

*South Hams*

**Affordable Housing  
Supplementary Planning  
Document (*SPD*)**

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## Section A: Introduction, Purpose & Context

### **A1. Introduction**

- A1.1 South Hams is amongst the least affordable places to live in the UK and a lack of affordable housing has had a significant impact on communities throughout the district.
- A1.2 Successive housing needs surveys show an increasing shortfall of affordable housing in South Hams. This is compounded by a variety of demographic and social factors coupled with pressures generated by economic growth and in-migration. The combination of these factors means that a substantial number of low income households are unable to find suitable housing to rent or buy in the private market.
- A1.3 Many of the people who move into the District can afford to pay higher prices for their housing than many existing residents. Average house prices are higher than in the nearby conurbations of Plymouth and Torbay whereas average wages are lower. There is a high proportion of second home ownership. These factors have had the effect of pricing some local people out of their own communities and their being replaced by better off commuters and people retiring to the countryside. Young people have had to move away in search of cheaper houses or jobs which are no longer available close to home. This in turn has led to fewer children in local schools and increased risk of closure of schools, bus services, shops and other local facilities.
- A1.4 In order to address these issues, the provision of affordable housing to help meet the needs of local people is the Council's top corporate priority. The provision of affordable housing is also a key theme of the Housing Strategy and the Sustainable Community Strategy.

### **A2 Background**

- A2.1 Up until the late 1980's the Council continued its own programme of direct provision to supplement the rented stock in its ownership. Legislative changes linked with financial controls imposed by central government meant that by 1988 further investment in direct provision was no longer practicable. Since then the Council has concentrated its efforts on working in partnership with other agencies to enable new affordable provision by housing associations to meet local needs.

A2.2 In 1999 the Council completed the transfer of its entire stock of affordable housing to Tor Homes, a new registered social landlord promoted for this purpose. The transfer generated a substantial capital receipt, much of which has been recycled in support of new provision through its partnerships with Housing Associations.

### **A3. Purpose and Status of the SPD**

A3.1 Supplementary Planning Documents (SPD) were introduced by the Planning and Compulsory Purchase Act 2004 to replace Supplementary Planning Guidance (SPG), and form part of a planning authority's Local Development Framework.

A3.2 Government guidance (PPS 12) states that SPD should provide additional information to existing plan policies and proposals to assist applicants and decision makers in interpreting and applying policy. SPD is given 'substantial weight' as a material consideration in planning decisions, particularly if it accords with national guidance/policy and has been the subject of consultation.

A3.3 The purpose of this Supplementary Planning Document (SPD) is to set out the Council's approach to delivering affordable housing in accordance with the Local Development Framework and National policy. This includes the range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs and contributes towards mixed sustainable communities and a balanced housing market.

A3.4 This policy document needs to be considered in the context of the Council's statutory duties as a housing and planning authority, the availability of financial and other resources and current or emerging local, regional and national policy agendas. It will be subject to periodic review in the light of changing needs and the local housing market.

### **A4. National Policy Context**

A4.1 Planning Policy Statement 3 Housing was published in December 2006. It sets out the Government's vision, objectives and policies in relation to housing provision and delivery. The principal aim of PPS3 is to increase housing delivery through a more responsive approach to local land supply, supporting the Government's goal to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live.

A4.2 In order to deliver Affordable and Market Housing, PPS3 specifies that Local Development Documents should seek to meet the needs and demand for housing in their area by:

- Setting out proportions of households requiring market and affordable housing.
- Specifying the types of households requiring market housing.
- Including a plan wide target for affordable housing, taking account of need and availability of finance.
- Setting separate targets for social rented and intermediate housing where appropriate.
- Specifying the size and type of affordable housing needed.
- Setting out the circumstances where affordable housing is required, taking account of the national indicative minimum threshold of 15 dwellings, setting lower thresholds where viable and practicable such as in rural areas.
- Describing the approach to seeking developer contributions to affordable housing, on and off-site.
- Considering allocating and releasing “exceptions sites” for affordable housing in rural settlements, to be retained in perpetuity and meet the needs of households with a local connection.

A4.3 PPS3 also includes a new definition of affordable housing which includes social rented housing and intermediate housing, but excludes low cost market housing (Annex B of PPS3 sets out the new planning definitions in full).

## **A5. South Hams Policy and Strategy Context**

### **Core Strategy**

A5.1 The Core Strategy contains the planning vision and strategy for the district. It sets out overall levels of new housing and employment land for the South Hams over the period 2001-2016 and explains the Council’s approach to the distribution of that development.

A5.2 An independent examination into the soundness of the Core Strategy was held in July 2006 and following approval by the Planning Inspectorate was adopted as Council Policy on 21 December 2006.

### **Affordable Housing DPD**

A5.2 The Affordable Housing Development Plan Document (AH-DPD) sets out in detail the Council’s approach to the provision of affordable housing. The document includes specific policies relating to thresholds and tenure proportions (Policy AH1) and Exception Sites (Policy AH2).

A5.3 At the current time, the AH-DPD preferred options document is scheduled for submission in December 2007 with examination in June 2008 and, subject to being found sound, adoption in January 2009.

### **Development Control Core Policies**

A5.4 The Development Control Core Policies document (DCCP) is an integral document in the South Hams LDF portfolio and builds on the strategic content of the Core Strategy, providing more detailed policy advice through a suite of development control policies for the use in determining planning applications district wide. It aims to enable sustainable development, whilst protecting, conserving and enhancing the environment.

A5.4 At the current time, the DCCP has been issued as a preferred options document. The document will reach submission stage in March 2008 and be subject to examination during October 2008. Subject to a sound rating by the Planning Inspectorate the document is scheduled for adoption in May 2009

### **Housing Strategy**

A5.5 The Housing Strategy sets the Council's strategic housing priorities for the district and takes account of the need to address current issues such as the delivery of new housing and the wide ranging needs of local people, including those with support needs.

A5.6 A review of the Housing Strategy is scheduled to take place during late 2007 with a new strategy published in 2008.

## **Section B: Housing Need & Affordable Housing**

### **B1. Housing Need**

B1.1 The level of housing need in the South Hams district has been determined through a district-wide Housing Market and Needs Assessment (HMNA) undertaken by David Couttie Associates (DCA) in 2006. The following table outlines the headline annual housing need position:

**Table B1 Annual Need**

<b>Annual Need and Supply 2006</b>	
Total annual need	859
Total supply from re-lets	<u>253</u>
<b>Net annual outstanding need</b>	<b><u>606</u></b>

B1.2 The total affordable housing need annually is for 859 units. Re-lets of the existing social stock average 253 units and are the major means of addressing the scale of need identified. After allowing for this level of supply, there is still an annual affordable housing shortfall of 606 units.

### **Need by Tenure**

B1.3 The sustained period of house price inflation has impacted on new forming households' ability to buy or rent privately. The 2006 HMNA identified that new forming households express a need or preference for owner occupation but generally had incomes inadequate to be able to purchase.

B1.4 The result of high house prices and low incomes, combined with a decline in the social rented stock through the Right to Buy, is that the largest proportion of new affordable housing is required as rented properties. This applies for both new forming households and existing households.

**Table B2 – Need by Tenure**

<b>NEED</b>	<b>Affordable Rented Housing</b>	<b>Low Cost Home Ownership</b>	<b>Total</b>
Existing Households	740	273	1013
Concealed Households	405	385	790
Total	1145	658	1803
%	<b>63.5%</b>	<b>36.5%</b>	<b><u>100%</u></b>

B1.5 In addition to the scale of affordable housing to meet general household requirements, the 2006 HMNA identified that there are specific needs within the overall housing need which should also be addressed.

- **Retirement / Extra Care Housing** - The survey data suggests a requirement for 141 affordable retirement / sheltered units and 52 units extra care units per annum for older people.

- **Supported Housing** - The survey identifies a need for 325 units of independent supported accommodation with a visiting support worker and 28 with a live in carer.
- **Keyworker Housing** - The level of keyworker housing need in the district is generally lower than other forms of need but may be required in specific local circumstances where recruitment and retention issues are affected by the availability of affordable housing.

## **B2. Affordable Housing Definition**

B2.1 For the purpose of this SPD, the Council's definition of affordable housing is based on the PPS3 definition 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; and
- Include provisions for:
  - (i) The home to be retained for future eligible households; *or*
  - (ii) If these restrictions are lifted, for any subsidy to be recycled for alternative affordable housing provision.

B2.2 Generally this will include a wide range of housing subsidised to varying degrees to keep prices, whether the properties are for rent or for sale, at affordable levels. The subsidy may be public (e.g. Social Housing Grant) or private (e.g. landowner/developer) or a combination of both. It is unlikely that housing produced without subsidy will be genuinely affordable to the meet the relevant housing needs.

### **B3. Forms of Affordable Housing**

B3.1 The following tenures are classed as affordable housing

#### **Social Rented**

B3.2 Social rented housing is housing owned and managed by local authorities and RSL's, for which guideline target rents are determined through the national rent regime.

B3.3 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. Service charges on affordable rented properties should not be too high as to make a tenancy unaffordable.

#### **Intermediate Affordable Housing**

B3.4 Intermediate affordable housing is housing at prices and rents above those of social rent but below market prices or rents, and which meet the criteria set out in the affordable housing definition above. Common models of intermediate housing include;

- Shared Equity is where more than one party has an interest in the value of the home e.g. an equity loan arrangement or a shared ownership lease. There may be a charge on the loan, and restrictions on price, access and resale
- Shared Ownership is a form of shared equity under which the purchaser buys an initial share in a home from a housing provider who retains the remainder. In most cases the purchaser may buy additional shares ('staircasing') and own the whole property. Staircasing may however be restricted in some rural areas.
- Sub-Market Rent is housing made available on the same basis as social rented housing but at a rent above Housing Corporation target rents but below market rents. Such rent levels should not exceed 80% of the prevailing market rents.
- Discounted Sale homes are provided at a discount to the full market value. The purchaser buys the whole home at a reduced rate. *Discounted sale homes, at a relatively small discount to market price, are not expected to produce genuinely affordable housing. This is due to low average wages and high market prices in the District.*

*Consideration will be given to the relationship between house prices and local incomes on a site by site basis, together with other factors such as viability, but generally such housing will not be suitable as affordable housing. The preference in most cases will be for traditional forms of intermediate housing i.e. shared ownership and sub-market rent.*

- B3.5 Homes of any of these types should only be considered intermediate affordable housing if they meet the criteria set out in the definition of affordable housing. If they do not, even if offered at less than market price, they should be considered '**low cost market housing**', and therefore outside the definition of affordable housing. However the Council does welcome the market bringing forward such housing, provided it is well designed, to meet the needs of those wishing to start on the housing ladder.
- B3.6 Service charge levels will also need to be discussed at an early stage and monitored closely as overall affordability can be seriously compromised.

#### **Local Intermediate Housing Models**

- B3.7 A number of local authorities are developing new models of intermediate housing. These include for example 'at cost' home ownership based on the actual cost of provision rather than full market values, as is the case with shared equity/ownership schemes. Given the extremely high house prices in the South Hams, the Council is keen to adopt new and innovative models of intermediate housing. The Council may therefore adopt and apply appropriate PPS3 compliant alternative intermediate housing models to those specified at B3.4 above. The form of intermediate housing will be specified on a site by site basis and may include models such as the 'at cost' model. Normally this will not result in any additional private subsidy requirement from a developer or landowner.

#### **Housing Not Classed as Affordable**

- B3.8 Housing outside of that defined above will not be classed as affordable housing and therefore not counted towards the overall provision of affordable housing. This includes **low cost market housing** and housing provided at discount by a developer at first occupation with no further provision to ensure that the property remains affordable to subsequent occupiers or for any subsidy to be recycled.

## **B4 – Affordability**

- B4.1 Affordability is a key consideration in relation to the form and appropriateness of any model of affordable housing. Affordability is defined by the relationship between local incomes and house prices, either to rent or buy, as detailed in the definition of affordable housing above. A summary of local incomes and house prices is detailed at Appendix. B

### Section C: **Affordable Housing Targets**

#### **C1. Affordable Housing Targets**

- C1.1 The Council's adopted LDF Core Strategy sets a strategic affordable housing target of 50% from all sources. The Affordable Housing Development Plan Document (AH-DPD) (***Preferred Options***) requires that all sites of 2 dwellings or more should contribute toward achieving the strategic target. It is expected that allocated sites should however deliver in excess of 50%.
- C1.2 **On sites of more than 5 dwellings**, the affordable housing element should be provided on site as completed units and delivered in accordance with the mechanisms and design standards outlined in this document.
- C1.3 **On sites of between 2 and 5 dwellings**, provision on site will be encouraged however an off site contribution (commuted sum) will be deemed acceptable. Other circumstances where an off site contribution may be appropriate are detailed at section E of this document.
- C.1.4 The Affordable Housing Policy target will result in some affordable housing requirements to be shown as part units i.e. 50% requirement arising from a site of 15 units would equate to a requirement to provide 7.5 affordable units. Where this occurs for on site provision, the proportion to be applied will be considered on a site by site basis to achieve the most appropriate overall solution. This will often be dependent on block layout such as where the requirement is either for 7.5 or 8.5 rented flats and the best available solution is a block of 8 flats.

## **C2. Tenure**

- C.2.1 On site affordable housing should be provided as 60% affordable rented housing and 40% intermediate housing. This tenure split is based local housing needs evidence. These tenure requirements also have regard to Housing Corporation targets and targets set out in the Regional Housing Strategy which recommends 70% rented / 30% intermediate.
- C.2.2 These tenure targets are intended to inform discussions between the applicant and the Council and local circumstances will be taken into consideration when determining the tenure split on site. For example in some locations there may be a higher or lower requirement for social rented properties. Local circumstances will however be balanced against the need to respond to housing need strategically across the district as a whole.

## **C3. Size and Unit Type**

- C3.1 The provision of affordable housing units on site should, where possible, reflect the identified housing needs of the district and contribute towards a balanced housing market and the creation of mixed, well integrated and sustainable communities. This will in most cases mean the provision of a mix of unit types including flats and houses of varying size.
- C3.2 Provision on site should be determined through pre-application discussions to reflect the current housing need requirements of the district. This will reflect need identified in the Housing Market and Needs Assessment combined with current needs, in priority order, of those on the Council's Housing Register. This may include provision for a wide ranging group of needs including those requiring general needs housing, including homeless individuals or households, those requiring supported or retirement housing and keyworkers.

## **C.4. Application of the Affordable Housing Policy**

- C4.1 The Affordable Housing Policy (AH1) places an obligation on the developer / landowner to consider how development proposals affected by the policy may provide the required proportion of affordable housing. Consideration should be given prior to the sale or purchase of a site or the sale or acquisition of an option.
- C4.2 All residential development, excluding the exempt development detailed below, will be subject to Affordable Housing Policy (AH1). This includes mixed use developments which incorporate a residential element, for example live work units, or residential units above or combined with other uses. Where such schemes trigger an affordable housing requirement,

the affordable housing obligation should be met through the provision of completed residential units, except where solely residential development is not permitted. Where provision is not viable on site, provision off site may be appropriate.

### **Exempt Development**

C4.3 Affordable Housing Policy (AH1) will not apply to the following forms of development:

- Hostels:  
The development of hostel accommodation is not expected to provide additional affordable housing. Where a development is solely for Hostel accommodation, the Affordable Housing Policy (AH1) will not apply.
- Educational Establishments:  
The Affordable Housing Policy (AH1) will not apply to educational establishments which include an element of residential accommodation which is directly linked to educational facilities on site.
- Residential Care / Nursing Homes:  
Residential Care / Nursing Homes where the accommodation is non self-contained and falls within Use Class C2 will not be subject to the Affordable Housing Policy.

## **Section D: Negotiating, Funding & Delivering Affordable Housing**

### **D1. Negotiating the Affordable Housing Provision**

D1.1 Before making a planning application, applicants should make contact with the Council's Affordable Housing Officers to discuss the affordable housing requirements of the application.

### **D2. Funding - Public Subsidy**

D2.1 Public subsidy is primarily provided by way of Social Housing Grant from central government through the Housing Corporation's National Affordable Housing Programme (NAHP). NAHP allocations are carried out on a regional basis and determined with regard to priorities set out by the

Regional Housing Body in the Regional Housing Strategy. It should be noted the NAHP grant funding is limited and may not always be available.

D2.2 The only certain funding stream available to fund new affordable housing is borrowing by Registered Social Landlords based on future rental income. In most cases however additional subsidy may be required above that which can be raised against rental income (funding shortfalls are detailed further at section D6). Some RSL's may also have access to cash reserves which they may use as an alternative or in addition to either borrowing or Social Housing Grant (SHG) to meet the cost of purchasing completed units.

### **D3. Funding - Private Subsidy**

D3.1 The expectation of both the Housing Corporation and central government is that greater levels of affordable housing should be provided through the planning system. This is highlighted in various Housing Corporation publications and also within PPS3.

D3.2 In order to set a realistic, equitable and easily understandable approach to affordable housing subsidy provided through the planning system, the Council considered a range of options including the supportable deficit approach (based on capitalised rental income), individual site appraisals and a free serviced land equivalent approach (FSLE).

D3.3 The approach adopted by the Council is the Free Serviced Land Equivalent (FSLE) approach. This approach sets the private subsidy as the equivalent of free serviced land. This is the starting point for negotiations although it is expected that FSLE will be applied as the minimum subsidy for both rented and intermediate tenures.

D3.4 Appropriate safeguards will need to be provided for any intermediate housing to ensure that the affordable housing is provided in perpetuity. In the event of any intermediate housing being lost to the open market, via staircasing, any original subsidy should be recycled to provide additional affordable housing. This applies to RSLs and any other type of housing provider including developers.

### **D4. Funding - Cross Subsidy**

D4.1 The FSLE approach provides a single level of subsidy regardless of tenure. It is recognised however that the subsidy requirement for intermediate housing may be less than that required for rented housing. This may therefore, in certain circumstances, create an opportunity for an element of cross subsidy between the intermediate housing and the social rented housing.

- D4.2 The affordable housing policy sets a single obligation across the site as a whole i.e. to achieve both rented and intermediate, and any potential cross subsidy should be applied to achieve the whole obligation across a site. In practice this will usually mean that a single housing provider is used to deliver both the intermediate and social rented housing and apply any cross subsidy toward the achievement of the whole affordable housing requirement.
- D4.3 Where two separate housing providers are proposed, the Council will require an open book approach to ensure that any cross subsidy available from the intermediate provision is made available either to cross subsidise the social rented housing or to be applied to intermediate housing to improve the overall affordability of the product.
- D4.4 **Any additional subsidy from the intermediate should not be used to increase the transfer price paid to a developer above those set out at D5 below.** It is acknowledged however that in the interest of viability there may be circumstances where the Council supports an increased transfer price. This should however only occur in exceptional circumstances and be carried out on an open book approach between the Council, the developer and the housing provider.

## **D5. Affordable Housing Transfer Prices**

- D5.1 The expectation of the Council is for affordable housing on qualifying sites above 5 units to be provided by the developer as completed units on site.
- D5.2 The developer subsidy equates to the provision of serviced land. The transfer price paid by a housing provider to a developer will therefore equate to the cost to the developer of providing the unit i.e. reasonable build cost. This approach ensures that the developer will be reimbursed the cost of providing the unit and therefore limiting the developer subsidy to purely the land.
- D5.3 To enable RSLs to purchase completed units within reasonable costs and to provide certainty to developers and landowners, the Council has set out the build costs which will be used to determine the unit price to be paid by a Housing Association for different housing types and unit sizes. The transfer price applies equally to both rented and intermediate properties.
- D5.5 The following table provides a guide to the price to be paid for completed units. To ensure genuinely affordable housing, the purchase price should not exceed the build cost currently identified as £1,000 per square meter for houses and £1,100 per square meter for flats.

D5.7 In circumstances where specifications vary significantly to the Building Cost Information Service (BCIS) index on which prices are based, a reasonable alteration to the build costs will be made to reflect the variation. The unit sizes shown in the table below are intended as a guide.

**Table D1 – Transfer Prices**

Units type	Target Unit Size	Price per meter	Transfer Price (Range)
1 Bed Flat	51 m.sq	£1,150	£58,650
2 Bed Flat	61 – 71 m.sq	£1,150	£70,150 - £81,650
2 Bed House	71 – 76 m.sq	£1,000	£71,000 - £76,000
3 Bed House	86 – 91 m.sq	£1,000	£86,000 - £91,000
4 Bed House	96 – 102 m.sq	£1,000	£96,000 - £102,000

**NB – The above table is indicative at the current stage.**

D5.8 Build costs will be updated on an annual basis to reflect the BCIS index. The price to be paid for completed units will be at the build cost identified by the Council, in conjunction with a Housing provider, at the time of the planning application and should be included within a s.106 agreement. Provision will be made within the s.106 agreement to allow for any increase in build costs should commencement of development be delayed. This will be through an indexation formula linked to build cost inflation.

## **D6. Nil Grant Scenario**

D6.1 There is no requirement for the Council or the Housing Corporation to subsidise affordable housing provided through the planning system via SHG. It is however recognised that the Council's affordable housing targets may not be deliverable without an element of additional subsidy. In the interest of development viability, the Council may seek to meet any funding gap through one of the following methods:

### **Cascade Funding Mechanism (reduction of units on site)**

D6.2 The funding gap may be met through an overall reduction of affordable units provided on site.

D6.3 For each affordable unit given up, the expectation is that the developer provides a notional financial contribution in lieu of the unit. The total price paid by a housing association will be reduced by the commuted sum value of each unit given up. The number of units given up will depend on the funding shortfall.

- D6.4 The result of this approach will be the provision of a reduced proportion of grant free units on-site. For example, a site may provide 50% with grant or 35% without grant. A worked example of the cascade mechanism is detailed at appendix D.
- D6.5 From a developer's perspective, the market sales receipts will increase as a result of any decrease in the affordable housing. This approach does not increase or decrease the private subsidy provided.

### ***Variation of Tenure***

- D6.6 Provision of affordable housing on site will be delivered in accordance with the tenure proportions set out in this document. Where a funding gap exists, the Council may consider a variation of the target tenure mix in favor of intermediate housing to allow the purchasing RSL to provide additional cross subsidy within the affordable housing provision. The price paid for the completed units would remain unchanged.

## **D7. Development Viability**

- D7.1 Developers and landowners are expected to consider the overall cost of development, including the required planning obligations and any abnormal costs, prior to negotiating the sale or purchase of land or the acquisition or sale of an option. Early consultation with the Council on such requirements is therefore encouraged.
- D7.2 On certain sites development viability may be affected by a range or combination of factors such as high abnormal costs and/or competing or existing use values.
- D7.3 Where there are a range of high abnormal costs, for instance on heavily contaminated or difficult to develop land, or where development viability is affected by other factors, the Council may, in exceptional circumstances, consider a reduction in the level of affordable housing.
- D7.4 Where development viability is considered to be affected, the developer should identify these issues and associated costs and submit detailed information to the Council at the earliest opportunity. A detailed list of development viability information likely to be required is detailed at appendix F. An assessment of the development viability will be undertaken by the Council or an independent Valuer.
- D7.5 This assessment will include a thorough appraisal of the site economics and will require co-operation and an open book approach between the developer or landowner and the Council.

D7.6 The Council will complete this appraisal using the Grimley Model, originally developed by GVA Grimley specifically for the Housing Corporation. The model is widely accepted within the industry as an appropriate and equitable economic appraisal tool. The model is available free of charge and details on how to obtain a copy are located within the Useful Links section at Appendix A

D7.7 A reduction in the level of affordable housing will only be considered in circumstances where development viability is proven to be affected to a critical point by the provision of affordable housing.

## **Section E. Contributions in Lieu and Commuted Payments**

### **E1. Contributions in Lieu**

E1.1 For sites or more than 5 dwellings, the Council's expectation is for the affordable housing obligation to be met by the provision of completed units on site.

E1.2 In exceptional circumstances the Council may consider the acceptance of an off site contribution in accordance with PPS3 and circular 05/2005. This may be in the form of land or completed units elsewhere or through a commuted sum payment. It is recognised however that off site contributions alone may be insufficient to secure an equivalent level of provision elsewhere without any further public subsidy.

E1.3 Where off site provision is the agreed contribution, the contribution will be used solely for the purpose of affordable housing in accordance with the housing need priorities at the time and in line with the priorities set out in the Council's Housing Strategy. Contributions will be applied to meet housing need across the district. In practice this may mean that contributions in lieu arising from one location may be applied to meet housing need elsewhere in the district.

E1.4 Circumstances where the Council may consider the acceptance of an off site contribution may include the following;

- Where housing need priorities could be better met in an alternative location, either through an alternative site, completed units elsewhere or a financial contribution.

- Where there is a dominance of a particular type of affordable housing provision in the immediate area.
- Where the integrity or viability of the particular form of development might be compromised by the integration of affordable housing for reasons that can be clearly set out and justified.

## **E2. Provision of Land**

- E2.1 This may apply where the Council considers that the provision of land, either on the proposed development site or on an alternative site, would enable the Council to apply the contribution more effectively towards meeting the identified housing needs of the district. This may for example include land banking for development at a later date.
- E2.2 The contribution of land will in most cases be land, serviced to its boundaries, of sufficient area to provide the equivalent provision arising from the application site. Cash contributions may be sought in addition to land where the land is of insufficient area or value to provide equivalent provision arising from the application site.
- E2.3 Where there is agreement to provide land as an alternative to either completed units or a commuted sum payment, the Council will, where necessary, undertake an appraisal of the proposed contribution.

## **E3. Units Elsewhere**

- E3.1 Where provision off site is the agreed contribution, the Council may consider the acceptance of suitable completed units elsewhere. Provision of completed units on an alternative site will be in addition to any affordable housing requirement arising from the alternative site. It should be noted that in the interest of achieving well integrated balanced communities, it is unlikely that the Council would accept a proposal that resulted in an inappropriate mix of tenures or dominance of affordable housing.

## **E4. Commuted Sum Payments**

**NB – final figures to be included prior to publication. Figures are subject to a detailed Viability Study yet to be finalised.**

- E4.1 There is a clear benefit to a landowner/developer in commuting an affordable housing obligation to an off-site payment. Owing to the scarcity of opportunities to re-provide the much needed affordable housing elsewhere, the Council's aim in this area is to seek first and foremost on-site provision. The Council and its RSL partners do not have large land holdings on which to provide affordable housing. The commuted sum

approach therefore has to reflect the cost of buying plots elsewhere, from the market.

- E4.2 The methodology adopted by the Council for calculating commuted sums is based on the on-site affordable housing scenario of developer subsidy equating to the value of free serviced land i.e. **the commuted sum should equal the value of the free serviced land**, as would have been provided on site.
- E4.3 During 2007, the Council commissioned Adams Integra to complete a Development Viability Study. As part of this work the study identified that average land values, prior to the application of the Affordable Housing Policy equated to x% of gross development value (GDV) i.e. the average plot value for a property equates to x% of its market sale value.
- E4.4 The calculation therefore applies x% of the GDV for the relevant unit types to establish the land value. To reflect the cost of providing the units elsewhere, an additional x% is added to the resulting plot value to reflect land purchase costs and a contribution to servicing (to site boundaries).
- E4.5 It is recognized that property values vary and therefore there will be high and low value areas within the district, even within close proximity i.e. a waterfront site may generate much higher sales values than a less desirable site close by. The Council's viability work has identified 5 value bands which reflect the range of sales values across the district.
- E4.5 These varying value bands, and therefore the commuted payment, are reflected in a detailed table of contributions at appendix x. This table will be used to inform negotiations where a commuted sum is agreed although the Council's approach is to look at each case according to its circumstances and based on the same principles of negotiation as adopted for on-site provision.
- E4.6 To illustrate the approach, the following table sets out the guide level commuted sum payable for different unit types in a value band 3 area.

Table E2 – Commuted Sum Values (typical value 3 area)

Typical Property	Typical Open Market Value £	x% land Element	x% purchase & servicing costs	Guide level unit contribution
<b>1 bed flat</b>	£183,600			
<b>2 bed flat</b>	£237,600			
<b>2 bed house</b>	£273,600			
<b>3 bed house</b>	£309,600			
<b>4 bed house</b>	£363,600			

E4.7 **Example:** A developer proposes residential application for 20 homes for sale comprising 15 x 3 bed houses and 5 x 2 bed houses. This equates to 75% 3 beds and 25% 2 beds. Therefore, the minimum likely affordable housing requirement would equate to 10 homes on site. The cash in lieu of on-site provision would be 7x(£commuted sum) and 3x(£commuted sum). The total contribution from the developer would therefore be (£total commuted sum) appropriately index linked.

E4.8 In circumstances where there is dispute over the valuation of the affordable housing contribution, either the price of the affordable housing units to be transferred to a Housing Association or the value of a commuted sum, the Council will complete a valuation or appoint an independent Valuer.

E4.9 The calculation of commuted sum payments will be calculated at the time of application and will be included in a S.106 agreement. To ensure that contributions reflect conditions applicable at the time the contribution becomes payable, the s.106 agreement will include an indexation formula.

E4.10 As the method for calculating the commuted sum is based on a house price/land value approach; the index linking formula will reflect changes in these values. The Council has selected the Land Registry figures as an appropriate House Price Index for this.

E4.11 The formula will equate to the change between the Quarter preceding the planning consent and the Quarter preceding commencement of development or other date agreed between the parties as the date the agreed sum becomes payable.

## **E5. Management of Affordable Housing Contributions**

E5.1 Payments received in lieu of affordable housing on site will be held in the Affordable Housing Fund. Such payments will be used to meet the Council's affordable housing objectives and in accordance with Circular 05/2005 and the following criteria:

- That the proposal fulfils the scope of the relevant Section 106 Agreement, the Affordable Housing Policy and any relevant case law and Government guidance.
- That the proposal fulfils the aims of the current Housing Strategy Statement and any other relevant documents

- E5.2 Any revenue raised from the interest accruing on the Affordable Housing Fund will be made available to fund affordable housing, housing research or other initiatives connected to the Council's strategic housing objectives.

## Section F: **Management and Standards**

### **F1. Registered Social Landlords (RSL's) / Housing Providers**

- F.1.1 In recent years, Housing Association property has provided the main source of new housing to help meet the needs of people on low incomes. Following legislative changes, other social housing providers, such as developers, non-registered Housing Associations and Trusts are able to supplement this source of provision. The Council recognises this, but will encourage partnerships with Housing Associations for the management of properties, and will require developers to enter into obligations securing the future appropriate management of schemes.
- F1.2 The Council has established a good relationship with a number of Registered Social Landlords (RSL's) and work in partnership with these preferred partners to provide affordable housing which meets local housing needs.
- F1.3 The current preferred RSL partners are signed up to a protocol and actively contribute to the Council's strategic housing objectives. As such, the Council encourages developers to meet their affordable housing obligations by working in partnership with these preferred partners.
- F1.4 Whilst this is the favored approach, the Council recognises that there are a range of providers including non-RSL organisations which have the ability to provide affordable housing. Any alternative approach must however ensure that arrangements are in place to secure the appropriate management of the homes and to ensure that they remain affordable to people in need.
- F1.5 The choice of an appropriate RSL is often dependant on the type and location of the development and the Council may recommend a suitable RSL for a particular site.
- F1.6 In circumstances where a development involves a particular specialism or where an alternative RSL may bring additional benefit, the Council may wish to work outside of the preferred partner's arrangement. A list of preferred RSLs is available at appendix C.

## **F2. Management of Affordable Housing**

- F2.1 Affordable housing will in most cases be transferred to a Registered Social Landlord and managed as affordable housing in accordance with Housing Corporation guidelines. This is the Council's preferred mechanism.
- F2.3 As highlighted above, the Council recognises that developers have the ability to apply directly to the Housing Corporation for social housing grant. Where the affordable housing provision is delivered directly by a developer, the Council will insist on entering a legal agreement to ensure that the affordable housing is available to those judged to be in housing need by the Council, that appropriate management arrangements are in place, that the affordable housing is provided at an affordable level and that the housing remains affordable to successive occupiers to be nominated by the Council. Any such agreement will also need to reflect regional or sub-regional arrangements such as the use of the current Homebuy Agent.
- F2.4 The provision of affordable housing will be subject to a nomination agreement between the Council and the owning/managing RSL or other body. The Nomination Agreement details how the affordable housing will be allocated and will usually provide the Council with 100% of initial nominations and 75% of subsequent nominations.
- F2.5 The Council will nominate applicants according to housing need and in accordance with the Council's published Housing Nominations Policy.

## **F3. Securing the Affordable Housing / s.106 Agreements**

- F3.1 Where the Affordable Housing Policy (AH1) applies, the affordable housing will be secured by way of an agreement under Section 106 of the Town & Country Planning Act 1990 or by planning condition.
- F3.2 The Council strongly recommends that developers put forward proposals with an RSL partner. Where there is a known RSL, the Council recommends that they are party to the agreement and involved in the negotiations at the earliest possible stage.
- F3.3 Where provision is as completed units, the agreement should include the following;
- A named Housing Provider, usually an RSL
  - A schedule of the affordable housing including the number, type, size.
  - The configuration and tenure of the affordable units.
  - Any subsidy recycling arrangements if provided by a non RSL.
  - The price to be paid for the completed units

- The phasing or timing of completions

- F3.4 Where the transfer of suitable alternative land or a commuted sum (cash in lieu) is the agreed affordable housing contribution, the Section 106 will be drafted to reflect this.
- F3.5 A draft s.106 should be completed by the time the planning application is considered. The agreement will need to be concluded before the granting of permission. The Council is currently developing a standard Section 106 agreement for housing provision. This will be available to download from the Council's website at [www.southhams.gov.uk](http://www.southhams.gov.uk). Each agreement will be tailored to meet the specific requirements of the proposed development.
- F3.6 It is important for the affordable housing to come forward at an appropriate time. The Council will therefore seek to secure, through a Section 106 agreement, the completion of the affordable housing within a specified timescale. This will usually mean the completion of the affordable housing, ready for occupation, prior to the occupation of a specified number of units, usually no more than 50% of the completed market dwellings.
- F3.7 Where a commuted sum is the agreed affordable housing contribution, the sum will usually become payable on commencement of development or other appropriate time agreed between the parties. Provision will also be made through a Section 106 agreement, for the timely transfer of any land where land is the agreed contribution.

#### **F4. Design and Standards**

- F4.1 The Council seeks high design standards on all developments. The affordable housing element of any proposed development will be subject to the same standards.

##### **Tenure Neutral and Integrated Housing**

- F4.2 In line with national, regional and local policy, the affordable housing element should be well integrated into the overall development. To ensure attractive and cohesive developments, the affordable housing should appear tenure neutral and be indistinguishable from the market housing.
- F4.3 The agreed layout for example, should ensure the effective management of the affordable units but also ensure the affordable elements are truly integrated into the development. As a guide, the Council would not wish to see grouping of more than 8 affordable housing units of the same tenure in one location on the site.

### **Code for Sustainable Homes**

- F4.4 Affordable housing units must achieve the appropriate minimum level of the Code for Sustainable Homes or other appropriate standard applicable at the time. Reference should be made to the requirements of national and regional policy and also local policy which sets the current requirement at level 3. Where the affordable housing is funded through SHG, the housing must meet any level set by the Housing Corporation above that set by local, regional or national policy.

### **Lifetime Homes Standard**

- F4.5 The Lifetime Homes Standard enables the provision of homes which are flexible and adaptable to changing needs. Provision may be required for a proportion of homes to be completed to lifetime homes standard.
- F4.6 Although the Lifetime Homes Standard provides flexible accommodation, some individuals or households require a higher level of provision or mobility units. In order to meet an identified level of need, it may be appropriate for the Council to specify certain units to be designed to meet special housing needs.

### **Service Charges**

- F4.7 On developments where the affordable housing provision is subject to a service charge, the charge should not be so great as to make occupancy unaffordable. The Council will consider the level of service charges in the context of prices, rents and overall affordability and in relation to the findings of the Housing Needs Survey. The assessment of affordability will be considered having regard for the tenure and type of affordable housing provision i.e. intermediate housing may sustain higher service charge levels than affordable rented or retirement housing.

### **General Design Standards**

- F4.8 The affordable housing element of any development should provide an appropriate level of parking.
- F4.9 In addition to the principles set out above, any SHG (Housing Corporation or Local Authority) funded affordable housing provided as completed units must be completed to the Housing Corporation Design and Quality Standards or other appropriate standards applicable at the time.

## Appendix A: Key Contacts and Useful Links

### Key Contacts

- **Affordable Housing Team**

Liam Reading  
**Affordable Housing Manager**  
[Liam.reading@southhams.gov.uk](mailto:Liam.reading@southhams.gov.uk)  
(01803) 861234

Debbie Holloway  
**Strategy & Enabling Officer**  
[Debbie.holloway@southhams.gov.uk](mailto:Debbie.holloway@southhams.gov.uk)

Stephen Forsey  
**Development Surveyor**  
[Stephen.Forsey@southhams.gov.uk](mailto:Stephen.Forsey@southhams.gov.uk)  
(01803)

Rachel Bland  
**Affordable Housing Planner**  
[Rachel.bland@southhams.gov.uk](mailto:Rachel.bland@southhams.gov.uk)  
(01803)

- **Strategic/Forward Planning Officers**

James Doxford  
**Planning Officer**  
[James.doxford@southhams.gov.uk](mailto:James.doxford@southhams.gov.uk)

Graham Swiss  
**Forward Planning Manager**  
[Graham.swiss@southhams.gov.uk](mailto:Graham.swiss@southhams.gov.uk)

- **Development Control**

Dave Kenyon (East District)  
**Senior Development Control Officer**  
[Dave.Kenyon@southhams.gov.uk](mailto:Dave.Kenyon@southhams.gov.uk)

Malcolm Elliott (West District)  
**Senior Development Control Officer**  
[Malcolm.Elliott@south.hams.gov.uk](mailto:Malcolm.Elliott@south.hams.gov.uk)

### Useful Contacts / Links

Housing Corporation  
Regional Housing Board  
South Hams District Council  
Grimley Economic Appraisal Tool

[www.housingcorp.gov.uk](http://www.housingcorp.gov.uk)  
[www.southwesthousingbody.org.uk](http://www.southwesthousingbody.org.uk)  
<http://www.southhams.gov.uk/>  
<http://www.housingcorp.gov.uk/server/show/ConWebDoc.8681>

### Useful Documents

Available at <http://www.southhams.gov.uk/>

- Housing Strategy
- Development Control Core Policies
- Affordable Housing Development Plan Document
- LDF Core Strategy
- Housing Strategy
- Community Strategy

#### **External Documents**

- Regional Spatial Strategy [www.southwest-ra.gov.uk](http://www.southwest-ra.gov.uk)
- Regional Housing Strategy [www.southwesthousingbody.org.uk](http://www.southwesthousingbody.org.uk)

## Appendix B - Local Incomes, Rents and Affordability

### Average Rent Level Examples

Dwelling Type	Social Rented Properties (La Core Data – SW Region 2007 )		Private Rents (DCA HMNA 2006)	
	Per week	Per Calendar Month	Per week	Per Calendar Month
1 bed	£60	£260	£96	£418
2 bed	£68	£294	£130	£564
3 bed	£76	£329	£147	£636

N.B. the figures above are intended as a guide only and should not be used in viability calculations or for determining rent levels.

### Average Incomes

#### *Survey Income Data – All Existing Households*

Income	South Hams
Below £10,000	19.7
£10,000 - £20,000	25.6
£20,001 - £27,500	14.3
£27,501 - £35,000	10.3
£35,001 - £45,000	10.3
£45,001 - £50,000	4.5
£50,001 - £55,000	3.2
£55,001 - £60,000	2.6
£60,001 - £75,000	4.1
Above £75,000	5.4
<b>Total</b>	<b>100.0</b>
<b>Median Income</b>	<b>£22,465</b>
<b>Mean Income</b>	<b>£27,690</b>

*Source: 2006 DCA Housing Market and Needs Assessments*

## **Affordability Examples New Build Home Buy (shared ownership)**

<b>2 Bed Flat at £160,000</b>	<b>Mortgage per Month</b>	<b>Rent per Month</b>	<b>Total per Month</b>	<b>Income required</b>
25% Share	£280	£275	<b>£555</b>	<b>20,000</b>
50% Share	£560	£183	<b>£743</b>	<b>26,700</b>
75% Share	£840	£92	<b>£932</b>	<b>33,500</b>
<b>2 Bed House at £180,000</b>				
25% Share	£315	£310	<b>£625</b>	<b>22,500</b>
50% Share	£630	£206	<b>£836</b>	<b>30,000</b>
75% share	£944	£103	<b>£1047</b>	<b>37,700</b>
<b>3 Bed House at £200,000</b>				
25% Share	£350	£343	<b>£693</b>	<b>24,900</b>
50% Share	£700	£230	<b>£930</b>	<b>33,500</b>
75% share	£1050	£115	<b>£1165</b>	<b>41,900</b>
<p>N.B. Illustration is based on an interest rate of 6.75% and assumes a capital and interest repayment over 25 years.            Rent is based on 2.75% of the retained equity. This will usually increase by the annual rate of RPI. No Service Charges have been included in the costs.</p> <p>Income required is based on monthly cost not exceeding 33% of gross household income.</p>				

## Appendix C - Preferred Partner RSL's/ Housing Providers



Tor Homes  
Tor House  
St Peter's Quay Totnes  
TQ9 5SH



Devon & Cornwall HA  
The Mount,  
Paris Street, Exeter  
EX1 2LX



Westcountry Housing  
Association  
Hatfield House  
Hatfield Road  
Torquay  
TQ1 3HF

The Guinness Partnership

The Guinness Trust  
3<sup>rd</sup> Floor, Balliol House,  
Southernhay Gardens,  
Exeter  
EX1 1NP



Signpost Housing Association  
Sunpost House  
Sunrise Business Park  
Higher Shaftsbury Road  
Blandford Forum  
Dorset  
DT11 8SA



Hastoe Housing Association  
24, High West Street  
Dorchester  
Dorset  
DT1 1UW

South West Co-op  
The Old Railway Station  
Sea Mills Lane  
Stoke Bishop  
Bristol  
BS9 1DX



Sovereign Housing Association  
Sovereign House  
20 Exwick Road  
Exeter  
EX4 2QA



Dartington Housing Association  
Forder Lane House  
Dartington  
Totnes  
TQ9 6HT



Tamar Housing Society  
2<sup>nd</sup> Floor, Belgrave House  
73 Mutley Plain  
Plymouth  
PL11 6JS



Sanctuary Housing Association  
Leat House  
Tavistock Road  
Roborough Village  
Plymouth  
PL6 7BD

## Appendix D - Cascade Funding Mechanism

The following figures are estimates in order to provide a worked example of the funding cascade. Actual figures to be included at publication.

### Example – With Grant

A development of 10 x 2 bed flats, 10 x 2 bed houses and 10 x 3-bed houses is proposed. The affordable housing obligation at 50% equates to a requirement of 5 of each unit type.

The total price payable for the completed units by the RSL (Table A – Transfer Prices and RSL Finance at Appendix E) amounts to the total reasonable build cost for each unit:

5 x 2 Bed flats (£73,200)	£366,000
5 x 2 Bed House (£83,600)	£418,000
5 x 3 Bed House (£94,600)	£473,000
<b>Total Price Payable by RSL</b>	<b>£1,257,000</b>

For illustrative purposes, the amount an RSL can raise through loan finance based on capitalised rental income might amount to the following;

5 x 2 bed flat (50,000)	£250,000
5 x 2 Bed house (60,000)	£300,000
5 x 3 Bed house (70,000)	£350,000
<b>Total Finance Available to RSL</b>	<b>£900,000</b>

**Funding Shortfall (Deficit)                      £357,000 (or £23,800 per unit)**

This creates a reasonable grant rate at which you would expect to receive Housing Corporation grant. However, should SHG not be available, the deficit can be met through a reduction of units on site (based on the equivalent commuted sum payment as detailed in Table B at Appendix E). See following example Without Grant

### **Example - Without Grant**

A reduction of units on site is required to generate a notional commuted payment to meet funding shortfall – The following example assumes a reduction of 4 units on site.

The total price payable by the RSL, total (reasonable) build cost for 11 units rather than 15 (reduction of 4 units).

1 x 2 Bed flats (£73,200)	£73,200
5 x 2 Bed House (£83,600)	£418,000
5 x 3 Bed House (£94,600)	£473,000
<b>Total Price Payable by RSL</b>	<b>964,200</b>

The amount an RSL can raise through loan finance;

1 x 2 bed flat (50,000)	£50,000
5 x 2 Bed house (60,000)	£300,000
5 x 3 Bed house (70,000)	£350,000
<b>Total Finance Available to RSL</b>	<b>£700,000</b>

**Funding Shortfall (Deficit) £264,000**

Shortfall funded by equivalent commuted sum of 4 x 2 bed flats given up;

**4 x 2 bed flat @ £66,000 £264,000**

The reduction of units generates a sufficient contribution to meet the funding shortfall. The expectation would be that agreement is reached with the developer to provide the lower proportion 'grant free', which in this example equates to £700,000, rather than actually agree a commuted sum which is transferred to the RSL to buy the units.

The site would therefore provide either 15 units with grant (50%) or 11 units (36.6%) without grant. Other forms of SHG may of course be applied to meet the funding shortfall i.e. Council funded SHG or commuted sums from elsewhere.

## Appendix E - Transfer Price and Commuted Sum Base Table

### Transfer Price

The following figures are estimates in order to provide a worked example of the funding cascade above. Actual figures to be included at publication.

To deliver the Free Serviced Land Equivalent approach(FSLE), the land and build costs need to be separated. The developer provides the land, the RSL meets the reasonable build costs, referenced to a build cost index such as the BCIS. The following table sets the price an RSL will pay for completed units.

Table A – Transfer Prices and RSL Finance

Unit type	Target Unit Size	Build Cost per meter (illustrative)	Total Build Cost / Transfer price to RSL	RSL Finance (illustrative)	Deficit / Additional Subsidy required
1 Bed Flat	46 m.sq	1,200	55,200	40,000	15,200
2 Bed Flat	61 m.sq	1,200	73,200	50,000	23,200
2 Bed House	76 m.sq	1,100	83,600	60,000	23,600
3 Bed House	86 m.sq	1,100	94,600	70,000	24,600
4 Bed House	110 m.sq	1,100	121,000	80,000	41,000

### Commuted Sums

The basis for the commuted sum methodology, is for the off site contribution to capture the equivalent value as the on site contribution, i.e. free serviced land. This land value element is estimated at x% of the open market value of a completed unit. The following table is based on average new build values across the district and enables the land value element, and therefore the commuted sum, to be calculated.

Table B - Commuted Sum Base Table (illustrative estimates)

Typical property	Open Market typical Value £	40% land Element (estimated – subject to Viability Study)	10% for purchase & servicing costs (estimated – subject to Viability Study)	Guide level financial contribution per unit
1 bed flat	130,000	£52,000	£5,200	<b>£57,500</b>
2 bed flat	150,000	£60,000	£6,000	<b>£66,000</b>
2 bed house	180,000	£72,000	£7,200	<b>£79,200</b>
3 bed house	220,000	£88,000	£8,800	<b>£96,800</b>
4 bed house	280,000	£112,000	£12,200	<b>£124,200</b>

## Appendix F: Development Viability – Key Information Required

Where development viability is to be assessed, the Council will require an open book assessment of the site economics. This will be undertaken with the aid of the Grimley Economic Appraisal Model (available free of charge – see Appendix A: Key Contacts and Useful Links).

Depending on the nature of the proposals, the information likely to be required will include the following.

### **Residential Values**

Affordable Housing	£0
Open Market Housing	£0
Social Housing Grant	£0

### **Non-Residential Values**

Office / Retail	£0	
Industrial	£0	
Leisure	£0	
Community-use	£0	£0

### **Residential Building, Marketing & Section 106 Costs**

Affordable Housing Build Costs		£0
Open Market Housing Build Costs		£0
Residential Car Parking Build Costs		£0
Cost Multipliers (Eco-homes etc)		£0
Building Contingencies	0.0%	£0
Building Cost Fees (Architects, QS etc):	0.0%	£0
Other Acquisition Costs (£)		£0

#### **Section 106 Costs (£)**

Infrastructure / Public Transport	£0
Community Facilities	£0
Public Realm / Environment	£0
Sustainability Issues	£0
Others	£0

#### **Site Abnormals**

Infrastructure Costs	£0
Contamination Costs	£0
Demolition Costs	£0
Other Costs	£0
Sustainability Initiatives	£0

**Marketing (Open Market Housing)**

Sales Fees:	0.0%	£0	
Legal Fees (per OM unit):	£0	£0	

**Marketing (Affordable Housing)**

Cost of sale to RSL (£)		£0	£0
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**Non-Residential Building & Marketing Costs****Building Costs**

Office		£0	
Retail		£0	
Industrial		£0	
Leisure		£0	
Community-use		£0	£0

**Professional Fees (Building, Letting & Sales)**

Office		£0	
Retail		£0	
Industrial		£0	
Leisure		£0	
Community-use		£0	£0

**Total Finance Costs**

Arrangement Fee		£0	
Misc Fees (Surveyors etc)		£0	
Agents Fees		£0	
Legal Fees		£0	
Stamp Duty		£0	
Total Interest Paid		£0	£0

**Developer 'Profit'****Residential**

Open Market Housing Operating 'Profit'		£0	
Affordable Housing 'Profit'		£0	£0

**Non-residential**

Office		£0	
Retail		£0	
Industrial		£0	
Leisure		£0	
Community-use		£0	£0

<b>SITE VALUE</b>	<b>£0</b>
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## Appendix H: Glossary

<b>Affordable Housing</b>	Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. (defined fully at section B2)
<b>Choice Based Lettings (CBL).</b>	A new system for the allocation of social housing. Designed to offer more choice and involvement for customers in selecting a new home.
<b>Dwelling Balance Analysis (DBA)</b>	Assessment of the balance of stock by type and tenure across the district. Used to help balance the housing market within the district/region
<b>Code for Sustainable Homes</b>	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.
<b>Exception Site (Rural)</b>	Plot of land related to a small rural settlement allocated for the development of affordable housing for local people which would not otherwise be granted planning permission for open market housing
<b>Housing Investment Programme (HIP)</b>	The HIP is the statistical return made to the government relating to the housing capital programme and general housing data.
<b>HMO</b>	House in multiple occupation – a property which is occupied by persons who do not form a single household, e.g. a house which is subdivided into small flats or bedsits with shared facilities
<b>New Build Homebuy</b>	Low cost home ownership scheme funded by the Housing Corporation to assist people in housing need (including key workers)
<b>Housing Association</b>	See Registered Social Landlord
<b>Housing Capital Programme</b>	The Council's programme for housing capital expenditure taking into account local, regional and national priorities
<b>Housing Corporation (HC)</b>	The main government agency for supporting and regulating Registered Social Landlords (RSL's) in England. Provides capital grant funding through the National Affordable Housing Programme
<b>Housing Development Programme</b>	Housing development funded through the Council's Capital Programme and the National Affordable Housing Programme
<b>Housing Enabling</b>	Multi-disciplinary / cross cutting working to enable the delivery of affordable housing
<b>Housing Market and Needs Assessment (HMNA)</b>	A survey carried out across a region reflecting the regional housing market area, i.e. patterns of travel, work etc. to determine a range of housing need information across all housing tenures.
<b>Intermediate Housing</b>	A range of products available to people who have income above those requiring social rented housing but below those that can access full ownership. Products include shared ownership and sub market rent etc.

<b>Local Area Agreement (LAA)</b>	Agreement to drive further improvements to services for local people and includes targets for the delivery of new affordable homes
<b>Local Development Framework (LDF)</b>	The LDF is a new system of preparing development plans, introduced under the Planning and Compulsory Purchase Act 2004. Structure plans and local plans are replaced by Regional Spatial Strategies (RSSs) and LDFs. LDFs are a combination of Development Plan Documents (DPDs) which collectively deliver the spatial planning strategy for the local planning authority's area
<b>Local Strategic Partnerships (LSPs)</b>	LSPs are partnerships across the public, private, business, community and voluntary sectors at local level. The LSPs bring together local plans, partnerships and initiatives to provide a forum through which public services providers can work effectively to meet the local needs and priorities.
<b>Low Cost Home Ownership</b>	A form of intermediate housing which provides low cost access to home ownership. Includes schemes such as shared ownership
<b>National Affordable Housing Programme (NAHP)</b>	The NAHP is the allocation of Government funding through the Housing Corporation/Regional Housing Body to deliver new affordable housing
<b>Nomination Agreement</b>	An agreement negotiated between the Council and an RSL which guarantees the Council's ability to access RSL owned new build accommodation for applicants on the Council's Housing Register.
<b>Planning Policy Statement 3: (PPS3)</b>	PPS3 underpins the delivery of the Government's strategic housing policy objectives
<b>Preferred Partners Partnership</b>	Partnership of local/regional RSL's set up to share good practice and increase the delivery of affordable housing
<b>Regional Housing Body</b>	The public strategic body responsible for determining regional investment and other housing priorities, part of the Regional Assembly
<b>Regional Housing Strategy</b>	Strategy developed by the Regional Housing Body to prioritise the needs of the region and determine housing resource allocations within the region.
<b>Regional Spatial Strategy (RSS)</b>	Regional development plan for the South West
<b>Registered Social Landlord (RSL)</b>	Non-profit making providers of affordable housing. Also known as Housing Associations.
<b>Rural Enabler</b>	The Rural Housing Enabler works with rural communities providing independent advice and support, acting as a facilitator and helping them through the complicated process of providing affordable housing.
<b>Section 106 agreement</b>	Legal agreement under Section 106 of the Town & Country Planning Act 1990. Used as a means of securing the provision of affordable housing and other contributions from private housing developments
<b>Shared ownership</b>	A form of affordable housing where the householder buys a share of the property and rents the remaining share, traditionally from a Registered Social Landlord (RSL). See also 'Low cost home ownership'

<b>Social Rented Housing</b>	Housing provided at below market cost for households in housing need with regulated standards of good practice in relation to physical conditions, management, allocation, equal opportunities and accountability.
<b>Supplementary Planning Document (SPD)</b>	Supplementary Planning Document – document issued under the Local Development Framework (LDF) process setting out planning policy/guidance on a specific topic, e.g. affordable housing
<b>Supporting People</b>	Term used to cover the programme of reform of funding for support services for vulnerable people. It is a preventative service providing people with housing-related support services to remain independent or gain independence in their own home. Existing funding streams for these support services have been brought together and placed into a specified grant paid by Central Government and administered by local authorities in partnership with other agencies.
<b>Windfall Site</b>	A site not specifically allocated for development in a development plan but which becomes available for development or is granted planning permission during the lifetime of the plan.