

South Hams District Council

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

Picture

September 2008

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Section 1: Introduction, Purpose & Context

Introduction

- 1.1 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.
- 1.2 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 and average income households are unable to find suitable housing to rent or buy in the private market.
- 1.3 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. 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.
- 1.4 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.

Background

- 1.5 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.
- 1.6 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.

Purpose and Status of the SPD

- 1.7 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.
- 1.8 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.
- 1.9 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.
- 1.10 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.

National Policy Context

- 1.11 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.
- 1.12 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.
- 1.13 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).

South Hams Policy and Strategy Context

Core Strategy

- 1.14 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.
- 1.15 An independent examination into the soundness of the Core Strategy was held in July 2006 and following approval by the Planning Inspectorate it was adopted as Council Policy on 21 December 2006.

Affordable Housing DPD

- 1.16 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 (Policies AH1- AH4) and Exception Sites (Policy AH5).

- 1.17 Following public examination and a sound rating from the Planning Inspectorate, the AHDPD was formally adopted by the Council on 25th September 2008.

Development Policies DPD

- 1.18 The Development Policies DPD (DPDPD) 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 policies for the use in determining planning applications district wide. It aims to enable sustainable development, whilst protecting, conserving and enhancing the environment.
- 1.19 The DPDPD Preferred Options document was published in July 2007. This document is programmed to be submitted and subject to an independent Examination during 2009. Subject to a sound rating by the Planning Inspectorate, it is anticipated that the document will be adopted by the end of that year.

Housing Strategy

- 1.20 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. A new Housing Strategy is due to be published during 2009.

Section 2: Housing Need & Affordable Housing

Housing Need

- 2.1 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 1: Annual Need

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

- 2.2 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

- 2.3 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.
- 2.4 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 2: Need by Tenure

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

- 2.5 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.

Affordable Housing Definition

- 2.6 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.

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 meet the relevant housing needs.

Forms of Affordable Housing

2.7 The following tenures are classed as affordable housing.

Social Rented

2.8 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.

2.9 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

2.10 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. The preference in most cases will be for traditional forms of intermediate housing i.e. shared ownership/equity and sub-market rent, rather than discounted sale. Circumstances where discounted sale may be appropriate include very large sites where a wider range of tenures

and opportunities would contribute towards a socially sustainable community.

- 2.11 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.
- 2.12 Service charges will also need to be discussed at an early stage and monitored closely as overall affordability can be seriously compromised.

Local Intermediate Housing Models

- 2.13 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 PPS3 compliant alternative intermediate housing models to those specified at 2.10 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

- 2.14 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.

Affordability

- 2.15 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.

Section 3: Affordable Housing Targets and Thresholds

Affordable Housing Targets and Thresholds

- 3.1 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) requires all new housing schemes for 2 or more dwellings, including those on a mixed use basis, will be expected to contribute towards meeting the affordable housing needs of the District. The targets for Allocated and Unallocated sites shown in the AH-DPD are as follows.

Allocated Sites

On allocated sites, in order to address the scale of need, sites will be required to deliver as much affordable housing as is viable. The local targets across the District are:

- 50% on the Plymouth Urban Fringe;
- 55% in the Area Centres (Dartmouth, Ivybridge, Kingsbridge and Totnes) and Local Centres (Chillington/Stokenham, Modbury, Salcombe and Yealmpton);
- 60% in the rural areas.

Unallocated Sites

On unallocated sites, a sliding scale will be used to calculate affordable housing provision or contribution, as follows:

- capacity for 2 to 5 dwellings 20% (off site)
- capacity for 6 to 14 dwellings 35% (on site)
- capacity for 15 or more dwellings 50% (on site)

Any part of the resulting requirement making up less than a whole unit of affordable housing shall be provided as a financial contribution, where this would not compromise the overall viability of the development.

Off Site Payments: Sites of 2 – 5 Dwellings

- 3.2 For developments of 2 – 5 dwellings, the affordable housing requirement is for a 20% financial contribution per unit. The per unit contributions are set out in the table below.

For example, the total financial contribution from an application for 2 x 1 bedroom flats would be 2 x £16,469 totaling £32,938. A further example would be an application for 5 x 2 bedroom houses which would equate to a contribution of 5 x £24,542 = £122,710.

The level of financial contribution have been set in accordance with the Council's approach to developer subsidy which is set out at section 5 Para 5.10 to 5.18.. The Council's affordable housing team are happy to provide advice on calculating the correct contribution.

Table 3 – Financial Contributions for Sites of 2 – 5 Dwellings

Dwellings Type Proposed	Full Affordable Housing Contribution per unit	Affordable Housing Contribution @ 20%
1 Bed Flat	£82,345	£16,469
2 Bed Flat	£106,564	£21,313
2 Bed Houses	£122,710	£24,542
3 Bed Houses	£138,856	£27,771
4 Bed Houses	£163,075	£32,615

Tenure

- 3.3 The AH-DPD sets a district wide strategic tenure split of 50% affordable rented housing and 50% intermediate housing.
- 3.4 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 requirement for social rented properties. Regional targets will also be taken into consideration, for example the Regional Housing Body recommendation is for 70% social rented housing and 30% intermediate.

Size and Type

- 3.5 The provision of affordable housing units on site should reflect the identified local and district wide housing needs and contribute towards a balanced housing market and the creation of mixed, well integrated and sustainable communities.

- 3.6 The type of provision should be determined through pre-application discussions to reflect current housing need requirements. This will reflect need identified in the Housing Market and Needs Assessment (HMNA), Parish Housing Needs Surveys and current needs, in priority order, of those on the Council's Housing Register. This may include provision for a wide ranging group of needs embracing general needs housing, including homeless individuals or households, those requiring supported or retirement housing and keyworkers.
- 3.7 The Council will be open to approaches that deliver affordable housing through innovative means including self-build, co-housing, community land trusts and other initiatives.

Application of the Affordable Housing Policy

- 3.8 Affordable Housing Policy requirements place 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.
- 3.9 All residential development of 2 dwellings or more, excluding the exempt development detailed below, will be subject to the Affordable Housing Policies as set out in the Affordable Housing Development Plan Document AH-DPD. 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. Where provision is not viable on site, provision off site may be appropriate.

Continuing Care Retirement Communities (CCRC's)

- 3.10 There is wide ranging debate over the planning use class of CCRC's. A recent Secretary of State decision and other appeal decisions suggest that CCRC schemes may be classed as sui generis but also that they may share sufficient characteristics with residential dwellings to be bound by the aim and spirit of local housing policies, including affordable housing policies. Where this is considered to be the case, the Council will expect such schemes to contribute toward affordable housing provision.

Exempt Development

3.11 The affordable housing policies, as set out in the AH-DPD, will not apply to the following forms of development:

- Hostels:
The development of solely hostel accommodation is not expected to provide additional affordable housing.
- Educational Establishments:
Educational establishments which include an element of residential accommodation which is directly linked to educational facilities on site.
- Residential Care / Nursing Homes:
Subject to Para 3.10 above, Residential Care / Nursing Homes where the accommodation is non self-contained and clearly falls within Use Class C2 will not be subject to the Affordable Housing Policy.

Section 4: Negotiating, Funding & Delivering Affordable Housing

Negotiating the Affordable Housing Provision

- 4.1 The Council adopts a negotiated approach to all aspects of affordable housing delivery. Each site is different and the Council will take account of site specific circumstances in its negotiations.
- 4.2 Before making a planning application, applicants should make contact with the Council's Affordable Housing Team to discuss the affordable housing requirements of the application. This will include discussions around size, type and location etc of the affordable housing provision.

Funding - Public Subsidy

- 4.3 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 that NAHP grant funding is limited and may not always be available.
- 4.4 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 4 Para 4.21 to 4.25). 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.

Funding - Private Subsidy

- 4.5 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.
- 4.6 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).
- 4.7 The approach adopted by the Council is the Free Serviced Land Equivalent (FSLE) approach. This approach sets the private (developer/landowner) 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.

Funding - Cross Subsidy

- 4.8 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.
- 4.9 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.
- 4.10 Where two separate housing providers are proposed, the Council will seek an open approach to ensure that any cross subsidy from the intermediate

provision is made available either to assist the delivery of the whole obligation or applied to improve the overall affordability. Such an approach would not result in any additional developer subsidy.

- 4.11 **Any additional subsidy from the intermediate housing should be used to deliver the affordable housing or improve the affordability of the housing. It should not be used increase the transfer price paid to a developer above those set out at Para 4.14-4.18 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 basis between the Council, the developer and the housing provider.
- 4.12 The context for the above statement is the overwhelming affordability issues faced by residents in the district. South Hams is one of the least affordable locations to live in the UK with an extreme relationship between local incomes and house prices. Opportunities to improve affordability are therefore sought in response to this issue.

Recycling Subsidy

- 4.13.1 In accordance with PPS3, appropriate safeguards should be provided to ensure that affordable housing is retained in the long term. In the event of affordable housing being lost to the open market, via staircasing or other means, any original subsidy should be recycled to provide alternative affordable housing. This includes both private and public subsidy and applies to all affordable housing providers, including developers.

Affordable Housing Transfer Prices

- 4.14 The expectation of the Council is for affordable housing on sites of 6 dwellings or more to be provided by the developer as completed units on site.
- 4.15 The developer subsidy equates to the provision of nil cost or free 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. the 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 serviced land.
- 4.16 To enable RSL's 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.

- 4.17 The following table provides a guide to the price to be paid for completed units. To ensure genuinely affordable housing, the purchase price should generally not exceed the reasonable build cost currently identified as £1,000 per square meter for standard house schemes and £1,150 per square meter for standard flatted schemes. The unit sizes shown in the table below are intended as a guide.

Table 4 – Transfer Prices

Unit Type B = Bed P – Number persons	Indicative Minimum Unit Size (m2)	Price (m2)	Guide Transfer Price
1B - 2P Flat	50	£1,150	£57,500
2B - 3P Flat	60	£1,150	£69,000
2B - 4P House	76	£1,000	£76,000 -
3B - 4P House	81	£1,000	£81,000
3B - 5P House	87	£1,000	£87,000
4B - 6P House	101	£1,000	£101,000

- 4.18 Build costs will be updated on an annual basis to reflect the BCIS index. The price to be paid for completed units will be guided by 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.

Additional Development Costs

- 4.19 The build cost detailed above represent the complete costs of development assuming a free serviced land approach and reflect typical build costs in the South Hams. 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. Such variations could include additional design or quality standards. Such variations should be agreed between the developer, the housing provider and the local authority.

Definition of Free Serviced Land

- 4.20 Free Serviced Land should be taken to mean nil cost, non contaminated or decontaminated land, with access and all appropriate services provided to the required number of plots.

Nil Grant Scenario

- 4.21 There is no requirement for the Council or the Housing Corporation to subsidise affordable housing provided through the planning system via Social Housing Grant (SHG). It is however recognised that the Council's affordable housing targets may in certain circumstances not be deliverable without an element of additional subsidy. In such circumstances, Housing Corporation funding is the most likely route. If Housing Corporation funding isn't available, or there is a funding gap for other reasons, the Council may seek to meet the funding gap through one of the following methods:

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

- 4.22 Funding gaps may be met through a reduction in the number of affordable units provided on site. The expectation is that the developer provides a financial contribution in lieu of the unit or units being given up.
- 4.23 The financial contribution will reflect the commuted sum values set out in this document. These commuted sum values have been calculated to reflect the cost of purchasing an alternative site. As the contribution in this instance will be used on site, rather than acquiring an alternative site, the 15% servicing and acquisition costs included in the commuted sum will not be applied.
- 4.24 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 level of subsidy provided by the developer/landowner.

Variation of Tenure

- 4.25 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 and the level of developer subsidy would remain unchanged.

Development Viability

- 4.26 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.
- 4.27 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.
- 4.28 Where it can be demonstrated that schemes would incur high abnormal costs, for example due to heavily contaminated or difficult to develop land, or where development viability is affected by other factors, a reduction in the level of affordable housing will be considered favorably.
- 4.29 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 E. An assessment of the development viability will be undertaken by the Council or an independent Valuer.
- 4.30 This assessment will include a thorough appraisal of the site economics and will require an open and co-operative approach between the developer or landowner and the Council. The level of information exchange should be sufficient to complete such an appraisal.
- 4.31 The Council will complete this appraisal using an appropriate economic appraisal tool such as the Three Dragons Model or the Grimley Model, originally developed by GVA Grimley specifically for the Housing Corporation. It is recommended that applicants discuss the use of such tools prior to submitting viability information.
- 4.32 A reduction in the level of affordable housing will be considered in circumstances where development viability is proven to be affected to a critical point by the provision of affordable housing.

Abnormals

- 4.33 Details of abnormal site costs which may affect viability should be submitted to the Council at the earliest opportunity. Abnormals can broadly be described as site conditions which a competent purchaser, having undertaken the necessary investigations, could not have reasonably foreseen prior to the acquisition of a site. Standard measures

necessary to make a housing scheme function effectively, for example foundations, demolition works, retaining walls, design quality appropriate to the site, noise bunds and landscaping etc will not be considered to be abnormal costs.

Section 5: **Contributions in Lieu and Commuted Payments**

Contributions in Lieu – General Approach

- 5.1 For sites of 2 – 5 units the Council will accept an off site contribution as detailed in Section 3. For sites with the capacity for 6 or more dwellings, the Council's expectation is for the affordable housing obligation to be met by the provision of completed units on site.
- 5.2 In exceptional circumstances, the Council may consider the acceptance of an off site contribution from in accordance with PPS3 and circular 05/2005. Off site provision may be in the form of;
- Land
 - Completed units.
 - A Commuted Sum
- 5.3 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 South Hams Housing Strategy. Contributions will be applied to meet housing need across the South Hams district. In practice this may mean that contributions in lieu arising from one location may be applied to meet housing need elsewhere in the South Hams.
- 5.4 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.

Provision of Land

- 5.6 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.
- 5.7 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 provision equivalent to that arising from the application site.
- 5.8 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.

Units Elsewhere

- 5.9 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.

Commuted Sum Payments (Sites of 6 or more Dwellings)

- 5.10 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.
- 5.11 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.

- 5.12 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 equated to 39% of gross development value (GDV) i.e. the average plot value for a property equates to 39% of its market sale value.
- 5.13 The calculation therefore applies 39% of the market value for the relevant property types to establish the land value. This approach reflects the value of the contribution that would have been provided on site. To reflect the cost of providing the units elsewhere, an additional 15% is added to the resulting plot value to reflect the costs associated with the acquisition and servicing of an alternative site.
- 5.14 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.
- 5.15 These varying value bands, and therefore the commuted payments, are reflected in a detailed table of contributions below. This table will be used to inform negotiations where a commuted sum is agreed contribution. For example if it is clear that a development falls within a low value area or indeed a very high value area such as river frontage locations, it would be reasonable to base the commuted sum calculation on either a lower or higher value point.
- 5.16 In most cases however the commuted sum will be calculated on the basis of average values which are Value Point 3 as shown in the row highlighted below.

Table 5 – Commuted Sum Values

Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£54,896	£71,042	£81,806	£92,570	£108,716
2	£70,908	£91,763	£105,667	£119,570	£140,425
3	£82,345	£106,564	£122,710	£138,856	£163,075
4	£93,781	£121,364	£139,753	£158,141	£185,724
5	£105,218	£136,165	£156,796	£177,427	£208,373

- 5.17 **Example:** A developer proposes a residential development of 20 homes for sale comprising 10 x 3 bed houses and 10 x 2 bed houses in an average value point 3 area. With an affordable housing requirement of 50%, the affordable housing requirement would equate to 10 homes.

The commuted sum would therefore be 5 x 2 bed houses (5 x £122,710 = £613,550) and 5x 3 bed house contribution (5 x £138,856 = £694,280). The total contribution from the developer would therefore be £1,307,830.

- 5.18 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. However, 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 undertake its own assessment of the contribution or appoint an independent Valuer. A detailed explanation of the calculation and value bands is provided at Appendix C.

Index Linking Contributions

- 5.19 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.
- 5.20 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.
- 5.21 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.

Management of Affordable Housing Contributions

- 5.22 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 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.

Section 6: **Management and Standards**

Registered Social Landlords (RSL's) / Housing Providers

- 6.1 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.
- 6.2 The Council has established a good relationship with a number of Registered Social Landlords (RSL's) and works in partnership with these preferred partners to provide affordable housing which meets local housing needs.
- 6.3 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.
- 6.4 Whilst this is the favored approach, the Council recognises that there is a mixed economy of providers including non-RSL organisations which have the ability to provide affordable housing. Any alternative approach must however ensure that the affordable housing is appropriate and that arrangements are in place to secure the appropriate management of the homes and to ensure that they remain affordable to people in need.
- 6.5 The choice of an appropriate RSL is often dependent on a range of factors including the type and location of the development or particular specialisms. The Council may therefore recommend a suitable RSL for a particular site.
- 6.6 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 RSL's is available at Appendix B.

Management of Affordable Housing

- 6.7 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.
- 6.8 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 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 or the proposed Devon Wide Choice Based Letting system (CBL).
- 6.9 The provision of affordable housing will be subject to a Nomination Agreement between the Council and the affordable housing provider. A Nomination Agreement sets out how the affordable housing will be allocated. The document will be agreed between the Council and the affordable housing provider and will usually provide the Council with 100% of initial nominations and 75% of subsequent nominations.
- 6.10 The Council will nominate applicants according to housing need and in accordance with the Council's published Housing Nominations Policy.

Securing the Affordable Housing / s.106 Agreements

- 6.11 Affordable housing will be secured by way of an agreement under Section 106 of the Town & Country Planning Act 1990 or by planning condition.
- 6.12 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.
- 6.13 Where provision is as completed units, the Council would encourage the inclusion of the following in the agreement;
- A named Housing Provider, usually an RSL.
 - A schedule of affordable housing including amount, types and sizes.
 - 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.
 - Any local connection restrictions.
- 6.14 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 the completed market units, usually no more than 50%.
- 6.15 Where commuted sums are the agreed form of provision, these 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
- 6.16 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 model Section 106 agreement for housing provision. When complete, this will be available to download from the Council's website at www.southhams.gov.uk. Each agreement will be tailored to meet the specific requirements of the proposed development.

Design and Standards

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

Tenure Neutral and Integrated Housing

- 6.18 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.
- 6.19 The layout should ensure the effective management of the affordable units but also ensure the affordable elements are truly integrated into the development and not segregated from the market element. Maximum groupings of affordable housing will be determined on a site by site basis to ensure integration but will usually be in groupings of 8-12 units.

Code for Sustainable Homes

- 6.20 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. At the time of publication the minimum Housing Corporation requirement is set at level 3 although this is expected to increase to level 4 and above over a short period of time. Where the affordable housing is funded through Social Housing Grant (SHG), the housing must meet any level set by the Housing Corporation above that set by local, regional or national policy.

Lifetime Homes Standard

- 6.21 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.
- 6.22 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

- 6.23 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 Market and Needs Assessment. The assessment of affordability will be considered having regard to 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

- 6.24 The affordable housing element of any development should provide an appropriate level of parking.
- 6.25 In addition to the principles set out above, any publicly funded housing, usually the Housing Corporation or Local Authority, 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 - South Hams District Council

The following sections can be contacted through the Council's main switchboard on (01803) 861234;

- Affordable Housing Team
- Forward Planning
- Development Control

Useful Contacts / Links

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

www.housingcorp.gov.uk
www.southwesthousingbody.org.uk
www.southhams.gov.uk/
www.housingcorp.gov.uk/server/show/ConWebDoc.8681

Useful Documents

Available at www.southhams.gov.uk/

- Housing Strategy
- LDF Core Strategy
- Affordable Housing Development Plan Document
- Development Control Core Policies
- Housing Strategy
- Sustainable Community Strategy
- Adams Integra – Development Viability Study
- Plymouth Housing Market and Needs Assessment (HMNA)

External Documents

- Regional Spatial Strategy www.southwest-ra.gov.uk
- Regional Housing Strategy www.southwesthousingbody.org.uk

Appendix B: Preferred Partner RSL's/ Housing Providers

<p>Tor Homes Tor House St Peter's Quay Totnes TQ9 5SH</p>	<p>Devon & Cornwall HA The Mount, Paris Street, Exeter EX1 2LX</p>
<p>Westcountry Housing Association Hatfield House Hatfield Road Torquay TQ1 3HF</p>	<p>The Guinness Trust 3rd Floor, Balliol House, Southernhay Gardens, Exeter EX1 1NP</p>
<p>Signpost Housing Association (Spectrum) Sunpost House Sunrise Business Park Higher Shaftsbury Road Blandford Forum Dorset DT11 8SA</p>	<p>Hastoe Housing Association 24, High West Street Dorchester Dorset DT1 1UW</p>
<p>South West Co-op The Old Railway Station Sea Mills Lane Stoke Bishop Bristol BS9 1DX</p>	<p>Sovereign Housing Association Sovereign House 20 Exwick Road Exeter Ex4 2QA</p>
<p>Dartington Housing Association Forder Lane House Dartington Totnes TQ9 6HT</p>	<p>Tamar Housing Society 2nd Floor, Belgrave House 73 Mutley Plain Plymouth PL11 6JS</p>
<p>Sanctuary Housing Association Leat House Tavistock Road Roborough Village Plymouth PL6 7BD</p>	

Appendix C: Commuted Sum Contributions 6 + Units

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 39% of the open market value of a completed unit. The following tables are based on average new build values across the district and enables the land value element, and therefore the commuted sum, to be calculated.

The following table sets the commuted sum values for each property type in different value areas across the district. In most cases however the commuted sum will be calculated on the basis of average values which are Value Point 3 shown by highlighted line below.

Table A - Summary Commuted Sum Table

Value Point	1 Bed Flat	2 Bed Flat	2 Bed House	3 Bed House	4 Bed House
1	£54,896	£71,042	£81,806	£92,570	£108,716
2	£70,908	£91,763	£105,667	£119,570	£140,425
3	£82,345	£106,564	£122,710	£138,856	£163,075
4	£93,781	£121,364	£139,753	£158,141	£185,724
5	£105,218	£136,165	£156,796	£177,427	£208,373

Table Set B: Detailed Breakdown of Commuted Sum Calculation

The following tables set the full range of details used in calculating commuted sums, i.e. the headline property value, the value of the land element, the acquisition and servicing costs and the total sum.

1 Bedroom Flats

Value Point	Market Value 1-Bed Flats	Base Land Value (39% of OMV)	15% Acquisition & Servicing Costs	Commuted Payment (Per Unit)
1	£122,400	47,736	7,160	54,896
2	£158,100	61,659	9,249	70,908
3	£183,600	71,604	10,741	82,345
4	£209,100	81,549	12,232	93,781
5	£234,600	91,494	13,724	105,218

2 Bedroom Flats

Value Point	Market Value 2-Bed Flats	Base Land Value (39% of OMV)	15% Acquisition and Servicing Costs	Commuted Payment (Per Unit)
1	£158,400	61,776	9,266	71,042
2	£204,600	79,794	11,969	91,763
3	£237,600	92,664	13,900	106,564
4	£270,600	105,534	15,830	121,364
5	£303,600	118,404	17,761	136,165

2 Bedroom Houses

Value Point	Market Value 2-Bed Houses	Base Land Value (39% of OMV)	15% Acquisition and Servicing Costs	Commuted Payment (Per Unit)
1	£182,400	71,136	10,670	81,806
2	£235,600	91,884	13,783	105,667
3	£273,600	106,704	16,006	122,710
4	£311,600	121,524	18,229	139,753
5	£349,600	136,344	20,452	156,796

3 Bedroom Houses

Value Point	Market Value 3-Bed Houses	Base Land Value (39% of OMV)	15% Acquisition and Servicing Costs	Commuted Payment (Per Unit)
1	£206,400	80,496	12,074	92,570
2	£266,600	103,974	15,596	119,570
3	£309,600	120,744	18,112	138,856
4	£352,600	137,514	20,627	158,141
5	£395,600	154,284	23,143	177,427

4 Bedroom Houses

Value Point	Market Value 4-Bed Houses	Base Land Value (39% of OMV)	15% Acquisition and Servicing Costs	Commuted Payment (Per Unit)
1	£242,400	94,536	14,180	108,716
2	£313,100	122,109	18,316	140,425
3	£363,600	141,804	21,271	163,075
4	£414,100	161,499	24,225	185,724
5	£464,600	181,194	27,179	208,373

Appendix D: **Development Viability – Key Information Required**

Where development viability is to be assessed, the Council will require an assessment of the site economics. This will usually be undertaken with the aid of an appropriate economic appraisal tool such as the Three Dragons or 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 may 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

SITE VALUE	£0
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Appendix E: Glossary

Affordable Housing	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)
Choice Based Lettings (CBL).	A new system for the allocation of social housing. Designed to offer more choice and involvement for customers in selecting a new home.
Dwelling Balance Analysis (DBA)	Assessment of the balance of stock by type and tenure across the district. Used to help balance the housing market within the district/region
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.
Exception Site (Rural)	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
Housing Investment Programme (HIP)	The HIP is the statistical return made to the government relating to the housing capital programme and general housing data.
HMO	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
New Build Homebuy	Low cost home ownership scheme funded by the Housing Corporation to assist people in housing need (including key workers)
Housing Association	See Registered Social Landlord
Housing Capital Programme	The Council's programme for housing capital expenditure taking into account local, regional and national priorities
Housing Corporation	Provides capital grant funding through the National Affordable Housing Programme.
Homes & Communities Agency Housing Development Programme	The new organisation resulting from the merger of English Partnerships and the Housing Corporation from April 2009 Housing development funded through the Council's Capital Programme and the National Affordable Housing Programme
Housing Enabling	Multi-disciplinary / cross cutting working to enable the delivery of affordable housing
Housing Market and Needs Assessment (HMNA)	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.
Intermediate Housing	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.
Local Area Agreement (LAA)	Agreement to drive further improvements to services for local people and includes targets for the delivery of new affordable homes
Local Development Framework (LDF)	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
Local Strategic Partnerships (LSPs)	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.
Low Cost Home Ownership	A form of intermediate housing which provides low cost access to home ownership. Includes schemes such as shared ownership
National Affordable Housing Programme (NAHP)	The NAHP is the allocation of Government funding through the Housing Corporation/Regional Housing Body to deliver new affordable housing
Nomination Agreement	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.
Planning Policy Statement 3: (PPS3)	PPS3 underpins the delivery of the Government's strategic housing policy objectives
Plymouth Urban Fringe	The Devon Structure Plan requires that housing be provided for "in the South Hams part of the Plymouth Urban Area" (PUA). The emerging Regional Spatial Strategy requires that housing provision be made "in South Hams District adjoining Plymouth City's administrative area". The AH DPD presents these strategic requirements with the associated target for 50% affordable housing.
Preferred Partners Partnership	Partnership of local/regional RSL's set up to share good practice and increase the delivery of affordable housing
Regional Housing Body	The public strategic body responsible for determining regional investment and other housing priorities, part of the Regional Assembly
Regional Housing Strategy	Strategy developed by the Regional Housing Body to prioritise the needs of the region and determine housing resource allocations within the region.
Regional Spatial Strategy (RSS)	Regional development plan for the South West
Registered Social Landlord (RSL)	Non-profit making providers of affordable housing. Also known as Housing Associations.
Rural Enabler	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.
Section 106	Legal agreement under Section 106 of the Town & Country Planning Act

agreement	1990. Used as a means of securing the provision of affordable housing and other contributions from private housing developments
Shared ownership	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'
Social Rented Housing	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.
Supplementary Planning Document (SPD)	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
Supporting People	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.
Windfall Site	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.