhood and the type of housing being provided eg. family housing or apartments. The North West Cambridge Area Action Plan, prepared jointly with Cambridge City Council, indicates that small groups or clusters may be between 6 and 25 dwellings, and in flatted

schemes no more than 12 affordable dwellings should have access from a common stairwell or lift. This is also the definition included in the City Council's own Affordable Housing Supplementary Planning Document, reflecting the different character and scale of the City compared with the currently predominantly rural character of South Cambridgeshire. The Cambridge definition of small group or cluster is considered to be an appropriate definition to inform discussions on the major developments in South Cambridgeshire, both those forming urban extensions to Cambridge and also the new town of Northstowe, although the actual size will be determined through the planning application process for those developments.

DESIGN AND APPEARANCE OF AFFORDABLE HOUSING

- 3.27 As a matter of principle, the design standards for both market and affordable housing should be high, both in terms of the visual appearance of the development and also the standards of accommodation and built quality, including measures to deliver buildings that help to respond to the challenge of climate change, such as energy efficiency and resource consumption. Affordable housing should be indistinguishable in visual terms from market housing. Developers should avoid designs that result in high maintenance or service charges.
- 3.28 Affordable housing should be provided to the Homes and Communities Agency's standards or the standards of any successor body charged with regulating social housing provision. This includes conformity to the Design and Quality Standards, or any replacement, including:
- Internal Environment – providing comfortable and convenient homes, meeting the needs of intended user groups, including in terms of size, layout and service provision;
 - External Environment – providing good places to live, with well-mixed and integrated communities and providing an appropriate balance between private and public open space;
 - Sustainability – providing homes that better adapt to climate change, with lower running costs and incorporating features that enhance health and well-being, including compliance with the Code for Sustainable Homes targets.
- 3.29 The Department for Communities and Local Government's Code for Sustainable Homes measures the sustainability of a new home against nine categories of sustainable design, rating the 'whole home' as a complete package. The Code uses a one to six star rating system to communicate the overall sustainability performance of a new home, and sets minimum standards for energy and water use at each level. The Code supports the government target that all new homes will be zero carbon from 2016 and

the step changes in Building Regulations Part L leading to this. For further guidance, see the Council's Design Supplementary Planning Document.

- 3.30 The Council will require as many new affordable homes to be designed to lifetime mobility standards as possible, consistent with Policy HG/2 of the Development Control Policies DPD, which applies to all new housing. The government has said that all public sector funded housing will be Lifetime Homes from 2011 (Source: "Lifetime Homes/Lifetime Neighbourhoods, CLG Feb 2008). Ahead of this coming into effect, and as part of the transition to this approach, affordable housing schemes should include a significant element of housing that performs well against the Homes and Communities Agency's Building for Life Standards, or their successor. Affordable housing schemes without public funding should also ensure a meaningful proportion of homes are designed to lifetime mobility standards.
- 3.31 The government has introduced a new Building for Life Core Output Indicator² (H6) that local councils must monitor for new residential developments as part of their LDF Annual Monitoring Reports. Building for Life is a national scheme promoting well designed schemes and neighbourhoods. Developments of 10 or more dwellings that have been completed are assessed and scored against 20 criteria covering four categories of environment and community; character; streets, parking and pedestrianisation; and design and construction. Part of the environment and community category is the provision of a mix of housing tenures and properties, including affordable housing. The Core Indicator categorises developments as very good, good, average and poor, with the very good category being schemes scoring 16 or more points out of 20. The Accordia development in Cambridge was the highest scoring development in the country at the time of writing. The HCA's expectation for affordable housing schemes that are seeking social housing grant is that they score at least 12 against the Buildings for Life criteria. The Council considers this a reasonable minimum target for all affordable housing schemes.
- 3.32 Where a specific special need is identified at the time of an application, which may be at a district level or a particular family in housing need, the Council will negotiate for the provision of special needs properties to address the needs identified, e.g. for people with disabilities, including supported and accessible/wheelchair accessible properties.
- 3.33 The Design and Access Statement accompanying a planning application should set out clearly the design approach to the affordable housing element of the scheme.

² The Building for Life Core Indicator is set out in 'Regional Spatial Strategy and Local Development Framework Core Output Indicators - Update 2/20008 (CLG, July 2008)' - <http://www.communities.gov.uk/documents/planningandbuilding/pdf/coreoutputindicators2.pdf>

WHEN IS AFFORDABLE HOUSING REQUIRED?

- 3.34 Policy HG/3 applies to all proposals for housing development. In most cases it is clear when an application includes housing development, but there are some cases where clarification of the position is helpful.
- 3.35 The principle is that any residential use that involves individual units of self contained residential accommodation, with their own front doors will be regarded as residential and Policy HG/3 will apply. This includes sheltered or age restricted accommodation where it provides self contained accommodation, even if there is a warden or administrator on site some or all of the time. However, if the residential accommodation has shared facilities and is not therefore self contained, as in the case of some supported housing and residential care homes, it is regarded as an institutional use and Policy HG/3 will not apply.
- 3.36 In the case of what are known as live-work units, this will need to be judged on a case by case basis. Where the development is predominantly residential, with offices incorporated or attached, but is essentially a residential development with a residential character, Policy HG/3 will apply. Only where the development is predominantly employment, with residential accommodation attached, but is essentially an employment development with associated residential development as a supporting feature, will Policy HG/3 not apply.

TIMING OF DELIVERY

- 3.37 The timing of the delivery of affordable housing is a key issue in securing mixed and balanced communities at all stages during the implementation of a development. Wherever possible (i.e. provided that there is no slump in the sale of market properties), affordable housing should be provided in tandem with the provision of the market housing. This is particularly important in the case of larger or major developments, where it can cause particular problems for a logical build out of a development and can lead to isolated pockets of development, be that affordable or market housing, within a building site with associated problems of infrastructure provision and the potential for a poor living environment for residents for some time until the rest of the housing comes forward. The appropriate timing of delivery of affordable housing will be ensured through the legal agreement accompanying any planning application.

CHAPTER 4

DELIVERING AFFORDABLE HOUSING

OCCUPANCY AND MANAGEMENT

- 4.1 The Council considers it important to ensure that properties provided by developers on-site as affordable housing are available to those in housing need, initially and in the long term (or in perpetuity in the case of rural exception sites, see Chapter 6). This is a requirement of Policy HG/3 of the Development Control Policies DPD.
- 4.2 Affordable housing will be open to those who are in housing need. People in housing need will comprise people nominated by South Cambridgeshire District Council from its Housing Needs Register or similar mechanism in line with its published Allocations Scheme (Housing Act 1996 Section 167 as amended), or those nominated by a Housing Association where South Cambridgeshire District Council does not have nomination rights (e.g. in respect of intermediate housing or specialist supported housing), and those nominated from other registers of housing need as agreed by the Council. This will include households in the Cambridge Sub Region as defined for housing purposes, which covers Cambridgeshire and also Forest Heath and St Edmundsbury, which have access rights to affordable housing in South Cambridgeshire.
- 4.3 The default selection process for occupiers of affordable housing will be via the Sub Regional Choice Based Lettings process or the local Homebuy Agent (see section Selecting Tenants/Intermediate Housing Purchasers below). The exceptions to this are where affordable housing schemes have been provided for a particular group such as disabled or elderly people, and the selection process for residents is approved by the Council, or where occupancy is limited by condition or by the terms of a Section 106 obligation.
- 4.4 Affordable housing will be secured in the long term (or in perpetuity in the case of rural exception sites, see Chapter 6) by planning obligation under Section 106 of the Town and Country Planning Act 1990 or an alternative form of equally effective provision.
- 4.5 The Council will seek to negotiate 100% nomination rights on the first lets/sales of all affordable homes, potentially dropping to 75% for subsequent relets. This is normal practice in the sector as it allows registered providers (RSLs) to determine the allocation of a proportion of the properties in accordance with their own objectives. However in practice, many registered providers locally continue to accept nominations from the Council on a 100% of all future relets.
- 4.6 For rural exception sites schemes, see Chapter 6.

MAKING IT AFFORDABLE

- 4.7 The cost of affordable housing, whether rental levels or shared ownership costs, should be affordable to eligible tenants. The Council will, before granting planning permission, need to be satisfied that any agreement reached between a developer and Registered Social Landlord for the on-site provision of affordable housing, will ensure that the rental levels or shared ownership costs will be affordable initially and in the long term (or in perpetuity in the case of rural exception sites, see Chapter 6). Service charges for dwellings should be set at levels which do not exceed the amounts needed to manage and maintain the properties to housing association standards, and should be fully transparent in their contents and calculation methods.
- 4.8 Therefore, affordable housing will be made available:
- for rent at affordable rent levels, or
 - for sale under shared ownership leases (or other equity share arrangements approved by the District Council) at affordable shares.
 - Any emerging hybrid models conforming to the agreed definitions e.g. initial affordable rent followed by shared ownership, sometimes known as deferred purchase or rent to buy.
- 4.9 Affordable housing must be managed by Registered Social Landlords (RSLs) (or other bodies whose accountability, governance and regulation are equivalent to RSLs) that are able to demonstrate their ability to fund the scheme, and provide guaranteed and appropriate long-term management and maintenance arrangements, within an appropriate regulatory regime.

Rented Properties

- 4.10 Rents charged for social rented housing, by Registered Social Landlords or other managing bodies, must be in line with the Homes and Communities Agency (or successor body) rent setting policies, which will be deemed to be affordable for the purposes of the affordable housing policy.

Intermediate Properties

- 4.11 In intermediate home ownership properties, the relationship between incomes and house prices is complicated by factors such as household composition, savings and property sizes as well as by fluctuations in interest rates and lending policies. Government guidance for Strategic Housing Market Assessments suggests that a property priced at 3.5 times gross annual income should be affordable for a single income household but this does not take account of households where there is more than one income,

rental payments for shared ownership properties or the nature of the property.

- 4.12 The target for general needs intermediate home ownership costs in South Cambridgeshire will be set at approximately 30% of gross household income to cover mortgage costs and any “rental charge.” This equates to a figure which is slightly higher than the Government’s indicative figure (which is expressed as a guideline) to allow for the lower running costs (e.g. heating and repairs etc) expected of new build properties compared with the general housing stock.
- 4.13 Based on typical interest rates and lending policies as at mid 2008 (source: Strategic Housing Market Assessment, based on a sample of high Street lenders), the prices of shared ownership properties being delivered, and the median income of applicants for intermediate housing in the district, this means that properties must be offered for sale with purchase shares starting at 30% of value and rental charges on unsold equity at less than or equal to the Homes and Communities Agency ceiling of 2.75% pa.
- 4.14 In addition, to keep overall valuations within acceptable levels, the design standards for intermediate home ownership properties should be equivalent to the standards used by the Homes and Communities Agency to determine eligibility for Social Housing Grant (or any subsequent Homes and Communities Agency or regulator standards).
- 4.15 Where intermediate rented properties are concerned, rental charges should not exceed the equivalent costs of intermediate home ownership for similar units.

Major Developments

- 4.16 South Cambridgeshire District Council and Cambridge City Council are working with the Homes and Communities Agency on a new way of delivering affordable housing on large strategic sites entitled “*The Cambridge Challenge*”. Sponsored by the HCA’s East of England Region, a strategic development partner will deliver affordable housing on strategic sites in the Cambridge area³. The partner is Cambridge Partnerships Ltd (CPL) and will be given a grant funding commitment for up to 3,300 homes.
- 4.17 This commitment to longer-term grant funding for an affordable housing programme should maximise the impact of Government funding programmes by securing an affordable housing development partner from site inception to completion, improving the efficiency of housing investment, and enhancing the delivery of affordable homes in a Government priority area. The aim is to provide high quality, cost effective and sustainable new

³ The following sites are currently included in the programme: Northstowe, Southern Fringe, NIAB (NW Cambridge) (2007).

communities that maximise the opportunities for improving design and energy efficiency standards.

- 4.18 However this does not preclude alternative arrangements for developing affordable housing from being agreed in the future on these sites.
- 4.19 Innovative partnerships which maximise the opportunities for attracting external funding, or other priority outcomes, are encouraged for other large sites, including models such as the Cambridge Challenge (details at <http://www.cambridgeshirepartnerships.org.uk/>).

SELECTING TENANTS AND INTERMEDIATE HOUSING PURCHASERS

- 4.20 In order to provide equality of access to affordable housing and ensure that households in need are prioritised for new lettings/sales, the selection of new tenants for rented properties will be via the sub regional Choice Based Lettings system (or its successor) and the selection of new purchasers for intermediate home ownership properties should be via the government appointed Homebuy Agent (subject to any special arrangements approved by the Council, e.g. for specified groups of Key Workers).
- 4.21 The local Choice Based Lettings system is called Homelink (details at <http://www.home-link.org.uk/default.aspx>) and includes local authority and housing association rented homes in the Cambridge sub region. Vacancies are advertised to households on the Housing Register (the “waiting list”) and applicants bid for properties that meet their needs and for which they are eligible (ie. the property is of the right size and type for their household). Allocations are made on the basis of:
- the applicants local connections to the area;
 - their level of housing need;
 - specialist features of the accommodation e.g. sheltered, adapted etc.
- 4.22 On individual larger sites, the Council will consider negotiating Local Lettings Plans with housing associations managing the affordable housing, in order to promote the development of sustainable communities, taking account of issues such as the proportion of working households, number of school children, etc.

MORTGAGEE IN POSSESSION CLAUSES

- 4.23 Mortgagee in Possession Clauses may be included in a section 106 agreement forming part of a planning permission, to facilitate lending from financial institutions to housing associations by protecting the value of the lender’s investment. In the event of a default by the housing association in repaying their loans and the lender taking possession of the affordable

properties, the clause would release the lender from the affordable housing occupancy conditions, which could then be sold on the open market. These clauses would only be allowed where the housing provider was a housing association regulated by the Homes and Communities Agency and the Tenant Services Authority, or any successor bodies. They would not be allowed on Rural Exception Sites (see Chapter 6). Mortgagee in Possession clauses will only be used in S106s when a Registered Social Landlord is involved with the project.

CHAPTER 5

FINANCIAL MATTERS

LAND VALUES FOR THE AFFORDABLE HOUSING ELEMENT

- 5.1 It is expected that free serviced land will be provided as the form of subsidy for both social rented and intermediate tenures in common with current best practice. This will enable housing associations to access social housing grant where necessary, since it is a requirement of the HCA that there is a clear demonstration of the contribution made by the planning system, or alternatively to deliver affordable housing through grant free schemes where appropriate. The amount of free serviced land will reflect the level of contribution secured in the case of a particular development.
- 5.2 Free serviced land for the purposes of this policy is defined as land which includes all services (electricity, gas, water, sewerage, telephone, broadband, lighting, etc) that are necessary for development to be provided to the site boundary, connection costs, infrastructure (roads to an adoptable standard, footpaths, boundary walls etc.) and demolition, decontamination and archaeological costs and site clearance where applicable.
- 5.3 Services must be provided right up to the edge of the land and there must be no legal, physical or financial barrier to the servicing of the land by the builder constructing the affordable housing.

FINANCIAL VIABILITY

- 5.4 Policy HG/3 of the Development Control Policies DPD provides for negotiation over the proportion and type of affordable housing, to take account of any particular costs associated with the development and other viability considerations, the relative priority of other planning considerations and the need to achieve mixed and balanced communities. In the case of financial viability considerations the following procedures will apply.
- 5.5 There will be a presumption that the development will include full and appropriate provision for affordable housing unless it is demonstrated that it cannot be provided at a rate of 40% or more of the dwellings in a development. The onus is therefore on a developer to demonstrate that viability would be jeopardised by this level of provision. This will require a full economic appraisal of the costs of development and of returns from the sale of housing to show what sum could be made available for affordable housing.
- 5.6 The methodology, underlying assumptions and any software used to undertake this appraisal should be agreed with the Council, with the normal approach being the current methodology endorsed by the Homes and Communities Agency, which is the economic appraisal tool prepared by

GVA Grimley (see glossary for details). The tool is endorsed by the HCA to assist Local Planning Authorities and developers negotiate and agree the viability of planning obligations generally. The toolkit also helps development partners demonstrate how grants from the National Affordable Housing Programme (NAHP) will help them deliver more affordable housing over and above the level that can be supported from planning obligations alone.

- 5.7 Any consideration of viability must look at the overall package of requirements on a development and the Council's objective will be to secure at least 40% affordable housing through any prioritisation of contributions, if possible. Indeed, as set out in Chapter 3 on the amount of affordable housing, if testing demonstrates that a higher level of affordable housing provision is viable, the Council will seek a higher proportion of affordable housing, consistent with Policy HG/3 and the level of housing need in the district (see also Chapter 3, Amount of Affordable Housing).
- 5.8 Where the Council needs independent advice to validate a viability appraisal submitted by an applicant that seeks to justify a variation on the 40% or more target include in Policy HG/3, reasonable costs will be met by the developer/applicant.
- 5.9 The financial appraisal should be presented on a residual land value basis taking into account all the reasonable costs of the development including required contributions to local services and infrastructure, the provision of affordable housing and a reasonable profit margin to the developer. It should also include a valuation of the site in its existing, or in the case of a vacant or derelict site, its last use, i.e. before any application for residential development, not its purchase price or hope value. The appraisal should accompany the planning application or preferably form part of pre-application negotiations.
- 5.10 If there are particular development costs associated with a specific site, over and above what would typically be expected on a development, e.g. contaminated land, these may adversely impact on the costs of a development. Any information provided will be treated as commercially sensitive and dealt with confidentially and will not be disclosed to any third party without the written consent of the applicant.
- 5.11 Where the Council is satisfied that financial viability of a development would be jeopardized by full provision of the affordable housing target, and taking into account any other planning obligations, it will first negotiate over varying the preferred mix and tenure of dwellings with a view to establishing whether this would enable the 40% target to be met, and if this cannot be achieved in a way that addresses needs in an acceptable way, the Council will then negotiate over varying the percentage of affordable housing being sought.

- 5.12 If an initial percentage of less than 40% is agreed, the S106 Agreement will include provisions for a review mechanism such that if the development is not completed within 3 years of the date of the planning permission, a further consideration of viability will be carried out at that stage (and every 3 years thereafter) for the purposes of determining whether the percentage of affordable housing should increase for the balance of the development still to be completed and any revision should not be limited to 40% but may increase to cover a shortfall of less than 40% on an earlier part of the development.
- 5.13 Policy HG/4 of the Development Control Policies DPD provides for the exceptional circumstances where there is a considerable time lag between the grant of planning permission and implementation, which has adverse implications in terms of the financial viability of the scheme or where insurmountable subsidy issues occur. For example, where development does not start for a number of years after planning permission is granted, financial viability may change from that assessed at the time of granting planning permission, particularly if there are significant changes in economic conditions. This may also apply to major developments where development takes place over a long period of time, although this eventuality will be taken into account in the framing of the Section 106 agreement forming part of any permission. Another scenario may be where planning permission was granted for a particular proportion of affordable housing on the assumption that Social Housing Grant would be available and by the time that development commences this proves not to be available.
- 5.14 Under such exceptional circumstances, the Council will be prepared to review the planning permission, and if it considers that the applicant / developer has made a sound case, it may be prepared to renegotiate the affordable housing contribution. Where evidence of exceptional circumstances is provided that threaten the delivery of the scheme, the Council will consider negotiating a different tenure mix or for the provision of a lower proportion of affordable homes or for a number of built units with no additional public subsidy as the affordable housing contribution, but this itself will be subject to further reviews every 3 years where the development is not completed within a 3 year period.

COMMUTED SUMS IN LIEU OF ON SITE PROVISION

- 5.15 The Council's priority is to secure the provision of free serviced land for affordable housing as part of market developments. However, Policy HG/3(5) recognises that there can be exceptional circumstances on certain smaller sites where, for various reasons set out below, an alternative to the inclusion of affordable housing on-site maybe appropriate. The policy therefore makes provision for the developer to make a financial contribution as a commuted sum to the Council instead of on-site provision to enable the affordable housing provision to be made elsewhere.

- 5.16 The acceptance of anything other than on-site provision is purely at the Council's discretion and is not an option available to developers / landowners / agents where it is simply their preference. It will only be looked at as a last resort where provision of affordable housing on-site cannot reasonably be secured.
- 5.17 The sort of circumstances on smaller sites that might justify accepting commuted sums rather than on-site provision, are where there may be difficulties over the delivery, design or ongoing management of small numbers of affordable units within a small development.
- 5.18 A particular example is where a proposal involves conversion or redevelopment of existing buildings, the most common being barn conversions. These are often expensive to create, may result in dwellings that do not comply with Homes and Communities Agency's Scheme Design Standards and are expensive to repair and maintain. As such they will not attract grant funding and are unlikely to be self-financing and therefore potentially unacceptable to any of the Council's preferred Registered Social Landlord (RSL) partners.
- 5.19 The calculation of commuted sums is addressed in the next section.
- 5.20 One of the difficulties for the Council is, having received a commuted sum, identifying suitable land on which to provide the affordable housing elsewhere. As such, where off-site provision is agreed in principle, the Council will also consider offers from the developer of an equivalent, alternative parcel of land elsewhere, where this could be provided consistent with policies of the Local Development Framework and other material planning considerations.
- 5.21 It will not be appropriate for major developments (10 or more dwellings) to provide financial contributions in lieu of on-site provision. In terms of the strategic scale developments proposed in the district, the Area Action Plans for these major developments specifically state that off-site provision will not be acceptable in the interests of securing mixed and balanced communities.

CALCULATION OF COMMUTED PAYMENTS

- 5.22 A decision as to whether a commuted sum is acceptable in any given circumstance will be considered as part of the determination of the planning application. The Housing Strategy and Development Team and the Development Control Team will be able to provide advice to applicants during the preparation of a planning application and in forming an officer recommendation. However, where applications are determined by the Planning Committee, rather than by officers under delegated powers, the final decision will rest with that Committee.

- 5.23 Where the Council concludes as part of determining any planning application that it is appropriate for an applicant to make a financial contribution in lieu of on-site provision, the amount of contribution will reflect the amount of free serviced land that would have been provided consistent with the number, type and size of properties that would have been required to be provided on-site. The Council will also enter into a Section 106 obligation with the developer to secure payment of the commuted sum.
- 5.24 If a commuted sum payment is concluded to be acceptable in principle, the method of calculating the amount of payment will be clearly set out and will be the same in every case. However, there are a number of site-specific variables which means that the end result may not always be the same and therefore there is not a flat rate “per plot” which can be applied. The amount of commuted sum will reflect the differential land values that can be achieved between affordable housing plot(s) and open market plot(s).
- 5.25 In order to calculate the commuted payment it is necessary to establish the details of the notional scheme that has been “lost”. This must be based on what would have been provided on the affordable housing part of the site, having regard to identified housing need and the unit size(s) required by the Council and financial viability. The applicant should agree a notional scheme with the Development Control Team, in consultation with the Housing Strategy and Development Team. It is at this stage that viability and deliverability issues will be taken into account.
- 5.26 Once the notional scheme has been agreed, this will inform the amount of free serviced land that would have been provided as part of the development in the case of on-site provision. The site will be assessed by an independent Valuer appointed by the Council to determine the difference in land value between providing the affordable housing on site through the contribution of free serviced land and the value of the site with no affordable housing contribution on site. There should be no financial benefit to the developer in terms of land cost for making a financial contribution to off site, compared with on site, provision. Any cost associated with the independent valuation advice must be met by the developer / land owner / applicant. The independent Valuer will therefore be asked to provide their professional opinion on the following:
- 1) The land value of the whole site without an on-site affordable housing contribution, and
 - 2) The land value of the site with an on-site affordable housing contribution, where the amount of free serviced land is based on the notional scheme for the site.
- 5.27 The commuted sum sought will be the difference between the two valuations.

- 5.28 Commuted sums may be reviewed in the same way as schemes for on site provision of affordable housing.

MODEL SECTION 106 CLAUSES

- 5.29 Planning permissions for housing development and rural exception sites will secure the provision of affordable housing in an appropriate manner through the inclusion of appropriate clauses in a Section 106 legal agreement accompanying the planning permission. A number of model clauses are included in Appendix 3. Not every clause will be relevant to every scheme. The model clauses are intended to cover most issues connected to an affordable housing planning obligation which might appropriately be dealt with in a Section 106 Agreement. The Council will identify the appropriate clauses to suit the particular circumstances of each development.

CHAPTER 6

RURAL EXCEPTION SITES

NEED FOR RURAL EXCEPTION SITES

- 6.1 Many rural areas face particular difficulties in securing an adequate supply of land for affordable housing for local needs. Where there is a lack of affordable housing to meet local needs, local planning authorities are encouraged to include a 'rural exception policy' in their plans, where sites that provide 100% affordable housing are provided within or adjoining a rural settlement, as an exception to normal planning policy. The delivery of rural exception sites for affordable housing can be a complex issue for Parish Councils, landowners and the community.
- 6.2 The evidence from the housing needs survey and local village needs surveys is that there is still considerable need for the provision of affordable housing in the rural areas of the district. This is notwithstanding the significant levels of affordable housing provision that will be delivered through the major developments. In response to this continuing need in rural areas, the Council has included a policy in the Local Development Framework that it will allow sites to be brought forward for affordable housing to meet local needs in rural areas as an exception. The circumstances when the Council will allow a site to be brought forward as a rural exception site are set out in Policy HG/5 Development Control Policies DPD.
- 6.3 For the purposes of the rural exception sites policy, local need is defined as identified needs in the individual village or the local area it serves, defined as the parish boundary. Therefore, before the Council will grant planning permission for affordable housing on a rural exception site, it must be satisfied that there is a genuine need for affordable housing in the locality. To establish that a genuine need exists the Council will require evidence from a Parish level Housing Needs Survey that is sufficiently recent to provide a reliable evidence base (in most cases this will be considered to be 5 years) or some other objective proof of local need, proportionate to the scale of the development being proposed, in line with paragraph 30 of PPS3 November 2006 (this could be evidence from the housing register)
- 6.4 Only after the Council is satisfied that a genuine local need exists will it consider the suitability of a site as a location for a rural exception site. In the unusual circumstances where a village is located on the edge of the parish and a site that physically adjoins the village framework is actually located in an adjoining parish, the site will be regarded as addressing need in the village that it adjoins, notwithstanding that it is not located within the same parish.

- 6.5 In circumstances where the proposed scheme does not meet the full extent of identified need, the mix of tenures to be provided should, as far as possible, reflect the proportions of identified requirements for affordable rented and intermediate home ownership properties. The proposed mix should be submitted to the Council for agreement with officers before a formal planning application is submitted.

PROVISION OF RURAL EXCEPTION SITES

- 6.6 The number of affordable homes provided on a rural exception site should not be greater than the level of local need identified. Any individual rural exception site must be a “small” site as required by Policy HG/5. It is not appropriate to define a particular number of dwellings that will be considered to be “small” for all rural exception sites. The appropriate scale of development will be influenced by the category of village at which it is proposed as defined in the Core Strategy, the size and character of the built up area of the individual village concerned, and the level of services and facilities available in the village in terms of achieving sustainable development. Therefore it could be expected that a rural exception site at a Rural Centre may be larger than one at an Infill village. However, even at a Rural Centre, a site should be of a small scale. As an indication, rural exception sites that have been approved in South Cambridgeshire since the requirement for “small” sites, having regard to local circumstances, typically range from about 6 to 20 dwellings.
- 6.7 Rural exception sites are, by definition, exceptions to normal planning policies and will often be located in the countryside adjoining villages, rather than within villages, as also provided for under Policy HG/5. In order to minimise visual impact and provide reasonable access to local services and facilities, rural exception sites should be situated within or physically adjoining (i.e. abutting) the development frameworks of settlements as defined on the LDF Proposals Maps and be reasonably accessible to village services and facilities. Sites that are remote from a settlement framework will not normally be permitted for rural exception sites.
- 6.8 Where rural exception sites are located in the countryside, the impact of the proposed development on village character and the rural landscape will be key considerations in determining any planning application. An application will only be approved if the location and design of a proposal minimises any adverse impact and can demonstrate that it can be assimilated into the local environment in an acceptable way, and is appropriate in respect of other planning considerations.
- 6.9 Proposals to extend rural exception sites will be considered on their merits, having regard to the overall scale of the site that would be created together with the original development and the cumulative visual impact as a result of a larger development in the countryside.

RURAL EXCEPTION SITES AND THE GREEN BELT

- 6.10 PPG2 Green Belts accepts that rural exception sites can be appropriate within the Green Belt and Policy HG/5 contains the local policy for judging the appropriateness of sites being considered. Policy HG/5 (2) requires the Council to be assured that no alternative sites are available before granting permission for rural exception sites in the Green Belt. This requirement means that applicants must demonstrate that no alternative appropriate sites can be found outside the Green Belt before permission is granted. This is in order to protect the Green Belt from development if a suitable site can be found that is outside the Green Belt. This therefore relates specifically to those villages that lie on the edge of the Green Belt, or those within the Green Belt where there are any pockets of white land between the village framework and the Green Belt.

OCCUPANCY AND MANAGEMENT OF RURAL EXCEPTION SITES

- 6.11 Affordable housing on rural exception sites will be governed by most of the requirements of affordable housing that is provided as part of general housing developments. There are, however, some aspects in which a different approach is necessary given the nature of rural exception sites.
- 6.12 The housing mix and tenure split of affordable housing on rural exception sites will be determined by the particular local need identified in the village or local area it serves as defined above.
- 6.13 As for all affordable housing, rental levels or shared ownership costs should be affordable to future tenants. To ensure affordability, the requirements will be as set out in Chapter 4 of this SPD, unless a local needs appraisal demonstrates that an alternative figure would be more appropriate and reasonable.
- 6.14 Policy HG/5 (1a) requires that affordable housing on rural exception sites is provided in perpetuity. To ensure this is the case, the delivery of affordable housing on a rural exception site should be facilitated through a Registered Social Landlord rental scheme or shared ownership scheme and secured through legal agreement, which will ensure that the affordable housing scheme remains available to those in local need and at an affordable rate initially and in perpetuity, and is managed appropriately. Other providers may be considered if it can be demonstrated satisfactorily that the affordable housing will be retained as such in perpetuity.
- 6.15 For rural exception sites schemes involving shared ownership there is generally no opportunity to staircase beyond a maximum 80% ownership, in recognition that the sites are specifically brought forward as 100% affordable housing and should remain as such in perpetuity.

- 6.16 The method for selecting households to occupy rural exception sites will generally be as for all affordable housing as set out in Chapter 4. However, for rural exception sites, the expression “local” in Policy HG/5(1) is defined as households:
- who are currently resident in the local community, defined as the parish within which the village is located, or
 - who have an employment connection to that local community, or
 - who have an family connection to that local community.
- 6.17 If there are no households in the local community in housing need at the stage of letting or selling the property, it will be made available to other households in need on a cascade basis looking next at adjoining parishes and then to need in the wider district in accordance with the normal lettings policy for affordable housing. To ensure that this is achieved the Council will seek to negotiate appropriate agreements with the Registered Social Landlord implementing an affordable housing scheme on a rural exception site.
- 6.18 Mortgagee in possession clauses will not be included for rural exception sites because they must remain as affordable housing in perpetuity and the potential for them to change to market housing cannot therefore be provided for.
- 6.19 The Council operates a Rural Exception Site Forum, which meets to discuss all planning applications submitted for rural exception sites. The Forum comprises the relevant local District Council Member(s) for the site under consideration, a local Parish Council representative, officers from the Housing Strategy and Development Team and the Development Control Team, as well as the Development Control Manager or Corporate Manager (Planning and Sustainable Communities). The Forum provides an opportunity for local representatives to discuss an application and put forward their views before the application is determined, given the exceptional nature of this type of development.
- 6.20 Anybody contemplating bringing forward a scheme for a rural exception site is advised to discuss their proposals with the Council's Planning Officers and Housing Strategy and Development Team, prior to the submission of any planning application. Schemes should not be submitted on a purely speculative basis.

APPENDIX 1

AFFORDABLE HOUSING POLICIES FROM ADOPTED DEVELOPMENT PLAN DOCUMENTS

DEVELOPMENT CONTROL POLICIES DPD

POLICY HG/3 Affordable Housing

1. **Proposals for housing developments will only be permitted if they provide an agreed mix of affordable housing, as defined in PPS3¹, to meet local needs.**

- 6 **The amount of affordable housing sought will be 40% or more of the dwellings for which planning permission may be given on all sites of two or more dwellings. The occupation of such housing will be limited to people in housing need. It must be available over the long-term.**

- 7 **Within individual developments, the proportion and type of affordable housing will be the subject of negotiation with applicants. Account will be taken of any particular costs associated with the development (e.g. site remediation, infrastructure provision) and other viability considerations, whether there are other planning objectives which need to be given priority, and the need to ensure balanced and sustainable communities.**

- 8 **The appropriate mix in terms of housing tenures and house sizes of affordable housing within a development will be determined by local circumstances at the time of planning permission, including housing need, development costs, the availability of subsidy, and the achievement of mixed and balanced communities.**

- 9 **In order to ensure sustainable communities, affordable housing will be distributed through the development in small groups or clusters. In exceptional circumstances, on smaller sites, the Council may accept financial contributions towards an element of off-site provision.**

NOTE:

- 1 National policy on affordable housing and its definition is set out in PPS3, and Policy HG/3 should be interpreted in accordance with that statement. It includes social rented housing and intermediate affordable housing, but excludes low-cost market housing which should be delivered as part of the overall housing mix.

POLICY HG/4 Affordable Housing Subsidy

In exceptional circumstances, where there is a considerable time lag between the grant of planning permission and implementation, and where it can be demonstrated at the time of development that there are insurmountable subsidy issues or there are demonstrable changes to the viability of the development, the Council may negotiate a lower proportion of built affordable housing units to be provided on site.

POLICY HG/5 Exceptions Sites for Affordable Housing

- 1. As an exception to the normal operation of the policies of this plan, planning permission may be granted for schemes of 100% affordable housing designed to meet identified local housing needs on small sites within or adjoining villages. The following criteria will all have to be met:**
 - a. The development proposal includes secure arrangements for ensuring that all the dwellings within the scheme provide affordable housing in perpetuity for those in housing need;**
 - b. The number, size, design, mix and tenure of the dwellings are all confined to, and appropriate to, the strict extent of the identified local need;**
 - c. The site of the proposal is well related to the built-up area of the settlement and the scale of the scheme is appropriate to the size and character of the village;**
 - d. The site is well related to facilities and services within the village;**
 - e. The development does not damage the character of the village or the rural landscape.**
- 2. In the case of sites within the Cambridge Green Belt, before planning permission is granted for such development, the District Council will have to be assured that no alternative appropriate sites can be found for the scale and type of development proposed and that the scheme fulfils all the criteria set out in the Council's policies, including those relating to the impact of new development on local surroundings.**

NORTHSTOWE AREA ACTION PLAN

POLICY NS/7 Northstowe Housing

Affordable Housing:

- 10 The starting point for negotiations concerning the provision of affordable housing at Northstowe will be Policy HG/3 of the Development Control Policies DPD. However, this is a major and complex development which has a wide variety of requirements covering infrastructure and services, and a balance may need to be struck between competing requirements, in the light of economic viability. Contributions for off-site provision will not be appropriate.**

CAMBRIDGE EAST AREA ACTION PLAN

POLICY CE/7 Cambridge East Housing

Affordable Housing:

- 5. Proposals for housing developments will only be permitted if they provide an agreed mix of affordable housing as defined in PPS3, to meet local needs,**
- 6. The starting point for negotiations concerning the provision of affordable housing at Cambridge East will be 40% or more of the dwellings for which planning permission may be given on all sites. However, this is a major and complex development which has a wide variety of requirements covering infrastructure and services, and a balance may need to be struck between competing requirements, in the light of economic viability. The occupation of affordable housing will be limited to people in housing need. It must be available over the long term.**
- 7. Within individual developments, the proportion and type of affordable housing will be the subject of negotiation with applicants. Account will be taken of any particular costs associated with the development (e.g. airport and business relocations, site remediation, infrastructure provision) and other viability considerations, whether there are other planning objectives which need to be given priority, and the need to ensure balanced communities.**
- 8. The approximate mix in terms of housing tenures and house sizes of affordable housing within a development will be determined by local circumstances at the time of planning permission, including housing need, development costs, the**

availability of subsidy, and the achievement of mixed and balanced communities.

9. In order to ensure sustainable communities, affordable housing will be distributed through the development in small groups or clusters.
10. In exceptional circumstances, where there is a considerable time lag between the grant of planning permission and implementation, and where it can be demonstrated at the time of development that there are insurmountable subsidy issues or there are demonstrable changes to the viability of the development, the Councils may negotiate a lower proportion of built affordable housing to be provided on site. Contributions for off-site provision will not be appropriate.

NOTE:

1 National policy on affordable housing and its definition is set out in PPS3, and Policy CE/7 should be interpreted in accordance with that statement. It includes social rented housing and intermediate affordable housing, but excludes low-cost market housing which should be delivered as part of the overall housing mix.

CAMBRIDGE SOUTHERN FRINGE AREA ACTION PLAN

POLICY CSF/7 Trumpington West Housing

Affordable Housing:

11. The starting point for negotiations concerning the provision of affordable housing at Trumpington West will be Policy HG/3 of the Development Control Policies DPD. However, this is a major and complex development, which has a wide variety of requirements covering infrastructure and services, and a balance may need to be struck between competing requirements, in the light of economic viability.

NORTH WEST CAMBRIDGE AREA ACTION PLAN

Policy NW6: Affordable Housing

Housing developments will only be permitted if they provide 50% affordable housing to meet the needs of Cambridge University and College key workers¹ (as distinct from units of student accommodation), but account will be taken of any particular costs associated with the development (e.g. infrastructure provision) and other viability considerations, whether there are other planning objectives that need to be given priority, and the need to ensure

balanced and sustainable communities. The occupation of such housing will be limited to Cambridge University and College key workers in housing need. It must be available over the longterm. Contributions for off-site provision will not be appropriate.

Policy NW7: Balanced and Sustainable Communities

- 1. Affordable housing will be intermingled with the market housing in small groups or clusters, whilst the student housing can be provided in a number of groups distributed across each phase of development;**
- 2. A suitable mix of house types, sizes and tenure (including affordable housing) will be provided, attractive to and meeting the needs of, all ages and sectors of society including those with disabilities. This should include a proportion of new homes designed to Lifetime Home Mobility Standards. The mix in each particular development will be determined by evidence at the time of planning permission, including housing need, development costs and viability, and the achievement of mixed and balanced communities.**

APPENDIX 2**STRATEGIC HOUSING MARKET ASSESSMENT**

The latest version of the Strategic Housing Market Assessment (SMHA) can be viewed on the Cambridgeshire Horizons. The key findings of the SHMA in respect of housing need are as shown in the table below. At the time of consultation on the draft SPD, proposed draft figures to update the SHMA were published and these are also included in the table.

<i>TYPE OF NEED and SOURCE of SUPPLY</i>	<i>SHMA 2008 (CHP 27) AMOUNT OF NEED PER ANNUM-next 3/5 years (properties)</i>	<i>DRAFT SHMA 2009 (CHP 27) AMOUNT OF NEED PER ANNUM-next 3/5 years (properties)</i>
To reduce the backlog	889	1049
Newly Arising Need-	911	1197
A) TOTAL NEED pa	1800	2247
<i>SUPPLY</i>		
Relets from existing stock	290	263
Resales from existing stock	7	18
B) TOTAL SUPPLY FROM EXISTING STOCK	297	281
C) NEED FOR NEW AFFORDABLE HOMES (A minus B)	1503	1966
<i>Current average new build programme</i>	315	341
<i>Anticipated annual shortfall</i>	1188	1625
<i>New Build Supply needed to stop the backlog increasing- newly arising need minus maximum supply from existing stock</i>	614	916

APPENDIX 3

PPS3: DEFINITION OF AFFORDABLE HOUSING

The following is an extract taken from Annex B of PPS3:

Affordable housing is:

'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

Social rented housing is:

'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

Intermediate affordable housing is:

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent.'

These definitions replace guidance given in *Planning Policy Guidance Note 3: Housing (PPG3)* and *DETR Circular 6/98 Planning and Affordable Housing*.

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

There is further guidance on eligibility for affordable housing, recycling of subsidy, specific features of social rented and intermediate affordable housing and the application of the affordable housing definition, in particular with regard to the extent

to which non-grant funded and private sector low cost housing products meet the definition in the Affordable Housing Policy Statement.

APPENDIX 4

MODEL SECTION 106 CLAUSES

DEFINITIONS RELATING TO AFFORDABLE HOUSING

The words and expressions below shall mean as follows:

“**1985 Act**“ means the Housing Associations Act 1985.

“**1996 Act**” means the Housing Act 1996.

“**Access**” shall mean the provision of roads [footpaths and cycleways] to an adoptable standard together with all rights and easements and obligations as to maintenance over the said roads [footpaths and cycleways] to provide access and egress to the Affordable Dwellings.

“**Actual Market Value**” means the market value of an Affordable Dwelling assessed in accordance with the provisions of the Homes and Communities Agency’s Shared Ownership Lease Schedule 5 that deals with a Staircasing Event.

“**Affordable Dwelling**” shall mean a Dwelling forming part of the Affordable Housing together with Access and such entrance way corridors parking areas and other ancillary areas as are necessary for the enjoyment of such a dwelling [as set out in Schedule X].

“**Affordable Housing**” includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

“**Affordable Housing Contract**” means: a binding contract with a Registered Provider (RP) for:

[Delete for the correct option as applicable]

[the sale or an agreement for lease of the relevant part of the Affordable Housing Land; or a contract for sale or agreement for lease for the sale or long lease (here meaning a lease of no less than 125 years) of completed Affordable Dwellings; or a binding contract for sale or agreement for lease combining the sale or long lease of the relevant part of the Affordable Housing Land with a contract for the construction of the Affordable Dwellings on that land] which contract for sale or agreement for lease in each such case includes:-

- (a) terms requiring the Registered Provider to offer Nomination Rights to the Council in relation to the Social Rented Units and the HomeBuy Agents in respect of the Shared Ownership Units;

- (b) full and free rights of Access subject to any appropriate conveyancing requirements in respect of pro rata payments relating to the repair and maintenance of such Access pending adoption;
- (c) full and free rights for the passage of Services through Service Media which shall be in the adjoining land up to and abutting the boundary to the relevant part of the Affordable Housing Land subject to any appropriate conveyancing requirements in respect of pro rata payments relating to the repair and maintenance of such Service Media pending adoption; and
- (d) such other commercial terms and conditions as may be reasonably required by the relevant owner and/or the developer and/or approved RP.

"Affordable Housing Land" shall mean those parts of the Land edged red on the plan number X annexed to this agreement which shall be identified as Affordable Housing and ancillary space to include car parking.

"Cluster" shall mean a group of Affordable Dwellings.

"Design and Quality Standards" means standards as required by the HCA or its successor body.

"Dwelling" shall mean any unit of self-contained residential accommodation constructed pursuant to the Planning Permission.

"HomeBuy Agent" means a body appointed or approved by the Homes and Communities Agency to act as agents for the allocation of affordable dwellings disposed of by way of intermediate tenure (including Shared Ownership Units).

"Homes and Communities Agency" is a non-departmental body that is the national housing and regeneration agency and is responsible for the funding of affordable homes in England and shall include any successor body in substitution for the Homes and Communities Agency.

"Infrastructure" means all sewerage plant machinery apparatus and equipment and sewerage works drains rising mains and associated manholes mains inspection chambers headwalls public utilities bridges (including any railway and/or river crossings) tunnels and underpasses culverts lagoons balancing ponds flood storage areas pumping stations or pumping apparatus flood plains sound barriers noise attenuation works screens or bunds strategic planting and landscaping open space and other main amenities and accommodation works and all other works Services and Service Media apparatus and equipment that may be required pursuant to this Agreement or pursuant to any other planning or infrastructure agreement or otherwise needed in order to commence construct complete sell use and occupy the Development and/or to market and sell all or any of the Dwellings comprised in the

Development or any variation amendment or substitution thereof or any Reserved Matters Approvals pursuant thereto.

“Intermediate Housing” shall mean an Affordable Dwelling that is within the definition of intermediate housing contained in Planning Policy Statement 3 Housing (November 2006) or any successor.

“Long Lease” shall mean a lease for a term of at least 125 years.

“Market Dwelling” means any Dwelling other than an Affordable Dwelling.

“Market Value” means (in relation to the initial calculation of the Subsidy only) the market value as assessed by a Valuer of a Dwelling as confirmed to the Council by the relevant Approved RP (such value being calculated in accordance with the current RICS Appraisal and Valuation Standards) and being the estimated amount for which in the absence of this Agreement residential units of equivalent location specification size state of repair and condition and which are not restricted to use as affordable housing should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion and on the following assumptions:-

- (a) no discount is to be allowed for bulk sales or on the basis that more than one property is being sold to the same purchaser;
- (b) it is sold with vacant possession and with good and marketable title;
- (c) the title is free from encumbrances;
- (d) the valuation is for the unrestricted freehold *or as appropriate leasehold (of an initial minimum 125 year term)* with vacant possession which, for the avoidance of doubt, ignores any use as Affordable Housing;
- (e) that the property is newly built, decorated, fully equipped for sale and serviced and fit for immediate occupation;
- (f) that the valuation is for sale of an individual unit and not part of a larger sale;
- (g) all necessary Access landscaping and open space have been laid out and completed and all other Dwellings within the Development have been built, sold and occupied;
- (h) assuming the Application Land is free from contamination.

“New Build HomeBuy” means the Government initiative known as “New Build HomeBuy” as set out in the Department of Communities and Local Government document entitled “Delivering Affordable Housing” dated November 2006.

“Nominations Agreement” means an agreement negotiated between the Council and an RSL which guarantees the Council’s ability to access RSL-owned new build accommodation and relets for applicants on the Council’s Housing Register, either via a Choice Based Lettings system or some alternative route.

“Nomination Rights” means rights to the Councils to nominate to Qualifying Persons Affordable Housing Units comprising an initial allocation of each Affordable Housing Unit of 100% and with subsequent allocations being proportioned as to:-

- (a) the Councils 75%; and
- (b) the RSL 25%;

provided always that subject to the Councils not being in breach or default of any of their statutory obligations the Councils may from time to time in their absolute discretion and either on a temporary or permanent basis in relation to the Affordable Housing Site accept a lesser nomination percentage in relation to:-

- (a) the initial allocation of each Affordable Housing Unit which has not previously been allocated or the subject of a nomination; or
- (b) the allocation of Affordable Housing Units which have not been the subject of an initial allocation.

“Occupation” means first residential occupation of a Dwelling save for the purpose of construction fitting out or marketing and the expressions “Occupy” and “Occupied” shall be construed accordingly.

“Phase” means each of the relevant phases of the Development as required by condition [.....] of the Planning Permissions or identified in any phasing plan for the development.

“Practical Completion” means substantial completion of a Dwelling to a stage where it is fit for occupation.

“Public Subsidy” means funding of whatever kind made available by the Homes and Communities Agency whether by way of grant, equity stake or other mode of investment or any other grant invested by a public or statutory body.

“Registered Provider” (RP) shall mean an organisation nominated by the Owners and approved by either the Homes and Communities Agency or the Council and which is either:

- (i) a Registered Social Landlord within the meaning given in Part 1 of the Housing Act 1996; or
- (ii) another organisation whose object is or includes the provision and or management of Affordable Housing.

“Rental Agreement” means an assured tenancy in respect of a Social Rented Affordable Housing Unit under which the rental payments are in accordance with the Target Rents].

“Services” shall mean the supply of water electricity gas telephone and the disposal of foul and surface water.

“Service Media” shall mean all pipes sewers mains ducts conduits gutters watercourses wires cables channels flues and ducting lasers optical fibres electronic data or impulse transmission communication or reception systems broadband and all other conducting media and any other apparatus.

“Shared Equity Units” shall mean those Affordable Dwellings where the occupier purchases a proportion of the equity but pays no rent on the other retained proportion and is not permitted to staircase.

“Shared Ownership Lease” means a lease or sub lease under which an Affordable Dwelling may be disposed of by way of shared ownership or shared equity sale and/or lease (including New Build HomeBuy) granted at a premium to be paid by the tenant or sub tenant upon completion or raised by way of mortgage or charge and under which the provisions of the lease or sub lease enable the tenant or sub tenant to acquire the balance or an increased share of the legal or equitable interest in the relevant Dwelling including The Homes and Communities Agency standard Shared Ownership Lease.

“Shared Ownership Units” shall mean those Affordable Dwellings where the occupier purchases a proportion of the equity and pays rent on the other retained proportion and is not permitted to staircase.

“Social Rented Affordable Housing Unit” shall mean an Affordable Dwelling [identified as such in accordance with Schedule X] and which is to be let on an assured tenancy at Target Rents.

“Staircasing Event” means any occasion on which a lessee of a Shared Ownership Unit acquires additional equity in that unit pursuant to a Shared Ownership Lease or a tenant of a Social Rented Affordable Housing Unit acquires a share or the whole equity in their property under any current or future legislation that applies to Affordable Housing granting tenants the right to acquire the property.

“Subsidy” means the amount expressed in pounds of the difference between:

- (a) the price (including land) attributable to the disposal of Affordable Dwelling to an RP (being for the avoidance of doubt the price to be received from the RP pursuant to an Affordable Housing Contract by an Owner as at the date of exchange of contracts of the Affordable Housing Contract and notified to the Council in writing and the relevant RP; and

- (b) the Market Value attributable to that Affordable Dwelling (including land) as at the date of exchange of contracts for the sale and purchase of that Affordable Dwelling to an RP as agreed between the relevant owner and the RP pursuant to an Affordable Housing Contract assuming it to have been completed and ready for residential occupation as at that date and notified to the Council in writing (such Market Valuation to have been certified by a Valuer).

“Target Rents” means either:

- (i) the Homes and Communities Agency/Tenant Services Authority target rents system PROVIDED THAT if The Homes and Communities Agency/Tenant Services Authority target rent system shall cease to operate or shall not have been revised in the year of the date of grant of the relevant assured tenancy then the last published target rent index linked to the increase (if any) in RPI plus 0.5% shall apply instead; or
- (ii) such other measure of rental affordability as may be submitted by the Owners or Developers and approved by the Council that retains the affordable housing at affordable prices.

“Valuer” shall mean a Member or Fellow of the Royal Institution of Chartered Surveyors being a chartered valuation surveyor and appointed by the RP and acting in an independent capacity.

MODEL SECTION 106 CLAUSES

Unless otherwise agreed in writing by the Council the Owner on behalf of itself and its successors in title to the Land with the intention that the following provisions shall bind the Land and every part of it into whomsoever’s hands it may come (with the exception of individual purchasers of plots identified for Market Dwellings) covenants with the Council that;

Quantum

1. X% (..... percent) of the total number of Dwellings constructed pursuant to the Planning Permission (rounded up or down to the nearest whole Dwelling) shall be provided as Affordable Housing.

Distribution

2. [The location of the Affordable Dwellings shall be in accordance with the Plan [X] agreed with the Council and annexed to this Agreement.]
3. [A plan to be agreed with the Council for each relevant phase prior to commencement of construction of a dwelling on any particular phase by the carrying out of a material operation.]

Clustering

4. Each Cluster shall be physically separate from and discontinuous with any other Cluster and there shall be no more than [] houses and [] flats within any Cluster.

Tenure

5. [%] of the Affordable Dwellings shall be provided as Social Rented Affordable Housing Units (rounded up or down to the nearest whole Dwelling); and
6. [%] of the Affordable Dwellings shall be provided as New Build Homebuy Units (rounded up or down to the nearest whole Dwelling);
7. [%] of the Affordable Dwellings shall be provided as Shared Equity Units/Shared Ownership Units (rounded up or down to the nearest whole Dwelling);
8. [%] of the Affordable Dwellings shall be provided as Intermediate Rented Units (rounded up or down to the nearest whole Dwelling);

Type by Tenure

9. The mix of Affordable Dwellings rounded up or down to the relevant whole number shall be as follows: -

Social Rented Affordable Housing Units consisting of:

.....

Shared Ownership Units consisting of:

.....

Shared Equity Units consisting of:

.....

Intermediate Rented Units consisting of:

.....

or such other tenure as agreed in writing with the Council

Note: This breakdown may need to appear by phase for a large multi-phased project noting the need to aim for equilibrium in mix by phase and when this proves impractical on a particular phase that the mix should be returned to that expected position within the next phase.

Shared Ownership Units

10. Subject to Clause [] of this Agreement and paragraph [] of this Schedule the Shared Ownership Units shall not be disposed of on their initial sale other than by way of Shared Ownership Lease unless otherwise agreed in writing by the Council.

Social Rented Affordable Housing Dwellings

11. Subject to clause of this Agreement and paragraph [] of this Schedule the Social Rented Affordable Housing Units shall not be disposed of other than by way of a Rental Agreement unless otherwise agreed in writing by the Council.

Standards of Development

12. The Social Rented Affordable Housing Units and Intermediate Housing must be constructed to meet or exceed the Design and Quality Standards.

Satisfaction of Affordable Housing Requirement

13. [The amount of the Subsidy and the date of any Affordable Housing Contract for disposal to an RP in respect of each Affordable Dwelling shall be provided to the Council by the RP together with a plan identifying the Affordable Dwelling to which that Subsidy relates.]

Monitoring

14. The Owner shall procure that the number and type of Affordable Housing will be monitored in order to ensure compliance with this Schedule and shall by the 1st February and 1st August in each calendar year make a written return to the Council for the preceding six months detailing:
- the cumulative total and location of Dwellings Occupied for the whole site;
 - the number of Affordable Housing Dwellings completed with a breakdown specifying the number Affordable Housing Dwellings built and occupied with details of their tenure and unit type and size;
 - the number location and tenure of the Affordable Housing Dwellings with details of the rent and service charges and Market Value and equity sold to the occupier if under a Shared Ownership Lease;
 - the amount of receipts following a Staircasing Event.

Mortgagee in Possession

15. A mortgagee or chargee appointed by a mortgagee acting pursuant to the terms of a legal charge or mortgage shall be entitled to dispose of an Affordable Housing Unit free from the provisions of this Agreement, subject to the following:
- (a) The mortgagee or chargee will notify the Council in writing of its intention to exercise its power of sale;
 - (b) The mortgagee or chargee shall use its reasonable endeavours to dispose of the Affordable Housing Unit to an approved RSL or RP nominated in writing by the Council within 28 days of the Council receiving notification under (a) above;
 - (c) In the event of a nomination not being made under (b) above or a sale to a nominated Approved RSL or RP not being completed within 3 months of a nomination being made the mortgagee or chargee may dispose of the Affordable Housing Unit on the open market free from the restrictions in this Agreement;
 - (d) The Council shall in formulating or promoting any arrangements in respect of the Affordable Housing Unit give consideration to protecting the interests of the chargee in respect of monies outstanding under the charge or mortgage.
16. The mortgagee shall, on completion of the sale of any Affordable housing Unit pursuant to paragraph [] above, apply the proceeds of the sale in the following order of priority:
- (a) To the mortgagee in respect of payment of all monies due under its legal charge or mortgage;
 - (b) To the mortgagee in respect of the reasonable costs incurred in connection with the sale and discharge of the legal charge or mortgage;
 - (c) To the Council the balance of the proceeds of sale up to the equivalent of the Subsidy;
 - (d) To the Approved RSL or RP against whom the mortgagee exercised its rights under its legal charge or mortgage the balance of the proceeds.

Releases

17. It is agreed and declared that:

The provisions of paragraph [] above shall cease to bind any of the Affordable Housing Dwellings if in relation to that Affordable Housing Dwelling it shall have been sold under a shared ownership lease and the leaseholder (or its mortgagee) has staircased his ownership under the lease to 100 per cent.

Delivery Mechanism

18. All Affordable Dwellings shall transfer to an Approved RP and [other than where justified following an assessment of economic viability in accordance with the Council's policy] shall be provided without recourse to Public Subsidy provided always that the Approved RP may use its own resources borrowings rental income receipts from sales/persons exercising any right to acquire under the 1996 Act or to staircase (other than receipts from the right to acquire under the 1996 Act or a Staircasing Event in respect of the other Affordable Dwellings as described in Schedule x) or other sources of finance to fund the acquisition of Affordable Dwellings and may use any available public subsidy to fund the acquisition of Additional Affordable Housing in combination with the Staircasing Receipts reserved and set aside pursuant to this Agreement.
19. The Owner will not permit the occupation of any Market Dwellings until it has entered into the Affordable Housing Contract with an RP in relation to the Affordable Dwellings and before the Practical Completion of any of the Affordable Housing Units in accordance with the Affordable Housing Contract [or legal completion of transfer of Affordable Housing Land to the Council].
20. No more than [50%] of the Market Dwellings shall be Occupied until [75%] of the Affordable Dwellings shall have achieved Practical Completion and shall have been transferred to an RP.
21. No more than [75%] of the Affordable Dwellings shall be Occupied until [50%] of the Market Dwellings shall have achieved completion.
22. The Owner will give written notice to the Council when the legal transfer of 50% of the total number of Market Dwellings and 75% of the Affordable Dwellings shall have been achieved.

Review and Resulting Variation in Affordable Housing Provision

23. In the event that the Affordable Housing contribution is less than the policy expectations set out in the Council's Local Development Framework applying at the time of agreement and where the scheme (Affordable

Housing and Market Housing) will complete more than 3 years from the date of agreement, the Council will require a review of the economic viability of the scheme.

24. The review will be conducted 18 months after the date of agreement in accordance with the template for testing economic viability included at annex As a result of changes in the financial characteristics of the scheme resulting in an improvement to the developer's forecast profit for the remainder of the development not completed at the time of review by more than%, the affordable housing contribution will be increased. The level of increase in contribution will be such as to return the economic viability forecast to a position where the forecast profit will equate to the forecast percentage level when this agreement was completed plus the tolerance of%.
25. For schemes continuing for more than 4 years from the date of agreement, further reviews will be conducted in accordance with these provisions on a cycle of one review each 18 months provided a scheme is at least 1 year from forecast completion at the point of the final review being conducted.
26. When considering how the affordable housing contribution should be increased following a review, the Council will seek an increase in dwelling types and tenures which are supported by recent evidence on housing needs and their relative priority.
27. A variation to the quantum or mix of Affordable Housing will be confirmed by issue of a Deed of Variation to this Agreement.

Availability of Grant and Variation in Affordable Housing Provision

28. Where the Affordable Housing contribution set out in clauses 1.1 to 1.8 of this agreement is dependent on Public Subsidy and where at the date of this agreement there is no commitment from The Homes and Communities Agency (or other provider of Public Subsidy) to provide the Public Subsidy to the RP then the level of Affordable Housing contribution can decrease in accordance with the following provisions:
 - (a) if Public Subsidy is not forthcoming at all, then the Affordable Housing contribution will be adjusted to the baseline position as set out in table 1 in annex for any period of the scheme's development when no Public Subsidy is available;
 - (b) if Public Subsidy is forthcoming at a level less than that agreed between the Owner and the Council, as set out in table 2 in annex, then the Affordable Housing contribution will be adjusted pro-rata between the levels indicated in tables 1 and 2 in annex for any period of the scheme's development where Public Subsidy is lower than the agreed level.

APPENDIX 5

CONTACT DETAILS

Planning Policy Team

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FAX: 01954 713152

Development Control Team

TEL: 01954 713155 (Duty Officer)

FAX: 01954 713152

Housing Strategy and Development Team

TEL: 03450 450 051

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GLOSSARY

Affordable Housing:

Affordable Housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Cambridge Sub Region:

For housing policy purposes includes the districts of South Cambridgeshire DC, Cambridge City Council, East Cambridgeshire DC, Huntingdonshire DC, Fenland DC, St Edmundsbury DC and Forest Heath DC.

Choice Based Lettings:

A system for the allocation of social rented housing. Designed to offer more choice and involvement for customers in selecting a new home, including a system for advertising available properties so that applicants who meet the selection criteria eg local connections, household type who match the property characteristics, in housing need, etc can bid for properties. Allocations are made in accordance with published lettings policies drawn up to meet statutory requirements.

Clusters:

Small groups of affordable homes, defined locally as being typically 6 to 8 in the rural area and 6 to 25 in urban areas, which are distributed through a residential development to help secure mixed and balanced communities.

Code for Sustainable Homes:

In April 2007, the Code for Sustainable Homes replaced Ecohomes for the assessment of new housing in England. The Code is an environmental assessment method and sets a new national standard for sustainable design and construction of new homes, and is proposed to gradually be incorporated into Building Regulations.

Development Appraisal / Financial Appraisal:

An appraisal of the viability of a housing scheme and the sensitivity of providing the required amount of affordable housing, and identifying the maximum reasonable amount of affordable housing to be provided. The appraisal will be required to be an open book assessment and will include standard assumptions about land values and profit margins. An independent appraisal will be required. THE GRIMLEY MODEL is available at:

<http://www.homesandcommunities.co.uk/economic-appraisal-tool>

Eligible Households:

Households eligible to apply for affordable housing are defined by government and are essentially any households who are not excluded by virtue of particular issues around nationality and status, whether they are existing tenants and previous unacceptable behaviour. Criteria for eligible households are set out in Chapter 4 of the ODPM publication "Allocation of Accommodation - Code of Guidance for Local Housing Authorities" (November 2002), which is issued under s169 of the Housing Act 1996. Housing authorities are required to have regard to this guidance in exercising their functions under Part 6 of the 1996 Act.

Rural Exception Site:

Plot of land adjoining the village framework of a rural settlement and allocated for the development of affordable housing for local people which could not otherwise be granted planning permission for open market housing.

Homebuy:

A government scheme which enables social tenants and eligible key workers and first time buyers to buy a share of a home and get a first step on the housing ladder. It includes a range of intermediate housing products.

Homebuy Agent:

'HomeBuy agents' administer the HomeBuy schemes. HomeBuy agents are appointed by the Homes and Communities Agency, the public agency responsible for housing in England, and provide a "one-stop-shop" and point of contact for for the HomeBuy products in a given area in England. They also handle the entire application process.

Homes and Communities Agency (HCA):

The Homes and Communities Agency is a non-departmental body that is the national housing and regeneration agency and is responsible for the funding of affordable homes in England. This is the successor body to the Housing Corporation for these purposes.

Housing for Intermediate Rent:

Defined as housing with rents set at a higher level than social rented, but lower than market rent levels. Must be affordable for households in the priority need group. A Registered Social Landlord normally provides intermediate rent housing, but other affordable housing providers who can demonstrate a local management process and conformity with national codes of good practice can do this provided that it is agreed by the Council.

Housing Needs Survey:

A local housing needs assessment playing a role in underpinning land use planning policies relating to affordable housing. Apart from local needs assessment for Rural Exception Sites, these are now superseded by Strategic Housing Market Assessments conforming to government guidance, which may or may not include survey results as part of their assessments.

Intermediate Housing:

A range of products available to people who have income above those requiring social renting housing, but below those that can access full ownership. Products include shared ownership and sub-market rent etc.

Local Area Agreement (LAA):

LAAs are three-year agreements, developed by local councils with their partners in Local Strategic Partnerships (LSP, see below). Each LAA is negotiated with the Government Office for the region, before being agreed and signed off by the Secretary of State. In Cambridgeshire the LAA is at a County level. As part of the

development of LAAs, a growing proportion of government funding streams is now combined in a single Area Based Grant (ABG). This funding is used alongside mainstream budgets to support the achievement of specific 'improvement targets' identified in LAAs, including affordable housing targets.

Local Lettings Plans:

Overall lettings policies have to provide "reasonable preference" to categories of households on the housing register who fall into certain categories of need defined in the Housing Act 1996 and associated Code of Guidance. As long as this requirement is met, local authorities may set aside homes on a particular estate, or certain types of property across the stock, for applicants who meet specified criteria. This might include local connections or household characteristics.

Local Strategic Partnerships (LSPs):

LSPs are partnerships across public, private, business, community and voluntary sectors at local level. The LSPs bring together local plans and partnerships and initiatives to provide a forum through which public service providers can work effectively to meet local needs and priorities.

Mortgagee in Possession Clause:

"Mortgagee in Possession" means a person or body which has entered into a mortgage in respect of an affordable dwelling constructed on the land and has taken action following a default by the borrower in respect of the repayment due under that mortgage. The clause allows the release of affordable housing occupancy restrictions in favour of the mortgagee.

Nomination Agreement:

An agreement negotiated between the Council and an RSL which guarantees the Council's ability to access RSL-owned new build accommodation and relets for applicants on the Council's Housing Register, either via a Choice Based Lettings system or some alternative route.

Pepper Potting:

A guideline that requires housebuilders to mix affordable housing in with private housing in very small numbers (typically ones and twos), rather than cluster the affordable homes together.

Residual Land Value:

The residual valuation is the value of the site once the cost of the development and the developers return for risk and profit have been subtracted from the value of the development. In other words, the residual land value is the amount the developer should bid/pay for the land.

Section 106 Agreement:

A legal agreement under Section 106 of the Town and Country Planning Act 1990, often a requirement before granting planning permission. Used as a means of securing the provision of affordable housing and other contributions from developments, including housing schemes.

Social Housing Grant:

Social Housing Grant (SHG) is a grant given to Registered Social Landlords (housing associations) or other approved bodies by the Homes and Communities Agency. The grants aim to provide new affordable housing for rent or low cost home ownership and meets part of the costs of developing the homes.

Strategic Housing Market Assessment (SHMA):

A framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It promotes an approach to assessing housing need and demand which can provide an evidence base for the development of local development document and regional spatial strategy policies dealing with planning for housing development, as set out in Planning Policy Statement 3: Housing (PPS3).

Supporting People:

Government funded revenue stream to contribute towards meeting the support needs of vulnerable people in supported housing. The Supporting People team at county level fund support and also devise a Strategy to prioritise new schemes for a wide range of special needs groups. Now delivered through the local area agreement process.



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AFFORDABLE HOUSING

Darlington Local Development Framework
Supplementary Planning Document

April 2007

إذا رغبتكم الحصول على هذه النشرة بلغة أخرى غير اللغة الإنجليزية نرجو
الاتصال بنا على رقم الهاتف التالي : 01325 388644 مع ذكر رقم الإشارة.

যদি আপনার ইংরেজী ছাড়া অন্য কোন ভাষায় এই প্রকাশনাটির দরকার থাকে, তাহলে
নম্বরে ফোন করুন এবং সূত্র নম্বর উল্লেখ করুন।

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बताकर निम्नलिखित 01325 388644 पर संपर्क करें।

ਜੇ ਇਹ ਪਰਚਾ ਤੁਹਾਨੂੰ ਅੰਗਰੇਜ਼ੀ ਤੋਂ ਬਿਨਾਂ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦਾ ਹੈ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ
ਸਾਨੂੰ ਨੰਬਰ 01325 388644 'ਤੇ ਫੋਨ ਕਰੋ ਅਤੇ ਰੈਫਰੈਂਸ (ਹਵਾਲਾ) ਨੰਬਰ ਦੱਸੋ।

اگر آپ کو یہ کتابچہ انگریزی کے علاوہ کسی دوسری زبان میں درکار ہو تو برائے مہربانی ٹیلیفون نمبر 01325 388644 پر فون کر کے حوالہ
نمبر بتائیں۔

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1. Adopted Borough of Darlington Local Plan: Affordable housing policies.
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1. Introduction

- 1.1 The purpose of this Supplementary Planning Document (SPD) is to provide clarity and detail about how much, where, when and in what way the Council expects the affordable housing element of new housing developments to be delivered. It carries considerable weight in making decisions on planning applications.
- 1.2 This SPD elaborates on adopted Local Plan policies H9 (meeting affordable housing needs) and H10 (affordable housing in the rural area). Both those policies are reproduced in Appendix 1. However, this SPD does not cover the selection of 'exception' sites for affordable housing in rural areas; the criteria for this will be developed as a new policy through the Local Development Framework Development Policies Document. For up-to-date information on the timetable for the preparation of that document, please look at the Council's Local Development Scheme on its website, www.darlington.gov.uk/planning.
- 1.3 The need for this SPD has arisen because the Council now has evidence of significant shortfalls in the provision of affordable housing within the Borough. House prices, and to a lesser extent, rents, have increased at a far greater rate than household incomes in recent years; Darlington has the highest average house prices of all the Tees Valley local authority areas, but the wages of those working in Darlington are amongst the lowest in the sub region.
- 1.4 At the same time, public sector support for affordable housing provision in Darlington has become more limited, as funds distributed regionally and sub-regionally are increasingly focussed on schemes and priorities elsewhere, such as housing renewal in Middlesbrough. With little change in these circumstances anticipated in the foreseeable future, the main way to

secure significant new affordable housing provision to address the identified shortfalls will have to be as part of new (general market) housing developments, and in very specific circumstances, by permitting the development of affordable housing on rural 'exception' sites.

- 1.5 Local Plan Policies H9 and H10 provide the basis for negotiating this provision with potential developers. Because there has been no robust evidence of needs until late 2005¹, very little affordable housing has been secured as part of existing planning permissions. Moreover, because a high proportion of the net additional dwellings needed in the Borough by through current planning permissions, there are likely to be fewer new developments, or renewals of lapsed planning permissions coming forward, where an element of affordable housing provision can be sought.

Prepared by BDP Planning
for Darlington Borough Council



Darlington Borough Council
Affordable Housing Supplementary Planning Document

Sustainability Appraisal

Sustainability Report

September 2006

- Sustainability Appraisal**
- 1.6 This SPD has also been subject to sustainability appraisal during its preparation. A separate Sustainability Appraisal (SA) report and non-technical summary can be viewed or downloaded from the Council's website www.darlington.gov.uk/planning.

¹ Provided by the Darlington 2005 Local Housing Assessment

2. What is Affordable Housing?

Definition and forms of affordable housing

2.1 The adopted Local Plan defines affordable housing as housing designed for those whose incomes generally deny them the opportunity to purchase houses on the open market as a result of the local relationship between income and market price. It can include both social rented and intermediate housing. Intermediate housing includes housing at prices or rents above those of social rent but below market prices or rents. A sufficient supply of intermediate housing can help meet the needs of key workers and those seeking to gain a first step on the housing ladder, reduce the call on social-rented housing, free up existing social-rented homes, provide wider choice for households and ensure that sites have a balanced mix of tenures.

2.2 A more comprehensive definition of affordable housing is given in the Government's Planning Policy Statement 3 (PPS3) Housing, released in November 2006. This is reproduced at Appendix 2.

2.2 There are three main tenure options for affordable housing:

- Affordable rented homes (social rented)
- Discount for Sale (subsidised home ownership including HomeBuy)
- Shared ownership home (intermediate housing including shared equity and shared ownership)

More detail on each of these options is given in Appendix 2.

Affordability

2.3 A household is considered to be living in unaffordable accommodation if it is paying more than 30% of its gross household income on rent/mortgage payments. Households entering owner occupation are also assumed to have at least a 5% deposit.

2.4 Darlington is one of 3 urban local authority areas named in the draft Regional Housing Strategy (2005) as having the most significant affordability problems. The Darlington 2005 Local Housing Assessment (LHA) indicated that a minimum Gross Equivalent Income² (GEI) of £360 per week is required to access an average terraced house costing £75,000 on the open market in Darlington North and North East, whilst the equivalent property (£150,000 average cost) in the rural Hurworth or Heighington & Coniscliffe wards would require a GEI of £528 per week.

2.5 Given the potentially large fluctuations in house prices and, to a lesser extent, in mortgage rates and household incomes, the affordability thresholds and consequent dwelling requirement figures will be monitored and updated annually, to be published every September.

² Gross Equivalent Income = a measure of household income based on the number and age of people it has to support

Key Workers

2.6 Key workers are public sector workers like teachers, nurses, social workers and probation officers who are deemed essential to the sustainability of the economy. Housing for key workers is not necessarily affordable housing (as would be sought under Policy H9 of the Local Plan), though affordable housing may benefit some key workers whom apart from their key worker status, qualify for affordable housing.

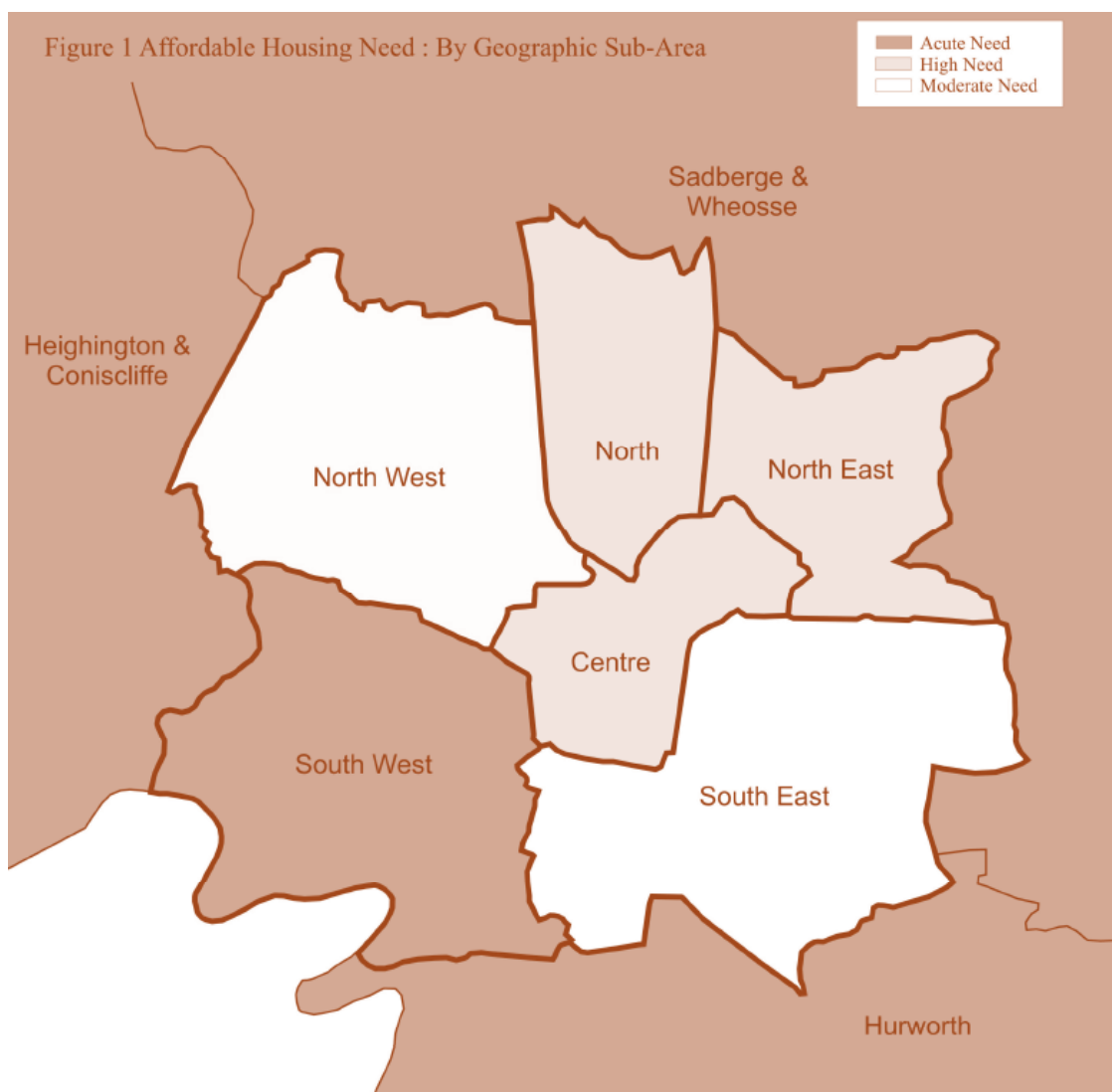
2.7 In Darlington, an estimated 1620 households containing a key worker

receive less than £300 a week, but these make up only 22.5% of all key worker households.

2.8 The Council will not accept key worker housing as a substitute for the general requirement for affordable housing provision set out in Policy H9. Any developers choosing to provide key worker housing will be expected to enter into a legal agreement to make it available as such in perpetuity. Developers should contact the Council as early as possible to discuss how this will be achieved.



3. Background



Affordable Housing needs in Darlington Borough

3.1 The Local Housing Assessment 2005 (LHA) identified a Borough-wide affordable housing shortfall of 1,325 dwellings for the five year period December 2005 to December 2010, equivalent to 265 homes per annum. There is a need for more affordable housing in all parts of the Borough,

3.2 The LHA also revealed a requirement for both affordable homes for rent and intermediate home ownership options. There are shortages of affordable 2 bedroom dwellings for older people³

but it is greatest in the rural areas (mainly intermediate affordable housing) and the south-west sub areas. Affordable housing needs are high in the north, north-west and centre sub areas, but only moderate in the south-east and north-west sub areas. The distribution of need is illustrated in Figure 1.

in all areas, and a shortage of general affordable 2 and 3 bed dwellings in all areas except Darlington North West, North East and South East. Full details of the nature and distribution of the affordable housing shortfalls identified in the 2005 LHA are set out in Appendix 3.

³ housing for older people includes sheltered and very sheltered housing, assisted living, extra care and close care, where units are self contained – all use class C2. Excludes Institutional care homes and nursing homes (use class C3)

3.3 In addition to the LHA information, monitoring of the Council's own Housing Waiting list and stock movements indicates a growing number of households requiring affordable housing and reducing availability of stock, through tenancy changes and transfers. Although actual homeless acceptances peaked in 2003/04, a move towards homelessness prevention masks additional cases where homelessness is threatened and where real housing need has arisen. Again, therefore, the trends are for increasing pressure on affordable housing.

Planning

3.4 The adopted Local Plan was prepared in the context of national planning policy guidance in place in the late 1990s. This indicated that the housing requirements of the whole community should be met and that the community's need for affordable housing would be a material consideration in determining planning applications. The policies in the Local Plan (H9 and H10) are to secure an adequate supply of affordable housing, by supplementing the building programmes of registered social landlords and approved private developers who are in receipt of public funding from the Housing Corporation.

3.5 The adopted Local Plan policies are saved until replaced by new Local Development Framework policies. Saving occurs automatically until September 2007 and at the Secretary of State's discretion thereafter. The guidance given in this SPD, whilst elaborating on the implementation of Local Plan policies, does so in the context of more up-to-date information, policies, plans and strategies, where these do not conflict with the 'parent' Local Plan policies H9 and H10. Any other changes can only be included in a revised SPD, once the appropriate new Development Plan Documents have been adopted.

3.6 Specific matters contained in more up-to-date policies, plans and strategies that this SPD takes account of include:

- a) National planning policy: this SPD has regard to the advice on site/development size thresholds set out in Planning Policy Statement 3: Housing (PPS3), and broadly accords with its presumption that affordable housing be provided on-site unless an alternative approach can be robustly justified.
- b) Regional Spatial Strategy⁴ (RSS): to meet a key RSS aim of ensuring sustainable communities, areas of high housing need like Darlington should secure sufficient affordable housing through the planning process, by setting affordable housing provision targets as a proportion of overall housing provision, using low level site/development size thresholds. The RSS suggests setting different thresholds, depending on the needs, size and function of settlements.
- c) Darlington Community Strategy⁵. The provision of affordable housing will support the promotion of inclusive communities, one of the strategy's eight key themes for achieving its long-term vision for the future of the Borough.

Housing

3.7 The national vision for the north is set out in the Northern Way Growth Strategy (ODPM, 2004). It highlights that the existing quality and variety of housing falls well short of what is required to support the region's economic potential. This echoes the Regional Economic Strategy, which also recognises that faster economic growth will strengthen housing demand.

⁴ View: Shaping the North East, submitted to Government in July 2005

⁵ Where Quality Comes to Life, Darlington Partnership, April 2003.

3.8 The concept of 'city regions' was also introduced by the Northern Way; prompting the preparation sub-regionally of the Tees Valley City Region Development Plan (2005). The creation of socially diverse communities within the inner areas of main towns is seen by this plan as required to underpin improving economic performance.

3.9 Meanwhile, the Regional Housing Strategy (RHS) acknowledges shortages of affordable housing in some parts of the region, exacerbated by recent increases in homelessness. It links social diversity and affordable housing provision, and urges local authorities to use up-to-date research about local requirements, levels of homelessness and local housing market conditions to develop affordable housing policies. It states that local authorities should set out the extent of need in each of their market areas, the proportions of each type of affordable housing that is required, the locations where lower thresholds will be applied and identify sites which will be subject to specific briefs. They should also describe the policy for the use of grant support, such as Social Housing Grant.

3.10 Although Darlington is not specifically highlighted as a priority area for affordable housing provision, the RHS does say that (public sector) support would be given where clear, robust evidence of significant affordability issues have been identified. As indicated at para. 3.1, through the 2005 Darlington LHA, this is now the

case. Any developers seeking public subsidy for affordable housing should contact both the Council's Housing and Planning Services as early as possible, as new schemes need to be considered within the bidding timeframe as set out by the Housing Corporation.

3.11 Affordability has only recently emerged as an issue in the Tees Valley sub-region, and is most prevalent in Darlington and Stockton Boroughs. Through the Tees Valley Housing Strategy, proposals will be put forward to the Regional Housing Board and the Housing Corporation for publicly funded affordable housing schemes wherever there is an identifiable need to be met, but they must also support the key objectives of this sub-regional strategy. This may limit the opportunities for Darlington to secure funding from this source, as the strategy is focussed on housing market renewal in the inner areas of Middlesbrough, Stockton and Hartlepool.

3.12 The current Darlington Housing Strategy (2004) does not address the more recently identified shortage in affordable housing, though it does acknowledge the need to work with Housing Association partners to respond to identified needs. Local Housing Strategies have largely been replaced by Sub-Regional and Regional Housing Strategies, in Darlington's case the Tees Valley Sub-Regional Housing Strategy (2007).

4. In what circumstances will the policy be applied?

- 4.1 Policy H9 will be applied to all planning applications, including renewal of lapsed planning consents, changes of use and conversions, which fall within the criteria outlined below:
- a) Within the main urban area (the area within development limits as shown on the adopted Proposals Map), proposed developments of 15 dwellings or more*, or residential development sites of 0.5ha or more.
 - b) Outside the main urban area, proposed developments of 5 or more dwellings* or residential development sites of 0.2ha or more.
- 4.2 Where outline planning permission is granted for residential development on a site below the site size thresholds outlined above, a condition will be attached to the planning permission indicating that if the dwelling numbers meet or exceed the thresholds outlined above, the developer will be expected to enter into a legal agreement to provide affordable housing either on site or by means of a financial or other contribution to the Council to enable the provision of affordable housing elsewhere. Model heads of terms for legal agreements are set out in Appendix 5.
- 4.3 Given the level of identified need and the limited opportunities for securing affordable housing provision, planning permission will not be granted for applications that meet or exceed the thresholds set out in 4.1 above, but do not include any affordable housing, or any enabling financial or other contribution to the Council. Only in the

most exceptional circumstances does the Council consider that deviation from the above criteria will be justified (see para.5.4 below).



- Sub division of sites*
- 4.4 The Council will be alert to the sub-division of sites or phasing of development as a means to circumvent the requirement to provide affordable housing. Therefore, for the purposes of establishing the affordable housing requirement, planning applications will be taken as relating to any composite or naturally defined larger area, whether or not subject to phased development and regardless of ownership. This will normally mean the curtilage of the property, defined as the area of land attached to a building. If development is proposed in phases, later phases must fulfil affordable housing requirements from previous phases, where it has not already been adequately provided.

5. How much affordable housing should be provided as part of new housing developments?

Affordable housing need	Sub Areas	Wards	Affordable housing target
Acute	Rural, Darlington South West	Heighington and Coniscliffe, Hurworth, Middleton St. George, Sadberge and Whessoe, College, Hummersknott, Mowden, Park West.	40%
High	Darlington North, North East, Centre	Haughton North, East and West, Harrowgate Hill, North Road, Northgate, Central	30%
Moderate	Darlington North West and South East	Faverdale, Cockerton East and West, Pierremont., Lingfield, Bank Top, Lascelles, Eastbourne, Park East.	15%

Table 1: Affordable Housing: Quantity Targets

5.1 The amount of affordable housing that will be sought as part of new general market housing developments is calculated as a percentage of the total number of units planned in the development. Table 1 indicates the levels that have been set for each of the Borough's sub-areas, having regard to the findings of the 2005 Local Housing Assessment. The affordable housing should normally be provided on-site, except in the situations outlined in Section 6. It should be split between rented and intermediate affordable housing, in the proportions and areas outlined in Section 7.

5.2 These targets will apply, regardless of whether the developer can attract any public subsidy, such as social housing grant, or not.

5.3 The affordable housing targets set out above may, exceptionally, be reduced or possibly waived if:

- a) it can be demonstrated that there are exceptional unforeseen costs associated with the development that, taken together with the provision of affordable housing to the levels set out above, would render the project unviable; and/or

- b) the development of the site will bring other planning and environmental benefits that are so significant as to outweigh the need to meet affordable housing requirements in full;

- c) sheltered housing for frail older people (aged 50+ years or older) is proposed.

5.4 The Council expects developers to have considered the financial implications of providing affordable housing when purchasing the land for development, as they would for all other significant foreseeable costs, like highway works, remediating contamination, known flood mitigation, piling, demolition, and planning obligations. Developers will need to address the matters covered in Appendix 6 if they consider that there are further and exceptional unforeseen costs and that the provision of affordable housing would make a proposed scheme unviable.

5.6 Developers of schemes for older people will only be expected to provide affordable housing provision to meet that proportion of the affordable housing needs that have been identified for this age group (see Table 2).

6. Does affordable housing have to be provided on the application site?

6.1 The Council is committed to the development of mixed and balanced communities. One way of delivering this is by including affordable housing within new private housing developments. However, there may be circumstances where off-site provision, or a financial contribution, may be more appropriate in tackling the identified local affordable housing needs of Darlington's residents.

6.2 People in need of affordable housing often cannot afford a private car or long journeys by public transport, and express a strong preference for dwellings in highly accessible locations that are close to shops and places of work, and near to their existing networks of support from family and friends. The Council's waiting list provides a good indication of the areas of the Borough where demand for affordable housing is greatest. These are the Centre and North Sub areas, in and around the central area/High Northgate/North Road, and locations elsewhere close to local shops, services and places of work eg the other district and local centres identified in the Local Plan. However, there is likely to be demand for intermediate tenure properties in a wider range of locations, particularly amongst newly forming households that are seeking to make their first step onto the property ladder, and older people (50+ years) who are equity rich but have limited cash reserves.

6.3 The Council will therefore expect the affordable housing requirements to be met through on-site provision in the general locations shown in Figure 2. Exceptions may be made where:

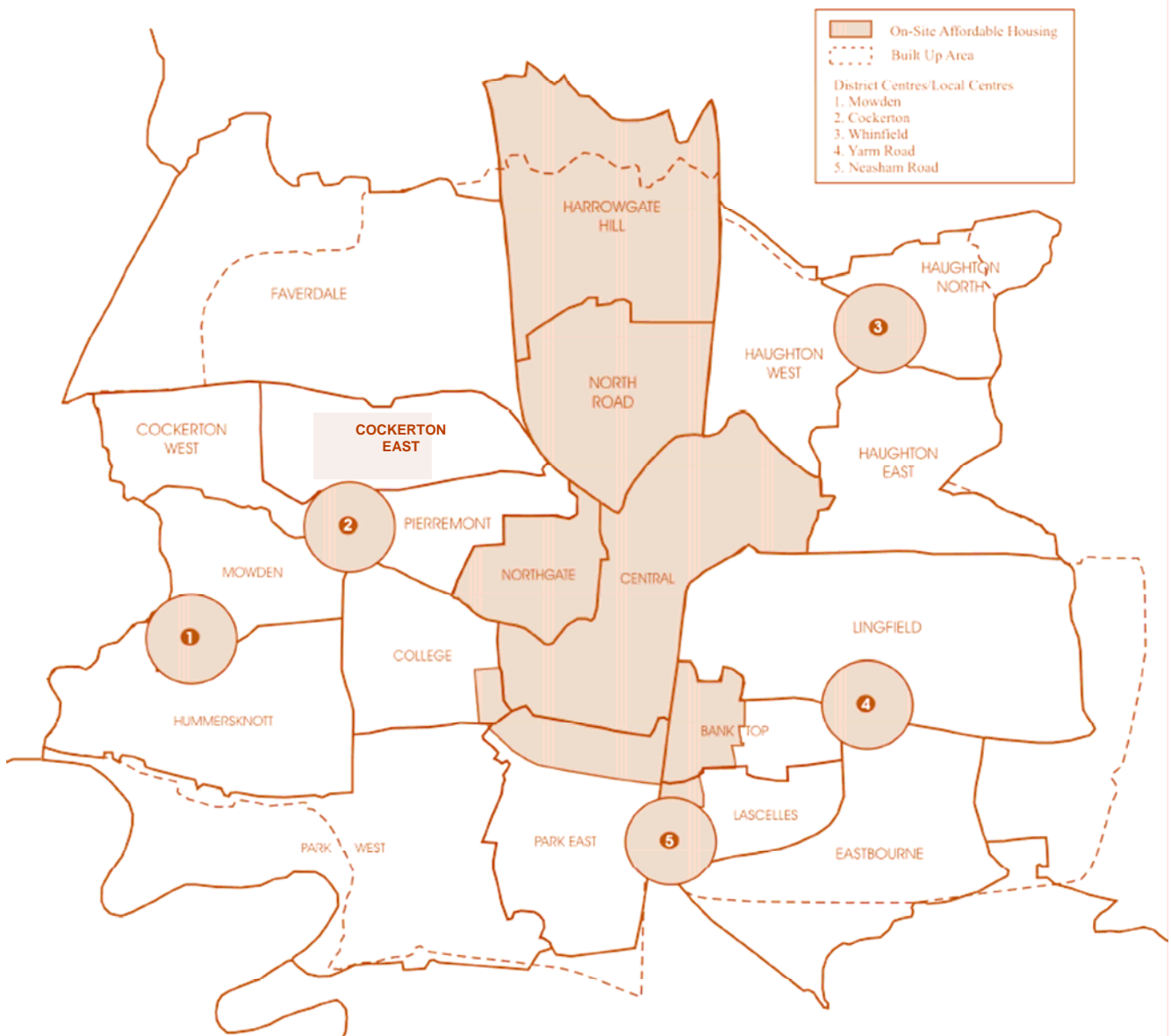
- the development of general market housing is being promoted as part of a wider strategy to broaden the mix of tenures in a neighbourhood (there will still be a requirement for off-site affordable housing in these instances);
- the scheme is the conversion of a building that is unable to physically accommodate units of the sizes and dimensions required by Housing Corporation Scheme Development Standards;
- the Council, as local housing authority, has provided evidence that the identified affordable housing needs in the locality of the proposed development would be better met in off-site provision.

6.4 Outside the general locations identified in Figure 2, the affordable housing requirements may be met though a combination of on-site provision, off-site provision and financial contributions towards the provision of affordable housing elsewhere. Early discussions with the Council's Housing Strategy Manager (preferably pre-application) are advised to establish the position in respect of individual sites.

- 6.5 For proposed developments of 30 dwellings or more in these less accessible locations, the Council will expect the majority of the affordable housing requirement to be met on-site, unless it can be shown that off-site provision will make a better contribution towards achieving strategic affordable housing objectives. This is to avoid concentrations of housing in a single tenure or type.
- 6.6 Where both the developer and the local planning authority agree that a

financial contribution is appropriate to meet all or part of the affordable housing requirement, the Council will use this money to meet its strategic affordable housing objectives and to create mixed communities. This could include the clearance and remodelling of poor quality, obsolete and sometimes vacant housing elsewhere within the urban area, where it would provide an overall increase in the number of good quality affordable homes that Darlington residents with identified housing needs are prepared to live in.

FIGURE 2 : LOCATIONS WHERE AFFORDABLE HOUSING SHOULD BE PROVIDED ON-SITE



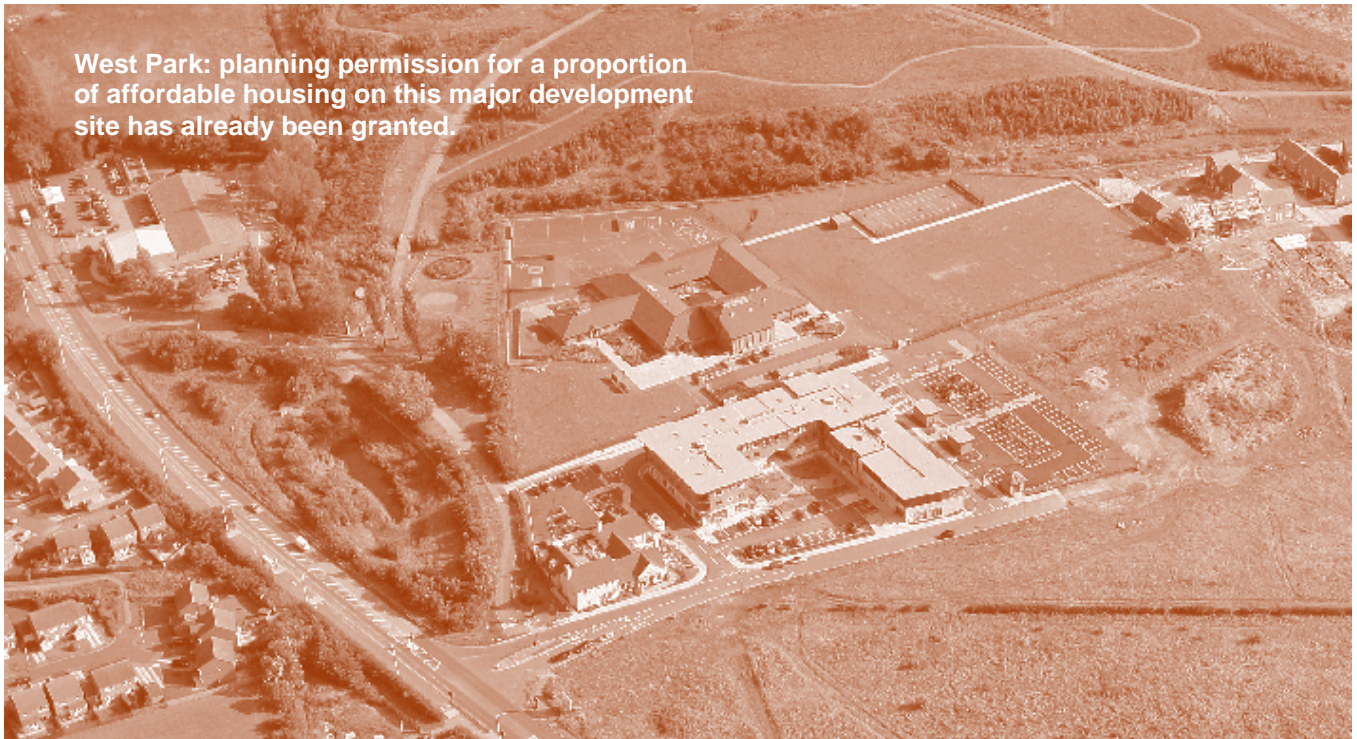
6.7 Where the affordable housing requirement is no more than six dwellings, applicants may consider providing part of the site at nil cost in lieu of the actual provision of affordable housing units. However, this will only be acceptable, if:

- a) the developer can demonstrate that a registered social landlord is able to provide the affordable housing within 5 years of commencement of development on the application site as a whole;
- b) the number of affordable dwellings required can be accommodated on the site; and

b) the developer can satisfy the Council that dwellings provided in this way will be integrated into the scheme overall (see 8.2 below), creating a mixed rather than divided community;

d) the affordable housing can be delivered without recourse to additional public subsidy.

6.8 Further details about the nature of and requirements for off-site provision and/or developer contributions towards provision elsewhere, are given in Section 9 and 10 below.



7. Nature of Affordable Housing Provision

Tenure

7.1 The LHA indicated that about 82% of the demand for affordable housing is for social rented accommodation and only 18% is for intermediate housing (e.g. shared ownership and discounted for sale – see Appendix 2). However, the Council is keen to raise awareness and uptake of intermediate housing options, and will therefore work with developers to achieve a social rented: intermediate housing tenure split in the Borough's affordable housing provision of 70%: 30%. The tenure split will be negotiated on a site-by-site basis, having regard to the mix of tenures of existing housing nearby, the desire to create balanced communities, the requirements for on-site provision outlined in Section 6 above, and the link between dwelling size/type and tenure identified in the LHA. In villages, where demand for social rented accommodation tends to be less than in the urban area, the Council will seek intermediate housing exclusively or in combination with a contribution towards affordable housing generally.

Size and Type

7.2 Appendix 3 indicates the size and type of affordable dwellings for which a need was identified in the Local Housing Assessment 2005. This gives indicative targets for the size and type of affordable housing provision required in specific areas, and these are set out in Table 2.

7.3 This information, together with any more up-to-date information that the Council's Housing Division may have regarding pressures on the social rented stock, will form the starting point for negotiating the composition of the affordable housing element of schemes with potential developers. The characteristics of the site, e.g. access to local facilities, will also be

taken into account, particularly where provision for older people is proposed. Potential developers are advised to contact the Council at an early stage to discuss this.

7.4 Submitted proposals with affordable housing provision that differs in size, type or tenure from that set out in this guidance and from that proposed in any pre-application discussion may still be permitted, provided that the matters set out in paragraphs 7.8 and 7.9 below are adequately addressed, and the Council's broader affordable housing policy objectives are met.

Older People's Housing

7.5 Over 50% of all the affordable housing needs identified in 2005 were those of older people, i.e. those aged 50 or over, and in the south-east and north-west sub areas, they constituted all of the affordable housing needs identified. Housing for older people includes sheltered and very sheltered housing, assisted living, extra care and close care, where units are self contained, but excludes institutional care homes and nursing homes.

7.6 Where the proposed affordable housing is to meet the needs of older people, the design and layout of the units should have regard to the particular requirements of many older people, such as level, ground floor access wherever possible, the provision of lifts if units are provided at first floor or higher levels, and the ability for homes to be negotiable by wheelchair users and readily adaptable to meet changing needs.

7.7 Developers of sites within Darlington Centre sub-area, or within 300m of one of the district/local centres (see Figure 2) will be encouraged to include high proportions of affordable housing as provision for older people.

Sub Area or Village	General			Older persons		All
	1 bed	2 bed	3+ bed	1 bed	2 bed	(%)
Darlington North East	22%	0	0	13%	65%	100
Darlington South East	0	0	0	0	100%	100
Darlington Centre	1%	30%	33%	0	37%	100
Darlington South West	17%	23%	17%	9%	34%	100
Darlington North	28%	14%	10%	24%	24%	100
Darlington North West	0	0	0	0	100%	100
Urban Area target (%)	14.8	15.3	12.7	10.1	47.1	100
Heighington & Coniscliffe	23%	15%	8%	15%	38%	100
Hurworth	25%	25%	8%	8%	34%	100
Middleton St. George	29%	29%	14%	21%	29%	100
Sadberge & Whessoe	21%	25%	17%	12%	25%	100
Borough-wide target (%)	17.4	17.4	12.5	10.1	42.6	100

Table 2: Target percentage of affordable homes by Darlington sub-area or village.

Cost

7.8 The provision of affordable homes must be such that the cost to the end user is no more than 30% of their gross household income. Details about how this can be calculated are given in Appendix 4, and rent levels must be contained within the guideline target rents determined through the national rent regime.

will be delivered, who will maintain and manage it, what mechanisms are in place to ensure that the occupants are drawn from those in genuine need (demonstrated by an existing application on the Council's waiting list), and how the affordable homes will be secured as such in perpetuity.

Securing Delivery

7.9 Where affordable housing is required as part of new housing developments, planning applications must include details of how the affordable housing

7.10 The Council will also expect developers providing affordable housing as part of their developments to enter into a legal agreement to secure its provision. Model heads of terms for such an agreement are set out in Appendix 5.

8. Layout, Design and Construction Standards

8.1 Good design and siting of affordable housing within residential and mixed-use developments can help create vibrant and sustainable communities. The design and layout requirements for new housing development are set out primarily in adopted Local Plan Policy H11, whilst a Design Guidelines Supplementary Planning Document (in preparation) will provide further guidance. Both are applicable to affordable housing.

8.2 Additional requirements for affordable housing are:

- Provision to at least the minimum construction standards set out in the Housing Corporation's latest Scheme Development Standards or equivalent (see www.housingcorp.gov.uk).
- Unless there are very good reasons to the contrary, e.g. use of innovative or experimental highly energy efficient materials, the design of affordable units should be indistinguishable from market housing, even if this means raising the standard of the market provision to the specification of any partner registered social landlord.
- Must meet EcoHomes 'Very Good' standard, to help reduce the carbon emissions associated with new housing;
- Wherever possible, affordable housing should be spread throughout a development, for example, by locating units individually or in pairs across the site. The location of affordable units must be indicated on plans submitted as part of a planning application, and the Council will expect affordable housing needs to have been considered in agreeing general layout principles.

- Car parking provision may be lower than for general market housing, as levels of car ownership are likely to be lower, particularly if the affordable housing is for the frail elderly in sheltered housing schemes. However, the type of location (e.g. central or urban fringe) must also be considered, and developers should discuss parking with the Council at an early stage. Note also that there should be no additional charge for the provision of parking for affordable units;

- Up to 10% of units to be designed for wheelchair accessibility, or a financial contribution to be made of up to 15% of overall unit construction costs for the equivalent number of units, to be spent appropriately once the particular needs of future occupants have been identified.

8.3 The Council will also be seeking the following in the design and construction of new affordable housing: lifetime homes standards (see www.jrf.org.uk) and the Building for Life's 'silver' standard⁶, a benchmark for well designed housing and neighbourhoods (see www.buildingforlife.org).

8.4 Developers intending to involve a registered social landlord, are advised to do so at an early stage in the design of the proposal, as they can assist in ensuring that the Scheme Development Standards (see paragraph 8.2 above) are complied with. Guidance can be sought from the Council's Housing Division about recommended registered social landlord partners.

⁶ Must fulfil 70% of the BfL criteria under themes of character, roads, parking and pedestrianisation, design and construction, and environment & community. BfL is an alliance of national housing and design agencies and interest groups led by the Government's Commission for Architecture and the Built Environment and the House Builders Federation

9. Off-site provision

9.1 Where a developer is proposing the provision of affordable housing off-site, there should be early discussions with the Council to identify a suitable site or sites.

9.2 The developer will need to work in partnership with the Council and any registered social landlord to establish that the site can be secured for development, that the proposed units are capable of being provided there, and that in doing so, it will support the objective of creating mixed and sustainable communities. The developer will also need to demonstrate that the proposed site is within 300m walking distance of local facilities, such as a convenience food shop, or a bus stop with a 15 minute (urban)/1 hour (rural) frequency daytime service on weekdays, or can be made to be so.

9.3 As with on-site provision, the timing of off-site provision will be tied to the completion of numbers of properties on the associated general market housing site, by means of a Section 106 agreement. The general approach will be to secure completion

of the affordable homes in step with the general market housing, unless the timing is otherwise agreed with the Council.

9.4 Where agreement cannot be reached with the Council regarding a suitable site for off site affordable housing provision, a financial contribution in lieu of affordable housing provision may be considered (see Section 10 below).

9.5 Developers may also be able to meet the affordable housing requirements by purchasing existing homes, bringing them up to the 'decent homes' standard, and then passing them on to a registered social landlord to manage as affordable homes in perpetuity, whether as social rented or intermediate housing. However, this approach will not be acceptable where its effect is to further concentrate people with low incomes into particular parts of the town. Any developers considering this should contact the Council as early as possible to establish which locations would be acceptable.

10. Financial Contributions

- 10.1 Where it has been demonstrated that on-site provision or provision elsewhere is not appropriate (see Section 6 above) or cannot be secured, the Council may consider a financial contribution in lieu of affordable housing. The amount payable per dwelling will be a sum equal to the difference between the appropriate registered social landlord purchase price and the market valuation of an equivalent dwelling in the locality. The number of units on which this calculation will be based will be a proportion of the total number of units to be provided on the application site, in accordance with the targets set out in Table 1. The type of units on which this calculation will be based will be agreed with the Council, taking account of the latest housing needs assessment data and any other relevant up-to-date information. More detail on this is set out at Appendix 4.
- 10.2 Financial contributions must be paid before 50% of the open market dwellings granted planning permission have been completed. The Council will hold the money for a maximum of 10 years from the date it is paid to the

Council, after which any money not spent by the Council will be returned to the developer. The terms of this agreement should be set out in a covenant in a planning obligation.

- 10.3 Financial contributions will only be spent by the Council on affordable housing that would not otherwise be provided. Any monies collected will be held in a dedicated account, and will not be spent on other Council activities. They may be used as a whole or partial contribution to the costs of land acquisition, property refurbishment and remodelling including achieving Decent Homes Standards, and other development costs associated with the provision of affordable housing. The Council reserves the right to make this provision anywhere within the Borough. The location of schemes supported by financial contributions will be determined taking account of identified needs and the practical ability to deliver an affordable housing scheme within the timescale the money is available. Developer contributions will be acknowledged by the Council in any publicity or site boards associated with a scheme.

11. Securing the Affordable Housing

Timeliness

- 11.1 All affordable housing should be completed and transferred to a registered social landlord (or exceptionally, another management body that can demonstrate experience and a successful track record of successfully managing affordable housing in Darlington) in step with the market housing development programme unless otherwise agreed with the Council.

Affordability in Perpetuity

- 11.2 Before the Council will grant planning permission for schemes that include an element of affordable housing, it will need to be satisfied that mechanisms are in place to ensure that the homes will be properly managed, that they will go to those with a genuine affordable housing need and that the homes will remain affordable in perpetuity, that is, for as long as there is a demonstrable need. These will be secured through nomination agreements, planning conditions and Section 106 agreements.
- 11.3 Delivering affordable housing for rent in partnership with a registered social landlord (RSL) guarantees that homes will be affordable in perpetuity (RSLs are legally bound by the Housing Corporation's rent regime). It also guarantees the Council nomination rights to future lettings, and ensures a consistent approach towards housing management issues, such as resolving neighbour disputes and delivering environmental improvements.
- 11.4 The Council therefore regards RSLs as the preferred means of securing affordable housing in perpetuity, tied in by means of a Section 106 agreement to which the RSL will be party. This applies to all the forms of affordable housing set out in Appendix 2. Affordable housing units should be transferred by the developer to a RSL to manage. The transfer of land from

the developer or land owner to a RSL to build the affordable housing with other funds may be acceptable, provided that the RSL can provide evidence of the availability of funds (and hence implementation) within an appropriate timescale to be agreed with the Council, and that the value of the land transfer is no less than the cost to the developer of transferring to an RSL units completed on-site.

- 11.5 If potential developers choose to deliver affordable housing contributions through partnership arrangements with Registered Social Landlords (RSLs) they should contact the Council's Housing Division for information about its preferred partner RSLs. Whilst developers are free to approach other RSLs, if they do so, they will need to submit details of how their preferred RSL will manage the affordable housing in perpetuity, and details of their recent performance.
- 11.6 Exceptionally, the provision of affordable housing without the involvement of a registered social landlord may be acceptable, e.g. where an RSL cannot be found to manage the affordable element. In these circumstances, the Council may impose planning conditions or seek a planning obligation to:
- a) provide that a specified proportion of the general market housing on the site cannot be occupied until the affordable housing element has been built and allocated in accordance with the occupancy criteria set out in a planning obligation; and
 - b) set out occupancy criteria, to ensure an adequate supply of suitable occupants, making reference to the appropriate plan policy - see 11.7 below. Occupancy criteria will be based on access to the Local Authority's own housing waiting list, and priority allocations should be sought from that database.

Ensuring provision goes to the most needy: nominations, allocations and local connections criteria

11.7 The Council will negotiate with developers to secure 100% nomination rights, with highest priority need nominees drawn from the Council's Housing Waiting List. Other eligible occupants should be assessed as per the criteria set out by the Council for access to the Housing Waiting List. The Government's Choice Based lettings agenda indicates that between 2005 and 2010, 100% of nominations should be available to the Council, and therefore early clarification of the current position of the Choice Based Lettings Agenda should be sought from the Council's Housing Division at the earliest opportunity.

11.8 The nominee or someone who ordinarily is a member of their household:

- must have previously resided in Darlington for a period of at least 12 months; or
- must be currently living within Darlington and have been doing so for a period of at least 12 months; or
- must be a full time carer for a person living in Darlington; or must, for sites in the rural area, have an immediate and direct blood relation who has been living in the rural area for a period of at least 12 months; or
- must be in full time employment in Darlington.

In respect of developments in rural locations additional priority for re-housing will be given to Applicants who successfully meet one or more of the above criteria and are able to demonstrate a local connection to the

immediate area where the new affordable housing vacancies will arise, on a cascade approach. That is, if a vacancy arose in the Middleton St George area then applicants who are able to demonstrate a local connection to the that area will be considered first before considering adjacent rural settlements/wards.

11.9 Subsequent occupancy will be the responsibility of the Registered Social Landlord, but the nominations for these units should come from the Council. Draft nominations agreements are available from the Council's Housing Division.

11.10 Development on a site will not normally be allowed to commence until an agreement has been reached regarding the nominations and a contract between the developer and the RSL has been entered into. This is to help ensure that the affordable housing element can be completed and delivered. It will be secured through a planning obligation.

Marketing

11.11 Once dwellings are completed and available for occupancy, marketing of a scheme will be undertaken in partnership between the Council and the registered social landlord, seeking nominations from the Council's waiting list. The costs associated with marketing will be borne by the registered social landlord. With regard to shared ownership and intermediate tenure options, such promotion will also include the Housing Corporation's Change Agents for shared ownership in the North East, currently Nomad Housing Association.

Ensuring homes are financially accessible to those in need

11.12 The Council's Housing Division will maintain up-to-date information on lenders policies, to ensure that those in housing need are not excluded because of their inability to secure a mortgage.

12. Pre-application discussions and planning applications

12.1 The Council encourages pre-application discussions on all major development proposals, in accordance with the provisions set out in the Council's Statement of Community Involvement. Any developer who is proposing a residential or mixed use scheme that includes a housing element should contact the Planning Services team to discuss their proposals so that an assessment can be made on the implications of this SPD for their site before a planning application is submitted. Such discussions are entered into on a without prejudice basis and are aimed at seeking a measure of agreement on the issue of affordable housing, in the light of the SPD, but are also an opportunity to discuss matters such as design, accessibility and other related planning issues.

12.2 A list of those matters that the Council would normally expect to accompany an application is set out at Appendix 7. This list is not exhaustive, but covers the main information the Council requires to come to an informed planning decision and to ensure the SPD requirements have

been fully addressed in a scheme. This information is required in respect of all full, detailed planning applications and on all reserved matters applications where the principle of affordable housing provision has been agreed on the grant of an outline planning permission.

12.3 Potential developers are expected to take account of the Council's affordable housing requirements in making agreements to purchase land. Ignorance of the policies and this SPD will not be accepted as an argument in favour of relaxing or waiving the Council's affordable housing requirements.

12.4 Model heads of terms for a legal agreement to secure affordable housing are provided at Appendix 5. This is provided to help speed up the process of preparing any legal agreement required in association with a grant of planning permission. The Council's target for completing Section 106 legal agreements for affordable housing provision is within 3 months from the date of the authority's decision on the planning application.

13. Transitional Arrangements

13.1 The Council recognises that there will be a limited number of instances where potential developers have been engaged with the Council in pre-application discussions, prior to the adoption of this SPD. Where affordable housing requirements have not been mentioned in these

discussions, it would be unreasonable of the Council to require it at a late stage in negotiations. It will be made clear in officers reports to the Planning Applications Committee where this is the case.

14. Monitoring and Review

14.1 Monitoring the provision of affordable housing will take place as part of the Annual Monitoring Report, required under the Planning and Compulsory Purchase Act 2004, and as required for the completion of other Government statistical returns. It will enable the identification of the number, type and size of units provided by urban sub area and by rural settlement.

14.2 The affordability formula, together with the effectiveness of the targets and thresholds will be reviewed annually in June, and the findings published on the Council's website, and in paper copy for distribution to potential applicants, and on request.

14.3 The occupancy of affordable housing will be monitored from time to time through other functions of the Council and in partnership with the registered social landlords operating in the Borough. Other breaches of planning conditions will be dealt with by the Council's Planning Enforcement Officer.

14.4 The Council's Planning Services section will monitor the potential for subdivision of sites to avoid the requirements of this SPD.

14.5 Circumstances in which a review of this SPD will be considered include:

- policies on affordable housing in the emerging Local Development Framework have been adopted, replacing saved Local Plan policies H9 and H10; or
- a more up-to-date housing needs assessment has been completed; or
- there is a significant change to the local relationship between incomes and house prices; or
- the Section 106 heads of terms become out of date
- there are material changes to the approach to affordable housing at national level, e.g. a new Planning Policy Statement or Circular
- the Council considers that the SPD is insufficiently effective in delivering affordable housing through developer contributions
- work on the forthcoming Planning obligations SPD suggests a different approach to securing developer contributions.

The Council will engage with housebuilders, registered social landlords and other key stakeholders in any review of the SPD, in accordance with the provisions of its adopted Statement of Community Involvement.

14. Contacts

15.1 For queries regarding the submission of a planning application for residential development where affordable housing may be required, please contact the Principal Planning Officer (Development Control) Tel: 01325 388605 or e-mail: planning.enquiries@darlington.gov.uk.

15.2 For queries about the affordable housing policy, please contact the Principal Planning Officer (Planning

and Environment Policy) (Tel: 01325 388644 or e-mail: planning.policy@darlington.gov.uk)

15.3 For enquiries as to the Council's preferred Registered Social Landlords, and any issues around nominations for affordable housing, contact the Council's Housing Strategy & Renewal Manager, Tel: 01325 734101 or e-mail: housing@darlington.gov.uk

15. Glossary

Affordable Housing Dwellings

Housing designed for those whose incomes generally deny them the opportunity to purchase houses on the open market as a result of the local relationship between income and market price.

Building for Life Standard

The Building for Life standard is the national benchmark for well-designed housing and neighbourhoods in England.

Community Strategy

A strategy prepared by local authorities to help deliver local community aspirations, under the Local Government Act 2000.

Decent Homes Standard

A decent home is one which is wind and weather tight, warm and has modern facilities.

Development Plan Document (DPD)

Spatial planning documents that form part of the LDF. They are subject to independent examination and, together with the relevant Regional Spatial Strategy, forms the Development Plan for the local authority area.

EcoHomes

EcoHomes is a straightforward, flexible and independently verified environmental assessment method for new homes. It rewards developers who improve environmental performance through good design, rather than high capital cost solutions.

Housing Corporation

The Housing Corporation is the government agency that funds new affordable homes and regulates housing associations in England.

Intermediate Tenure

Includes shared ownership, equity share and discounted home ownership.

Key Workers

The Government's definition of key workers includes those groups eligible for the Housing Corporation funded Key Worker Living programme and others employed within the public sector (ie outside of this programme) identified by the Regional Housing Board for assistance.

Lifetime Homes Standards

Design criteria which ensure that homes are designed flexibly enough to meet the needs of most households with the minimum of adaptation.

Local Development Document (LDD)

Any document making up part of the Local Development Framework

Local Development Framework (LDF)

Introduced by the Planning and Compulsory Purchase Act (2004) as the replacement for Local Plans. It is the term to describe the whole portfolio of planning policy documents (Local Development Documents) setting out the planning strategy and policies for the area.

Local Development Scheme (LDS)

A project plan which outlines every Local Development Document that the Council intends to produce over the next three years along with timetables for their preparation. The Local Development Scheme will be reviewed annually.

Local Plan

A Local Plan sets out planning policies and allocations of land for development. It sets out where different types of development, from housing to shops and offices, that could be built during the plan period. Following the Planning and Compulsory Purchase Act (2004) Local Plans will be, eventually, superseded by the Local Development Frameworks process.

Registered Social Landlord (RSL)

Housing Associations registered with the Housing Corporation. RSLs facilitate the provision of affordable housing.

Regional Spatial Strategy (RSS)

These are to be prepared by Regional Planning Bodies, and set out the region's strategic policies in relation to the development and use of land.

Rural Exception Site

Policy H10 in the Darlington Local Plan states that in exceptional circumstances residential development to meet identified localised need for affordable housing may be permitted on sites adjacent and well-related to villages with adequate local facilities, provided that a suitable site cannot be found within the development limits.

Section 106 Agreement

A binding agreement between the Council and a developer on the occasion of a granting of planning permission regarding matters linked to the proposed development. Normally limited to a developer providing extra facilities to an area such as open space provision, infrastructure improvements or affordable housing.

Supplementary Planning Documents (SPDs)

Provide additional information and explanation of policies and proposals within

the Local Plan or Local Development Framework. It does not form part of the Development Plan and is not subject to independent examination.

Sustainability Assessment (SA)

A tool for appraising the likely impact of plan policies from an environmental, economic and social perspective. It fully incorporates the requirements of the SEA Directive.

Sustainable Development

The most common definition is from the Brundtland Commission (1987) – “Development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs”.

Tees Valley Local Authority Areas

The Tees Valley area is a sub-region with the North East region. It consists of 5 Unitary Authorities; Darlington, Hartlepool, Stockton, Middlesbrough and Redcar & Cleveland.

Appendix 1: Adopted Borough of Darlington Local Plan: Affordable Housing Policies

Policy H9 - Meeting Affordable Housing Needs

The Council will institute, and keep under review, assessments of needs for affordable housing and other specialist housing needs. The Council will seek to negotiate with developers for an element of affordable housing on new housing sites within development limits, where a local need has been identified.

Policy H10 – Affordable Housing in the Rural Area

In exceptional circumstances, residential development to meet identified localised needs for affordable housing may be permitted on sites adjacent and well-related to villages with adequate local facilities, provided that a suitable site cannot be found within the development limits, and provided that:

1. the needs are substantiated; and
2. the needs cannot be met in any other way; and
3. provision is made to meet those needs in perpetuity
4. the development is of small scale, reflecting and respecting its surroundings.

Appendix 2: Definitions of Affordable Housing Options

<p>Affordable Rented Homes Rented Homes</p> <p>Homes that are owned and managed by a registered social landlord or local authority, which provide a good standard of rented accommodation, at a cost which those on lower incomes in housing need can afford.</p>
<p>Shared Equity</p> <p>The purchaser buys a fixed percentage of the whole property, usually 50%. The purchaser obtains a mortgage for the 50% share or can buy the 50% outright if he/she has sufficient capital. The purchaser does not pay rent on the remaining share they do not own (although he/she may have a 'shared ownership lease' with the registered social landlord (RSL)), and cannot buy additional shares, which are retained in perpetuity by the RSL. Future sales will be fixed at a 50% valuation of the open market value at the time of the sale.</p> <p>Purchasers should note that property is subject to depreciation as well as appreciation in value over time. Any appreciation in value of the purchaser's 50% share can be retained by them. Future purchasers should also meet local connection criteria to conclude a sale.</p>
<p>Discounted Home Ownership</p> <p>A home bought at a fixed discounted price from open market value. The purchaser obtains a mortgage for 100% ownership of the home (less any deposit). The percentage discount from open market value is determined prior to completion of the initial sale. The conditions of sale require the purchaser to enter into a lease with a registered social landlord (RSL), which requires the home to be sold on at the same level of discount. The purchaser is a leaseholder and the freehold of the property is retained in perpetuity by the RSL.</p>
<p>Shared Ownership Home</p> <p>Frequently referred to as a 'part-rent/part buy' home. The purchaser buys a share in the home (usually 50%), and enters into a 'shared ownership lease' with a registered social landlord (RSL). The remaining equity is retained by the RSL, on which the purchaser pays rent to the RSL.</p> <p>The purchaser can buy additional shares from the RSL (at open market value, sometimes known as 'staircasing') and may eventually own the home outright. If additional shares are bought by the purchaser, the RSL must recycle the monies accrued into meeting local housing needs. A purchaser wishing to sell can only sell the percentage of equity that they own. In some instances the percentage share available for purchase can be restricted enabling the accommodation to remain affordable in perpetuity.</p>
<p>Sub-market Rented Homes</p> <p>A form of intermediate housing where rents fall between genuine affordable rented housing and open market rented housing.</p>

The Government's definition of affordable housing is*

"affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision".

*Planning Policy Statement 3:Housing, DCLG, November 2006

Appendix 3: Darlington Annual Affordable Dwelling Shortfall, December 2005 to December 2010.

Urban Sub-area / Rural Ward	GENERAL			OLDER PERSON*		GROSS SHORTFALL
	1B	2B	3B+	1B	2B	Per Annum
Darlington North East	-5			-3	-15	-23
Darlington South East					-19	-19
Darlington Centre		-8	-9	0	-10	-27
Darlington South West	-11	-15	-11	-6	-22	-65
Darlington North	-12	-6	-4	-10	-10	-42
Darlington North West					-13	-13
Heighington and Coniscliffe	-6	-4	-2	-4	-10	-26
Hurworth	-3	-3	-1	-1	-4	-12
Middleton St. George	-4	-4	-2		-4	-14
Sadberge and Whessoe	-5	-6	-4	-3	-6	-24
GROSS SHORTFALL	-46	-46	-33	-27	-113	-265
Borough-wide target (%)	17.4	17.4	12.5	10.1	42.6	100.0
Urban Area target (%)	14.8	15.3	12.7	10.1	47.1	100.0

*aged 50 years or over

Appendix 4: Calculating Developer Contributions for Affordable Housing

Any financial contribution sought from a Developer to provide affordable housing off-site will be calculated on the basis of the purchase cost of an equivalent type, condition and size of property on the open market in a comparable area as directed by the Council less the RSL purchase price set at 58% of market value per dwelling.

$$\begin{array}{|c|} \hline \text{RSL Purchase} \\ \text{Price} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Developer} \\ \text{Contribution} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Total cost of affordable housing} \\ \text{unit} \\ \hline \end{array}$$

Potential developers will need to provide an independent market valuation of equivalent dwellings in the locality, using an agent or appropriately qualified professional chosen by, or agreed with the Council.

Up to date information the sale prices that have been recently achieved for different types of residential property in Darlington can be found on the Land Registry's website, www.landreg.gov.uk.

The RSL purchase price is the amount of money an RSL is able to pay for a new dwelling, e.g. through a mortgage or loan, that can be covered by the rent it will receive from the occupancy of the dwellings. It is determined by the local affordable rent thresholds, and a cap on the maximum rent that an RSL can charge is set by the Housing Corporation.

Any financial contributions made to the Council through the implementation of Policies H9 and H10 of the adopted Local Plan will be ring fenced within the Council's budget, so that it is transparent where and when monies are spent. As soon as is reasonably possible, the Council will notify the payee of the scheme to which funds have been committed. It will undertake to notify the payee on completion of the scheme, and acknowledge their contribution in any publicity associated with the scheme. Any financial contribution (or part thereof) that has not been spent within 10 years of the date that it was paid will be returned to the payee.

Appendix 5: Standard Requirement for Section 106 Agreements Dealing With Affordable Housing

Where appropriate, provision should be made on application for planning permission, for all of the following matters to be included in Section 106 agreements:

- The number, type and tenure mix of affordable housing.
- Clear identification on a plan attached to the agreement of affordable housing plots and associated car parking bays.
- Attachment to the agreement of a schedule of affordable homes, confirming plot number, type, floor height (where appropriate) and floor area
- Full details of title to the development land (including the affordable housing land and other land the subject of the application).
- Definition of affordable in accordance with this SPD
- Requirement to limit services for affordable housing, to ensure that homes do not become unaffordable due to high cost of charges.
- Where affordable homes are to be transferred to a third party, e.g. a RSL, the third party must be named and be a party to the agreement where the agreement intends to transfer land.
- Where the developer is providing the affordable housing through agreements with a third party inclusion of terms permitting a reasonable period of time for the developer to enter into a development agreement with that third party (usually RSL), subject to a requirement for the developer to market homes to other third parties (RSLs) in the event that this deadline cannot be met.
- Council to receive a full copy of the development agreement entered with the RSL/third party.
- Where nomination rights are reserved by the agreement, or where an existing nominations regime is to be incorporated into the agreement, occupation of the affordable housing to be restricted to those as nominated.
- Requirement for affordable homes to be built to SDS on all schemes.
- All relevant cascade or similar letting/sale provisions in adopted local planning authority policy documents (e.g. local plan, development plan documents or supplementary planning documents) are included in the agreement.

Discounted Sales

- Requirement for marketing of discounted sale homes to be undertaken by the RSL partner (in accordance with paragraph 11.11 of this SPD).
- Reference to income thresholds, where applicable.
- Reference to local connection criteria (see section 11.8), where applicable (see the definition of affordable in Appendix 2 of this SPD).
- Prices for discounted sale homes to be specified. These prices to be index-linked to the Halifax Property Price Index on sites where development delays are expected due to remedial/infrastructure work.
- Prices for discount sale homes to include marketing costs incurred by RSL (3% of the discounted price or £1500 whichever is the lesser).
- Requirement that the marketing period of discounted sale homes to be for a minimum of six months.
- Flexibility for RSL to commence marketing the discount sale homes prior to their completion
- Clause permitting the RSL to purchase the affordable sale homes in the event that the marketing period has expired and customers are still progressing mortgages.
- Formula to be inserted illustrating how the percentage discount will be determined for the initial purchaser (ie the discount percentage at which they will be required to sell on).
- Provision for discount sale homes to be occupied on a shared ownership basis.

General

- Parking for affordable homes to be provided by developer at nil charge (i.e. not calculated as part of the affordable housing benefit)
- Time requirements for when the affordable homes will be provided to be inserted, according to market housing programme but ensuring that all of the affordable housing is completed before the completion of the market housing.
- Provision for a money payment to the local planning authority in the event that developer cannot enter into a development agreement with an RSL or other appropriate third party despite the developer using best endeavours to do so. This payment to be indexed linked in the agreement to an appropriate prices index broadly in accordance with Appendix 4 of this SPD and to reflect any inflationary uplift since the commencement of the development.
- Council to covenant to use any relevant money payment to meet local housing needs.
- Council to covenant to repay any remaining monies with interest if they have not been spent within ten years of the date of receipt by the Council.
- Affordable housing will be required in the agreement to remain affordable housing in perpetuity or for as long there is a requirement for affordable housing. Transfers of the whole or part of the affordable housing land will only be permitted where the land continues to be affordable housing land or where the land or part thereof is transferred to a tenant of an RSL under the tenant's right to acquire.
- Mortgagees or chargees of any land interest covered by the agreement will be required to be party to the agreement for the purpose of ensuring that the provisions of the agreement are binding on the land in all circumstances, but not so that the mortgages or chargees themselves will be obliged to carry out positive obligations in the agreement (unless they become mortgages in possession).
- A requirement for those purchasing under discounted home ownership scheme to enter into lease with RSL restricting condition of resale i.e. limiting the percentage of open market value at which the home can be sold. This restriction to be binding on mortgages/chargees.
- The transfer deed to RSL/third party to be in a form agreed with the Council and contain all necessary rights and easements and similar for benefit of that RSL/third party.
- Agreement to be conditional on grant of planning permission and other relevant triggers, but subject to savings for provisions which are immediately enforceable, e.g. payment of legal costs.
- Release of parties on disposal of all interests in the relevant land (without prejudice to liability for prior breach).
- The Developer to meet the local planning authority's reasonable legal costs in preparing, negotiating and completing the Section 106 agreement and subsequent ongoing S106 monitoring costs. In accordance with *Circular 05/2005 Planning Obligations paragraph b50*.

Appendix 6: Information required for assessing financial viability

Where a developer considers that there are exceptional unforeseen costs (ie over and above foreseeable costs like highway works, remediating contamination, known flood mitigation, piling, demolition, planning obligations) and that the provision of affordable housing would make a proposed scheme unviable the onus will be on him/ her to clearly demonstrate this. He/she will be expected to provide financial evidence to an independent agent or consultant chosen by the Council but paid for by the developer, whose role it would be to assess the information and provide the Council with an interpretative report, capable of publication, indicating whether the costs attributed to items are reasonable. The financial evidence should contain calculations of the main factors in enough detail for viability to be properly assessed, including the expected profit margins for the Developer.

The Council's chosen independent agent or consultant will expect to see the workings that lie behind these major components but the format in which these are presented is left to the applicant. However, applicants may find it easiest to insert figures into the boxes below, though for exceptional costs such as ground conditions, asbestos, etc., these will need to be quantified by a report by professionals in that field.

Where the details are not clear enough to allow checking, further information will be sought, and this could delay the Council's determination of the planning application.

	Percentage (%)	Value (£)
Revenue		
Market housing sales		
Affordable housing sales to RSL (value and ft ²)		
Sales agent fees		
Sales legal fees		
Construction		
ft ² and construction costs		
Contingency		
Road/site works		
Planning contributions		
Other costs (please specify)		
Residual site value		
Finance		
Developers Profit (15% On Gross Development Value)		
Costs		
Date of site purchase:		
Site purchase price (or estimate by agent)		
Stamp duty		
Acquisition agent fees		
Acquisition legal fees		
Architect		
Planning/survey		
Alternative use site value		

Appendix 7: Material and information required with the submission of full and reserved matters planning applications.

The Council will expect planning applications to include:

1. details of how the affordable housing will be delivered and when (in relation to the development of general market units), who will maintain and manage it, what mechanisms are in place to ensure that the occupants are drawn from those in genuine need, and how the affordable homes will be secured as such in perpetuity.
2. a statement indicating that the following standards have been met:
 - a) Housing Corporation's Scheme Development Standards (SDS)
 - b) EcoHomes 'Very Good' standard
3. confirmation of the number/percentage of affordable homes proposed, compared with the Council's requirements
4. confirmation of the affordable housing tenure mix, and any reasons for deviation from the Council's targets, set out in Table 1 of this SPD.
5. location plans and floor plans indicating clearly the siting, tenure and size of the affordable units.
6. schedule of the floor areas of affordable homes by property type
7. Price ranges for affordable homes
8. Details of parking provision for affordable homes, including identification on a site plan of designated bays.
9. where a developer's affordable housing provider is not one of the Council's preferred partners, any planning application must be accompanied by a statement indicating:
 - accountability of the organisation to the local community;
 - tenant participation;
 - sustainable management for the proposed properties;
 - service delivery;
 - recent performance; and
 - office from which the properties will be managed and, if remote from proposed units, if there are any plans to manage the scheme locally, e.g. through an arrangement with another registered social landlord who already has a local office presence.Failure to provide any of the above may delay determination of the application, or the completion of any legal agreement.

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Middlesbrough Local Development Framework

Affordable Housing Supplementary Planning Document Adopted September 2010



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PART 1 BACKGROUND

Purpose of the Supplementary Planning Document

1. This Supplementary Planning Document (SPD) provides greater detail on the implementation of policies relating to the delivery of affordable housing in the Local Development Framework (LDF). These policies are Core Strategy Policy CS11 (Affordable Housing) and Regeneration Development Plan Document Policy REG18 (Housing Allocations).
2. The SPD applies to all development sites where residential development is proposed, including allocated housing sites, 'windfall' sites and mixed use sites that include an element of residential use.
3. The SPD was subject to a four week consultation period between 12 April 2010 and 10 May 2010. The adopted SPD is a material consideration in the determination of planning applications. The Council will expect all planning applications involving residential development to be in accordance with the requirements of policies CS11, REG18 and this SPD. Failure to meet these requirements is likely to result in refusal of a planning application unless there are other significant overriding material planning considerations.

Affordable Housing Need

4. The Tees Valley Local Housing Assessment Update and Strategic Housing Market Assessment Report (SHMA) was completed in January 2009. This provides up to date information on housing need in the Tees Valley, in Middlesbrough, and within five sub-areas of the town. The report was prepared in accordance with national guidance for undertaking SHMAs, and was based on a partnership approach involving a wide range of stakeholders including representatives from the local authorities, registered social landlords and private developers.
5. The SHMA identifies an annual affordable housing requirement of 506 dwellings between 2007/08 to 2011/12. This requirement exceeds the total number of dwellings planned to be built annually in Middlesbrough. It would be neither deliverable nor desirable for all new dwellings to be affordable. This would not assist with the spatial objective of reversing population decline and creating sustainable communities. Affordable housing will, therefore, be sought at a level which will contribute to the creation of mixed, sustainable communities whilst also being economically viable for the developer to provide.
6. The distribution of identified need for affordable housing across Middlesbrough is greatest in the North, Older Housing and Grove Hill sub area (35%) and the West sub area (35%) followed by the South (17%) and East sub areas (12%). In the Greater Hemlington sub area the SHMA did not identify a shortfall of affordable housing. A plan of the sub areas is attached at Appendix A.
7. The majority of the need for affordable housing is for family housing, with 59% of the requirement being for larger dwellings (3 or more bedrooms).

8. The SHMA identified that the need for affordable housing is predominantly for general needs housing rather than affordable housing for older people. However, Middlesbrough's population over 65 years is projected to increase from 20,800 in 2005/06 to 26,100 by 2025/26¹. This will result in an increased need for accommodation adapted to meet older people's needs including affordable housing. Provision of affordable housing for people with disabilities will also be required. Topical data from the Housing Register will be used at the pre-application stage to inform discussions on the type of affordable housing to be provided.
9. In terms of tenure type, the SHMA identified that approximately 20% of existing households in need and newly forming households expecting to move into affordable housing would consider intermediate tenure. Given that intermediate tenure is a relatively new product to which there is limited public knowledge future demand may well increase.

Planning Policy Context

National Policy

10. Planning Policy Statement 3 (PPS3) and its companion document Delivering Affordable Housing (November 2006) sets out the national policy framework for affordable housing. This includes a commitment to providing high quality housing for people unable to access or afford market housing. It emphasises the key role of the planning system in securing the delivery of new affordable housing. The PPS includes a general presumption that affordable housing will be provided on the application site in order to contribute to creating a mix of housing.
11. The PPS provides a definition of affordable housing, which includes social rented housing and intermediate affordable housing. It makes clear that low cost general market housing may not be considered as affordable housing. The definition of affordable housing is set out in paragraph 16 of the SPD.

Regional Policy

12. Policy 30 of the North East of England Plan Regional Spatial Strategy to 2021 (July 2008) advises that plans and planning proposals should address local affordability and have regard to the need for affordable housing, including the use of planning obligations, in the development of all housing sites.

Local Policy

13. Policy CS11 (Affordable Housing) of the adopted LDF Core Strategy (February 2008) sets out the guiding principles for the provision of affordable housing in Middlesbrough and is set out below.

Policy CS11 Affordable Housing

The Council will work with partner organisations to ensure there is an adequate supply of good quality affordable housing distributed throughout the town. This will be achieved by having regard to an up to date housing market assessment and:

¹ Source: Middlesbrough Council Older People's Housing Strategy

- a) requiring the provision of affordable housing to meet the relocation requirements arising from housing market renewal;
- b) requiring affordable housing that meets local needs, the elderly and other special needs groups, in those areas where there is a significant affordability gap, and limited supply of affordable housing; and
- c) limiting the amount of new affordable housing in those areas where there is already a significant supply, and where further provision could harm the ability to achieve sustainable communities.

14. Policy REG18 (Housing Allocations) of the adopted LDF Regeneration Development Plan Document (RDPD) (February 2009) sets out the proportion and number of affordable units to be provided on allocated sites in the period to 2023. A summary of the affordable housing targets contained within the RDPD is set out below.

Policy REG18 Housing Allocations (Extract)	
Site	Proportion of affordable dwellings
Greater Middlehaven	10%
Hemlington Grange	10%
Hemlington Estate	10%
Hemlington Hall School	10%
Gresham	15%
Grove Hill	Phase 1 – 15% Phase 2 – 20%
St Pauls	15%
Former Odeon/Cleveland Scientific Institute	0
Roworth Road	20%
Hutton Road	15%
Site 44 Longridge	15%
Dunning Street Police Station	15%
Arundale Garage site	15%
Swedish Mission Field	15%
Former Kwik Save, Linthorpe Road	15%
Church Walk	10%
Fulbeck Road (Netherfield House)	10%
Sandringham Road	10%
Rainham Close (Albert Cocks)	10%
Westerdale Road, Berwick Hills	10%
Trimdon Avenue	15%
Cottingham Drive, PallisterPark	10%
Endeavour	15%
Marion Avenue	15%
Land adjacent MTLC	10%
Station Street	15%
Netherfields	10%
Acklam Hall	15%

Middlesbrough Warehousing	15%
Ladgate Lane	15%
Prissick	15%
Church House	0
Ashdale PRU	15%
Green Blue Heart	15%

15. The supporting text to Policy REG 18 sets out the Council's approach to seeking affordable housing on sites which are not allocated for development i.e. windfall sites. This advises that affordable housing will be sought on sites of 15 or more dwellings. On such sites an affordable target of 10 – 15% will apply, depending on the location within Middlesbrough. The affordable target for the various sub-areas of Middlesbrough are set out in paragraph 27 and Table 1.

PART 2 DETAILED GUIDANCE

Definition of Affordable Housing

16. The definitions of affordable housing, social rented housing and intermediate affordable housing for the purposes of Core Strategy Policy CS11, Regeneration DPD Policy REG18 and this SPD are those contained in PPS3. These are set out below.

Affordable housing is:

‘Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.’

Social rented housing is:

‘Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.’

Intermediate affordable housing is:

‘Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.’

17. A household is considered to be unable to meet its needs in the open market if:
- i. rent payments exceed 25% of its gross household income; or,
 - ii. the purchase price exceeds 3.5 times its gross household income.
- Gross household income is taken as being the income of the head of the household and partner.
18. The SHMA (2009) identifies the cost of an entry level market house in Middlesbrough as £72,500 and an entry level market rent as £350 per month. 77.6% of existing households in need and 63.4% of newly forming households in Middlesbrough cannot afford entry level market housing. These figures are derived from lower quartile house prices and a survey of private letting agents’ websites respectively. In order to purchase an entry level dwelling in Middlesbrough a gross household income of £20,714 is required².

² Assumes a 3.5x income multiple.

Circumstances where affordable housing will be required

Site threshold

19. Affordable housing will be sought on all proposals for residential development of 15 dwellings or more. This threshold is a gross figure which will be applied equally to new development, conversion of existing buildings and redevelopment of clearance sites.
20. Where a site is sub-divided and/or development is phased the above threshold will apply to the composite site and/or the cumulative total of the phases.
21. Where a planning application that falls below the threshold is subsequently amended to the extent that the composite site exceeds the threshold, the affordable housing requirement will be applied to the whole site and not restricted to the additional number of dwellings proposed in the amended scheme.
22. The requirements of this SPD will apply to all planning applications that exceed the threshold, including those applications for renewal of planning permission where the original consent did not require the provision of affordable housing.
23. Where outline planning permission is granted for residential development on sites of 0.3 hectares or above, a condition will be attached to the planning permission indicating that if the dwelling numbers meet or exceed the threshold in paragraph 19 above, the developer will be expected to enter into a legal agreement for the provision of affordable housing. On sites where there is potential for particularly high density development (e.g. apartment schemes) the above condition may also be applied to smaller site area thresholds.

Types of residential development

24. Policy CS11 applies to all residential development within Use Class C3 (dwelling houses)³ with the exception of student accommodation. Mixed use developments which include a residential element, for example live/work units or living above the shop, will be subject to Policy CS11 where the residential element is within the threshold set out in paragraph 19.
25. Proposals for residential care and retirement accommodation where the dwelling units are self contained will be subject to the requirements of the Policy. Institutional care homes/nursing homes where the residents are in need of personal care and the accommodation is not self contained fall within Use Class C2 (residential institutions) and will not be required to provide affordable housing.

Amount of affordable housing required

26. On sites which are allocated for housing in the Regeneration DPD the Council will seek the proportion of affordable dwellings identified in Policy REG18.
27. On sites which are not allocated in Policy REG18 (for example, windfall sites) the target proportion of affordable housing to be sought on each site is set out in Table 1.

³ Town and Country Planning Use Classes Order 2006 (as amended)

A 15% requirement will be sought in all sub areas other than East Middlesbrough and Greater Hemlington where a 10% requirement will be applied. In these two sub areas there is already a significant level of social housing provision and a lower affordable housing requirement is being sought in order to facilitate diversification of the housing stock and the achievement of sustainable communities. Whilst the SHMA did not identify an affordable housing requirement in the Greater Hemlington sub area, affordable housing will still be sought in order to address Middlesbrough’s wider need for affordable housing.

28. In relation to Grove Hill, for clarification purposes, sites identified for housing development in the Grove Hill Area Regeneration Framework will be required to provide 20% affordable dwellings in accordance with the Regeneration DPD. On any sites elsewhere within Grove Hill, the 15% affordable requirement shall apply. Where the application of the calculation results in part of an affordable dwelling being required, this will be rounded to the nearest whole number.

Table 1: Affordable housing targets

Sub Area	Wards	Proportion of dwellings required to be affordable
North, Older Housing and Grove Hill	Middlehaven, Gresham, University, Clairville, Beechwood, Ladgate	15%
East	North Ormesby and Brambles Farm, Pallister, Thorntree, Park End, Beckfield	10%
West	Ayresome, Linthorpe, Park, Acklam, Kader, Brookfield	15%
South	Marion, Marion West, Coulby Newham, Nunthorpe	15%
Greater Hemlington	Hemlington, Stainton and Thornton	10%

Type, size and tenure of affordable housing provision

29. The type and size of affordable housing to be provided on each site will be negotiated with the applicant having regard to:
- i. the suitability of the site for particular types of dwelling; and,
 - ii. sources of information on housing need, including the SHMA and the Housing Register, regarding the size and type of dwellings in greatest need.

The current identified need includes larger family dwellings (3 bedrooms or over). In negotiating the type and size of affordable housing the Council will have regard to meeting the needs of older people (60 years or over), including those with dementia, and people with disabilities within the housing mix. In very large housing developments consideration will be given to the potential for extra care affordable housing, where appropriate.

30. Paragraph 9 identifies that approximately 20% of people in housing need in Middlesbrough would consider intermediate tenure. However, it is considered that it would be inappropriate to specify a rigid 80/20 split between social rented/intermediate tenure in the provision of affordable dwellings. Existing affordable stock is overwhelmingly social rented and there is, therefore, potential for a higher proportion of intermediate affordable housing to come forward on development sites in order to maximise choice of tenure.

Design and layout of affordable housing

31. Affordable housing should be indistinguishable in appearance from market housing on the same site. The affordable dwellings should be well integrated with the market housing throughout the development site. The affordable provision should be 'pepper-potted' throughout the site in small clusters of dwellings. Exceptions will be considered where:
- i. the registered social landlord provider and/or public sector funder, such as the Homes and Communities Agency, specify a preference for larger groupings; or,
 - ii. the applicant/developer can demonstrate to the satisfaction of the local planning authority that the above requirement would make the development economically unviable.
32. The affordable dwellings will be expected to demonstrate the same high design quality as the open market housing in terms of form, layout and contribution to the character and appearance of the area. Core Strategy Policy CS5 (Design) requires all dwellings to be completed to a Buildings Research Establishment EcoHomes (BREE) rating of at least very good and conform to the Code for Sustainable Homes (CSH). Level 3 of the CSH is equivalent to a BREE rating of very good and will be sought as a minimum on all dwellings unless the applicant/developer can demonstrate that this would make a development economically unviable. All dwellings should also incorporate the aims and objectives of Secured by Design.
33. Affordable dwellings will need to achieve at least the minimum standards set out in the Housing Corporation's Design and Quality (HCDQ) Standards (2007) or their equivalent if the Homes and Communities Agency issue revised standards. These can be viewed at www.housingcorp.gov.uk. Exceptions will only be permitted where the developer can demonstrate that the additional cost of building to HCDQ standards would make a development economically unviable.

On-site/off-site provision and financial contribution in lieu of provision

34. In order to create sustainable, inclusive and mixed communities there is a presumption that affordable housing will be provided on site. Only in exceptional circumstances, where both the Council and the developer agrees that it is not appropriate to provide affordable housing on site will off site provision elsewhere in Middlesbrough be acceptable. In such instances, it will be necessary for the developer to demonstrate that the off-site provision would better meet the need for affordable housing and better support the creation of mixed and balanced communities.

35. Off site rather than on site provision will be considered where:
- i. the development of general market housing is being promoted as part of a wider strategy to broaden the mix of tenures in neighbourhoods of predominantly social rented tenure;
 - ii. the scheme is the conversion of a building that is unable to physically accommodate affordable dwellings of the sizes and dimensions required by Housing Corporation Quality and Design Standards;
 - iii. there is an identified need for specific types of affordable dwellings that cannot be accommodated within the development site (for example where the identified need is for large affordable houses but where the general market housing is to be developed for apartments); or,
 - iv. the site is being developed exclusively for executive housing (for the purpose of this SPD executive housing is taken to be development at a density of less than 15 dwellings/hectare).
36. Where off-site provision is considered acceptable the amount of affordable housing to be provided on the alternative site will be equal to the affordable requirement arising from the original site, plus the affordable requirement arising from the alternative site if it exceeds the 15 dwelling threshold (set out in paragraph 19). Alternative sites in locations where there is already a significant supply of affordable housing will not be acceptable where further provision could harm the ability to achieve sustainable communities. The off-site provision must be provided prior to the occupation of 50% of the open market dwellings on the original site. Exceptions to the timing of the provision will be considered on the basis of the criteria set out in paragraph 41.
37. Where the developer is able to demonstrate that both on site and off site provision is inappropriate or cannot be secured the Council will consider a financial contribution in lieu of affordable housing provision. The amount payable in lieu of each affordable dwelling required will be the market valuation of an equivalent dwelling in the locality minus the appropriate registered social landlord purchase price.
38. Financial contributions must be paid before 50% of the open market dwellings granted planning permission on the site have been completed. Exceptions to the timing will be considered on the basis of criteria (i) of paragraph 41. Financial contributions will be ring fenced by the Council to ensure it is spent on affordable housing. This could include contributions to the costs of land acquisition, property refurbishment and remodelling and other development costs associated with the provision of affordable housing.

Public subsidy

39. The Homes and Communities Agency expects that affordable housing will be provided through the planning system without the need for public subsidy. The Council will uphold this presumption. Development proposals where the affordable housing element of a planning obligation is to be provided through the use of public subsidy will only be permitted where:
- i. the public subsidy would increase the numbers and/or mix of affordable dwellings over and above the requirements set out in this SPD; or,
 - ii. the development of the site would not be economically viable, as demonstrated through the appraisal procedure set out below, without public subsidy.

In such cases the level of subsidy needed should be minimised.

Financial viability

40. It is recognised that there may be some sites where there are abnormal costs and/or market circumstances where it may not be viable to bring forward the level of affordable housing identified in this SPD. If an applicant proposes a lower level of affordable housing on the grounds that the development would otherwise be economically unviable, this must be demonstrated through the submission of an economic viability development appraisal. This should set out a fully itemised list of expected costs and values. In order to protect applicant's commercial confidentiality this information will not be placed to the planning file. Further guidance on the information required is set out in Appendix B.

Timing of provision of affordable housing

41. The affordable housing should be provided broadly in tandem with the open market housing. All of the affordable housing will be required to be completed before occupation of 50% of the open market units. Exceptions will be made where:
- i. the applicant/developer can demonstrate to the satisfaction of the local planning authority that the requirement would make the development economically unviable; or,
 - ii. the requirement would prevent the 'pepper potting' of affordable housing required by paragraph 31 above.

The timing of the provision of affordable housing will be secured through a planning condition or s106 agreement.

Type of affordable housing provider

42. The Council does not have a preferred affordable housing provider(s). Both registered social landlords and unregistered providers, such as private developers, will be acceptable where it is demonstrated to the Council's satisfaction that:
- i. high quality provision will be made;
 - ii. secure long term management arrangements are in place; and,
 - iii. occupants are drawn from those in genuine need from the Tees Valley Choice based Lettings Scheme and its associated allocations including taking account of the needs of the the black and minority ethnic community, the elderly, people with dementia, physically disabled, people with mental health problems, and people with learning difficulties and their carers.
43. The applicant will be expected to discuss their proposals for affordable housing with the provider and Middlesbrough Council's Housing Services at an early stage in the design process. This will ensure that the dwellings meet the Councils and the provider's requirements, including space standards.
44. When submitting a planning application where affordable housing is required the applicant will be expected to include details of how the affordable housing will be

managed and what mechanisms are in place to ensure that the occupants are drawn from those in genuine need. Further details on the information to be submitted as part of the planning application is set out in paragraph 46.

Pre-application discussions

45. The Council encourages applicants to seek early engagement with planning and housing officers to discuss proposals for residential development prior to the submission of a planning application. This service helps to speed up the development process and to avoid the submission of unacceptable proposals.

Information to be submitted in support of a planning application

46. The Council will expect full planning applications on sites where an element of affordable housing is required to be accompanied by the following information:
 - i. A schedule of the number, size, type (bedroom numbers and gross internal floorspace) and tenure of the affordable dwellings to be provided.
 - ii. Details of how and when the affordable dwellings will be delivered in relation to the open market dwellings and transfer arrangements.
 - iii. Details of who will manage and maintain the affordable dwellings, how they will be secured in perpetuity and what mechanisms are in place to ensure occupants are drawn from those unable to meet their needs in the open market.
 - iv. A site layout plan showing the location(s) of the affordable dwellings.
 - v. A statement indicating compliance with design standards (Code for sustainable homes level 3, Housing Corporations Quality and Design Standards).
 - vi. Where a deviation is proposed from the levels of affordable housing or the design specifications set out in this SPD, the justification for this should be set out and supported by the submission of an economic viability development appraisal.
47. Failure to provide the above information may lead to a delay in determination of a planning application or a refusal.

Section 106 agreements

48. The affordable housing provision will need to be secured through a legal agreement between the developer and the Council. A standard unilateral undertaking is set out in Appendix C. The applicant will be responsible for meeting the local planning authority's reasonable legal costs associated with preparation, negotiation, completion and monitoring of the section 106 agreement.

Monitoring and Review

49. Monitoring the provision of affordable housing is carried out as part of the Local Development Framework Annual Monitoring Report published in December each year on the Council website www.middlesbrough.gov.uk.

50. The entry level house prices and rents for Middlesbrough will be updated periodically.
51. Circumstances in which a review of this SPD will be considered include:
 - i. significant overriding material changes to the approach to affordable housing at national level, such as a new planning policy statement or circular;
 - ii. LDF policies CS11 and REG18 being superceded by subsequent reviews;
 - iii. reviews of the Tees Valley SHMA demonstrating that a need for affordable housing no longer exists; or
 - iv. the SPD being insufficiently effective in delivering affordable housing through developer contributions.

Appendix A: Sub-Areas for Affordable Housing

Middlesbrough sub-areas and constituent wards.



Appendix B: Confidential Development Appraisal

Where the Council requires an economic viability development appraisal to be submitted in accordance with paragraph 40 of this SPD, the applicant will be required to provide details of:

- i. the expected value of the completed development proposed; and,
- ii. all costs incurred/expected to be incurred in order to achieve this value.

The development appraisal shall provide an itemised breakdown of the above values and costs and include the following information.

Value of the completed development

- i. The gross internal area of the dwellings.
- ii. The value(s) used per unit area or valuations of the completed dwellings.
- iii. The cost of sales or lettings, including marketing/estate agents' fees and legal costs.
- iv. Affordable housing should be shown at the acquisition price to be paid by a Housing Association/Registered Social Landlord.

Costs incurred/to be incurred

- i. Site acquisition costs, including date of acquisition.
- ii. Costs associated with the acquisition (e.g. legal and agent's fees, stamp duty).
- iii. Build costs (shown as gross external area multiplied by cost per unit area).
- iv. Itemised preliminaries allowed for.
- v. Itemised external works.
- vi. Planning and building regulation fees.
- vii. Professional fees (e.g. architect, surveyor).
- viii. Cost of finance.
- ix. Abnormal costs if any (e.g. contaminated land remediation).
- x. Developer's profit (the amount and what percentage of value this represents).
- xi. Any other relevant items.

For the purpose of assessing the financial viability of providing affordable housing on site, a developer's profit of 15% on gross development value is considered reasonable.

Potential developers are expected to take account of the Council's affordable housing requirements in negotiating agreements to purchase land and site acquisition costs should reflect this. Inflated land acquisition prices as a result of ignorance of the Council's affordable housing policies and this SPD will not be accepted as a reason to relax or waive the affordable housing requirement.

Appendix C : Standard Unilateral Undertaking for Section 106 Agreements

DATED

20[]

[Owner]

and

[Developer]

and

[Mortgagee]

PLANNING OBLIGATION

in respect of land at []

TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)

SECTION 106

Richard Long
Director of Legal and Democratic Services
Middlesbrough Council
PO Box 99A
Town Hall
Middlesbrough
TS1 2QQ

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	spaces shown on drawing numbers [];]; or any one or more of them
“Chargee”	any mortgagee or chargee of the Registered Social Landlord or the successors in title to such mortgagee or chargee or any receiver or manager (including an administrative receiver) appointed pursuant to the Law of Property Act 1925
“Chargee’s Duty”	the tasks and duties set out in paragraph 4 of the Schedule
“Commencement of Development”	the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development begins to be carried out other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations, investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying of services, erection of any temporary means of enclosure, the temporary display of site notices or advertisements and “Commence Development” shall be construed accordingly
“Development”	the Development of the Site with [] as set out in the Application
“Dwelling”	a dwelling (including a house flat or maisonette) to be constructed pursuant to the Planning Permission
“Market Housing Units”	that part of the Development which is general market housing for sale on the open market and which is not Affordable Housing
“Occupation” and “Occupied”	occupation for the purposes permitted by the Planning Permission but not including occupation by personnel engaged in construction, fitting out or decoration or occupation for marketing or display or occupation in relation to security operations
“Plan”	the plan attached to this Deed
“Planning Application”	the application for [outline] [full] planning permission dated [] submitted to the Council for the Development and allocated

	reference number []
“Planning Permission”	the [outline] [full] planning permission subject to conditions to be granted by the Council pursuant to the Application as set out in the Second Schedule
“Practical Completion”	issue of a certificate of practical completion by the Owner’s architect or in the event that the Development is constructed by a party other than the Owner the issue of a certificate of practical completion by that other party’s architect
“Protected Tenant”	any tenant who: <ul style="list-style-type: none"> (a) has exercised the right to acquire pursuant to the Housing Act 1996 or any statutory provision for the time being in force (or any equivalent contractual right) in respect of a particular Affordable Housing Unit (b) has exercised any statutory right to buy (or any equivalent contractual right) in respect of a particular Affordable Housing Unit (c) has been granted a shared ownership lease by a Registered Social Landlord (or similar arrangement where a share of the Affordable Housing Unit is owned by the tenant and a share is owned by the Registered Social Landlord) by the Registered Social Landlord in respect of a particular Affordable Housing Unit and the tenant has subsequently purchased from the Registered Social Landlord all the remaining shares so that the tenant owns the entire Affordable Housing Unit
“Registered Social Landlord”	a registered social landlord as defined in Part 1 of the Housing Act 1996 who is registered with the Housing Corporation pursuant to Section 3 of that Act and has not been removed from the register pursuant to Section 4 of that Act and who is approved by the Council (such approval not to be unreasonably withheld or delayed)
“Site”	the land against which this Deed may be enforced as shown edged red on the Plan

2 CONSTRUCTION OF THIS DEED

- 2.1 Where in this Deed reference is made to any clause, paragraph or schedule or recital such reference (unless the context otherwise requires) is a reference to a clause, paragraph or schedule or recital in this Deed.
- 2.2 Words importing the singular meaning where the context so admits include the plural meaning and vice versa.
- 2.3 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner.
- 2.4 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise.
- 2.5 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it.
- 2.6 References to any party to this Deed shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council and County Council the successors to their respective statutory functions.

3 LEGAL BASIS

- 3.1 This Deed is made pursuant to Section 106 of the Act.
- 3.2 The covenants restrictions and requirements imposed upon the Owner under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council as local planning authority against the Owner or the Developer.

4 CONDITIONALITY

This Deed is conditional upon:

- (i) the grant of the Planning Permission; and
 - (ii) the Commencement of Development,
- save for the provisions of Clauses 11 and 12 (jurisdiction and delivery clauses) and any other relevant provisions which shall come into effect immediately upon completion of this Deed.

6 THE COVENANTS

[The Owner] [and] [the Developer] covenant[s] with the Council to observe and perform the obligations set out in the Schedule.

6 MISCELLANEOUS

- 6.1 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999
- 6.2 This Deed shall be registrable as a local land charge by the Council.
- 6.3 Where the agreement, approval, consent or expression of satisfaction is required by the Owner from the Council under the terms of this Deed such agreement, approval or consent or expression of satisfaction shall not be unreasonably withheld or delayed and any such agreement, consent, approval or expression of satisfaction shall be given on behalf of the Council by the Head of Development and Building Control and any notices shall be deemed to have been properly served if sent by recorded delivery to the principal address or registered office (as appropriate) of the relevant party.
- 6.4 Following the performance and satisfaction of all the obligations contained in this Deed [the Owner] [or] [the Developer] may submit a request in writing to the Council to seek the cancellation of all entries made in the Register of Local Land Charges in respect of this Deed.
- 6.5 Insofar as any clause or clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.
- 6.6 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.
- 6.7 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its entire interest in the Site but without prejudice to liability for any subsisting breach arising prior to parting with such interest.
- 6.8 This Deed shall not be enforceable against owner-occupiers or tenants of dwellings constructed pursuant to the Planning Permission nor against those deriving title from them.
- 6.9 Nothing in this Deed shall prohibit or limit the right to develop any part of the Site in accordance with a planning permission (other than the Planning Permission) granted (whether or not on appeal) after the date of this Deed.

7 MORTGAGEE'S CONSENT

The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner and the Developer with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed PROVIDED THAT the Mortgagee shall otherwise have no liability under this Deed unless it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

8 WAIVER

No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

9 CHANGE IN OWNERSHIP

The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company) or usual address (if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

10 VAT

All consideration given in accordance with the terms of this Deed shall be exclusive of any value added tax properly payable.

11 JURISDICTION

This Deed is governed by and interpreted in accordance with the law of England and Wales.

12 DELIVERY

The provisions of this Deed (other than this clause which shall be of immediate effect) shall be of no effect until this Deed has been dated.

THE SCHEDULE

1. No more than 50% of the Market Housing Units shall be Occupied until all of the Affordable Housing Units have been constructed in accordance with the Planning Permission and made ready for residential occupation and written notification of such has been received by the Council.
2. From the date of Practical Completion of the Affordable Housing Units they shall not be used other than for Affordable Housing save that this obligation shall not be binding on:
 - 2.1 any Protected Tenant or any mortgagee or chargee of the Protected Tenant or any person deriving title from the Protected Tenant or any successor in title thereto and their respective mortgagees and chargees; or
 - 2.2 any Chargee provided that the Chargee shall have first complied with the Chargee's Duty
 - 2.3 any purchaser from a mortgagee of an individual Affordable Housing Unit pursuant to any default by the individual mortgagor.
3. In the event that the [Owner][Developer] proposes to transfer the Affordable Housing Units to a Registered Social Landlord no more than 50% of the Market Housing shall be Occupied until the Affordable Housing Units have been transferred to the Registered Social Landlord on terms that accord with relevant Housing Corporation funding requirements current at the date of construction of the Affordable Housing Units.
4. Prior to seeking to dispose of the Affordable Housing Units pursuant to any default under the terms of its mortgage or charge the Chargee shall give not less than two months' prior notice to the Council of its intention to dispose and:
 - (a) in the event that the Council responds within one month from receipt of the notice indicating that arrangements for the transfer of the Affordable Housing Units can be made in such a way as to safeguard them as Affordable Housing then the Chargee shall co-operate with such arrangements and use its reasonable endeavours to secure such transfer
 - (b) if the Council does not serve its response to the notice served under paragraph 4(a) within the one month then the Chargee shall be entitled to dispose free of the restrictions set out in this Part of the Schedule
 - (c) if the Council or any other person cannot within two months of the date of service of its response under paragraph 4(a) secure such transfer then provided that the Chargee shall have complied with its obligations under paragraph 4(a) the Chargee shall be entitled to dispose free of the restrictions set out in this Part of the Third Schedule

PROVIDED THAT at all times the rights and obligations in this paragraph 4 shall not require the Chargee to act contrary to its duties under the charge or mortgage and that the Council must give full consideration to protecting the interest of the Chargee in respect of moneys outstanding under the charge or mortgage

IN WITNESS of the above the parties have executed this Agreement as a deed and the same has been delivered by them or on their behalf on the above date

[Insert One Clause Per Party]

[THE COMMON SEAL of)
[])
was hereunto affixed in the presence of:)

Director

Director / Secretary]

OR

[Signed as a Deed (but not delivered until the date)
hereof) by [])
in the presence of:)

Name:

Occupation:

Address:

.....

.....

.....]

INTERIM PLANNING POSITION STATEMENT 1: AFFORDABLE HOUSING IN DONCASTER

Affordable Housing includes houses rented out by housing associations, for example, and shared ownership housing, whereby people can partly own and partly rent their home. Affordable housing is not just starter homes, it can also include affordable homes for elderly people.

1. Purpose of this document

The purpose of this Interim Planning Position Statement is as follows:

- To ensure that the development policy framework continues to provide certainty and meet development needs until the new Residential Development Section 106 Supplementary Planning Document and other emerging Local Development Framework (LDF) documents, which are being prepared, are adopted.
- To give prospective developers, Councillors, officers and the public a greater degree of guidance and clarity in the interim period until the Local Development Framework is adopted.
- To clarify, summarise and update on the local, regional and national policy affordable housing position.
- To summarise the key relevant 'evidence base' documents for the emerging Local Development Framework, which, the Planning Inspectorate advise, are a material consideration.

2. Document status, policy basis and context

The Statement is a material planning consideration in determining planning applications. The document does not create new planning policy or allocations outside the Unitary Development Plan or Local Development Framework, but rather summarises and clarifies relevant considerations. Following full Council approval, all relevant planning applications will be determined in accordance with the IPPS except where a previous decision of the Council (on a related outline application for example) would make this unreasonable. This does not obviate the need to consider applications against all material planning considerations. It is based on the following:

2.1 Doncaster Council's Unitary Development Plan (UDP) saved policies

The majority of Doncaster's Unitary Development Plan policies have been saved from September 2007 until they replaced by the LDF – these are listed in the Secretary of State's Direction which is published on the Council's Planning web page. For the purposes of this Interim Planning Position Statement the relevant UDP policy is PH19, which states:

PH19

THE BOROUGH COUNCIL WILL SEEK TO SECURE THE PROVISION OF AFFORDABLE HOUSING ON SUITABLE HOUSING SITES. THE BOROUGH COUNCIL WILL ACHIEVE THIS THROUGH NEGOTIATION AND THE USE OF PLANNING CONDITIONS AND SECTION 106 PLANNING OBLIGATIONS. THE SPECIFIC PROVISION WILL BE BASED ON AN ASSESSMENT OF LOCAL HOUSING NEEDS AND THE DEVELOPMENT

POTENTIAL OF THE INDIVIDUAL SITE. THE BOROUGH COUNCIL ENCOURAGES THE INVOLVEMENT OF REGISTERED HOUSING ASSOCIATIONS OR OTHER SOCIAL HOUSING AGENCIES APPROVED BY THE BOROUGH COUNCIL. THE PROVISION CAN BE MADE AS:

A BUILT UNITS

B A COMMUTED SUM

C SERVICE LAND

D A COMBINATION OF A,B, AND C ABOVE

This Position Statement should be considered alongside the other Interim Position Statements in the suite and the Council's up-to-date Supplementary Planning Guidance (SPG) and Documents (SPD) including (upon adoption) those currently in preparation for residential planning obligations and for Infill and Back-land development. The Interim Planning Position Statement will supercede the Affordable Housing Supplementary Planning Guidance Document (SPG) as a material consideration.

2.2 The Regional Spatial Strategy (RSS)

The RSS Proposed Changes were out to public consultation between September and 21 December 2007. Yorkshire and Humber Assembly advise that the RSS carries some weight as a 'relevant' document, having been through public examination in 2006, and this will increase with progress to adoption early in 2008. In addition the existing Regional Spatial Strategy (review of RPG12, December 2004) carries weight – for example Policy P1 on Strategic Patterns of Development and Policy H2 Housing – until superceded by new policy.

2.3 Planning Policy Statement PPS3

This national policy document, which came into force in April 2007, emphasises the importance of affordable housing as a housing policy objective.

2.4 Evidence Base

The Statement is also based on Doncaster's latest Housing Market Assessment/ Housing Needs Study, which is one of the Local Development Framework evidence base documents which, the Planning Inspectorate advise, are a material consideration. The full list of LDF evidence base documents is on the Council's website. Doncaster's Housing Market Assessment / Housing Needs Study (by Nathaniel Lichfield and Partners, 2007) has identified the following in particular:

- Average house prices in Doncaster have increased steadily since 2000. Due to this there is a significant shortfall of affordable housing throughout the Borough.
- Doncaster's affordable housing requirement should be not less than 26% of all units on site.

3. Interim Planning Position Statement

Interim Planning Position Statement AH1

Proposed developments for 15 or more dwellings (*or a site area of 0.5 hectares or more*) will be required to provide 26% of the total number of units as affordable housing units on the site. Only exceptionally, (*for example, where Registered Social Landlord/s are unwilling to take on the affordable housing units on the development site*) will a commuted sum (*equivalent to 26% affordable housing provision on site*) towards the off-site provision of affordable housing elsewhere be acceptable.

Affordable housing encompasses both social rented housing and intermediate housing for sale or rent, at an agreed discount below market value, that will be available in perpetuity to people who cannot afford to rent or buy houses which are generally available on the open market. The intermediate tenure split generally required is 26% intermediate and 74% social rented, which will help diversify affordable dwelling stock.

The size, type, mix and distribution on the site of affordable housing or, if appropriate, the level of financial contribution in lieu of on-site provision will be negotiated between the developer and Council.

In line with PPS3's requirements for mixed communities, affordable housing will be designed to be indistinguishable from the open market housing and affordable dwellings will be spread across most development. Grouping affordable dwellings together on a development will only be acceptable exceptionally where the accommodation requirements of specific groups, for example the care/physical needs of residents or RSL management issues demonstrably necessitates this.

The Council will expect the developer to enter into a Section 106 legal agreement to secure the affordable housing provision on-site, or where it can be justified, secure off-site provision or provide a financial contribution for provision off-site.

This policy will apply to new proposals, including new outline applications. It will not apply to reserved matters applications with outline planning permission previously determined before the date of this statement, unless the reserved matters application increases the overall density of the proposed development.

4. Application of this Interim Planning Position Statement

The Interim Planning Position Statement applies to all full major planning applications, Outline planning applications (site area 0.5hectares or more) and Reserved Matters planning applications (where increased density is proposed) for developments of more than 15 units. The Council will normally require at least 26% of housing on a development to be affordable housing as defined above and will only accept less than the 26% affordable housing requirement where the developer can provide the Council with robust evidence of the following:

-

- a) that such a requirement would make the development not viable.
- b) that Housing Corporation Social Housing Grant is not available to make the proposal viable.
- b) what alternative level of affordable housing would be viable.

The evidence should provide a detailed open book financial assessment and should demonstrate genuine additional costs, which can not be recouped through the market sale of the new homes.

The assessment will include the following detailed information, where applicable to specific sites:

- ~~Indicative market prices for all size type and tenure mix~~
- ~~Costs—build costs (an indication of quality), infrastructure costs, sustainability initiative cost, sale fees,) contingencies, and return for risk / profit for the developer~~
- ~~Effective development time periods (pre-build time, build time, sale time etc)~~
- ~~Section 106 contributions (non housing)~~
- ~~Cost of site abnormalities—remediation / demolition~~
- ~~Habitat relocation/creation costs~~
- ~~Flood mitigation / defence costs~~
- ~~Housing association / developer contributions~~
- ~~Other grants~~
- ~~Cost of finance over the development period~~
- ~~Market land prices~~
- ~~Gross subsidy from non—housing development~~
- ~~Revenue—rent and equity share, low cost sale and capitalised rental for sub market rent~~

List all Housing Types, Tenures & Sizes

Residential Values
 Affordable Housing
 Open Market Housing
 Social Housing Grant

Non- Residential Values (Where applicable)

Office/ Retail
 Industrial
 Leisure
 Community-use

Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs (State basis- e.g. GIA / GEA)
 Open Market Housing Build Costs (State basis- e.g. GIA / GEA)
 Residential Car Parking Build Costs
 Cost Multipliers (Code for Sustainable Homes etc)
 Building Contingencies....%
 Professional Fees (Architects, QS etc)%
 Other Acquisitions Costs

Section 106 Costs (£)

Infrastructure / Public Transport
Community Facilities
Public Realm / Environment
Sustainability Issues
Others

Site Abnormals

Infrastructure Costs
Habitat relocation / demolition costs
Flood mitigation / defence costs
Contamination Costs
Demolition Costs
Other Costs
Sustainability Initiatives

Marketing (Open Market Housing)

Sales Fees... %
Legal Fees (per OM unit)

Marketing (Affordable Housing)

Cost of sale to RSL (£)

Non-Residential Building & Marketing Costs

Building Costs (where applicable)
Office
Retail
Industrial
Leisure
Community-use

Professional Fees (Building, Letting & Sales) (where applicable)

Office
Retail
Industrial
Leisure
Community use

Total Finance Costs

Details of development time periods
Arrangement Fee
Misc Fees (Surveyors etc)
Agent Fees
Legal Fees
Stamp Duty
Development Period interest
Residential
Open Market Housing Operating 'Profit'
Affordable Housing 'Profit'

None-residential

Office profit

Retail profit

Industrial profit

Leisure profit

Community-use profit

SITE VALUE / EXISTING USE VALUE

Housing Corporation

The Housing Corporation's Social Housing Grant (SHG) could also be used to fund affordable housing on development sites. However, it must be demonstrated that the SHG investment will bring additional value to the proposed development. Below are some examples where funding may be available:

- homes negotiated over and above normal planning requirements
- help fund the viability of a scheme to provide additional homes
- improve the energy efficiency of homes, and the resultant affordability of occupying that home
- increase design and quality standards

Further information regarding SHG and the Housing Corporations standards can be obtained from the following web site (<http://www.housingcorp.gov.uk>).

Definition of the Site

In most cases, the site will be taken as being the planning applications site. However, where a planning application site forms part of a larger, clearly definable parcel of land, the larger area of land may be considered to constitute 'the site' when deciding whether or not the affordable housing policy should apply. This is to ensure that land is not brought forward for development on a piecemeal basis in order to avoid the affordable housing policy.

Appendix AH-A

1. The Need for Affordable Housing

Meeting future housing needs and aspirations in Doncaster for a range of households is critical to creating long term sustainable mixed communities in accordance with the aims of PPS1 Delivering Sustainable Communities.

The new Doncaster Housing Market Assessment / Housing Needs Study completed by Nathaniel Lichfield in 2007 has identified that average house prices in Doncaster have increased steadily since 2000 and have increased at a higher rate than for the region as a whole. Over the past five years this rise has been very dramatic with an average Borough – wide house price of £116,000 in 2005. This increase has had a profound impact on the first time buyer market. Lower Quartile (up to 25%) house prices of around £76,000 are unaffordable to the vast majority (81.6%) of newly forming households. Private renting is also relatively unaffordable, with 74.1% of newly forming households not being able to afford a private rent of £350 per calendar month. Hence the needs analysis has identified that there is a significant shortfall of affordable housing throughout the Borough of 224 affordable dwellings per year, which is 26% of the emerging Regional Spatial Strategy's current net housing requirement of 855 per annum for Doncaster. Over the past five years, around 433 affordable dwellings have been built in Doncaster (87 per year average) which means that the amount of affordable housing development will have to more than double its recent rate to satisfy the needs described. For further information on the Housing Market Assessment / Housing Needs Study please visit the Councils' web site <http://www.doncaster.gov.uk>

2. Policy Position

2.1 Unitary Development Plan (UDP)

Doncaster Council has operated an affordable housing policy since the publication of the Consultation Draft Doncaster UDP in 1992 and the subsequent adoption of the UDP in 1998. The Council's affordable housing policy is set out in policies SPH6, PH18 and PH19 of the UDP. In addition, the Council has produced a Supplementary Planning Guidance Document (SPG) on affordable housing, which was adopted in April 2000.

2.2 Supplementary Planning Guidance (SPG)

Doncaster's current SPG requires an affordable housing provision generally when a proposed development is 25 or more units or the site is 1 hectare or more in size. In rural settlements, with a population of 3,000 or fewer, lower thresholds may be applied, based on an assessment of local need.

The existing **saved UDP policy, Policy PH19** requires that the specific provision should be based on an assessment of local housing need and the development potential of the individual site. The policy allows provision to be provided in a variety of ways, built units, a commuted sum, serviced land or a combination of these approaches.

2.3 Local Development Framework (LDF)

The LDF will replace the UDP affordable housing policy. However, due to the revised Local Development Scheme the examination of the Core Strategy will not take place until September 2009 and it is envisaged that the Inspector will issue his report in March 2010.

2.4 New Definition of Affordable Housing

Government Planning Policy Statement PPS 3 Housing, which came into effect in April 2007 as a material consideration, defines affordable housing as follows:

'Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

2.5 Supplementary Planning Document

The Council is producing a Residential Development Section 106 Supplementary Planning Document. A draft SPD is due to be ready for public consultation by Autumn 2008.

3. The Interim Position

3.1 Threshold for Affordable Housing

PPS 3 requires Local Planning Authorities (LPA) to set a minimum site-size threshold. The indicative **national threshold in PPS3 is 15 dwellings**, but LPA's can set lower minimum thresholds, where viable and practicable including in rural areas. Local Authorities will also need to undertake an informed assessment of the **economic viability of any thresholds and proportions of affordable housing proposed**, including their likely impact upon overall levels of housing delivery and creating mixed communities.

In light of PPS3 the Interim Planning Position Statement is to adhere to the **15 dwellings threshold** until more evidence is provided/updated or new policy can be adopted in the form of the Supplementary Planning Document or Local Development Framework.

3.2 Proportion of units

Doncaster Council want to ensure that there is enough provision of affordable housing throughout the Borough without placing an undue burden on developers and discouraging them from development including affordable housing. The Housing Market Assessment /Housing Needs Study has stated that Doncaster's affordable housing requirement should **be not less than 26% of all units on site**. It is estimated that this requirement has the potential to secure around 200 new affordable units per year.

3.3 Type of Units

The Housing Market Assessment and Housing Needs Study has identified a tenure split of 26.2% Intermediate (defined as catering for households who can afford a social rent but are unable to afford to own a house on the open market) and 73.8% Social Rented. The Study also identified that there was a strong preference for shared ownership amongst existing and newly forming households. The evidence suggests that across Doncaster there is an appetite for intermediate tenure dwellings and provision will help diversify affordable dwelling stock.