

The Delivery of Affordable Housing
(on Development Sites)
through the Planning Process

Supplementary Planning Document
November 2005

The Delivery of Affordable Housing (on Development Sites) through the Planning Process

Aims of this Supplementary Planning Document

1. To ensure the effective delivery of new affordable housing to meet local needs.
2. To make best use of the land-use planning system to provide affordable housing.
3. To promote sustainable development by:
 - ensuring quality of design and layout in affordable housing provision.
 - promoting mixed and balanced communities
4. To ensure value for money and the best use of social housing grant and other public funding.
5. To promote a close working relationship between the public, private and voluntary sectors in order to address local housing needs.

The Delivery of Affordable Housing (on Development Sites) through the Planning Process

A guide to the implementation of planning policies for affordable housing in New Forest District

- This guidance is supplementary to the New Forest District Local Plan First Alteration and relates to all sites, which under policies **AH-1** and **AH-2** of the New Forest District Local Plan First Alteration are expected to include an element of affordable housing as part of their development.
- This Supplementary Planning Document (SPD) should be read in conjunction with Section B4 of the adopted New Forest District Local Plan First Alteration, and in particular policies AH-1 and AH-2.
- If you are considering making a planning application that includes residential development, it is important to take account of this guidance in making your submission.
- **Landowners, agents and potential developers are strongly advised to discuss affordable housing issues with the local planning authority at an early stage. This will be particularly important if you are considering purchasing a site.**
- Details of the priority housing need to be met, dwelling type and tenure and method of provision are all available from the District Council. The District Council has a strategic overview of the affordable housing needs of the District and developers will be expected to adopt the approach the Council puts forward.
- This document provides a basis for negotiations. By following the advice given in this guidance the time it takes to determine your planning application will be minimised and the probability of success increased.
- In early 2006 the District Council will issue further details on all the information that needs to be included with the submission of a planning application. (The Validation of Planning Applications).

NOTE: From 1st April 2006, the New Forest National Park Authority will be the local planning authority for the National Park. The District Council will continue to be the strategic housing authority within the National Park area.

Contents		Page
	Executive summary	1
Section 1:	Background information	5
Section 2:	Types of Housing	8
Section 3:	The Suitability of Sites	9
Section 4:	Questions to address when submitting a planning application	10
Appendix 1	Contacts and References	21
Appendix 2	Dwelling Size Requirements	22

Executive Summary

◆ What is meant by “affordable housing”?

“Affordable housing is that provided, with subsidy, for people who are unable to resolve their housing requirements in the local housing sector market because of the relationship between housing costs and incomes.” (New Forest District Local Plan First Alteration Adopted 2005)

Housing Strategy Priorities

- 1. Rented housing at social (Registered Social Landlord) target rents*
- 2. Shared ownership/equity housing*

Affordable housing will normally be provided by a Registered Social Landlord (RSL) (or other approved affordable housing provider) that is party to the New Forest RSL Partnership Agreement. This will ensure that there is an objective and open methodology for providing residents with access to housing (through the Homesearch Register) and high standards of management and tenant participation.

Details are given in section 2 of this guidance.

◆ How many “affordable houses” are required?

The adopted New Forest District Local Plan First Alteration seeks 35% of the dwellings on the development site to be affordable dwellings. Schemes providing less than 35% affordable housing are unlikely to be considered acceptable.

Details are given in section 4, question 3 of this guidance.

◆ Do all sites have to provide “affordable houses”?

The requirement to provide ‘affordable housing’ as part of a development scheme is set out in policies AH-1 and AH2 of the New Forest District Local Plan First Alteration.

Within the built-up areas of Totton, Marchwood, Hythe and Dibden, Hardley/Holbury, Blackfield and Langley, Lymington, Hordle, Milford on Sea, New Milton, Ringwood and Fordingbridge, and on other land allocated for housing development, affordable housing will be sought on all suitable developments **where 15 or more dwellings** are proposed, or the site is **0.5 hectares or more** in area.

In the villages of Ashford, Ashurst, Bransgore, Brockenhurst, Everton, Fawley, Lyndhurst, Sandeheath and Sway, affordable housing will be sought on **all** suitable new developments involving housing (excluding single replacement dwellings).

Details are given in section 4, questions 1 and 2 of this guidance.

◆ What type and mix of “affordable housing” is required?

Priority is given to the provision of affordable housing for rent (at RSL target rents) through a partner Registered Social Landlord (RSL). Where a site requires more than 10 affordable dwellings to be provided, an element of shared-ownership or equity housing may also be acceptable if this could meet part of the identified housing need in the locality.

It is important that affordable dwellings meet the priority local needs. Normally, this will mean that a range of dwelling types and sizes will be required. Normally the affordable housing element of a site should be of a similar size and character to the market units, unless this would not meet a local need.

Development will be expected to meet Housing Corporation Scheme Development Standards, New Forest Affordable Housing Sustainable Development Framework requirements, Lifetime Homes Standards, achieve an eco-homes very good rating, and meet RSL design brief requirements (which will take account of Housing Quality Indicators).

Details are given in section 2 and section 4, question 5 of this guidance.

◆ **How should residential developments be designed to include “affordable housing”?**

It is both a Government objective and an objective of the Council that efforts be made to create mixed and balanced communities. This includes ensuring that affordable housing is well integrated with market housing and that it reflects the market housing’s character. Particularly on larger sites, affordable housing should be distributed individually, or in small groups of no more than 5 dwellings throughout the site, avoiding concentrations in a single location, and with a street level mixing of tenures. Different dwelling tenures should be indistinguishable from each other in terms of appearance. It is accepted that in flatted developments it may not be practical to achieve dispersion of the affordable units throughout the development.

The process of developing a design statement should take account of the need to provide affordable housing.

Details are given in section 4 question 18 of this guidance.

◆ **How is the “affordable housing” provided?**

Affordable housing is provided for by the developer by transferring clean serviced land, or buildings, sufficient to accommodate the required amount of affordable housing, to a Registered Social Landlord or other agreed affordable housing provider at nil-market value. This land should be serviced to the site boundary. Where flats are to be transferred as part of a mixed tenure block the costs should take account of a requirement for the land, & servicing up to the front door, to be at nil cost to the RSL/affordable housing provider.

Clean, serviced land should be transferred to a RSL/affordable housing provider at nil cost.

The RSL/affordable housing provider will then be responsible for the construction of the affordable dwellings. In some cases a build contract may be agreed with the RSL/affordable housing provider for the developer to build the dwellings. In this case this should be through a negotiated build contract or by completed affordable housing being sold to the RSL/affordable housing provider. The price should reflect build costs (rather than value of the dwellings) and exclude the value of the clean serviced land.

Details are given in section 4, questions 8 to 12 of this guidance.

◆ **When is the necessary planning obligation/legal agreement negotiated?**

To speed the planning process, applicants should clarify the Council's requirements in pre-application discussions. A copy of a model draft S.106 agreement used by the District Council can be found at www.ndfc.gov.uk. A planning application should be accompanied by a statement identifying the draft heads of terms for a Section 106 agreement that will be entered into (or an agreement to use the Council's model). The terms of any planning obligation/ legal agreement should be agreed prior to the consideration of the planning application by the Planning Development Control Committee.

Details are given in section 4 question 19 of this guidance.

◆ **Are there any exceptions to provision within the development site?**

The full requirement for affordable housing should normally be provided within the development site.

"Off-site" provision will only be considered acceptable in the following exceptional circumstances:

- Where alternative provision is proposed that would allow priority housing needs to be better met. (For example, by increasing the overall number of affordable dwellings to be provided and allowing an early transfer of the land to a RSL), or;
- Where provision "on-site" would necessitate an unacceptable level of alteration to a listed building.

In the exceptional circumstances where off-site provision is acceptable, a developer will be expected to make an equivalent contribution of an agreed number, size and type of affordable dwellings on a different site (or sites). This should be clean, serviced land/ or suitable buildings with planning permission for residential development. The alternative provision should take place within the same town/parish as the principal development.

A financial contribution will not normally be acceptable. It will only be considered in circumstances where the provision of affordable housing (whether by new build or conversion) could not otherwise be provided. For example, where only one or two new dwellings are proposed (as may be the case in Ashford, Ashurst, Bransgore, Brockenhurst, Everton, Fawley, Lyndhurst, Sandleheath and Sway) a financial contribution will be an acceptable way of contributing to the provision for affordable housing.

The financial contribution must be equivalent to the unconstrained open market residential land value for the number of affordable dwellings required (had they been provided on the application site).

Details are given in section 4, questions 15 and 16 of this guidance.

◆ **Will there be any public subsidy available to help fund the affordable housing provision?**

The Council considers that the developer/landowner subsidy for affordable housing provision should be limited to provision of free, clean, serviced land. While in many cases public subsidy will be necessary in order for affordable housing schemes to be built, this is a matter for the Council and RSL/affordable housing provider. In the absence of public subsidy the Council will negotiate with a RSL/affordable housing provider to forward fund the scheme. If this is not possible the land will be banked for affordable housing, or the Council will determine that an

alternative form of affordable housing is provided that requires less/no subsidy. The Council aims to ensure that lack of public subsidy does not hold up the development of open market housing on the remainder of the site.

Although build costs will be primarily be a matter for negotiation between the RSL/affordable housing provider and developer, the Council will monitor costs to ensure value for money is being achieved and public subsidy requirements are limited

Details are given in section 4, questions 10 and 15 of this guidance

◆ **What information relating to affordable housing provision proposed should accompany a planning application?**

The planning application should be accompanied by an 'Affordable housing statement'. A draft 'Affordable housing statement' should form the basis for pre-application discussions. This should set out information concerning both the affordable housing and any market housing included in the scheme. It should include the following information:

- the numbers and size of residential units,
- the mix of units with numbers of bedrooms,
- plans showing the location of units and their bedrooms;
- the gross internal floor space of all units.
- a 'transfer schedule' detailing the transfer arrangements for dwellings/land.
- a statement agreeing to the terms of the affordable housing model S106 agreement
- a plan identifying the land/buildings to be transferred for affordable housing. Where land, e.g. parking spaces, will not be transferred but rights will be granted to affordable housing occupiers details should be provided.

If different levels or types of affordability or tenure are proposed for different units this should be clearly and fully explained.

In most cases schemes will also require the submission of a 'Design Statement', in which case the Affordable Housing Statement can be set out as supplementary to the Design Statement. However, all the matters listed above must be addressed.

Details are given in section 4, question 20 of this guidance.

Affordable Housing Checklist	
Action	Notes
Establish affordable housing requirement	Local Plan Policy AH1, AH2
Establish scheme mix & tenure	Priority for affordable (social) rent. Discuss requirements with NFDC
Accept principles set out in model S106	Including nil land value transfer and identification of land to be transferred,
Identify provider/manager & agree details	NFDC partner RSL will be the preferred provider. RSL will be identified by NFDC. Provider/manager must be signatory to NFDC Affordable Housing Partnership Agreement and have agreed to management standards and use of

	Homesearch Register
Submit design and Affordable Housing Statements as part of pre-application discussions	No affordable housing groups to exceed 5 dwellings, street level mixing, detailed design to meet Housing Corporation Scheme Development Standards, NFDC Sustainable Development Framework, RSL design brief, agreement to model S106
Finalise details for affordable housing	In discussion with NFDC/RSL/affordable housing provider
Submit planning application	Accompany with Affordable Housing and Design Statements & S106 (or agreement to heads of terms)

Section 1: Background Information

1.1 Housing Needs in New Forest District

In 2001 New Forest District Council commissioned DCA Ltd. to undertake a survey to establish the housing needs of the District. The DCA report was updated in 2003, revealing an affordable housing shortfall of 886 units a year in New Forest District.

In addition to the DCA survey, the Homesearch (Housing) Register operated jointly by the District Council and its partner RSLs provides information on people in housing need seeking accommodation in the District. In mid 2005, over 3500 applicants were on the register.

The vast majority of this need is from households who require social rented housing.

1.2 Government Policy on Affordable Housing

The Government has given the planning system a key role to play in securing the delivery of new affordable housing. The Government does not accept that different types of housing and tenure make bad neighbours and it is its policy that mixed and balanced communities should be encouraged.

Planning Policy Guidance Note No.3: Housing (para. 2) states that local planning authorities should:

- plan to meet the housing requirements of the whole community, including those in need of affordable and special needs housing;
- provide wider housing opportunity and choice and a better mix in the size, type and location of housing than is currently available,

and seek to create mixed communities.

It states in paragraph 10 that:

The Government believes that it is important to help create mixed and inclusive communities, which offer a choice of housing and lifestyle. It does not accept that different types of housing and tenures make bad neighbours. Local planning authorities should encourage the development of mixed and balanced communities: they should ensure that new housing developments help to secure a better social mix by avoiding the creation of large areas of housing of similar characteristics.

The importance of the planning system in securing the provision of affordable housing is again emphasised in Circular 6/98 Planning and Affordable Housing:

“A community’s need for affordable housing is a material planning consideration which may properly be taken into account in formulating development plan policies and deciding planning applications.” (Para.1.)

This advice may be supplemented from time to time by other guidance and ministerial statements. Draft revisions to parts of PPG3 relating to Planning for Mixed Communities were published for consultation in 2005. These draft revisions confirm the importance placed on the planning system for the delivery of affordable housing.

1.3 Changing Lives: New Forest Community Strategy

The Community Strategy considers the affordability of housing as one of the most significant problems facing the New

Forest District and highlights the need to increase the supply of affordable housing.

1.4 Development Plan Policies and Local Plan Strategy

The Hampshire County Structure Plan 1996-2011 (Review), and the Adopted New Forest District Local Plan First Alterations (2005), contain policies requiring the negotiation of an element of affordable housing on development schemes which include housing.

The Local Plan's strategy can be summarised as follows:

Taking an integrated approach to promoting a high quality and sustainable environment, which conserves and enhances the District's special environmental qualities, while also addressing the needs of the people who live and work in the District.

This strategy has three main elements:

- i Development restraint
- ii Meeting local needs
- iii Conserving and enhancing the environment.

Under Aim 2: Meeting local needs, the Plan states that it aims to:

"enable local people to find satisfactory housing within the District, with particular help being directed to those who cannot afford to buy on the open market."

While the evidence of need suggests that there would be a justification for every new home provided in the District being affordable housing the Council considers a balanced approach needs to be taken in order to encourage developers to continue to invest in new housing. Consequently, the Council requires 35% of housing on PPG3 sites to be set aside for affordable housing. Policies are set out in Annex 2 of this guidance.

1.5 Housing Strategy

The District Council's Housing Strategy provides a vision for the way in which the housing service is delivered in New Forest District and sets out the Council and communities priorities and objectives for the service. It indicates that the highest priority will be given to the provision of new affordable housing.

The Housing Strategy (2003 -2008) states:

In view of the homelessness problem, the number of households in priority need and local affordability issues, the highest strategic priority is given to the provision of new affordable housing.

Housing Strategy Priorities

- 1 Rented housing at social (Registered Social Landlord) target rents*
- 2 Shared ownership/equity housing*

As with the Local Plan, the Council, as Strategic Housing Authority, aims to meet local housing needs. Priority for affordable housing is given to those who fulfil a local residency qualification, or in rural areas either a local residency or strong local employment qualification. The Council has an open Homesearch (housing) Register from which all nominations for affordable housing are made.

The promotion of sustainable development is one of the core objectives of the Housing Strategy. As part of this objective, and in accordance with Government policy, it aims to promote mixed and balanced communities. Specifically it aims:

To create mixed communities with no more than 5 RSL dwellings to be located together and for street level mixing of tenures to occur. (Housing Strategy (2003-2008)).

It also states:

In view of the scale of the District's affordable housing problem and the priorities set in the Housing Strategy it is important that all suitable sites provide affordable housing. This includes sites which owners and developers propose to be used for sheltered or other specialist housing. (Housing Strategy (2003-2008)).

The Council will give particular encouragement and assistance to public sector employers to address the needs of their key-workers on their own land holdings, although again this will not be considered as a substitute for priority affordable housing types on sites where affordable housing is to be secured through the planning process.

The provision of general needs affordable housing is afforded a higher priority than the provision of market or affordable sheltered housing.

1.6 Key worker housing

Key worker definition:

An individual primarily employed in the New Forest District who is in housing need, who is unable to afford to meet their needs without some support and whose employment is of particular importance to the New Forest community.

While there is some need for key worker housing, the number of households in need is small compared to other groups.

The Council is working with a range of employers and housing providers to ensure accommodation is available for key workers. While key worker needs are important such provision should not normally be made as a substitute for priority affordable housing types on sites where affordable housing is to be secured through the planning process. Other initiatives will be relied on and developed to meet key worker needs.

Section 2: Types of Housing

2.1 Affordable Housing Overview

The District Council use the following definition of affordable housing:

"Affordable housing is that provided, with subsidy, for people who are unable to resolve their housing requirements in the local housing sector market because of the relationship between housing costs and incomes." (Adopted New Forest District Local Plan First Alteration 2005)

The types of affordable housing which comply with the Council's affordable housing definition are:

- units for rent through an affordable housing provider (the main group),
- shared ownership, or shared equity, where land value is retained to provide housing for sale at below market levels and where control of the 'equity discount' can be retained in perpetuity.

The Housing Strategy priority is for the provision of rented affordable housing at RSL (social) target rent levels.

There are several basic principles that underline the Council's requirements for affordable housing.

- i. The housing must be occupied by, and affordable to, households unable to address their housing needs in the local housing market. In order to be eligible for affordable housing households must be on the Homesearch Register. This provides a mechanism for objective assessment of an individual's housing need by the Council as strategic housing authority and an open and accountable way of allocating properties.

All lettings (or in the case of shared ownership/equity – sales) will be made by the Council's Housing Needs Section in accordance with

the Council's allocations policy. The affordable housing provided should be suitable for occupation by the priority needs group identified by the Council.

The preference is for all affordable dwellings to be owned and managed by one of the Council's partner Registered Social Landlords (RSLs). All partner RSLs have agreed to take nominations from the Homesearch Register and have agreed to common standards and monitoring procedures. Thus the involvement of a partner RSL will ensure that affordable housing is kept available to meet housing needs identified by the Council and that standards are acceptable.

- ii. The housing provided should remain 'affordable housing' in perpetuity (a minimum of 80 years), unless overridden by Statute, and only be available to successive occupiers who also need affordable housing.
- iii. There is a strong preference for affordable housing to be provided on-site.
- iv. The dwellings should be built to standards as set out in the Housing Corporation's Scheme Development Standards and the New Forest Affordable Housing Sustainable Development Framework (the latter having priority). All schemes should also be built to Joseph Rowntree Foundation Lifetime Home Standards and in accordance with a named RSL/affordable housing provider's design brief. All schemes will also be subject to assessment using Housing Quality Indicators and should achieve an eco-homes very good rating.
- v. Affordable housing should be indiscernible from other housing and be well integrated with its

neighbours. No group should exceed 5 dwellings and a street level mixing of tenures should occur. The affordable housing mix should reflect the size and type of dwellings on the remaining development unless the Council considers housing needs can be better met in an alternative way.

The following types of housing are considered 'affordable housing' for the purpose of implementing Policy AH-1 and AH-2 of the New Forest District Local Plan First Alteration.

2.2 Affordable housing for rent

Housing for rent at RSL target rents is most likely to provide housing which is affordable to the majority of households in housing need. Therefore, in applying its policies for affordable housing provision the Council will be seeking to secure a high proportion of affordable housing in the social rented sector.

2.3 Shared ownership and equity

For the majority of households in housing need, shared ownership and equity housing will not be affordable. However, it does have a limited role to play in addressing the housing needs of some households. This kind of housing also has a role to play in ensuring a range of housing needs are met and in helping to develop mixed and balanced communities.

The Council will normally only accept shared ownership or equity accommodation where a site is of a size that would be required to provide more than 10 affordable dwellings. Sites of such size offer the opportunity to meet these wider needs and objectives while still providing for priority needs groups.

As shared ownership sales values to householders normally reflect market values it will be necessary to carry out an affordability assessment on individual sites to determine whether such dwellings

should be provided. An affordability test of 3 x average household income will be used as guide to whether this form of accommodation will be affordable.

As with affordable rented housing the aim is to ensure that shared ownership/equity dwellings are managed and part owned by one of the Council's partner RSLs or another affordable housing provider agreed with the Council.

2.4 Intermediate Rented Housing

This is housing provided by a RSL/affordable housing provider that is targeted at those on the Homesearch Register who are able to afford to pay more than social rents. Rents are typically 75% of market rates. Because of affordability this type of housing will only meet a limited housing need, for instance it may meet the needs of key workers. However this type of affordable housing may be provided where limited public subsidy is available.

<p>Priority will be given to: The provision of affordable rented housing at RSL (social) target rents.</p>

2.5 Other forms of lower cost housing

Other forms of lower cost housing also make a valuable contribution to the local housing market as they increase the range of housing options available. However they will not be regarded as meeting the requirement to provide affordable housing under of Policies AH-1 and AH2

2.6 'Low - cost' (or discounted) market housing

Low-cost market housing (excluding subsidised shared ownership/equity) may be considered to be that which is provided for sale at a price that relates to a mortgage lender's standard multiple of local average earnings. The inclusion of 'lower-cost' market housing will be

encouraged in addition to the requirement for affordable housing on residential developments. However, this provision is seen as **additional** to the affordable housing that is required to meet local needs under the affordable housing policies of the District Local Plan. Although these dwellings will be at the cheaper end of the housing market, they are unlikely to be affordable to the households in housing need identified in the Housing Needs and Market Assessment and on the Homesearch Register.

Low-cost market housing will be viewed as additional to, rather than as a replacement for, the affordable housing that is required to meet local needs under the affordable housing policies of the District Local Plan

Section 3: The Suitability of Sites

The Local Planning Authority take the view that in land use terms if a site is suitable for a housing development, then the site is also suitable for the provision of housing which is affordable. The only exceptions to this are sites within defined settlements of over 3000 that fall below the site thresholds set by policy AH-1 in the New Forest District Local Plan First Alteration.

It is important that a developer views the need to provide affordable housing as a key factor in planning how a site is developed. In the same way that a group of trees or access requirements may influence the choice of development proposal, so the need to provide affordable housing should also influence the choice. Increasing the supply of affordable housing is seen as the priority housing need in the District. By discussing the affordable housing needs with the Council at a very early stage it will be possible for a developer to incorporate these needs into their proposal and take account of them in their discussions with landowners.

The need to provide affordable housing should be seen as a fundamental part of the site appraisal and design process, not as an afterthought.

As the highest priority is given to the provision of affordable housing, a developer that proposes a form of residential development that would preclude the on-site provision of required affordable housing is unlikely to receive planning permission.

Section 4: The Delivery of Affordable Housing through the Planning Process

Questions to address when submitting a planning application

Question 1: Is there a requirement to make provision for affordable housing on my site?

Sites where Policy AH-1 applies

In accordance with **Policy AH-1** of the New Forest District Local Plan First Alteration, within the existing built-up areas of Totton, Marchwood, Hythe and Dibden, Hardley/Holbury, Blackfield and Langley, Lymington, Hordle, Milford on Sea, New Milton, Ringwood and Fordingbridge, and on other land allocated for housing development, affordable housing will be sought on all developments **where 15 or more dwellings** are proposed, or the site is **0.5 hectares or more** in area. To assess whether or not the site is over the threshold the GROSS number of dwellings proposed (not the number of additional dwellings), is the determining factor. Likewise, in terms of the site area, it is the total site area, including any part of the site that was previously occupied by residential properties, that determines whether the site is a qualifying site.

Policy AH-1 will be applied to sites capable of delivering 15 or more dwellings in a satisfactory manner, regardless of the number of dwellings actually proposed by the developer.

Site requirements for the provision of affordable housing are set by policy AH-1 of the Local Plan First Alteration. The policy states that the local planning authority's target is to negotiate 35% of dwellings on site to be affordable dwellings. Therefore where it has been assessed that there is a requirement to provide affordable housing as part of the development, then the local planning

authority's target is for 35% of the dwellings to be affordable dwellings. No 'allowance' or discount is made for replacement dwellings in this calculation.

In considering whether or not there is a requirement for affordable housing provision, the development potential of any adjoining land will also be taken into account where the site forms part of a more substantial development or land allocation, or where adjoining land is within the control of the developer and suitable for residential development. This is to discourage sites coming forward on a piecemeal basis as a way of avoiding the provision of affordable housing. In such circumstances the potential of the adjoining land will be taken into account when determining whether there is a requirement for affordable housing because the potential scheme in its totality would be above the site threshold set in policy AH-1. However, the number of affordable dwellings required for each part of the total development site will be calculated at 35% of the actual number of dwellings proposed on each application site.

Sites where Policy AH-2 applies

In accordance with **Policy AH-2** of the New Forest District Local Plan First Alteration, in the villages of Ashurst, Bransgore, Brockenhurst, Everton, Fawley village and Lyndhurst, Sandleheath and Sway, affordable housing will be sought on all housing developments (excluding schemes for a single replacement dwelling).

Site requirements for the provision of affordable housing are set by policy AH-2 of the Local Plan First Alteration. The policy states that the local planning authority's target is to negotiate 35% of dwellings on site to be affordable dwellings. Therefore where it has been assessed that there is a requirement to provide affordable housing as part of the development, then the local planning authority's target is for 35% of the dwellings to be affordable dwellings. No

'allowance' or discount is made for replacement dwellings in this calculation. (Schemes for a single replacement dwelling are exempt from policy AH-2).

In the **smaller undefined settlements** in the District planning policies do not allow new housing development, except schemes providing 100% affordable housing for local needs (rural exception schemes).

If you are still in doubt, contact the Development Control or Housing Development Teams for advice.

Question 2: Is the provision for affordable housing optional?

No. It is a requirement of the adopted Development Plan. Failure to make appropriate provision for affordable housing on sites where there is a requirement for its provision under the policies in the New Forest District Local Plan is very likely to result in a refusal of planning permission. To develop a suitable site for housing without including affordable housing will harm the District's ability to meet its affordable housing needs.

S54A of the Town and Country Planning Act 1990 states:

Where, in making any determination under the planning Acts, regard is to be had to the development plan, the determination shall be made in accordance with the plan unless material considerations indicate otherwise.

Question 3: I think affordable housing provision will be required, how much will I need to provide and what do I do next?

The local planning authority is unlikely to find acceptable a scheme which provides for less than 35% of dwellings to be affordable dwellings. Guidance on what type of dwellings would be most appropriate for meeting the housing need in a particular area will be given by

the Housing Development Team. In general the dwellings provided should be of a similar size and type to the market dwellings included in the scheme, unless alternative accommodation would better meet housing needs.

How to deal with a requirement for a 'fraction' of a dwelling

In many cases, when calculating how many dwellings the 35% target number of affordable dwellings on a site represents the outcome will not be a whole number. In such cases the following methodology will be adopted.

On schemes for 15 or more dwellings, where the calculation results in a residual of 0.5 or more of a dwelling, the number of dwellings to be provided should be **rounded-up** to the nearest whole dwelling.

e.g. $30 \times 35\% = 10.5$ dwellings.
Council's target = 11 affordable dwellings.

Where the calculation results in a residual of less than 0.5 of a dwelling, the calculation should be **rounded-down** to the nearest whole dwelling.

e.g. $18 \times 35\% = 6.3$ dwellings.
Council's target = therefore 6 affordable dwellings.

On schemes for 14 or less dwellings (in the Ashurst, Bransgore, Brockenhurst, Everton, Fawley village and Lyndhurst,

Sandleheath and Sway), a pro-rata financial contribution will be sought for any residual requirement for a fraction of a dwelling.

The contribution is based on the same principles as *nil land value* for on-site provision.

e.g. Number of dwellings proposed = 10
Affordable housing requirement = $10 \times 35\% = 3.5$ dwellings
3 dwellings to be provided on site
plus a contribution to 0.5 dwellings off-site,
calculated as follows:
Individual Plot value* = £60,000
Affordable housing contribution = $0.5 \times £60,000 = £30,000$

**The plot value will be based on that needed to accommodate the type of dwellings proposed in the application.*

Question 4: Can't I just build some small, cheaper dwellings as part of the scheme?

No, this will not be 'affordable' housing in the terms of the Local Plan policy, as even this is unlikely to be affordable to those whose housing needs the affordable housing policies seek to address. However, the local planning authority welcomes and encourages the inclusion of smaller dwellings on housing schemes. (See Policy DW-E2: Density and Mix of Housing Development)

Question 5: So what sort of housing is the Council seeking?

Priority is given to the provision of affordable housing for rent (at RSL target rents) through a partner Registered Social Landlord (RSL). Where a site requires 10 or more affordable dwellings to be provided, an element of shared-ownership or equity housing may also be acceptable if this could meet part of the identified housing need in the locality. The Housing Development Team will be able

to advise you on this matter. You will be expected to provide affordable housing of the type and tenure advised. All dwellings must be provided in accordance with the Housing Corporation's Scheme Development Standards, the RSLs design brief, the Council's Sustainable Development Framework and any other guidance that may be produced. All these can be made available at an early stage.

In most areas there is a high need for 1, 2 and 3 bed houses and flats. In some areas there is a need for larger dwellings and for bungalows. The affordable housing will be expected to reflect the character of the market housing in terms of dwelling size and local housing needs. While the Homesearch Register generally shows the highest need is for smaller accommodation, 3 bed accommodation will often be sought as an element of the provision in order to create a balance of provision and to free up over-occupied smaller dwellings.

Question 6: Who will live in the affordable housing provided?

Households on the New Forest District Home Search Register will be eligible for affordable housing provided. The District Council's HomeSearch Allocations policy may be viewed in the Housing section of the Council's web-site at:
<http://www.newforestdc.gov.uk/index.cfm?articleid=4297>.

The Council will retain nomination rights on occupancy of the housing.

Question 7: Can I provide key-worker housing as an alternative?

Affordable housing for key-workers is part of a wider local housing need. Key workers in housing need can apply for housing via the Homesearch Register. Specific schemes for key-worker housing are not normally seen as a substitute for

housing that meets priority needs within the locality.

Question 8: Do I have to actually build the affordable housing?

This will be a matter for discussion between the developer, RSL and the Council. In some cases it may be appropriate for clean and serviced land* to be transferred to an RSL, in other cases it may be more appropriate for a build contract to be agreed with the RSL for the developer to build out the dwellings. In the latter case the developer will be paid by the RSL for construction work undertaken on their behalf.

(*Clean and serviced land is defined as land where provision is made to the boundary of the site for: all services necessary for the development (electricity, gas, water, sewerage, lighting etc) and connection costs; infrastructure (roads, footpath, boundary walls etc.); and where applicable demolition, clearance, decontamination (including vegetation such as Japanese Knotweed) and archaeological investigation costs. Developers will be required to ensure that local planning authority requirements with respect to ecological constraints (e.g. badgers) have been complied with. In the case of flats in a mixed tenure block all services should be provided at nil cost to the RSL/affordable housing provider up to the front door of each dwelling).

Question 9: How do I find an RSL to work with?

It is important that an RSL is involved as a partner in the project at an early stage. You should approach the Housing Development Team who will select one of its partner RSLs to work on a particular site. In selecting the RSL account will be taken of issues such as their local stock, their current performance, and their ability to

deliver a scheme in accordance with a developers programme.

The Council's strong preference is for affordable housing to be provided and managed by a RSL. If an alternative owner/landlord is proposed it is important that they are:

- Accepted by the Housing Corporation as an appropriate provider;
- Agree to the terms of the New Forest RSL Partnership Agreement and agree to accept all nominations for all properties from the Homesearch Register.
- Agree to meet the standards and requirements set out in the Council's model S106 Agreement.
- Agree with the Council standards for tenant participation, management and community development.

The District Council will only provide grant funding, or support bids for Housing Corporation funding, to partner RSLs which it has agreed should work on particular sites.

Question 10: How much is it going to cost?

Because of the wide gap between local house prices and local incomes, for the foreseeable future the only housing that is likely to meet the affordable housing need is housing provided via a subsidy that significantly reduces the cost of its provision. In view of the limited availability of social housing grant, increasing building costs and the scale of housing need, it is expected that a part of this will be as a landowner/ developer subsidy. To facilitate development this subsidy will take the form of making clean and serviced land available for affordable housing at nil-value.

The Council considers that the developer/ landowner subsidy for affordable housing provision should be limited to provision of

free, clean, serviced land. While in many cases public subsidy will be necessary in order for affordable housing schemes to be built, this is a matter for the Council and RSL/affordable housing provider. In the absence of public subsidy at a point in time, the Council will negotiate with a RSL/affordable housing provider to forward fund the scheme. If this is not possible the land will be banked for affordable housing, or the Council will determine that an alternative form of affordable housing is provided that requires less/no subsidy. The Council aims to ensure that lack of public subsidy does not hold up the development of open market housing on the remainder of the site.

Although build costs will be primarily be a matter for negotiation between the RSL/affordable housing provider and developer, the Council will monitor costs to ensure value for money is being achieved and public subsidy requirements are limited. Where completed units are to be sold to a RSL/affordable housing provider this should be at a value that relates to build cost rather than their value. The RSL will be expected to pay an equitable share of any planning contributions that may be required, for example for public open space.

If a flatted or sheltered housing scheme is being considered, particular consideration needs to be given to how the affordable housing element will be provided within the development. It is accepted that in a flatted development it may not be practical to achieve dispersion of the affordable units throughout the development. In schemes where there is to be a service charge associated with the building, the building should be designed to keep service charges to a minimum for all tenants. For the affordable housing units, the Council's target is to restrict service charges to no more than £250 per annum. Where appropriate Registered Social Landlords will be encouraged to be party to

management organisations for flatted developments where they have properties.

Clean, serviced land should be transferred to a RSL/affordable housing provider at nil cost.

Developers and prospective land purchasers are strongly advised to take into account the Council's land at nil-value policy when negotiating site acquisitions and valuing land.

Remember - If you are buying a site with a view to developing it, the price you pay for the site should take into account the costs you will have to bear in relation to the provision of affordable housing, as well as other development costs.

Question 11: What long term restrictions will be put on the occupancy of the affordable housing?

A planning agreement will ensure that all housing remains available for affordable housing in perpetuity (minimum 80 years) unless this provision is over-ridden by statute, for instance Right to Acquire.

Question 12: What will the mechanism be for requiring the transfer of the affordable housing land or buildings?

A planning obligation will require the transfer of the land or buildings before the occupation of more than 25% of the open market dwellings. On large sites where development is in phases this will apply for each phase. The land/buildings should be transferred freehold to the RSL. In the case of flats a lease of 125 years may be agreed.

Question 13: I do not think affordable housing is compatible with the type of development I wish to build. Am I still expected to provide affordable housing?

Sites where a developer proposes some form of specialist housing development, such as sheltered housing schemes or 'executive' housing, will be required to include an element of affordable housing in accordance with Local Plan policies. The Local Planning Authority's requirement for an element of affordable housing to be provided within a development site will need to be taken into account and designed for by the developer from an early stage. The local planning authority will not accept the view that a site is unsuitable for affordable housing because affordable housing is not compatible with the type of development proposed by the developer.

There will normally be a variety of ways in which a site can be satisfactorily developed for housing. The developer's decision on the form of development to be proposed should take into account the need to accommodate affordable housing **on the site**. The priority is for the inclusion of affordable housing within a scheme and the developer's choice of scheme cannot be allowed to compromise this. A developer's preference for a certain form of development will not override a need to provide affordable housing. If a developer finds that it is not possible to accommodate the required element in a satisfactory manner within their scheme, they will be expected to reconsider the form of development proposed on the site.

The need for affordable housing is given higher priority than the need for any other form of housing in the District.

Question 14: What will happen if the requirement for affordable housing, together with other requirements of the

local planning authority (for example, highway/ open space contributions) makes the development proposed on the site unviable?

The purchase price for any site should take into account the full costs of developing the site in accordance with local planning policies. Provision of affordable housing on the site is a known requirement. Exceptionally circumstances may arise where additional development costs arise which could not reasonably be foreseen at the time of site acquisition and which compromise the viability of the proposed development. In such cases an 'open book' approach will be taken to establish the extent of the case, and used as a basis for negotiating agreement on affordable housing where necessary to secure an appropriate scheme for the site.

Question 15: Are there any circumstance when the Local Planning Authority would accepted an alternative to on-site provision of affordable housing?

Development land is a scarce resource in New Forest District. The Government and District Council have a **strong preference** that the affordable housing provision negotiated as part of a development scheme should be provided on site.

PPG3 Housing (para.17) states:
"Where a local planning authority has decided, having regard to the criteria set out in paragraph 10 of Circular 6/98, that an element of affordable housing should be provided in development of a site, there is a presumption that such housing should be provided as part of the proposed development of the site."

In exceptional circumstances where, in the opinion of the Council, off-site provision will allow housing needs to be better met, the Local Planning Authority may allow a developer to make an equivalent contribution of serviced land with planning permission for residential

development (allowing provision of the agreed number, size and type of affordable dwellings) on a different site. The alternative provision should take place within the same town/parish as the principal development.

There may also be special cases where it is agreed by both the local planning authority and the developer that part of the provision will be made on-site and part off-site. Again this will only be appropriate where in the opinion of the Council this will allow housing needs to be better met.

“Off-site” provision will only be considered acceptable in the following exceptional circumstances:

- Where alternative provision is proposed that would allow priority housing needs to be better met. (For example, by increasing the overall number of affordable dwellings to be provided and allowing an early transfer of the land to a RSL), or;
- Where provision “on-site” would necessitate an unacceptable level of alteration to a listed building.

As a fundamental principle, any off-site provision that is permitted should result in dwellings which are at least of an equivalent standard to on-site provision and should not increase costs for the RSL, Council, Housing Corporation or any other public funding body. Any contribution should also reflect the increased developer profit realised by the additional market dwellings that can be provided on site.

The location of any alternative provision and mechanism for provision must be agreed with the Council. It is important that off-site provision does not compromise the aim of achieving mixed and balanced communities. It will not normally be acceptable to provide alternative land or dwellings in areas where there is already a high

concentration, or perceived concentration, of affordable housing. There should be certainty that the required affordable housing development can be undertaken on the alternative site. The land/building should, therefore, have the required planning permission and be in the control of the applicant. If the site does not already have a valid planning permission, such a permission should be sought concurrently with the application for permission for the main development site.

The identified site should be transferred to the RSL selected by the Council at nil-cost. The developer will be expected to meet the costs of servicing the site up to its boundary and ensuring the site is free from any contamination.

The Council will not look favourably on offers by a developer to buy into the existing housing stock as a way of providing affordable housing off-site, particularly if it is proposed to purchase into the existing supply of smaller and ‘first-time buyer’ type market dwellings. By doing so the overall supply of smaller cheaper dwellings in the local housing market would be reduced. In terms of meeting overall housing needs in the District it is important that the existing pool of such dwellings is retained and not being competed for by both first time buyers and RSLs. However, the conversion of larger properties to provide affordable housing may be considered more favourably.

Where the affordable housing requirement for a development site would be for 15 or more affordable dwellings (i.e. 35% of 42 dwellings), if the affordable housing provision is to be made ‘off-site’ then the affordable housing requirement will be calculated on the basis of the dwelling capacity of the sites combined. An example is given below:

Examples of Affordable Housing requirement calculation:

In areas subject to policy AH-1

Scheme for 50 dwellings

With on-site provision

50 x 35%= 18 affordable dwellings required.

With off-site provision

If affordable dwellings to be provided off-site – total no. of dwellings in the scheme is 68.

68 x 35% = 24 affordable dwellings required.

Examples of Affordable Housing

requirement calculation:

In areas subject to policy AH-2

Scheme for 5 dwellings

With on-site provision

5 x 35%= 1.75 affordable dwellings required. 1 dwelling provided on site plus financial contribution for 0.75 dwellings

With off-site provision

5 x 35%= 1.75 affordable dwellings required.

If affordable dwellings to be provided off-site – total no. of dwellings in the scheme is 6.75.

6.75 x 35% = 2.4 affordable dwellings required. 2 dwellings in kind provided on different site plus financial contribution for 0.4 dwellings.

dwellings a financial contribution will be an acceptable way of contributing to the provision for affordable housing. Since this is the only option in these circumstances, for sites of 1 or 2 dwellings, the off-site contribution will be calculated on the basis of the required on-site provision of the site itself, rather than the combined requirement of the development site and the site on which the affordable housing is to be provided (as would be the case for sites of 3 or more dwellings). The financial contribution must be equivalent to the unconstrained open market residential land value for the number of affordable dwellings required (had they been provided on the application site).

Example of financial contribution in lieu of on-site affordable housing provision for sites of 2 dwellings (Policy AH-2)

The contribution is based on the same principles as *nil land value* for on-site provision.

e.g. Number of dwellings proposed = 2
Affordable housing requirement =
2 x 35% = 0.7 dwellings

Open market land value (similar plot to application site)* =
£70,000 per plot (for example)
Contribution required =
0.7 x £70,000 = £49,000

**The plot value will be based on that needed to accommodate the type of dwellings proposed in the application.*

Question 16: Are there any circumstances when a financial contribution towards the provision of affordable housing would be acceptable?

A financial contribution will normally only be acceptable in circumstances where this would actually result in the provision of affordable housing (whether by new build or conversion) identified by the local planning authority which could not otherwise be provided.

On sites subject to Policy AH-2, where there is an affordable housing requirement, but the proposed development is for fewer than three

Elsewhere, only in very exceptional circumstances will the District Council be prepared to accept a financial contribution towards the provision of affordable housing. It should allow the Council to better meet affordable housing needs. A decision on whether financial contributions should be accepted will be a decision that is taken by the Council as part of its overall strategy for the delivery of affordable housing, rather than an ad-hoc one taken on individual sites. In these instances, and

subject to the provisions of policies AH-1 and AH-2, the financial contribution may be calculated by adding together the requirement generated by the development site itself and the site upon which the affordable housing would be provided.

Any financial contribution shall be sufficient to enable a Registered Social Landlord to provide the agreed number, size and type of affordable dwellings on another site.

The level of contribution must be equal to the unconstrained open market residential land value of the identified site, or the equivalent value (for the required number of affordable dwellings) of the application site, whichever is the greater.

Example of financial contribution in lieu of on-site affordable housing provision for sites of 5 dwellings (Policy AH-2)

The contribution is based on the same principles as *nil land value* for on-site provision.

e.g. Number of dwellings proposed = 5
Affordable housing requirement =
 $5 \times 35\% = 1.75$ dwellings
Number of affordable dwellings
required if off-site provision =
 $6.75 \times 35\% = 2.36$ dwellings
Open market land value (similar
plot to application site)* =
£70,000 per plot (for example)
Contribution required =
 $2.36 \times £70,000 = £165,200$

**The plot value will be based on that needed to accommodate the type of dwellings proposed in the application.*

In view of the rapid house and land price inflation (currently well above that of the Retail Price Index) it is important that any financial contribution is linked to an appropriate local house price index (e.g. Nationwide House Price Index). The contribution made will need to be increased in line with this index should it

show a rise between the time the contribution was agreed and the time it is due to be made

Question 17: I only intend to submit an outline planning application at this stage. Do I still need to address the issue of affordable housing?

Yes. A planning obligation will be used to ensure that the agreed proportion of affordable housing will be provided and the terms under which it should be provided. Depending on the scale of development the obligation may require/ include details of phasing/location of the affordable housing in order to ensure there is no over concentration of affordable housing in a small number of phases.

Question 18: How do I design my site to best incorporate the affordable housing?

It is both a Government objective and an objective of the District Council that efforts be made to create mixed and balanced communities. This includes ensuring that affordable housing is well integrated with market housing and that it reflects the market housing's character. Particularly on larger sites, affordable housing should be distributed in small groups of dwellings throughout the site, avoiding concentrations in a single location.

Normally groupings of RSL rented dwellings should be no greater than 5. Developers should also seek to achieve a street level mix of dwellings of different types and tenures, for instance by ensuring different types and tenures face each other across a street.

It is accepted that in flatted developments it may not be practical to achieve dispersion of the affordable units throughout the development.

It is important that affordable dwellings meet the priority local needs. Normally, this will mean a range of dwelling types

are required. The affordable housing element of a site should reflect the size and characteristics of the market units, unless this would not meet identified needs. It will not be acceptable for developers to attempt to minimise the affordable housing land take by proposing small, high density affordable dwellings, unless this meets the priority local need identified by the Council.

The design requirements of the Housing Corporation and RSL must be taken into account in designing a scheme. The dwellings should be built to standards as set out in the Housing Corporation's Scheme Development Standards and the New Forest Affordable Housing Sustainable Development Framework (the latter having priority). All schemes should also be built to Joseph Rowntree Foundation Lifetime Home Standards and in accordance with a named RSL/affordable housing provider's design brief. All schemes will also be subject to assessment using Housing Quality Indicators and should achieve an eco-homes very good rating.

Question 19: Will a planning obligation be required?

Yes. It is normal practice to secure the provision of affordable housing which is negotiated as part of a private development through a legal agreement (known as a 'Planning Obligation') under the provisions of Section 106 of the Town and Country Planning Act 1990 (as amended). The cost of drawing up such an agreement will be met by the applicant. A model draft agreement can be found at www.nfdc.gov.uk. A planning application will not be considered by the Planning Development Control Committee in the absence of an appropriate draft agreement.

Question 20: What information do I have to provide when submitting a planning

application on a site where there is a requirement for affordable housing?

Your planning application can be dealt with much quicker if you have already considered how you intend to make the necessary provision for affordable housing before submitting your planning application. Prior to submission there should have been detailed discussions with the local planning authority, and Housing Development Team about what affordable housing is to be provided and the mechanisms by which it is to be delivered.

The planning application should be accompanied by an 'Affordable housing statement'. A draft 'Affordable housing statement' should form the basis for pre-application discussions. This should set out information concerning both the affordable housing and any market housing included in the scheme. It should include the following information:

- the numbers and size of residential units,
- the mix of units with numbers of bedrooms,
- plans showing the location of units and their bedrooms;
- the gross internal floor space of all units.
- a 'transfer schedule' detailing the transfer arrangements for dwellings/land.
- a statement agreeing to the terms of the affordable housing model S106 agreement
- a plan identifying the land/buildings to be transferred for affordable housing. Where land, e.g. parking spaces, will not be transferred but rights will be granted to affordable housing occupiers, details should be provided.

If different levels or types of affordability or tenure are proposed for different units this should be clearly and fully explained.

In most cases schemes will also require the submission of a 'Design Statement', in which case the Affordable Housing Statement can be set out as supplementary to the Design Statement. However, all the matters listed above must be addressed.

If the dwellings are to be provided off-site then a statement setting out the details of the justification for this and how this will be achieved should be included. In such cases it is advised that early discussions which will secure the provision of appropriate affordable housing provision which is ready and available for letting/occupation prior to the occupation/sale of more than 25% of the general market units. This agreement will be binding on any future developer of the site, and will need to be taken in account when the site is sold to a developer.

are undertaken with the Local Planning Authority so that a more bespoke S106 Agreement can be produced.

Question 21: What happens if the developer of the land is not known?

In cases where planning permission is sought but the potential developer of the site is not known, when granting planning permission a Section 106 agreement will be negotiated

Appendix 1

Contacts

New Forest District Council

Planning Development Control

02380 285000 dev.control@nfdc.gov.uk

Policy and Plans Team

02380 285349 pdi@nfdc.gov.uk

Housing Development

02380 285111 housing.strategy@nfdc.gov.uk

02380 285577

New Forest District Council - General

Appletree Court, Lyndhurst, SO43 7PA

02380 285000 www.newforestdc.gov.uk

New Forest National Park Authority

The Queen's House, 4 High Street, Lyndhurst, SO43 7BD

023 8028 4144 www.newforestnpa.gov.uk

References

Adopted New Forest Local Plan (First Alteration)	NFDC	www.newforestdc.gov.uk
Model S106 Agreement	NFDC	www.nfdc.gov.uk
New Forest Housing Strategy 2003-8	NFDC	www.nfdc.gov.uk
New Forest Affordable Housing Sustainable Framework	NFDC	Contact NFDC Housing Development Team
Scheme Development Standards	Housing Corporation	www.housingcorp.gov.uk
Sustainability Toolkit	Housing Corporation	www.housingcorp.gov.uk
Standards & Quality in Development	National Housing Federation	www.housing.org.uk
Meeting Part M and Designing Lifetime Homes	Joseph Rowntree Foundation	www.jrf.org.uk
Housing Quality Indicators	DETR	www.odpm.gov.uk
EcoHomes:the environmental rating for homes	BRE	www.breeam.org/ecohomes.html

The Green Guide to Housing Specification		
--	--	--

Appendix 2

Dwelling Size Requirements

In planning for new development it is important that there is the flexibility to meet current and future housing needs. For this reason it is important that 1 bed dwellings are able to accommodate 2 people, 2 beds 4 people, 3 beds 5 people etc. as indicated below.

Bedroom Numbers	Occupancy	Floorspace
1	2	51 sqm
2	4	76 sqm
3	5	86 sqm
4	6	101 sqm
4	7	116 sqm

Source: Housing Quality Indicators (Version 3) 2005

While absolute floorspace is an important determinant of suitability it is also necessary to consider how the layout of individual dwellings affects the comfort and convenience of occupiers.

In assessing individual schemes regard will be had to matters such as circulation space and space for furniture. Account will also be taken of relevant guidance including Housing Corporation Scheme Development Standards, National Housing Federation Standards and Quality in Development, ODPM Housing Quality Indicators and Joseph Rowntree Foundation Lifetime Homes Standards.