



**SOUTH NORTHAMPTONSHIRE COUNCIL**

**Interim Affordable Housing Policy**

**Consultation Draft**

**September 2012**

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## Explanatory Note

- (i) This draft Interim Affordable Housing Policy has been produced by South Northamptonshire Council for the purposes of public consultation. It will be used to inform the Council's preferred approach in the determination of planning applications for housing.
- (ii) On 27<sup>th</sup> March 2012 the government published the National Planning Policy Framework, which includes policies for affordable housing. The NPPF does not include the national minimum threshold for affordable housing provision that was included in Planning Policy Statement 3: Housing (PPS3).
- (iii) Given the pressing need for affordable housing and the Council's commitment to secure further delivery of it, this document seeks to provide clear guidance on the provision of affordable housing in South Northamptonshire in the period prior to the adoption of the West Northamptonshire Joint Core Strategy (JCS).
- (iv) The partner Councils in West Northamptonshire (South Northamptonshire Council, Daventry District Council and Northampton Borough Council) are committed to the preparation and adoption of a Joint Core Strategy. This will provide the planning policy framework for the area. Once adopted, the Core Strategy will replace existing "saved" policies from the SNC Local Plan 1997 and will provide the strategic policy framework for the provision of affordable housing against which further supplementary planning documents may be prepared.
- (v) Preparation of the Joint Core Strategy, which is a key document in the Local Plan, is ongoing but there is an urgent need for up to date guidance on the provision of Affordable Housing in the area which reflects the latest national planning policy and evidence of housing need. It is recognised that the adoption of the Interim Affordable Housing Policy will fall outside of the statutory procedures for development plan adoption and that it will not form part of the Local Plan. The Interim Affordable Housing Policy will however be used as a material consideration in the determination of planning applications.
- (vi) This Policy will be prepared having regard to the requirements for the preparation of Local Plans set out in the National Planning Policy Framework. In particular the Policy will:
  - include participation with stakeholders at this Draft Stage
  - make reference to the provisions of the Pre-submission Joint Core Strategy, which have been subject to consultation and sustainability appraisal
  - be positively prepared, justified, effective and consistent with national policy
- (vii) The partner Councils intend to produce and adopt a joint Supplementary Planning Document (SPD) on Affordable Housing, but this will only be possible once the Joint Core Strategy is completed. The Interim Affordable Housing Policy will be used as a material consideration in determining planning applications for new residential development in South Northamptonshire until such time as an SPD has been adopted in line with an adopted joint Core Strategy.

## **Consultation Arrangements**

- (i) Title: Interim Affordable Housing Policy
- (ii) Subject Matter: To provide policy guidance on the provision of affordable housing in South Northamptonshire by means of planning agreements or conditions attached to planning approvals and in rural areas on sites falling within planning policies specifically intended to provide such housing in these areas.

Period for Representations, **XXXX**

Representations can be made:

Online at: **XXXX**

By Post: South Northamptonshire Council, Springfields, Towcester, Northants NN12 6AE

By Fax: 01327 322074

By e-mail to: **XXXX**

Representations may be accompanied by a request for notification of the adoption (or otherwise) of this Interim Policy. If making such a request please specify the address for this purpose.

- (iii) The consultation will be undertaken in accordance with the Statement of Community Involvement adopted by South Northamptonshire Council in 2006 and includes:
  - A Press Notice and Press Release
  - Copies being made available for public viewing at the council offices, local libraries, council websites, West Northamptonshire Joint Planning Unit website and West Northamptonshire Development Corporation website.
  - Letters to stakeholders informing them of the draft document and where it is available
  - A facility enabling the public to respond on-line.

Further details are contained in Appendix A: Consultation Arrangements

## **Sustainability Appraisal**

- (iv) The Interim Policy provides additional guidance on the operation of policies in the Pre-Submission Joint Core Strategy, which have already been subject to Sustainability Appraisal. This Interim Policy will not give rise to any significant effects that have not already been assessed in the context of the Joint Core Strategy, and as such a separate Sustainability Appraisal is not required.

### **Adoption**

- (v) Following the consultation period the comments received will be taken into account by the Council when drawing up the final version of this document for adoption as an Interim Policy applying to South Northamptonshire.
- (vi) Once adopted the Interim Policy will be used by the Council when determining relevant planning applications and at Local Planning Inquiries.

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# 1 Introduction: Aims & Objectives

- 1.1 This Interim Affordable Housing Policy sets out South Northamptonshire Council's position on affordable housing in advance of the adoption of the Joint Core Strategy, anticipated next year.
- 1.2 This Interim Policy will be used to inform the position of the Council in negotiations regarding Affordable Housing Provision. It supplements the agreement which has been drafted with the partner authorities of Daventry District and Northampton Borough Councils with regard to cross-boundary nomination rights. Where relevant, this Interim Policy will form a vital consideration in determining planning applications and delivering affordable housing to meet South Northamptonshire's needs.
- 1.3 According to the 2011 Census, South Northamptonshire has a population of 85,200 people (Office of National Statistics) and just under 35,000 households. The majority of the population live in the rural areas outside the market towns of Brackley and Towcester. Historically there has been a strong demand for housing in the district and with a growing population and the size of households reducing, need and demand is set to increase further.
- 1.4 In 2003 the Council adopted its Affordable Housing Supplementary Planning Guidance (SPG). Since that time there have been substantial changes in national planning and housing policy. Following the publication of the National Planning Policy Framework (NPPF), the Council considers it an appropriate time to provide updated guidance on its approach to affordable housing provision on new developments.
- 1.5 This Interim Policy will supersede the Affordable Housing SPG and will provide clear guidance and practical advice for all those involved in the provision of affordable housing in the district. Where appropriate, this document refers to South Northamptonshire Council's Housing Strategy, up-to-date housing market intelligence and other relevant housing guidance.
- 1.6 The Interim Policy covers the following areas:
  - Definition of affordable housing
  - Affordable Housing Level requirements
  - Affordable Housing thresholds
  - Funding arrangements
  - Financial viability assessments
  - Integration of affordable housing within new developments
  - Design expectations/requirements
  - Rural exception sites
- 1.7 The Council is strongly committed to the provision of affordable housing to meet identified housing needs and the creation of a balanced housing market and sustainable communities.

## **2 Key Principles**

2.1 This document contains a number of 'Key Principles' for delivering affordable housing, as follows:

- **Key Principle 1: Definition of Affordable Housing**
- **Key Principle 2: Housing Need**
- **Key Principle 3: Site Thresholds**
- **Key Principle 4: Percentage of Affordable Housing and Viability**
- **Key Principle 5: Tenure Split**
- **Key Principle 6: Specialist Provision**
- **Key Principle 7: Size and Type of Property**
- **Key Principle 8: Clustering and Phasing**
- **Key Principle 9: Design Requirements**
- **Key Principle 10: Off-Site Provision**
- **Key Principle 11: Rural Affordable Housing**

### 3 Definition of Affordable Housing

#### **Key Principle 1: Definition of Affordable Housing**

#### **The Council will use the definition of Affordable Housing provided in Annex 2 of the National Planning Policy Framework:**

Affordable housing is social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale or rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

- 3.1 The Council will endeavour to ensure that Affordable Housing delivered is ‘affordable’ to those who are eligible to occupy it. To this end, where possible, rents and values will be sought at a level that adheres to this requirement. The affordability factor will be established in two ways; firstly by looking at average and lower quartile incomes versus average and lower quartile house prices in the district; and secondly, by investigating the incomes and outgoings for people in priority need on the Council’s housing register.

## **4 Policy Framework**

- 4.1 This chapter briefly summarises the relevant National, Regional and Local Planning Policy context for this Interim Policy.

### **National Policy**

- 4.2 The national policy context has recently undergone significant change. The National Planning Policy Framework (NPPF) was published in March 2012 and superseded the majority of existing Planning Policy Statements, and Guidance.
- 4.3 The NPPF indicates that Local Plans should meet the full, objectively assessed needs for market and affordable housing. Where there is an identified need for affordable housing Local Plans should set policies for meeting this need on site unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified. In rural areas local authorities are expected to plan for housing that reflects local needs, particularly for affordable housing, including through rural exception sites where appropriate.
- 4.4 The NPPF signals some key changes with regard to affordable housing policy, including the removal of the minimum site threshold of 15 dwellings (which is used to determine at what size of site affordable housing will be required to be provided as part of a new housing development). The intention is to allow greater freedom for local authorities to set their own thresholds, based on viability and other considerations.
- 4.5 Another key change in the NPPF is the shift in approach regarding affordable housing provision in rural areas through exception site policy. Traditionally these sites have been used to provide affordable housing in rural settlements in locations where market housing would not normally be allowed under planning policy. The developments are intended to meet an identified local need and local connection criteria are used in the lettings process. The NPPF now suggests that local authorities consider the opportunities for allowing some market housing on rural sites to facilitate the provision of more affordable housing.

### **Regional Policy**

- 4.6 The East Midlands Regional Plan set the overall housing figures for the East Midlands, including South Northamptonshire, as well as the requirements for the total minimum number of affordable units to be delivered.
- 4.7 It is the intention of the Government to revoke the Regional Plan and the legislation to enable this is contained within the Localism Act, which was granted Royal Assent in November 2011. The NPPF indicates that the Regional Strategies will be abolished by Order, subject to the outcome of environmental assessments that are currently being carried out.

## **Local - Planning Policy**

- 4.8 The Local Development Framework is a suite of planning policy and related documents that will guide the development of South Northamptonshire in the years ahead. The Core Strategy is the first document to be produced in the LDF and provides a strategic planning framework for the area up to 2026. It sets out the long term vision and objectives for the district and includes strategic policies for steering and shaping development.
- 4.9 The Pre-Submission version of the West Northamptonshire Joint Core Strategy was published in February 2011 and is supplemented by the Proposed Changes published in July 2012. The following policies in the Core Strategy relate to this Interim Policy (replicated in full in Appendix B):
- Policy H1 – Housing Density and Mix and Type of Dwellings
  - Policy H2 – Affordable Housing
  - Policy H3 – Rural Exception Sites
  - Policy H4 – Specialised Accommodation
  - Policy H5 – Sustainable Housing
- 4.10 The existing South Northamptonshire Local Plan adopted in 1997 includes 'saved' policies dealing with affordable housing and other housing issues. The principal Local Plan policies of relevance are H7 and H8 (replicated in full in Appendix B).

## **Local - Housing Strategy**

- 4.11 South Northamptonshire Council has produced a Housing Strategy for the area. The key priorities which have been identified are listed below:
- Increase the supply of affordable housing
  - Promote access to housing and tackle homelessness through improved access to information and advice
  - Maintain and improve the condition of housing
  - Work towards meeting the needs of vulnerable people
  - Provide a customer focused service for those in housing need
  - Take a pro-active approach to developing and sustaining safer, warmer and healthy communities
- 4.15 The Housing Strategy is currently in the process of being updated and it is anticipated that a new version will be adopted in 2013.

## 5 Evidence Base and Housing Need

### Key Principle 2: Housing Need

**The Council when considering planning applications will use the latest housing requirement assessments and need surveys, subsequent updates and other relevant housing market intelligence to demonstrate the need for affordable housing.**

- 5.1 The West Northamptonshire Strategic Housing Market Assessment 2009 was published in June 2010 and looks at a range of factors which influence the housing market including population change, economic drivers and the nature of the existing housing stock. All these factors are modelled to produce an estimate of the housing need and requirements in the area. The key findings relating to housing need are summarised below:
- a) **Unsuitable housing** - 9.8% (3,100) of all households in South Northamptonshire are in unsuitable housing. The definition of unsuitable housing comprises the following categories; households who are homeless or have insecure tenure, circumstances where the dwelling does not meet the needs of the household, dwelling amenities and condition, and social needs.
  - b) **Affordability** – In West Northamptonshire only 24.3% of properties sold are affordable to households with incomes below £35,000. Only 6.5% of owner occupied housing and 23.9% of market rented housing is affordable to those earning less than £25,000.
  - c) **Housing Requirement** – The SHMA used the household projections which underpin the East Midlands Regional Plan together with the ORS Housing Mix Model to estimate an overall housing requirement for the period 2008-2026.
- 5.2 The Pre-Submission version of the Joint Core Strategy (PSJCS) identifies a requirement for the provision of 50,150 dwellings for the period 2001-2026, which is almost 12,000 fewer than the Regional Plan. In order to inform the housing policies within the PSJCS, particularly in respect of affordable housing, it was necessary to update the SHMA based upon the revised housing provision of 50,150 dwellings.
- 5.3 The results of an update of the SHMA were published by the Joint Planning Unit in July 2012 using the ORS Housing Mix Model which was utilised in the original report. The updates included using the more recent Household Projections (2008) and taking account of housing completions and sales of social housing through Right to Buy during the period 2001-2011.
- 5.4 The results of the SHMA update in terms of total housing requirement and tenure split are shown in Table 1 and demonstrate that an additional 5,600 dwellings are required in South Northamptonshire between 2011-2026. It should be noted that the requirement excludes the areas of South Northamptonshire that fall within the Northampton Related Development Area (NRDA).

**Table 1: Housing Requirement for South Northamptonshire 2011-2026**

<b>Housing Type</b>	<b>South Northamptonshire</b>
<b>Housing Requirement 2011-26</b>	
Market housing	3,000
Intermediate affordable housing	1,300
Social/Affordable rented housing	1,300
<b>Total Housing Requirement</b>	<b>5,600</b>
Market housing	53.6%
Intermediate affordable housing	23.2%
Social/Affordable rented housing	23.2%

Note: Figures may not sum due to rounding, Source: ORS Housing Market Model

- 5.5 The practical experience of the housing team suggests that the equal split between rented and intermediate housing does not reflect the need of applicants on the Council's housing register, which shows a greater need for rented housing. Whilst the SHMA provides a useful guide, in practice the need for intermediate and rental housing will be considered on a site-by-site basis.
- 5.6 A further partial SHMA update was completed in August 2011, to assess the implications of the Affordable Rent tenure introduced by government. It analysed the affordability of such a product for those who are in housing need. The key conclusions are that the introduction of affordable rent does not impact on the number of households who will be seeking affordable housing in West Northamptonshire. Affordable Rent will represent a change in tenure, but these dwellings will still be used to meet the needs of households who require affordable housing.
- 5.6 An Economic Viability Assessment (EVA) was carried out alongside the SHMA to determine whether the affordable housing requirements would be financially feasible. It tested a range of site sizes and mixes in a number of different locations and found that the overall percentage requirement for affordable housing in South Northamptonshire would be achievable. It also specifically looked at the viability of smaller sites to assess whether the threshold could be lowered to improve the supply of affordable housing. It found that half of residential development sites in South Northamptonshire consist of 14 or fewer dwellings and so, with the current threshold set at 15 dwellings, do not contribute any affordable housing. Furthermore, a third of all new homes are delivered on sites of four or fewer dwellings.
- 5.7 An update of the EVA was also carried out in response to the introduction of affordable rent and was published in February 2012. This found that the effect of a change from social rents to affordable rents was to improve viability and residual land values.
- 5.8 Whilst the SHMA and accompanying EVA provide the principal source of evidence relating to housing need in West Northamptonshire, other sources of housing market intelligence will be considered, including village/parish housing need surveys and the Council's housing register.

## 6 The Affordable Housing Requirement

6.1 The following section sets out the thresholds and requirements for delivering affordable housing in South Northamptonshire.

### a) Thresholds for providing affordable housing

#### **Key Principle 3: Site thresholds**

**The provision of affordable housing will be sought on all housing sites of 15 or more dwellings in size (including within the Northampton Related Development Area).**

**Affordable housing should be provided on the application site as an integral part of the development. In exceptional circumstances, when agreed with the local authority and subject to Key Principle 10, off-site provision and/or commuted sum payments in lieu of on-site provision may be supported where this would offer an equivalent or enhanced provision of affordable housing.**

6.2 The Council has been working with a threshold of 15 dwellings for the provision of affordable housing since the adoption of PPS3 in 2003. This document has now been replaced by the National Planning Policy Framework which doesn't include a national threshold. It is therefore now the responsibility of the Local Authority to set a threshold to adequately address housing need as identified by a local evidence base. This Interim Policy re-introduces the 15 dwelling threshold for South Northamptonshire and will ensure that housing needs are better met than by the threshold of 25 dwellings specified in the Affordable Housing SPG 2003.

6.3 Policy H2 of the Pre-Submission JCS identifies site size thresholds across West Northamptonshire above which the provision of affordable housing is required. This specifies a proposed threshold of 5 dwellings for South Northamptonshire in line with the findings of the Strategic Housing Market Assessment (SHMA) and accompanying Economic Viability Appraisal (EVA). It is considered that it would not be appropriate to adopt this threshold until the JCS has been through examination.

6.4 The thresholds for the provision of affordable housing will apply to conversions or redevelopment of buildings, whether or not they are already in residential use. **When considering whether a development meets the thresholds for the provision of affordable housing the planning authorities will consider the gross number of proposed dwellings, not net increases.** Planning applications should not try to artificially subdivide or phase sites or reduce the development density so as to avoid or minimise the provision of affordable housing. The full requirement of affordable housing policy will be required in any event in such circumstances.

b) **The Requirement for Affordable Housing and Viability**

**Key Principle 4: Percentage of Affordable Housing and Viability**

**The percentage requirement for affordable housing on sites above the thresholds outlined in Key Principle 3 shall be as follows:**

- **40% across the District**
- **35% in the Northampton Related Development Area**

**Exceptions to the percentage requirement may be made on the grounds of viability in exceptional cases. If a site is perceived to be unviable, it will be the applicant's responsibility to provide the Council with financial data that enables a full open-book assessment to determine the viability of the site.**

**In the case of phased developments, the viability of each phase may be conducted in light of changing economic circumstances.**

**Negotiations on small alterations to Affordable Housing requirements/principles may take place without the need for a full financial appraisal. It is the duty of the applicant to discuss this with Council officers.**

- 6.5 The proportion of affordable housing sought as outlined above is consistent with the target in the Council's Affordable Housing SPG 2003. Recent housing need evidence from the SHMA (2010) and the SHMA updates (2011 and 2012) suggests that there is significant unmet housing need in the district. Alongside this the EVA (2011 and 2012) demonstrates that some areas (Towcester and Brackley) could not viably support a target of any more than 40%.
- 6.6 Pre-Submission JCS Policy H2 includes a split target of 40% in Towcester and Brackley and 50% in the rural areas. As with the policy on thresholds, this Interim Policy seeks to maintain the current affordable housing targets until such time as the JCS has been through examination, at which point they will be reviewed and updated in a Supplementary Planning Document.
- 6.7 Where developers propose less affordable housing than the specified levels, they will be required to provide full evidence of the lack of viability to support their case. A bespoke Development Appraisal Toolkit is available for use on individual schemes within South Northamptonshire. The Council will make available a copy of the toolkit<sup>1</sup> and the viability appraisal should be submitted in this format. Guidance and a specimen calculation will be provided on request.
- 6.8 When applicants submit evidence of non-viability, the Council will expect to see the calculations for the important factors set out in enough detail for viability to be properly assessed, audited and tested, if necessary by external

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<sup>1</sup> There may be a charge for the use of the toolkit

experts. On larger sites, where phasing is required (for example, sites of 50 dwellings or more) viability will be reviewed in respect of phases following the initial development to take account of changes in market conditions and other viability factors.

- 6.9 Developers will be expected to optimise proposals across the development site, including market housing where appropriate, to achieve the levels of provision, tenure split and affordable housing mix and type expected by the Council.
- 6.10 If the Council is satisfied that the financial appraisal confirms the affordable housing requirement cannot be provided the following options will be considered (in no particular order):
- Option 1 – Changing the tenure mix or unit types of the affordable housing to improve viability.
  - Option 2 – Investigating whether sources of grant funding are available to address any shortfall.
  - Option 3 – Investigating whether other costs associated with planning obligations and requirements could be reduced.
  - Option 4 – Reducing the level of affordable housing to be provided

**c) Affordable Housing Tenure Split**

**Key Principle 5: Tenure Split**

**It is expected that as part of the affordable housing requirement, the following tenure mix will be delivered on sites:**

**75% Rent  
25% Intermediate Housing**

**This may vary from site to site, depending on location, viability and evidence of need.**

**Affordable Rent will be considered as part of the mix where there is an identified need and/or it would aid in the deliverability and viability of a site.**

- 6.12 The SHMA identifies a requirement for half of the affordable housing in South Northamptonshire to be provided as intermediate. This high requirement for intermediate housing is largely due to the relative lack of low cost market housing in the district, which has been identified as more readily available in the towns of Daventry and Northampton. However, the Council's housing register shows that those in priority housing need are more likely to require rented accommodation, and specifically social rented housing. The Council will therefore determine the most appropriate tenure mix for the affordable housing on a site-by-site basis, based on evidence from the SHMA, the Council's housing register and local housing need surveys.

- 6.13 The percentage requirement of 75% rent and 25% intermediate has been used historically and tends to reflect the most appropriate provision to balance the aims of meeting local needs and creating mixed sustainable communities.
- 6.14 The Government has recently introduced Affordable Rent and this new tenure has been targeted as a priority for delivery by the Homes and Communities Agency (HCA). It has been announced through the HCA's Affordable Homes Programme that there will no longer be funding for new social rented housing other than in exceptional circumstances. Therefore on sites that require grant funding to make them viable, social rent provision may not be an option. In all other cases, the Council will seek to secure social rented accommodation as part of the mix through Section 106 agreements, where this is viable. Early consultation with the Strategic Housing Team to determine an appropriate mix for individual sites is encouraged.

d) **Specialist Provision**

**Key Principle 6: Specialist Provision**

**Affordable housing will be sought within any specialist provision that falls within the appropriate residential criteria e.g. Use Class C3. This can include extra care and other assisted living provision where the Council feels that sufficient need warrants securing affordable housing.**

- 6.15 The requirement for affordable housing extends to all types of residential development including specialist accommodation, such as sheltered or 'extra care' housing schemes for older people. Where such schemes provide accommodation that is self-contained and fall within Use Class C3, affordable housing should be provided in accordance with Key Principles 3 and 4. Proposals for residential care / nursing homes which fall within Use Class C2 and do not provide self contained accommodation or support independent living will not be expected to contribute to the provision of affordable housing.
- 6.16 Due to the nature of projected change in the demographics of the district and the county to an increasingly ageing population, the need to secure elderly and assisted living accommodation for Affordable Housing is evident. To this end, specialist Affordable Housing will be sought where the District and County Councils feel it is appropriate and necessary to fulfil a need.

## **7 Design and Sustainability of Affordable Housing**

### **a) Size and Mix of Affordable Housing**

#### **Key Principle 7: Size and Type of Property**

**The mix of size and type of affordable housing provided shall be based on identified need.**

- 7.1 Alongside requirements regarding the proportion and tenure of affordable housing, the planning authority will also require that any affordable housing provision proposed be of a suitable size and mix to satisfy known needs. Developers will need to satisfy the Council that the mix of unit types proposed addresses the local housing need based on up-to-date housing market intelligence.
- 7.2 Although different sites are suited to different densities, it is important that the development contains a mix of dwelling sizes that reflects the Council's strategic mix or housing needs evident at the time. On smaller sites, developments may contribute towards the overall mix, that is, they may be developed with a reduced range of house types and sizes within the context of the overall mix required. This will be considered against prevailing viability conditions.
- 7.3 The provisions of the Welfare Reform Act 2012 relating to under-occupation mean that it will be more common for children to be required to share a bedroom. The Council will therefore seek to ensure that all two bedroom affordable houses are large enough to accommodate four persons, and all three bedroom affordable houses large enough to accommodate 5 or 6 persons.

### **b) Location & Phasing of Affordable Housing**

#### **Key Principle 8: Clustering and Phasing**

**Schemes will be expected to be tenure blind, in the interests of providing mixed and sustainable communities.**

**The affordable housing should be dispersed throughout the development and located in groups of no more than 10 dwellings. In some circumstances, such as on sites of more than 300 dwellings where the full affordable housing requirement is being met, the Council will consider allowing larger clusters of between 15-20 dwellings.**

**Where a site is delivered in phases either as a single permission or as separate reserved matters permissions, it will be expected to deliver the affordable housing proportionately in each phase to reflect a consistent delivery and sustainable tenure mix throughout the development.**

- 7.4 In the interests of creating mixed and sustainable communities the design of schemes should create ‘tenure blind’ developments. The planning authority will expect affordable housing to be integrated in modest groups throughout a development site, rather than concentrated in one particular area. In determining the appropriate size of individual clusters of affordable housing the following factors will be taken into account:
  - The size and location of the development
  - The tenure mix of the affordable housing
  - Management and maintenance issues, including those in apartment schemes and specialist forms of accommodation such as retirement housing.
  
- 7.5 Affordable housing should be built out alongside, and proportionately, to the amount of market housing at any one time. This will be required or managed by condition or through legal agreement.
  
- 7.6 Proposed development areas which comprise one land holding will be treated as a single site in planning terms. Outline applications for large areas of land setting an overall level of provision for affordable housing are welcomed. These applications should specify the proportions of market and affordable dwellings, the latter split between social rent, affordable rent and intermediate. Phases built under subsequent detailed permissions should provide proportionate numbers of affordable housing. This criterion will be strictly adhered to by the Council, and managed through the terms of any permission or legal agreement. However each phase will be assessed on the viability conditions prevailing at the time of the detailed planning application.

**c) Design of Affordable Housing**

**Key Principle 9: Design Requirements**

**As a minimum, affordable housing should be delivered to Code for Sustainable Homes Level 3.**

**Affordable housing units should meet Homes and Communities Agency Design and Quality Standards including minimum Housing Quality Indicators, and where possible, should seek to exceed these standards.**

**Affordable housing units should be indistinguishable from the general mix of other housing on the site in terms of architectural quality and detail. There should be no outward difference in the style of units or layouts between affordable and market units.**

- 7.7 The Council will expect developers to submit high quality schemes in terms of layouts, building design and sustainability. The Homes and Communities Agency Design and Quality Standards set out the minimum standards which all new affordable homes in receipt of Social Housing Grant should meet (provided in full in Appendix D). Whilst grant may no longer be available for those affordable housing units secured through Section 106 agreements, the

Council will nevertheless expect all new affordable homes to meet this standard.

- 7.8 Lifetime Homes will be encouraged as part of the affordable housing mix, particularly on schemes that are providing affordable bungalows. This standard ensures that new housing can be built to cater for changing household needs. The Joseph Rowntree Foundation Lifetime Homes Standard is a recognised benchmark for accessibility and flexibility and is now a mandatory element within the Code for Sustainable Homes at Code Level 6 and above.
- 7.9 Building for Life is a criteria based assessment that deals with the overall design of developments. It is a nationally recognised standard for the development of new residential areas. It consists of 20 different criteria under the principal areas of Environment, Character, Streets, Parking & Pedestrianisation and Design & Construction. The Council does not require developments to be officially assessed under these criteria, however those that wish to undergo official accreditation will be supported to do so. Under the scoring system, schemes will be expected to achieve the equivalent of 'good' or above (14+), whether formal or informal.
- 7.10 Secured by Design is the UK Police initiative supporting the principles of 'designing out crime' by use of effective crime prevention and security standards for a range of applications. Developers should ensure that the scheme design reflects advice provided from the local Police Crime Prevention Officer and the Northamptonshire Planning out Crime Supplementary Planning Guidance 2003.
- 7.11 While affordable dwellings will meet the Homes and Community Agency Design and Quality Standards, the Council will negotiate the provision of units to a fully wheelchair accessible standard when a need is identified. These will be provided according to Building Regulation requirements.
- 7.12 New residential developments should adhere to the latest design guidance issued by the Council at the time of application.

## 8 Off-Site Provision

### **Key Principle 10: Off-Site Provision**

**Only in exceptional circumstances will off-site provision or financial contributions be considered. Such circumstances could include but are not limited to:**

- **Where, if the affordable housing was provided on-site, the number of affordable homes provided would be too few to be economical to manage.**
- **Where the Council considers that affordable housing delivered on-site would be very expensive for occupiers.**
- **It may be more desirable from a regeneration or sustainability perspective to deliver affordable housing in another location**
- **The type of units being delivered on site do not fall within the desired requirements or housing need of the District**

8.1 Key Principle 3 requires the provision of affordable housing on-site alongside market housing. Alternative forms of provision will only be accepted in exceptional circumstances where developers can provide clear evidence that affordable housing cannot be provided on-site. It will be necessary for both the Council and the developer to agree that it is more expedient for the affordable element to be provided on a site elsewhere. In the last resort the Council may accept a financial contribution instead of built development. This will be used to provide or support affordable housing provision elsewhere within South Northamptonshire.

8.2 The exceptional circumstances in which off-site provision or financial contributions will be permitted in lieu of on-site provision will be considered within the context of creating mixed and sustainable communities and the reasonable prospect of alternative sites or land being readily available to deliver the affordable housing requirement.

8.3 Off-site provision or financial contributions will not be accepted simply because this is the developer's preference, or the preference of local communities.

#### **a) Delivering Off-Site Provision**

8.4 Where off-site provision is agreed, developers should ensure they are able to fulfil the full complement of affordable dwellings in relation to market houses. This is often referred to as parity of provision and is illustrated in the example below:

8.5 A housing scheme of 100 dwellings is proposed;

- Provision of 38% (equating to 38 dwellings) is to be in the form of affordable housing, but;
- Off-site provision is agreed as a better solution

The provision of 38 affordable to 62 market dwellings produces a ratio of 61%. This is applied to the additional number of market homes on the original site i.e.  $38 \times 61\%$  produces an additional 23 affordable dwellings (rounded to the nearest whole dwelling). Whereas on-site provision of affordable housing would have been for 38 dwellings, the total off-site contribution will be 61 dwellings reflecting the increased number of market houses on the original site. In other words 161 dwellings will be built in total and 38% will be affordable, i.e. 61.

- 8.6 The above example generates a substantial requirement for off-site provision of affordable housing, i.e. 61 dwellings. It would be inappropriate for this to be provided as a single tenure development and an off-site development of this scale should be provided as part of larger mixed tenure scheme, or as part of a number of affordable housing schemes. It is essential that the required proportion of affordable housing to market housing is achieved in total.
- 8.7 Arrangements for off-site provision will need to be recorded within the Section 106 Agreement and will normally include a trigger mechanism (e.g. off-site provision will be required to have commenced on completion of market X units and all affordable housing should be provided on completion of market Y units).

#### **b) Financial Contributions**

- 8.8 Financial contributions will be used to support the:
- Provision of additional affordable housing on alternative sites.
  - Provision of larger affordable housing units on alternative sites.
  - Provision of a higher proportion of social rented units than would otherwise be achievable.
  - Renovation or refurbishment of existing housing for affordable purposes.
- This list is not to be taken as exhaustive.
- 8.9 Any financial contribution should be based on the equivalent amount which would be contributed by the developer/landowner were the affordable housing provided on site, but at all times must be sufficient to deliver the right number and sizes of affordable housing. The following formula should be used to calculate the appropriate financial contribution:

RV 100% M = Residual value with 100% market housing

RV AH = Residual value with X% affordable housing

Equivalent commuted sum = RV 100% M minus RV AH.

- 8.10 To reflect the cost of providing the units elsewhere, an additional 15% should be added to the commuted sum value to reflect the costs associated with the acquisition and servicing of an alternative site.
- 8.11 Arrangements for payment of the developer contribution will need to be included within the Section 106 (S106) Agreement and will normally include a trigger mechanism (e.g. staged payment will be required on completion of X or Y units). Where development takes place over several years developers will

be required to submit a revised financial appraisal based on indexing at each trigger point in order to assess what the cost of providing affordable housing would have been at that time. The viability of each phase of development will be assessed at the time it comes forward for development.

- 8.12 The S106 Agreement will also (as appropriate) indicate the time period within which any financial contribution must be committed, this is usually 10 years.
- 8.13 Financial contributions received and spent will be recorded in the Annual Monitoring Report and will count towards the achievement of the Council's annual affordable housing target.

## 9 Rural Affordable Housing

### **Key Principle 11: Rural Exception Sites**

**Where there is clear evidence of a local housing need, the Council will consider allowing the provision of a group of appropriate dwellings on a suitable site outside but adjoining the village confines.**

**In exceptional circumstances, the Council will consider allowing an element of market housing on such sites to enable the provision of a significant number of additional affordable homes.**

- 9.1 In rural areas, exception sites provide an alternative method for delivering affordable housing to meet local needs. Saved Local Plan Policy H8 provides that where there is clear evidence of a local need, affordable housing development may be permitted on land outside but adjoining the village confines. Such land is subject to strict planning controls and normally planning applications involving open market homes on these sites would be refused.
- 9.2 The NPPF has introduced the concept of allowing an element of market housing on rural sites to facilitate the provision of significant additional affordable housing to meet local needs. With reduced levels of grant being available for affordable housing provision, this represents a way of securing continued delivery in the rural areas.
- 9.3 In considering proposals for rural exception sites, the Council must be satisfied that the development has community support and reflects identified local need in terms of scale, dwelling type and tenure mix. In the first instance, consideration should be given to meeting this need without providing market housing on the site. Where market housing would enable the provision of a significant number of additional affordable homes, the financial case should be submitted to the Council for consideration as part of the planning application (see Appendix E for further details). The Council would strongly encourage pre-application discussions with the planning and housing teams to establish whether the proposed approach is likely to be considered acceptable.
- 9.4 The underlying principle will be the delivery of a significant amount of affordable housing and not an enhancement in land value for the landowner. To this end, in assessing the accompanying financial information, the Council will expect that:
- More than half of the development is affordable housing, and/or
  - No more than £10-12,000 per plot has been paid for the land (on both the market and affordable elements of the site) and the level of developer profit within the appraisal is limited to 10% for the market units and 6% contractor's return for the affordable units.
  - The type of affordable housing should respond to the needs identified through the local housing need survey
  - No public subsidy for affordable housing is required
- 9.5 It is expected that no public subsidy will be required for rural exception sites involving an element of market housing, unless it can be demonstrated

through open book viability evidence that more than half of the dwellings on the site can only be delivered as affordable housing at the plot values of £10-12,000 with the inclusion of some public subsidy.

- 9.6 As the aim of this Key Principle is to enable the delivery of affordable housing to meet locally identified needs by responding to viability issues, the Council will not generally seek planning obligations through Section 106 (S106) Agreements from the affordable units. On sites of over 10 dwellings, contributions will be sought in respect of the market units. The level of contribution will be determined on a site by site basis with reference to the Council's Developer Contributions SPD 2010 (or any replacement document).
- 9.6 In all cases, proposals on exception sites should take full account of planning considerations, such as site access, accessibility to the settlement, impact on the settlement and the surrounding countryside and other environmental considerations. Identified sites must form suitable extensions to the villages, that is, be set in appropriate locations in planning terms and have a character and appearance which reflects the existing settlement. Key principles 1, 2, 4 (in respect of viability) 7, 8 and 9 within this document will also be of relevance and will be taken into consideration by the Council when determining applications for rural exception sites.
- 9.7 Exception sites should be small in scale and should be used for affordable housing in perpetuity. This will be secured through legal agreement, which will ensure that the affordable housing on the scheme remains available to those in local need and at an affordable rate initially, in perpetuity, and is managed appropriately.
- 9.8 Local need within the relevant settlement must be established, and provision should be for households with a strong local connection to the relevant village. Parish level housing need surveys<sup>2</sup> are the appropriate method for the assessment of local housing needs and will be required to support any exception site development. In order to support rural exception site applications, local housing needs surveys should be up to date i.e. no more than five years old. The information may be complemented by data from the Council's housing register.

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<sup>2</sup> Housing Need Surveys are undertaken by the housing team at South Northamptonshire Council.

## **10 Delivering Affordable Housing**

### **Funding**

- 10.1 Affordable housing provided on development sites is secured through legal agreements under Section 106 of the Town and Country Planning Acts. Under these arrangements, developers are to provide serviced plots for the development of affordable dwellings free of charge and free of all further financial and other encumbrances. Alternatively developers may build the affordable housing units and transfer them to the Registered Provider at an agreed price. It is expected that section 106 schemes can be delivered at nil grant input.
- 10.2 As is set out within the Homes and Communities Agency's Affordable Housing Framework there is an assumption that nil grant will be provided, unless there are exceptional circumstances. The prospect of securing grant from the HCA is therefore limited. However before developers seek a revised housing mix or tenure split without grant they should seek to establish from the HCA whether an exceptional case could be made for grant provision.

### **Registered Providers**

- 10.3 The Council expects developers to arrange to make their affordable housing available for those in housing need in perpetuity and Registered Providers (RPs) are the preferred agency to achieve this. The Council will encourage the setting up of community land trusts to manage affordable housing in the same way as a RP and will work proactively with developers who wish to explore this route.
- 10.4 The Council has identified preferred partner RPs for the management of all new affordable housing development in the district (details provided in Appendix E, however developers should check with the Strategic Housing team that this is still current). Applicants are requested to use one of the preferred partner RPs to manage new affordable housing delivered. This is because the Council is satisfied that these RPs can deliver their affordable housing management obligation efficiently and effectively, and work with the Council to meet shared objectives for sustainable communities. Developers should contact the Council's strategic housing staff to discuss the most appropriate RP for their particular site. The Council will monitor the performance of preferred partner RPs and will periodically review their preferred partners to ensure high standards of service delivery.
- 10.5 The involvement of an RP at an early stage of the design process is strongly recommended.

### **Planning Applications and Legal Agreements**

- 10.6 The Council strongly encourages pre-application discussions and the early negotiation, resolution and drafting of legal agreements.
- 10.7 Legal agreements will be the preferred mechanism for securing the affordable housing requirement. They will normally specify the following:

- i. Provision of serviced land at nil cost or the provision of completed units at an agreed price
- ii. The number and tenure of affordable homes to be included on the site.
- iii. The control and management of the housing, which will usually be by the transfer of the affordable homes to a RP and hand over arrangements.
- iv. The offering of affordable dwellings to initial and subsequent occupiers and the formula used to calculate this.
- v. The occupancy of the housing which will be reserved for people in housing need according to local housing authority nomination preferences and letting arrangements.
- vi. The location and phasing of affordable housing provision in relation to the development of the site, and any trigger points when affordable housing must be provided.
- vii. The affordability in rental levels of the affordable housing to be provided.
- viii. Standards such as the HCA Design and Quality Standards, Code for Sustainable Homes and Lifetime Homes
- ix. Cluster sizes
- x. Management of the completed units by a Registered Provider
- xi. Service charges set at a fair and reasonable proportion of costs of services provided.
- xii. The form of shared ownership leases
- xiii. Recycling of net receipts from staircasing or right to acquire to be used within the local authority area
- xiv. Mortgagee in Possession clause

### Consultation Arrangements

The Interim Affordable Housing Policy Document will commence consultation on XX XXXX 2012. The consultation period will last 6 weeks. Comments on the document should be submitted no later than XX XXXX 2012.

Consultation will be undertaken in accordance with South Northamptonshire Council's Statement of Community Involvement.

All consultation information will be available in large print, Braille, audio or translated into other languages on request.

#### Press

A press release will be prepared for the start of the consultation. This will be distributed to the press circulation list of South Northamptonshire Council.

#### Public Notice

A Statutory Notice will also be prepared to advertise the consultation on the Interim Affordable Housing Policy and will be published as per the press circulation list.

#### a) Consultees

The consultees for the Affordable Housing Supplementary Planning Document have been identified in the following ways:

- Those statutory consultees detailed within the Statements of Community Involvement, including all Ward Members and Town and Parish Councils, Local Strategic Partnership, central and regional government.
- Those consultees that are specifically involved with affordable housing, such as house builders, developers and housing management (in particular registered Social Landlords and Homes and Communities Agency).
- Specific stakeholder interests (as detailed in the Statements of Community Involvement), such as community forums and hard to reach groups.

These consultees will all receive a letter confirming where the consultation information can be viewed, how to make comments and the closing date of the consultation.

It is only proposed to send out hard or electronic copies of the consultation document on request.

#### b) Accessing Members of the Public

In addition to those consultees detailed above, the consultation will be made publicly available via:

- South Northamptonshire Council's offices at Springfields, Towcester during normal office hours.
- The following locations:
  - [libraries / town halls / tourist information centre]:

#### **c) Electronic Information**

All of the consultation information will be made available on South Northamptonshire Council's website at [www.southnorthants.gov.uk](http://www.southnorthants.gov.uk)

It will also be available on the web-based consultation portal at <http://consult.westnorthamptonshire.co.uk>. Those consultees who have already registered to use this new portal will be notified by email at the start of the consultation.

Through the consultation, consultees will be encouraged to use the portal by linking to it and registering as part of the consultation. This will help to facilitate future consultations.

#### **d) Other Activities**

Other activities have been proposed but will need to be further defined:

- **Members Briefing**

[For the Portfolio Holders for Economic Development & Regeneration and Planning & Environment and the members of the Development Control Committee]

- **Stakeholder Briefing**

A half-day briefing event is also proposed with developers and Registered Social Landlords to ensure that they understand the content of the proposed Affordable Housing Interim Policy and have an opportunity to provide feedback.

#### **e) Equality Impact Assessment**

A scoping exercise for an equality impact assessment is being carried out and will further define those stakeholders to consult.

## Development Plan Policy Extracts

### East Midlands Regional Plan<sup>3</sup>

#### **Policy 13b Housing Provision (Northamptonshire)**

*The housing figures below are the figures that local planning authorities should plan for over the indicated periods. Local authorities can test higher numbers through their development plan documents provided they are consistent with the principles of sustainable development set out in PPS1 and tested through sustainability appraisal.*

*Total 2001-2026 Provision for West Northamptonshire: 62,125*

#### **Policy 14 Regional Priorities for Affordable Housing**

*...for monitoring purposes indicative affordable housing targets are set out below, representing the total amount of affordable housing for each HMA for the period 2006-2026. These targets do not represent a maximum for each HMA*

*West Northamptonshire 17,900*

#### **Policy 15 Regional Priorities for Affordable Housing in Rural Areas**

*New housing in rural areas should contribute to:*

- addressing affordability issues by providing appropriate levels of housing in suitable locations;*
- creating sustainable rural communities through a choice of well designed homes.*

*Local authorities and housing providers should use all available policy mechanisms to provide affordable homes in rural areas, including those listed in paragraph 3.1.14.*

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<sup>3</sup> The East Midlands Regional Plan is proposed to be revoked by the provisions of the Localism Act 2011

Milton Keynes South Midlands Sub-Regional Strategy

**Policy MKSM SRS Northamptonshire 1**

*Extract, Housing Provision West Northamptonshire*

	2001-06	2006-11	2011-16	2016-21	2021-26	Total 2001-26
<b>Daventry</b>	540	540	540	540	2645	62125
<b>Northampton</b>	1300	1450	1775	1775		
<b>South Northamptonshire</b>	330	330	330	330		
<b>Total West Northamptonshire HMA</b>	2170	2320	2645	2645		

**Policy MKSM SRS Northamptonshire 2**

*Extract, Northamptonshire Implementation Area*

*... LDDS should provide for an increase in the number of homes in the NIA in the period to 2026 as follows:*

	2001-06	2006-11	2011-16	2016-21	2021-26	Total 2001-26
Total	6,500	7,250	8,875	8,875	8,875	40,375
Annual Average Rate	1,300	1,450	1,775	1,775	1,775	

West Northamptonshire Pre-Submission Joint Core Strategy (with Proposed Changes – July 2012)

**POLICY H1 - HOUSING DENSITY AND MIX AND TYPE OF DWELLINGS**

ACROSS WEST NORTHAMPTONSHIRE NEW HOUSING DEVELOPMENT WILL PROVIDE A MIX OF HOUSE TYPES, SIZES AND TENURES TO CATER FOR DIFFERENT ACCOMMODATION NEEDS.

HOUSING DEVELOPMENTS WILL BE EXPECTED TO MAKE THE MOST EFFICIENT USE OF LAND HAVING REGARD TO THE FOLLOWING CONSIDERATIONS:

- ▶ THE LOCATION AND SETTING OF THE SITE;
- ▶ THE EXISTING CHARACTER AND DENSITY OF THE LOCAL AREA;
- ▶ ACCESSIBILITY TO SERVICES AND FACILITIES;
- ▶ PROXIMITY TO PUBLIC TRANSPORT ROUTES;
- ▶ THE IMPLICATIONS OF DENSITY FOR AFFORDABILITY AND VIABILITY;
- ▶ THE LIVING CONDITIONS PROVIDED FOR FUTURE RESIDENTS; AND
- ▶ THE IMPACT ON THE AMENITIES OF OCCUPIERS OF NEIGHBOURING PROPERTIES.

DEVELOPMENT WITHIN THE PROPOSED SUSTAINABLE URBAN EXTENSIONS WILL BE EXPECTED TO ACHIEVE MINIMUM AVERAGE DENSITIES OF 35 DWELLINGS PER HECTARE.

## POLICY H2 - AFFORDABLE HOUSING

AFFORDABLE HOUSING WILL BE PROVIDED AS A PROPORTION OF THE TOTAL NUMBER OF DWELLINGS TO BE DELIVERED ON INDIVIDUAL SITES AS FOLLOWS:

LOCATION	PROPORTION OF AFFORDABLE HOUSING	SITE SIZE THRESHOLD
DAVENTRY DISTRICT <sup>[3]</sup>		5 OR MORE DWELLINGS
DAVENTRY TOWN	25%	
RURAL AREAS	40%	
NORTHAMPTON RELATED DEVELOPMENT AREA	35%	15 OR MORE DWELLINGS
SOUTH NORTHAMPTONSHIRE <sup>[4]</sup>		5 OR MORE DWELLINGS
BRACKLEY AND TOWCESTER	40%	
RURAL AREAS	50%	

- ▶ ~~DAVENTRY DISTRICT (EXCLUDING THE NORTHAMPTON RELATED DEVELOPMENT AREA): 31% AFFORDABLE HOUSING WILL BE REQUIRED ON ALL SITES OF 5 OR MORE DWELLINGS~~
- ▶ ~~NORTHAMPTON RELATED DEVELOPMENT AREA: 35% AFFORDABLE HOUSING WILL BE REQUIRED ON ALL SITES OF 15 DWELLINGS OR MORE~~
- ▶ ~~SOUTH NORTHAMPTONSHIRE (EXCLUDING THE NORTHAMPTON RELATED DEVELOPMENT AREA ): 38% AFFORDABLE HOUSING WILL BE REQUIRED ON ALL SITES~~

IN ALL CASES THE PERCENTAGE REQUIREMENTS IDENTIFIED ABOVE ARE SUBJECT TO THE ASSESSMENT OF VIABILITY ON A SITE BY SITE BASIS.

AFFORDABLE HOUSING SHOULD BE PROVIDED ON THE APPLICATION SITE AS AN INTEGRAL PART OF THE DEVELOPMENT.

IN EXCEPTIONAL CIRCUMSTANCES, OFF SITE PROVISION AND/ OR COMMUTED PAYMENTS IN LIEU OF ON SITE PROVISION MAY BE SUPPORTED WHERE THIS WOULD OFFER AN EQUIVALENT OR ENHANCED PROVISION OF AFFORDABLE HOUSING.

NORTHAMPTON RELATED DEVELOPMENT AREA NEEDS FOR AFFORDABLE HOUSING WILL BE SECURED THROUGH NOMINATION AGREEMENTS ON SITES WITHIN THE NORTHAMPTON RELATED DEVELOPMENT AREA.

~~WITHIN SOUTH NORTHAMPTONSHIRE DISTRICT THE PROVISION OF COMMUTED SUMS WILL BE PREFERRED ON SITES OF 4 OR FEWER DWELLINGS.~~

THE TENURE MIX OF AFFORDABLE HOUSING SHOULD REFLECT LOCAL HOUSING NEED AND VIABILITY ON INDIVIDUAL SITES.

## POLICY H3 - RURAL EXCEPTION SITES

~~PERMISSION WILL BE GRANTED FOR THE PROVISION OF AFFORDABLE HOUSING ON SMALL RURAL EXCEPTION SITES WHERE THE FOLLOWING CRITERIA ARE MET:~~

- ▶ ~~THE SITE IS WITHIN OR IMMEDIATELY ADJOINS THE MAIN BUILT UP AREA OF A RURAL SETTLEMENT;~~
- ▶ ~~THE DEVELOPMENT CONSISTS ENTIRELY OF AFFORDABLE HOUSING, THE TYPE AND SCALE OF WHICH IS JUSTIFIED BY EVIDENCE OF NEED FROM A LOCAL HOUSING NEEDS SURVEY;~~
- ▶ ~~ARRANGEMENTS FOR THE MANAGEMENT AND OCCUPATION OF THE HOUSING MUST ENSURE THAT THE HOUSING WILL BE AVAILABLE AND AFFORDABLE IN PERPETUITY FOR LOCAL PEOPLE IN HOUSING NEED.~~

~~THE PROVISION OF AFFORDABLE HOUSING TO MEET IDENTIFIED LOCAL NEEDS IN RURAL AREAS ON 'EXCEPTION SITES' WILL BE SUPPORTED~~

~~SCHEMES MUST EITHER BE PURELY AFFORDABLE HOUSING OR MIXED TENURE SCHEMES INCLUDING AN ELEMENT OF MARKET HOUSING WHERE THIS IS ESSENTIAL TO THE DELIVERY OF THE AFFORDABLE HOUSING. IT WILL BE A REQUIREMENT THAT THE MARKET HOUSING:~~

- ▶ ~~IS THE MINIMUM NECESSARY TO MAKE THE SCHEME VIABLE. AND~~
- ▶ ~~MEETS SPECIFIC LOCALLY IDENTIFIED HOUSING NEEDS.~~

~~IN ALL CASES THE FOLLOWING CRITERIA MUST BE MET:~~

- ▶ ~~THE SITE IS WITHIN OR IMMEDIATELY ADJOINS THE MAIN BUILT-UP AREA OF A RURAL SETTLEMENT;~~
- ▶ ~~THE FORM AND SCALE OF DEVELOPMENT SHOULD BE CLEARLY JUSTIFIED BY EVIDENCE OF NEED THROUGH A LOCAL HOUSING NEEDS SURVEY; AND~~
- ▶ ~~ARRANGEMENTS FOR THE MANAGEMENT AND OCCUPATION OF AFFORDABLE HOUSING MUST ENSURE THAT IT WILL BE AVAILABLE AND AFFORDABLE IN PERPETUITY FOR PEOPLE IN LOCAL HOUSING NEED.~~

#### **POLICY H4 - SPECIALISED ACCOMODATION**

HOUSING TO CATER FOR THE NEEDS OF OLDER PEOPLE AND VULNERABLE GROUPS WILL BE REQUIRED WHERE THERE IS A PROVEN NEED IN A LOCAL COMMUNITY, REGARDLESS OF TENURE, DEVELOPMENTS COMPRISING MARKET SPECIALIST HOUSING WILL ALSO BE REQUIRED TO INCLUDE AFFORDABLE HOUSING IN ACCORDANCE WITH POLICY H2.

#### **POLICY H5 - Sustainable Housing**

RESIDENTIAL DEVELOPMENT MUST BE DESIGNED TO PROVIDE ACCOMMODATION THAT MEETS THE REQUIREMENTS OF THE LIFETIME HOMES STANDARD SUBJECT TO THE ASSESSMENT OF VIABILITY ON A SITE BY SITE BASIS. NEW HOUSING MUST ALSO MEET THE SUSTAINABLE DEVELOPMENT PRINCIPLES AND STANDARDS SET OUT IN POLICIES S10 AND S11 IN THE SPATIAL STRATEGY.

### **South Northamptonshire Council Local Plan 1997 – Saved Policies**

#### ***POLICY H7***

*WHERE THERE IS A DEMONSTRABLE LACK OF AFFORDABLE HOUSING FOR SALE OR RENT TO MEET LOCAL NEEDS, THE COUNCIL WILL NEGOTIATE WITH DEVELOPERS TO SECURE AN ELEMENT OF AFFORDABLE HOUSING WITHIN LARGE RESIDENTIAL DEVELOPMENT SCHEMES. THE COUNCIL WILL NEED TO BE SATISFIED THAT SUCH AFFORDABLE HOUSING:*

- I) IS ECONOMICALLY VIABLE IN TERMS OF ITS ABILITY TO MEET THE LOCAL NEEDS IDENTIFIED;*
- II) WILL BE AVILABLE TO MEET LOCAL NEEDS OVER THE LONG TERM THROUGH SECURE ARRANGEMENTS BEING MADE TO RESTRICT THE OCCUPANCY OF THE DEVELOPMENT.*

#### ***POLICY H8***

*IN EXCEPTIONAL CASES PLANNING PERMISSION MAY BE GRANTED FOR THE PROVISION OF A GROUP OF APPROPRIATE DWELLINGS ON A SUITABLE SITE OUTSIDE BUT ADJOINING THE VILLAGE CONFINES PROVIDED THAT CLEAR EVIDENCE OF A LOCAL NEED, WHICH CANNOT OTHERWISE BE MET, HAS BEEN ESTABLISHED TO THE SATISFACTION OF THE COUNCIL.*

### Design Standards

#### Building for Life Criteria

<http://www.buildingforlife.org/>

#### **Environment and community**

- |     |   |    |
|-----|---|----|
| 01. | Does the development provide (or is it close to) community facilities, such as a school, parks, play areas, shops, pubs or cafes? | 11 |
| 02. | Is there an accommodation mix that reflects the needs and aspirations of the local community?                                     | 12 |
| 03. | Is there a tenure mix that reflects the needs of the local community?   | 13 |
| 04. | Does the development have easy access to public transport?  | 14 |
| 05. | Does the development have any features that reduce its environmental impact?  | 15 |

#### **Character**

- |     |  |    |
|-----|--|----|
| 06. | Is the design specific to the scheme?                                | 16 |
| 07. | Does the scheme exploit existing buildings, landscape or topography? | 17 |
| 08. | Does the scheme feel like a place with distinctive character?        | 18 |
| 09. | Do the buildings and layout make it easy to find your way around?    | 19 |
| 10. | Are streets defined by a well-structured building layout?            | 20 |

#### **Streets, parking and pedestrianisation**

- |  |
|--|
| Does the building layout take priority over the streets and car parking, so that the highways do not dominate? |
| Is the car parking well integrated and situated so it supports the street scene?                               |
| Are the streets pedestrian, cycle and vehicle friendly?  |
| Does the scheme integrate with existing streets, paths and surrounding development?                            |
| Are public spaces and pedestrian routes overlooked and do they feel safe?                                      |

#### **Design and construction**

- |   |
|---|
| Is public space well designed and does it have suitable management arrangements in place?                                   |
| Do the buildings exhibit architectural quality?   |
| Do internal spaces and layout allow for adaptation, conversion or extension?  |
| Has the scheme made use of advances in construction or technology that enhance its performance, quality and attractiveness? |
| Do buildings or spaces outperform statutory minima, such as building regulations?   |

## Lifetime Homes Standard

<http://www.lifetimehomes.org.uk/>

There are a total of 16 design Criteria. Each is valuable in itself, but to achieve the Lifetime Homes Standard a dwelling must incorporate all relevant Criteria.

Wheelchair accessibility was chosen as the benchmark for a good space requirement. Good space requirements also help many other people – for example, parents with pushchairs and small children, or people carrying bags of shopping. Good accessibility helps everyone, not just people who use wheelchairs.

- (1) Parking (width or widening capability)
- (2) Approach to dwelling from parking (distance, gradients and widths)
- (3) Approach to all entrances
- (4) Entrances
- (5) Communal stairs and lifts
- (6) Internal doorways and hallways
- (7) Circulation space
- (8) Entrance level living space
- (9) Potential for entrance level bedspace
- (10) Entrance level WC & shower drainage
- (11) WC and bathroom walls
- (12) Stairs and potential through-floor lift in dwelling
- (13) Potential for fitting of hoists and bathroom / bedroom
- (14) Bathrooms
- (15) Glazing and window handle heights
- (16) Location of service controls

## Preferred Management Partner Registered Providers

<p><b>Bedfordshire Pilgrims Housing Association (BPHA)</b>  Pilgrims House  Horne Lane  Bedford  MK40 1NY  Tel: 0330 100 0272  Email: <a href="mailto:info@bpha.org.uk">info@bpha.org.uk</a>  Website: <a href="http://www.bpha.org.uk">www.bpha.org.uk</a></p>	<p><b>Bromford Housing Group</b>  Friars Gate  1<sup>st</sup> Floor  1011 Stratford Road  Solihull  B90 4BN  Tel: 0330 1234 034  Email: <a href="mailto:customerservices@bromford.co.uk">customerservices@bromford.co.uk</a>  Website: <a href="http://www.bromfordgroup.co.uk">www.bromfordgroup.co.uk</a></p>
<p><b>East Midlands Housing Association (EMHA)</b>  Seymour House  Queen Eleanor Office Park  Newport Pagnell Road  Northampton  NN4 7JJ  Tel: 0844 892 9000  Email: <a href="mailto:customerservices@emha.org.uk">customerservices@emha.org.uk</a>  Website: <a href="http://www.emha.org.uk">www.emha.org.uk</a></p>	<p><b>Grand Union Housing Group (GUHG)</b>  Martell House  University Way  Cranfield  Bedfordshire  MK43 0TR  Tel: 01525 844590  Email: <a href="mailto:enquiry@grandunionhousing.co.uk">enquiry@grandunionhousing.co.uk</a>  Website: <a href="http://www.grandunionhousing.co.uk">www.grandunionhousing.co.uk</a></p>
<p><b>Guinness South</b>  Henshaw House  851 Silbury Boulevard  Central Milton Keynes  MK9 3JZ  Tel: 01908 544723  Email: <a href="mailto:gs.mail@guinness.org.uk">gs.mail@guinness.org.uk</a>  Website:  <a href="http://www.guinnesspartnership.com/about-us/about-guinness-south.aspx">www.guinnesspartnership.com/about-us/about-guinness-south.aspx</a></p>	<p><b>Northamptonshire Rural Housing Association (NRHA)</b>  Whitwick Business Park  Stenson Road  Coalville  Leicestershire  LE67 4JP  Tel: 01530 278080  Website: <a href="http://www.northamptonshirerha.org.uk">www.northamptonshirerha.org.uk</a></p>

## Financial appraisals - market housing on exception sites (cross-subsidy approach)

In formulating our approach towards cross-subsidising affordable homes with market housing on exception sites, the Council has used a number of assumptions (in consultation with partner registered providers) within an indicative appraisal. In assessing proposals for exception site schemes including market housing, the Council will need to be satisfied that the proposal is in line with the benchmark assumptions, or that there is a clear reason why they have deviated.

### Benchmark Assumptions

	Benchmark
Design and build cost per sqm (including architect & planning fees, construction costs and contractor's return)	£1300
RP costs (including on-costs, legal fees, interest charges)	15% of total build cost (calculated by multiplying the above figure by the total sqm of the proposed dwellings)
RP input (including loan, reserves)	£72,000 per affordable dwelling
Cost of land	£10-12,000 per plot (market and affordable)
Other costs on market build (including interest)	6% of build cost
Profit required on market units to reflect risk	10% of market GDV
Marketing fees	3% of market GDV

### Formula

#### A) Affordable housing costs

- Design & Build costs (*price paid to contractor: inc construction costs, professional fees post planning, contractor's return*)
- Other costs (*incurred by RP/developer: inc overheads/on-costs, professional fees pre planning, legal fees, interest*)
- Land costs

#### B) Affordable housing revenues

- SO initial equity sales
- RP contribution (*inc loan funds, reserves, any other subsidy*)

#### C) Shortfall (A-B)

#### D) Subsidy available per market unit

- Sales receipt minus:
  - Design & Build
  - Other costs (*interest etc*)
  - S106 Contributions
  - Profit
  - Marketing fees
  - Land

#### E) Number of market units required (C/D)

## Worked Example

Assuming an RP is developing the site and seeking to provide 10 affordable dwellings of the following mix:

2 x flats @ 55 sqm

1 x 2bh @ 65 sqm

5 x 2bh @ 75 sqm (2 SO)

2 x 3bh @ 85 sqm (1 SO)

Market dwelling assumed to be a 3 bed house @ 90sqm.

S106 contributions for a three bed dwelling assumed to be in the region of £10,000. In reality, this figure would be subject to site specific negotiations.

Open Market Values\* as follows:

	Northampton	Cherwell Valley	Milton Keynes
2 bed house (SO)	£156,000	£160,000	£151,000
3 bed house (SO)	£177,000	£190,000	£187,500
3 bed house (Market)	£195,500	£218,000	£207,000

Example calculations:

	Northampton	Cherwell Valley	Milton Keynes
<b>A) Costs</b>			
Design & Build	£936,000	£936,000	£936,000
RP Costs	£140,400	£140,400	£140,400
Land	£90,000	£90,000	£90,000
<b>TOTAL</b>	<b>£1,166,400</b>	<b>£1,166,400</b>	<b>£1,166,400</b>
<b>B) Revenues</b>			
SO equity sales (40%)	£195,600	£204,000	£195,800
RP Contribution	£720,000	£720,000	£720,000
<b>TOTAL</b>	<b>£915,600</b>	<b>£924,000</b>	<b>£915,800</b>
<b>C) Shortfall (A-B)</b>	<b>£250,800</b>	<b>£242,400</b>	<b>£250,600</b>
<b>D) Market</b>			
OMV	£195,500	£218,000	£207,000
Design & Build	£117,000	£117,000	£117,000
Other costs	£7,020	£7,020	£7,020
S106 Contributions	£10,000	£10,000	£10,000
RP Profit (risk)	£19,550	£21,800	£20,700
Marketing	£5,865	£6,540	£6,210
Land	£10,000	£10,000	£10,000
<b>TOTAL</b>	<b>£26,065</b>	<b>£45,640</b>	<b>£36,070</b>
<b>E) Market units required (C/D)</b>			
	9.6	5.3	6.9
(rounded up)	10	6	7
(AH %)	50%	63%	59%

\* SO OMVs calculated using the average of valuations of SO dwellings over the last 2 years (or LQ of market dwellings where not enough information available). Market OMVs calculated using the average asking price for market homes over the last year x 93% (according to Hometrack 2012, homes sold in SN over the last year achieved an average of 93% of their asking price).

