

North Somerset Council

B6

# Affordable Housing Supplementary Planning Document

*Waverly Court, Portishead*



Adopted  
12 November 2013



## List of acronyms/abbreviations commonly used

AH SPD	Affordable Housing Supplementary Planning Document
CBL	Choice Based Lettings
CIL	Community Infrastructure Levy
CS	Core Strategy
HARP	Housing Association Registered Provider
HCA	Homes & Communities Agency
HDP	Housing Delivery Panel
NPPF	National Planning Policy Framework
RLP	North Somerset Replacement Local Plan
SHMA	Strategic Housing Market Assessment



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*Locking Parklands,  
Weston super Mare*



# 1. Introduction

The previous Affordable Housing Supplementary Planning Document (AH SPD) was adopted by North Somerset Council in June 2008. Since then, there have been a number of material changes to the policy context it was based on, notably the introduction of the National Planning Policy Framework (NPPF) and adoption of the North Somerset Core Strategy (CS).

The Core Strategy was adopted in April 2012 and superseded the affordable housing policies of the 2007 North Somerset Replacement Local Plan (RLP).

As well as being a key objective of the Core Strategy, the provision of affordable housing is a strategic action of the Housing Strategy 2010-15 and a priority objective of the Sustainable Community Strategy 2008-26.

The AH SPD has been subject to formal public consultation.

## 1.1 Purpose of the SPD

This SPD forms a material consideration in the determination of planning applications. Its purpose is to advise applicants on how the council applies its affordable housing policies, setting out guidance on the detailed approach. It also informs applicants on nil public subsidy arrangements and sets out the council's definition of affordable housing and preferred methods for ensuring delivery.

The SPD is supplementary to policies CS16 and CS17 of the Core Strategy:

### CS16: Affordable housing

Affordable housing comprises social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market. On-site affordable housing provision will be sought to meet local needs on all residential developments of 10 dwellings or more (or on sites of 0.3 hectare or above). On sites of 5–9 dwellings the council will seek to negotiate either on-site provision or a financial contribution towards the provision of affordable housing.

Within North Somerset the target for the provision of affordable housing is at least 150 dwellings per annum. To reflect identified needs this will be provided as 82% social rented housing and 18% intermediate housing. This proportion will be reviewed in relation to affordable rent and clarified in the revised Affordable Housing SPD.

The precise size and type of affordable housing to be provided on individual sites will be determined through negotiation, guided by the Strategic Housing Market Assessment, data from the housing needs register, and local housing needs surveys. A local lettings approach will ensure that priority is given to local people.

The presumption is that to create mixed and balanced communities affordable housing will be provided on-site without the need for public subsidy. Only in exceptional circumstances where it can be robustly justified, off-site provision or a financial contribution in lieu of off-site provision (of equivalent value) may be acceptable where it contributes to the objective of creating mixed and balanced communities.

The capacity of a site to deliver a level of affordable housing that can be supported financially will be determined by individual site viability analysis. This analysis will take into consideration existing use values, as well as other site specific factors. The assessment will be made having regard to the residual land value once the cost of development has been deducted. There is no upper limit to the potential affordable housing provision or contribution, but a benchmark of 30% will be sought as a starting point. The benchmark is aimed at meeting local need. Local need is not fixed and changes over time and can vary between housing type, size and tenure. The policy refers to currently identified need.

Guidance on the level of contribution expected from sites below the threshold will be set out elsewhere following viability assessment and reviewed on a regular basis.

### **CS17: Rural exceptions schemes**

Housing schemes for 100% affordable housing to meet local needs within small rural communities will be supported where:

- a) the development meets an identified local need demonstrated by an up-to-date needs survey or other evidence;
- b) the development is supported or initiated by the parish council;
- c) the site search has followed a sequential approach with priority given to sites within any settlement boundary, sustainability principles, and avoiding sensitive locations;
- d) the scale of development is appropriate for the location;
- e) the affordable housing is provided in perpetuity.

Rural exceptions schemes will be acceptable adjacent to the settlement boundaries of Service Villages and Infill Villages and elsewhere adjacent to the main body of the settlement, but not in the Green Belt unless justified by very special circumstances.

## **1.2 Monitoring and Review**

Local planning authorities are required under the Localism Act to monitor and assess the extent to which policies and objectives in local plans are being achieved and publish the findings in an appropriate report. The council will monitor the provision and delivery of affordable housing as part of the Annual Monitoring Report process to inform future policy changes.

This SPD may need to be further reviewed in the event of any material changes to national, regional or local policy/legislation.

## 2. Policy Context

### 2.1 National Policy Context

The NPPF was published in March 2012. To create sustainable, inclusive and mixed communities, the NPPF states that local planning authorities should set policies for meeting identified affordable housing need, usually on-site, although off-site provision or a broadly equivalent financial contribution may be accepted in exceptional circumstances where robustly justified. Such policies should be sufficiently flexible to take account of changing market conditions over time.

This SPD also takes into account the Localism Act of November 2011, which seeks to shift power from central government to local councils and communities. The Act includes five key measures that underpin the new approach of decentralisation, with the housing component seeking to ensure that more decisions concerning housing are taken locally.

### 2.2 Local Policy Context

The North Somerset Core Strategy was adopted in April 2012 having regard to national and regional planning guidance available during the review period up to adoption. The former SPD was based on RLP policies which are now superseded. This SPD seeks to give further guidance on the policies within the Core Strategy.

Following the introduction of the Localism Act, the council produced a Tenancy Strategy, which sets out the council's stance on fixed term tenancies, the new Affordable Rent tenure, changes to the HomeChoice Housing Register, and changes to the way the private rented sector is used to house homeless people.

The council is also producing a Sites and Policies Plan, and intends to introduce a Community Infrastructure Levy (CIL). The CIL is a tariff-style charge on development to be used to help fund infrastructure to support development. Even once CIL is in place, affordable housing and site-specific infrastructure will continue to be delivered through Section 106 agreements.

CIL charges will be subject to public consultation and an independent public examination. A key consideration will be to ensure that the charge is set at a level that is viable and does not threaten the delivery of policy requirements such as affordable housing.



### 3. Definition of Affordable Housing

The council's definition of affordable housing, taken from the NPPF is:

**Extract from NPPF (March 2012):**

**Affordable Housing:** 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 local 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 & 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 local market rent (including service charges, where applicable).

**Intermediate housing:** homes for sale and 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.

To put this into a more local context, tenure types commonly delivered in North Somerset are detailed in Table 1 below:



**Table 1**

Tenure	Description
Social Rent	Rented housing to be let at target rents as determined by the National Rent Regime
Affordable Rent	Rented housing to be let at up to 80% of local market rents (including service charges). Affordable rents are generally higher than social rents
Intermediate Rent	Rented housing at a level above that of Social Rent but below local market rent (including service charges).
Shared Ownership	The purchaser buys an initial share from a Housing Association Registered Provider (HARP) who retains and charges rent on the remaining equity. The purchaser may acquire further equity shares until the whole home is owned, except in certain circumstances, such as Designated Protected Areas (as defined in the Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009) and on rural exception sites where a maximum limit will be set.

Low cost market housing is housing at the cheaper end of the market, which may help to meet the needs of first time buyers, single employed people or key workers. It typically does not meet the affordability criteria for affordable housing or benefit from an arrangement to be retained in perpetuity. While low cost market housing will not be accepted as part of the council's affordable housing requirement, developers may include it as part of the market element. Low-cost market housing can play a useful role in meeting housing demand and achieving an appropriate housing mix.

The council's definition of affordable housing encompasses both general needs housing provision and supported housing of various types to meet the needs of the elderly and other vulnerable groups.

## 4. Housing Need and Supply

An up to date Strategic Housing Market Assessment (SHMA) is a requirement of the NPPF, outlining the full housing needs of the housing market area, including affordable housing need. The West of England SHMA was completed in 2009 and provides the evidence base to inform the development and implementation of council policies.

The SHMA informs negotiations for the inclusion of affordable housing within proposed housing development schemes, supplemented by data from the HomeChoice Housing Register and any recent town/parish housing need surveys in the District.

The council's strategic target for the provision of affordable housing is at least 150 additional dwellings per annum.

### 4.1 SHMA Review

A full review of the SHMA is scheduled to take place in 2014. The updated assessment will cover the full range of housing needs across all tenures and provide prospective developers with useful market information in considering the mix of house types and sizes within their schemes. It will be delivered in accordance with the NPPF and Government guidance on SHMAs and will provide detailed evidence of the affordable housing and market needs in North Somerset and the wider West of England sub-region.

Until the updated SHMA is finalised, the 2009 document remains the evidence base which determines affordable housing need in North Somerset.

#### **SHMA addendum – “Need for Affordable Rent Housing”**

As an interim measure, some further analysis of the existing SHMA data was commissioned in 2013 to explore the need for affordable rent, had it been in existence at the time the SHMA was produced. This evidenced that there was no additional need for Affordable Rent housing in North Somerset at that time that would not already have been met through the 18% intermediate housing requirement. Therefore, until a new SHMA is available, the required tenure split of 82% social rent and 18% intermediate housing set out in Core Strategy Policy CS16 remains unchanged.



*Brooking Meadow, Nailsea*

## 5. Negotiating Affordable Housing under Policy CS16

The council advises developers who are proposing residential or mixed-use schemes to consult with the Housing Development Team (contact details on the council's website) about the required amount, mix and tenure of affordable housing prior to undertaking detailed scheme layouts and designs.

Developers should also contact the council's Development Management Team to discuss their proposals before they submit a formal planning application.

The standard clauses and definitions that should generally be included in any S106 legal agreement are set out in **Appendix 1**.

### 5.1 Threshold for Providing Affordable Housing

#### Extract from Core Strategy Policy CS16

"On-site affordable housing provision will be sought to meet local needs on all residential developments of 10 dwellings or more (or on sites of 0.3 hectare or above). On sites of 5-9 dwellings the council will seek to negotiate either on-site provision or a financial contribution towards the provision of affordable housing."

There is no upper limit to the potential affordable housing provision or contribution, but a benchmark of 30% will be sought as a starting point (rounded up to the nearest affordable housing unit). In December 2010, specialist consultants Three Dragons were commissioned to carry out an affordable housing viability study which supports the benchmark of 30% affordable housing without public subsidy.

The affordable housing requirement will be calculated taking account of the boundary of the whole site, rather than the footprint of the proposed residential dwelling(s) or the developable area of the site. The council will be alert to any artificial restriction on site capacity and will not permit any benefit to be gained from this. It will scrutinise site/ownership boundaries, density and unit mix to ensure that land is not used inefficiently or in a piecemeal fashion to produce a scheme below the 5 unit threshold and/or just below the site size threshold.

In considering whether a development meets the threshold for providing affordable housing, the council considers the gross number of proposed dwellings, regardless of the replacement or conversion of any existing residential dwellings on the site

## 5.2 Outline Applications

Should an outline application for residential development be proposed, the council will assess the housing density that is appropriate to the site, taking into account Core Strategy Policy CS14 and local circumstances. If yield is determined to be 5-9 units, then the applicant will be expected to enter into a legal agreement to provide affordable housing on-site or a commuted sum in lieu of on-site provision, in line with Policy CS16.

Applicants of outline applications for residential development on sites of 10+ units or with a gross area of 0.3ha or greater will automatically be expected to enter into a legal agreement to provide affordable housing on-site in line with Policy CS16. The standard clauses and definitions that will generally be included in the legal agreement are set out in **Appendix 1**.

## 5.3 Phasing on Large Sites

On large sites where development will be phased, it is expected that the affordable housing will be developed at the same time as the market housing and a phasing plan submitted as part of the affordable housing master-plan. Generally, in respect of each phase, no more than 25% of open market dwellings should be occupied until 25% of the affordable housing units have been constructed and transferred to a HARP ready for immediate occupation.

Furthermore, no more than 85% of open market dwellings on each phase should be occupied until 100% of the affordable homes have been transferred to a HARP, ready for immediate occupation.

## 5.4 Mixed Use Sites

Mixed-use planning applications with a residential element of 5 dwellings or more or a gross residential area of 0.3ha or more will be expected to enter into a legal agreement to provide affordable housing in line with Policy CS16.

The standard clauses and definitions that should generally be included in the legal agreement are set out in **Appendix 1**.

## 5.5 Conversions and Change of Use

Core Strategy Policy CS16 applies to the conversion, alteration or extension of any building for residential purposes; whether or not it is already in residential use.

However in 2012, Government introduced a relaxation of planning rules meaning that some changes of use from commercial to residential may proceed without the need for a planning application and with no requirement to provide any affordable housing. This ruling was limited to a 3 year period, at which time a review will take place and the policy may be extended indefinitely.

A further consultation is currently underway regarding a potential similar relaxation of planning rules for the conversion of shops and redundant agricultural buildings to homes.

## 5.6 Specialist Residential Development

The requirement for affordable housing extends to Extra Care, sheltered/ retirement dwellings and any other forms of housing with care, unless the dwelling<sup>1</sup> is non self-contained<sup>2</sup>, in which case there is no requirement. For the avoidance of doubt this does not apply to registered residential care homes or nursing homes where the accommodation is not self contained.

New build student housing and student housing delivered through conversion of existing buildings in a different planning use class are required to contribute towards affordable housing. However, refurbishments/conversions of existing student accommodation are exempt from this requirement.

## 5.7 Tenure

### Extract from Core Strategy Policy CS16

“Within North Somerset the target for the provision of affordable housing is at least 150 dwellings per annum. To reflect identified needs this will be provided as 82% social rented housing and 18% intermediate housing”

Policy CS16 identifies the tenure split between social rented housing need and intermediate housing need (based on evidence provided by the 2009 SHMA and the 2013 SHMA Addendum). However, the council may consider adjusting the balance sought between tenures and house types on individual sites to meet particular local needs.

The updated SHMA will consider whether there is a need for affordable rent as well as social rent and intermediate tenures and this SPD will be updated with any change as appropriate.

Until this evidence base is available, we will only accept Affordable Rent Tenure in lieu of social rent on schemes where a lack of viability has been proven, and/or if the rents are set at a % level of the market rent that meets the needs of those identified in the SHMA for the local area.

Intermediate housing will generally be provided as shared ownership. Other intermediate products may be considered where viability is an issue, as long as they meet NPPF definitions in terms of affordability and include the provision for the home to remain at an affordable price for future eligible households.

<sup>1</sup> For the purposes of this document “dwelling” means a house, flat or other place of residence

<sup>2</sup> For the purposes of this document “self-contained” means where the habitable rooms and living accommodation are behind a lockable front door that only the household can use.

## 5.8 Housing Mix (Types and Sizes)

The size and mix of affordable dwellings to be provided on site will depend on housing need and provide a suitable mix of house types and sizes which will be spread across the range of unit types and sizes. If there is a concern about mixed tenure in flatted developments, this should be considered at the earliest stage and the scheme designed to accommodate the requirements for affordable housing.

The council will consider both the projected housing needs information from the SHMA supported by other housing need sources, including information from the HomeChoice Housing Register, in determining the mix of the affordable housing units required.

## 5.9 Design, Layout and Quality/Accessibility Requirements

In addition to the standards set out in Core Strategy Policy CS2, all affordable housing units must fully comply with the council's Affordable Housing Development Standards as set out in **Appendix 3** (or any successor standard).

This is to ensure that affordable housing delivered through planning obligations is of the same standard to that of housing delivered directly by a HARP, ensuring equality of standards regardless of the source of the housing.

Affordable housing units should be seamlessly integrated and distributed throughout the development, consisting of no more than six affordable housing units in one location for general needs housing or 12 for supported housing, with no more than six flats sharing an entrance.

On mixed use/tenure sites, the mix, layout and design of the affordable housing units should be considered at a very early stage in the design process and should be addressed in development briefs when they are prepared.

Affordable housing units must be identified as part of any detailed or reserved matters application. On phased developments, an affordable housing master-plan will identify the strategic distribution of affordable housing units before the submission of a reserved matters application or subsequent detailed application(s).

## 5.10 Occupation

The council operates a Choice Based Lettings (CBL) system called HomeChoice for allocation of rented affordable housing. Intermediate housing products for sale, such as shared ownership, are currently allocated through the South West Homebuy agent South West Homes.

Affordable housing delivered through Core Strategy policies may only be occupied by persons eligible for, and in need of affordable housing, who are unable to afford to buy or rent an appropriate property locally on the open market.

## 6. Delivery of Affordable Housing

In North Somerset the availability of grant support for affordable housing is very limited. The council has been successful in negotiating affordable housing without the need for public subsidy, and will continue to negotiate for a benchmark of 30% affordable housing on each site covered by Core Strategy Policy CS16.

Developers are expected to take affordable housing requirements into account when negotiating land purchase or options.

The Government is also keen to encourage the provision of affordable housing without grant:

### **Extract from the Homes & Communities Agency (HCA) Affordable Homes Programme Framework 2011-15:**

“5.14 Our expectation is that S106 schemes can be delivered at nil grant input for both affordable home ownership and for Affordable Rent.

5.15 For the latter, our assumption is that the price paid will be no more than the capitalised value of the net rental stream of the homes. Providers who are efficient in their operating costs are likely to have a competitive advantage in making offers.”

On submission of a planning application, applicants are required to submit a Site Valuation Pro-forma to the Housing Development Team (available on the council’s website), detailing how they will meet the council’s affordable housing and CIL requirements. This will form the basis for further discussion and negotiation for the affordable housing provision.

In line with the expectations of the NPPF (para. 50), the council may also seek to resolve particular affordable housing needs through negotiation with developers, for example to meet the needs of particular groups. Any such provision that meets the NPPF definition of affordable housing will be included as part of the overall affordable target contribution.

### **6.1 Assessing Financial Viability**

The council will only accept a lower affordable housing contribution if the economics of provision are such that the provision of affordable housing renders the development economically unviable.

The council, or an independent expert employed by the council, will undertake a full review of the total development costs and projected sales values (to be funded by the developer) in order to determine the level of provision that may be sought from a development. This will involve close scrutiny of all figures and the developer will be required to take an open book approach to the financial assessment. This information will be kept confidential.

The viability assessment will determine the overall value within the development to meet the council's requirements. If a lack of viability is accepted, the council may wish to make use of HCA or other public subsidy, or consider an alternative tenure mix rather than agreeing a reduction in the level of affordable provision.

The council anticipates the HCA's Financial Viability Assessment Toolkit will be used as the context of this SPD's viability assessment criteria. However, in cases where the HCA have an interest in the land, other viability assessment tools can be used with agreement from the council.

Standard development costs such as demolition works, landscaping, noise bunds, archaeological and ecological surveys, drainage and flood prevention measures will not be considered as abnormal site costs. In Weston-super-Mare, piling for foundations will not be considered an abnormal cost. In flatted developments, the provision of lifts, communal areas or other costs specifically associated with the construction of large buildings will not be considered as abnormal site costs.

Where appropriate the council will consider the introduction of market recovery mechanisms where viability is constrained by current market conditions.

## **6.2 Options for Provision – On-Site/Off-Site Provision**

In order to create mixed and balanced communities, affordable housing should be provided on the application site. However, in exceptional circumstances where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision may be accepted. The developer will need to provide sound and detailed reasons why the affordable housing cannot be incorporated into the original site. If such payments are made they will be held by the council to ensure they are used to enable the provision or improvement of affordable housing in the District. It is expected that commuted sums will be paid on commencement of development.

Committed sums will be calculated as an equivalent value to the level of discount which would be available to the HARP, assuming an affordable housing mix the council considers appropriate for the site. Where appropriate, the transfer of land or off-site units of equivalent value may be considered rather than a financial contribution. The calculation for committed sums is detailed in **Appendix 4**. Developers are required to pay the legal fees incurred in drafting S106 agreements and any variations to S106 agreements.

There is no requirement for the council to identify where individual committed sums will be spent.



### **6.3 Management and Long-term Affordability**

The council will require a mechanism to be in place to ensure that affordable housing remains affordable and available to those in housing need in perpetuity. If these restrictions are lifted, the subsidy must be recycled to provide alternative affordable housing within North Somerset, as required by the NPPF.

The involvement of a HARP registered with the HCA is the most effective way of developing a successful, well-managed scheme that will ensure that the benefits of affordable housing are secured in perpetuity. The involvement of a HARP at the beginning of the design process is strongly recommended to ensure full compliance with development standards. The council has carried out a formal selection process to identify partners to deliver affordable housing, known as the Housing Delivery Panel (HDP) - see the council's website for contact details.

However, it is recognised that delivery by a HARP is not the only means of provision of affordable housing (although a non-HARP provider will be required to pay the CIL, once implemented). The council's preference is for the involvement of HDP members, but the council will not prescribe which organisation the developer works with. Non-partner organisations must demonstrate that they can abide by the council's housing service, development and management standards by signing up to the council's non-partner compliance statement (available on the council's website).

Housing costs (including service charges) for rented affordable housing should not exceed 25% of the household's gross income in perpetuity.

### **6.4 Transfer Price of Units to HARP's**

Affordable housing units provided through planning obligations should be provided without the need for public subsidy from the council, HCA or HARP recycled grant. Where intermediate housing is included which may be subject to possible future staircasing, provision will be included in the S106 agreement to ring-fence net equity released to provide alternative affordable housing provision within North Somerset. Developers should contact HDP members (details on the council's website) for current transfer prices on affordable housing units.

### **6.5 Enabling Fee**

An Enabling Fee (subject to review) will be incurred on each affordable housing unit delivered in North Somerset. These fees are designed to help with the provision of an affordable housing enabling service, assisting with the financial, legal, social, economic and environmental objectives required to secure and maximise affordable housing delivery and additional services.

Fees will become payable under the following terms:

- The fee is paid to the council on entering a building contract or at start on site by the developer, re-chargeable directly or indirectly by the organisation retaining ownership of the affordable housing unit.
- The fee is a non-qualifying cost in respect of any bid for public subsidy.
- The fee applies to all affordable housing units (i.e. including both rented and intermediate units, re-provision/remodelling, extra care housing, rural housing, 100% affordable housing sites, mixed tenure sites and those procured through S106 negotiations and delivered either with or without public subsidy).
- The fees cannot be paid from HARP reserves which have been accumulated via Social Housing Grant (SHG) funded schemes such as Recycled Capital Grant Fund (RCGF).

Contact the Housing Development Team for details of the current fee amount.

*Holts Way,  
Weston-super-Mare*



## 7. Rural Exception Sites

Core Strategy Policy CS17 allows for the development of affordable housing as an **exception** to normal housing policies to meet identified local needs. Exception sites are therefore a specific mechanism for securing the provision of new affordable housing in rural communities. Rural exception schemes should be supported by the parish council, be of a scale appropriate to the location and be provided in perpetuity.

Rural exceptions schemes will only be acceptable adjacent to the settlement boundaries of Service Villages and Infill Villages and elsewhere adjacent to the main body of the settlement, but not in the Green Belt unless justified by very special circumstances.

To ensure the affordable housing is provided in perpetuity on rural exception sites and in Designated Protected Areas, shared ownership units will be occupied on terms whereby no more than 80% of the equity is available to purchase by the owner with a minimum of 20% of the equity and the freehold retained by the HARP.

As per Core Strategy Policy CS17, the provision of market housing on exception sites is not permitted in North Somerset.

The council's rural housing protocol "Guidance to Delivering Affordable Rural Housing on Exception Sites" is available on the council's website. This document sets out the stages required to deliver rural exception sites in more detail, including the assessment of housing need and site identification.



*Baynard Close, Blagdon*

## 8. Local Connection to Individual Parishes

In order to meet local need both initially and in perpetuity, affordable housing on rural exception sites and Green Belt sites will be subject to a local connection restriction, secured via S106 Agreement and/or a Local Lettings Policy. In very special circumstances, a local connection may also be required within the boundaries of Service and Infill villages. See **Appendix 2** for the local connection cascade criteria which should be used in conjunction with the standard S106 definitions and clauses in **Appendix 1**.

On all locations within the District, a local connection to North Somerset is required (as defined in the council's HomeChoice policy).



*The Ricklands, Winford*

# Appendix 1 – Standard definitions and clauses for S106 legal agreements covering sites under Core Strategy Policy CS16

This is not an exhaustive list – additional provisions may be required by the council on a site by site basis.

## AFFORDABLE HOUSING PROVISIONS

### 1 DEFINITIONS

1.1 In this Schedule and where used elsewhere in this Deed and its Schedules the following definitions apply:

<b>Affordable Housing</b>	means affordable housing defined by the <b>NPPF</b> or successor document.
<b>Affordable Housing Land</b>	Those parts of the land upon which the developer shall construct or procure the construction of the <b>Affordable Housing Units</b> and including all cartilage thereto
<b>Affordable Housing Units</b>	means a minimum of [...] of the total number of dwellings (together with associated car parking spaces to comply with the council’s minimum parking standards for residential dwellings) to be constructed on the Affordable Housing Land being residential units designed and built or procured by the developer to meet the <b>Construction Requirements</b> for use as <b>Affordable Housing</b> (as set out in Table 1 of this <b>Schedule</b> ) and in accordance with the positions shown on the attached plan ref [...]
<b>Affordable Rented Units</b>	Means those <b>Affordable Housing Units</b> to be provided at up to 80% of open market rents including <b>Service Charge</b> , which meets the definition of affordable rent as contained within the <b>NPPF</b> or any subsequent or replacement tenure as may be agreed between the council and the developer in writing, and to be rented in accordance with the requirements of this <b>Schedule</b>

## Applicants

a person or persons who:

- meet the requirements of the **Criteria**; and
- are considered by the council and the **HARP** to be people being in need of and eligible for **Affordable Housing** and in its consideration of such need the **HARP** shall adopt and abide by the **Council's Nomination Policy** or such other selection and nomination policy as the council shall from time to time reasonably adopt

## Criteria

Means:

- people who immediately prior to occupation have a local connection to the District of North Somerset as defined in the **Council's Nominations Policy**, or;
- as may otherwise be agreed by the council in writing

## Chargee

Any mortgagee or **chargee** of the **HARP** or the successors in title to such mortgagee or **chargee** or any receiver or manager (including an administrative receiver) or other party who has provided loan facilities to the **HARP** appointed pursuant to the Law of Property Act 1925

## Construction Requirements

Means (unless otherwise previously agreed with the council in writing) the standards set out in **Appendix 3** of the council's Affordable Housing Supplementary Planning Document or such other standards as are substituted for these by the council from time to time

## Council's Nomination Policy

North Somerset Council's HomeChoice Lettings and Assessment Policy or such other nomination policy as the council shall from time to time reasonably adopt

## Council's Register

The council's HomeChoice Register or such other register of **Applicants** as shall from time to time replace it.

## Enabling Fee

Means (subject to review) in respect of the **Affordable Housing Units** the sum of five hundred pounds (£500) per unit (as at 1 October 2011 and increased annually by RPI) for the provision of an **Affordable Housing** enabling service, to be paid to the council on commencement of development, entering a build contract or purchase agreement or at start on site by the **HARP** or developer, re-chargeable directly or indirectly by the organisation retaining ownership of the **Affordable Housing Unit**

<b>HARP</b>	means a Housing Association Registered Provider of social housing registered with the <b>HCA</b> (or any successors in function), and has not been removed from the register, as defined in Section 80 of the Housing and Regeneration Act 2008 ("the 2008 Act") and selected by the developer on the basis that it is either: <ul style="list-style-type: none"> <li>(a) an approved member of the West of England Housing Delivery Panel; or</li> <li>(b) a <b>HARP</b> approved by the council and who has signed a non-partner compliance agreement with the council for the delivery of <b>Affordable Housing</b> such approval not to be unreasonably withheld or delayed.</li> </ul>
<b>HARP Transfer</b>	A Transfer of the <b>Affordable Housing Units</b> to an <b>HARP</b> at the <b>Transfer Price</b> and incorporating the <b>Transfer Requirements</b>
<b>HCA</b>	Homes and Communities Agency (or its successor in function from time to time)
<b>HDP</b>	Means a member of the West of England Housing Delivery Panel
<b>HPI</b>	The index published by the Department of Communities and Local Government or in the event of the said House Prices Index being discontinued the nearest equivalent index.
<b>Index Figure</b>	The figure calculated by the fraction A/B where: <ul style="list-style-type: none"> <li>● A = the Index figure published for the calendar month preceding the relevant date; and</li> <li>● B = the Index figure for the calendar month preceding the date of this Deed</li> </ul>
<b>Index Linked</b>	means adjusted in proportion to any increase in the index between the date of this agreement and the date the particular payment is made calculated in accordance with the <b>Index Figure</b>
<b>NPPF</b>	National Planning Policy Framework (or its successor in function from time to time)
<b>Notional Social Housing Grant</b>	Means in respect of any <b>Affordable Housing Unit</b> the difference on the date of commencement of development between the <b>Open Market Value</b> of that unit and the <b>HARP Transfer Price</b>

### **Notional Social Housing Grant Element**

Means the net proceeds from **Staircasing** (less allowable expenses and any deemed loan debt in accordance with any relevant **HCA** guidelines from time to time) multiplied by the **Staircasing Index Figure**

### **Open Market Dwellings**

means all those Dwellings forming part of the development on the land excluding the **Affordable Housing Units**

### **Open Market Value**

means the open market value of the **Affordable Housing Units** with the benefit of the residential planning permission but ignoring the fact that the **Affordable Housing Units** are constructed or to be constructed for **Affordable Housing** purposes and assuming that there are no **Affordable Housing** restrictions thereon and further assuming that all the said units are private and available for sale on the open market and having regard to all other relevant circumstances. The **Open Market Value** shall be agreed between the developer and the council or in default determined by an independent chartered surveyor (RICS qualified) whose costs shall be payable by the developer.

### **Practical Completion**

Means the issue of a certificate of practical completion by the developer's architect or in the event that the Development is constructed by a party other than the developer the issue of a certificate of practical completion by that other party's architect.

### **Protected Tenant**

Any tenant who:

- Has exercised the right to acquire pursuant to the Housing Act 1996 or any statutory provision for the time being in force (or any equivalent contractual right) in respect of a particular **Affordable Housing Unit**;
- Has exercised any statutory right to buy (or equivalent contractual right) in respect of a particular **Affordable Housing Unit**;
- Has been granted a **Shared Ownership** lease by a **HARP** (or similar arrangement where a share of the **Affordable Housing Unit** is owned by the **HARP**) in respect of a particular **Affordable Housing Unit** and the tenant has subsequently purchased from the **HARP** all the remaining shares so that the tenant owns the entire **Affordable Housing Unit**.



### Service Charge

Means the amount payable by the occupant of any **Affordable Housing Unit** for all communal services repairs maintenance improvements insurance of the building and curtilage plus estate management costs and ground rent to the extent that the costs have been reasonably incurred and remain at a reasonable level that will maintain affordability for occupants.

### Service Media

Means all pipes sewers drains mains ducts conduits gutters watercourses wires cables channels flues and any other apparatus for the **Services**

### Services

Shall mean the supply of water electricity gas and the disposal of foul and surface water

### Shared Ownership Units

Those shared ownership **Affordable Housing Units** to be offered by the **HARP** to **Applicants** which meet the definition of Intermediate Housing as contained within the **NPPF** (but not equity loans) or any subsequent or replacement tenure as may be agreed between the council and the developer in writing, and to be provided in accordance with the requirements of this **Schedule**

### Social Rented Units

Means those **Affordable Housing Units** to be provided at **HCA Target Rents** in force at the time of the **HARP** transfer which meets the definition of social rented housing as contained within the **NPPF** or any subsequent or replacement tenure as may be agreed between the council and the developer in writing, and to be rented in accordance with the requirements of this **Schedule**

### Staircasing

Means in connection with the **Shared Ownership** units the acquisition after the date of the initial purchase by the occupier of additional tranches of equity within the said unit and references to "Staircase" or "Staircased" shall be interpreted accordingly.

### Staircasing Index Figure

The figure calculated by the fraction A/B where:

- A= the figure published for the **House Price Index** for the calendar month preceding the date the relevant **Staircasing** payment is made; and
- B = the figure published for the **House Price Index** for the calendar month preceding the date of commencement of development.

## Target Rent

Target Rents (for **Social Rented Units**) available on the basis of the **HCA's** Rent Influencing Regime Guidance or such other rent structuring system that may supersede it.

## Transfer Price

consideration that (unless otherwise agreed in writing by the council) allows the **HARP** either:

a) to provide the **Social Rented Units** at **Target Rents** (including **Service Charge**); and/or

b) to provide the **Shared Ownership Units** at no more than 40% of the **Open Market Value** and place a limit on the rental element of **Shared Ownership Units** to a maximum annual rent equivalent to 1% of the equity retained by the **HARP** (excluding reasonable **Service Charges**); and/or;

c) to offer the **Affordable Rented Units** at no more than 80% of the local market rent (including **Service Charge**)

without the need for recycled public grant or other subsidy from either the **HCA** or the council or internally from the **HARP**

## 2 CONSTRUCTION AND TENURES

- 2.1 The developer shall at their own cost construct or procure construction of the **Affordable Housing Units** on the Land in accordance with the **Construction Requirements** and the tenure mix set out in **Table 1** below without the need for public subsidy or grant

**TABLE 1: Affordable Housing Tenures on the basis of 30% affordable housing provision**

Plot No (as per plan [ ])	Tenure	Type of Accommodation	Maximum No of Persons Occupying	Minimum Net Internal Floor Area in Square Metres	Total Number

- 2.2 The developer shall not commence development on each phase until the **Enabling Fee** has been paid in respect of the **Affordable Housing Units**

### 3 USE

- 3.1 The developer covenants not to use the **Affordable Housing Land** save for the construction of the **Affordable Housing Units** in compliance with the **Construction Requirements and Table 1**; and Subject to the provisions of this **Schedule** from the date of **Practical Completion** of the **Affordable Housing Units** they shall not be used other than as **Affordable Housing** by Applicants and in accordance with Table 1 (including the tenures referred to therein) (save that this shall not apply to: (1) any **Protected Tenant** or any mortgagee or chargee of the **Protected Tenant** or any person deriving title from the **Protected Tenant** or any successor in title thereto and their respective mortgagees and chargees; or to (2) any purchaser from a mortgagee of an individual **Affordable Housing Unit** pursuant to any default by the individual mortgagor).

### 4 TRANSFER TO THE HARP

- 4.1 The developer covenants that no more than 25% of the **Open Market Dwellings** on each phase shall be occupied until 25% of the **Affordable Housing Units** (including the **Affordable Housing Land**) on each phase have been constructed and the unencumbered freehold thereof has been transferred to the **HARP** with full title guarantee for the **Transfer Price** subject to the undermentioned rights covenants and stair-casing provisions and ready for immediate occupation.
- 4.2 The developer covenants that no more than 85% of the **Open Market Dwellings** on each phase shall be occupied until 100% of the **Affordable Housing Units** (including the **Affordable Housing Land**) on each phase have been constructed and the unencumbered freehold thereof has been transferred to the **HARP** with full title guarantee for the **Transfer Price** subject to the undermentioned rights covenants and stair-casing provisions and ready for immediate occupation.

#### Rights

- 4.2.1 The transfer deed shall include:
- 4.2.2 a grant of full and free rights of access both pedestrian and vehicular from the public highway or roads intended to become public highway to the **Affordable Housing Land** and **Affordable Housing Units**;

- 4.2.3 a grant of full and free rights to the passage of **Services** through **Service Media** which shall be in the adjoining land up to and abutting the boundary to the **Affordable Housing Land** all such services to be connected to the mains;
- 4.2.4 as far as reasonably possible the benefit of the same rights covenants obligations and other provisions as shall apply to the **Open Market Dwellings**;
- 4.2.5 an indemnity for the **HARP** from the developer against any of the S106 financial contributions which remain at the date of the **HARP** transfer.

### **HARP's Covenants**

- 4.3 The **Affordable Housing Units** shall be subject to (and the transfer deed shall expressly include) covenants for the benefit of and enforceable by the Council that the **HARP** will:
  - 4.3.1 adopt and abide by the provisions of the **Council's Nomination Policy** for lettings of **Affordable Housing Units**;
  - 4.3.2 grant to the council the right to nominate **Applicants** from the **Council's Register** on all lettings of each **Affordable Rented Unit and Social Rented Unit**;
  - 4.3.3 not use or permit the **Affordable Housing Land** to be used for any other purpose except for the provision of **Affordable Housing Units** and in accordance with any proper requirements of the **HCA**; and
  - 4.3.4 that the **Social Rented Units** and **Affordable Rented Units** shall, in so far as is legally possible, be excluded from:
    - 4.3.4.1 The Voluntary Purchase Grant Scheme as referred to in the Housing Act 1996; and/or
    - 4.3.4.2 Any right to buy, right to acquire or social home-buy introduced in favour of the occupiers of the **Social Rented Units** or **Affordable Rented Units**; and/or
    - 4.3.4.3 Any other mechanism that could result in any of the **Social Rented Units** or **Affordable Rented Units** becoming available for sale on the open market.
  - 4.3.5 in relation to the **Social Rented Units** to include a covenant by the **HARP** that the rents charged shall be no more than 100% of **Target Rents**; or  
in relation to the **Affordable Rented Units** to include a covenant by the **HARP** that the rents charged shall be no more than 80% of the local market rents.
  - 4.3.6 The **Service Charge** payable by the occupants of any **Affordable Housing Unit** shall be limited to no more than £500 per annum from 1st October 2011 and **Index Linked** annually from the date of occupation thereafter.

## Stair-casing

4.4 The **Shared Ownership Units** shall be subject to (and the transfer deed shall expressly include) a covenant for the benefit of and enforceable by the council that in the event that **Stair-casing** occurs, the **HARP** will apply the **Notional Social Housing Grant Element** on other Affordable Housing Schemes in North Somerset (unless otherwise agreed in writing by the council); and

4.4.1 that the **HARP** shall (unless otherwise agreed in writing with the council) ensure that the initial tranche of equity share transferred to a tenant of a **Shared Ownership Unit** is not more than 40% of the **Open Market Value** and there is a limit on the rental element to a maximum annual rent equivalent to 1% of the equity retained by the **HARP** (excluding reasonable **Service Charges**).

4.4.2 that the **HARP** shall (unless otherwise agreed in writing with the council) ensure that the initial tranche of equity share transferred to a tenant of a **Shared Ownership Unit** is not more than 40% of the **Open Market Value**.

4.4.3 Where either:

4.4.3.1 following **Stair-casing** a tenant of a **Shared Ownership Unit** increases his equity share to 100%; or

4.4.3.2 a tenant of an **Affordable Rented Unit** or **Social Rented Unit** has exercised a right to buy or acquire in accordance with the legislation in force at the time of the said acquisition;

the Parties hereto agree that any such tenant shall be free from the restrictions in this Agreement as will any successor in title and the provisions of this **Schedule** shall cease to bind such an **Affordable Housing Unit**.

## 5 CHARGEES' DUTIES

5.1 Any **Chargee** shall prior to seeking to dispose of any of the **Affordable Housing Units** pursuant to any default under the terms of its mortgage or charge shall give not less than 2 months' prior written notice to the council of its intention to dispose ("the Notice") and:

5.1.1 In the event that the council responds within 2 months from receipt of the Notice indicating that arrangements for the transfer of the **Affordable Housing Units** can be made in such a way as to safeguard them as **Affordable Housing** then the **Chargee** shall co-operate with such arrangements and use its best endeavours to secure such transfer;

5.1.2 If the council does not serve its response to the Notice within 2 months then the **Chargee** shall be entitled to dispose free of the restrictions set out in this **Schedule** which shall from time of completion of the disposal cease to apply;

5.2.3 If the council or any other person cannot within 3 months of the date of service of its response under **paragraph 5.1.2** of this **Schedule** secure such a transfer then provided that the Chargee shall have complied with its obligations under **paragraph 5.1.1** of this **Schedule** the **Chargee** shall be entitled to dispose free of the restrictions set out in this Schedule which shall from the time of completion of the disposal cease to apply

**PROVIDED THAT** at all times the rights and obligations in this **paragraph 5.1** of this **Schedule** shall not require the **Chargee** to act contrary to its duties under the charge or mortgage and that the council must give full consideration to protecting the interest of the **Chargee** in respect of monies outstanding under the charge or mortgage.

*Boatyard, Portishead*



## Appendix 2 – Occupancy of Rural Affordable Housing Exception Sites

The local connection requirement on rural exception and Green Belt sites (and in very special circumstances on other sites within the boundaries of Service and Infill villages), will be secured through S106 Agreement using the following cascade approach:

The Owner for and on behalf of itself and its heirs assigns and successors in title with the intention that the following provisions shall bind the Land and every part of it into whosoever hands it may come further covenants with the council that it will ensure that the **Affordable Housing Units** are occupied in perpetuity by people who:-

- Are approved by the council as being in need of rented affordable housing and eligible for assistance through the council's HomeChoice Lettings and Assessment Policy, or;
- Are approved by the Homebuy Agent for the South West (or their successor in function) as being in need of and eligible for intermediate housing; and
- Are unable to afford to buy or rent an appropriate property locally on the open market and;
- Who in the opinion of the council fall into one or other of the following categories (in order of priority stated):
  - i. Either the applicant or partner<sup>3</sup> has continuously lived in [parish] for a min of 3 years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
  - ii. Either the applicant or partner<sup>3</sup> has previously lived in [parish] for 10 years continuously, not more than 5 years ago, immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
  - iii. Either the applicant or partner<sup>3</sup> has been continuously employed in [parish] for at least 12 months immediately preceding the date of bidding (or offer in the case of Shared Ownership housing), in work of a non-casual nature;
  - iv. Either the applicant or partner<sup>3</sup> has continuously lived in [parish] for between 12 months and 3 years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);
  - v. Either the applicant or partner<sup>3</sup> has a close relative<sup>4</sup> that lives in [parish] and has done so for at least 5 years immediately preceding the date of bidding (or offer in the case of Shared Ownership housing);

<sup>3</sup> For the purposes of this document, "partner" means either member of a married couple or of an established unmarried couple

<sup>4</sup> For the purposes of this document, "close relative" means mother, father, adult son or daughter, brother, sister or grandparents

- vi. Residents of the adjacent parishes of [list] in North Somerset who fit the above criteria in the priority order listed;
- vii. After a rented property has remained void for 3 months or a shared ownership property marketed as affordable housing for 12 months, occupancy will be allowed for other residents of North Somerset eligible for **Affordable Housing** on the basis of short term lets only, until a resident in sub **paragraphs (i) to (vi)** above becomes available.

Where more than one applicant meets any of the **Criteria** listed above (for affordable housing to rent), priority will be decided using the normal HomeChoice criteria (i.e. highest band, highest level of need and earliest effective date).

The owner shall ensure that the **Affordable Housing Units** are retained in perpetuity as **Affordable Housing**. The **Social Rented Units** will be exempt from the right to acquire or any mechanisms that enable the tenant to buy the leasehold or freehold of the unit and, on rural exception sites **Shared Ownership Units** will be restricted to a maximum equity sale of 80%.





## Appendix 3 – Affordable Housing Development Standards

The council expects all new build affordable housing across all tenure types (including conversions, alterations, extensions and re-provision where possible) whether funded with grant or negotiated at nil public subsidy, to comply with the following development standards (or successor standards), as at grant of full planning permission or reserved matters approval as appropriate:

- All houses, bungalows and ground floor flats to meet the Joseph Rowntree Foundation Lifetime Homes Standard July 2010;
- Code for Sustainable Homes Level 4 (increasing to Level 6 by 2016);
- West of England Housing Delivery Panel Development Standards or, if not a member of the WOE HDP, to comply with the council’s Non-Partner Compliance Statement (both documents available on the council’s website);
- No less than 10% of all new build affordable housing to meet an identified need (as identified by the council but typically wheelchair accessible housing);
- Secured by Design Sections 1 and 2 - North Somerset’s Crime Prevention Design Advisor must be consulted on all residential planning applications, to assess their compliance against this standard;
- Min size standards (as set out in Table 2 below);
- HCA Design & Quality Standards;
- North Somerset Council Parking Standards;
- The reasonable requirements of the HARP.

**Table 2 – Minimum Size Requirement**

Unit Type	Minimum Net Internal Floor Area
1 bed flat	46m <sup>2</sup>
2 bed flat	61m <sup>2</sup>
2 bed house/bungalow	76m <sup>2</sup>
3 bed house/bungalow	86m <sup>2</sup>
4 bed house	110m <sup>2</sup>
Anything larger than 4 beds	110m <sup>2</sup> + 10m <sup>2</sup> per person/bedspace

In addition to the above, the council has the following design/layout requirements:

- Developments are to be well integrated with the surrounding area with the buildings being aesthetically compatible and 'tenure blind';
- Affordable housing units to be indistinguishable from open market dwellings in terms of appearance, build quality and materials;
- All units with more than 1 bedroom to have a private garden area;
- All 2 bed 4 person properties must have a second bedroom of an adequate size for twin beds;
- Fixtures and fittings required:
  - All rear gardens to be turfed and generally to have 1.8m high close boarded fencing to boundaries and privacy panels;
  - All properties to have vinyl/tiles on floor in kitchens and bathrooms;
  - Ceiling height tiling to 3 sides of bath to be provided;
  - Provide wall mounted shower (either electric or valve and kit);
  - Provide gas and electric points to cooker space (where gas is available);
  - Painted softwood curtain battens to each window (where construction is traditional as opposed to timber frame).

Waivers will only be issued in exceptional circumstances. Any waiver from the above standards must be agreed in writing by North Somerset Council.

# Appendix 4 – Calculation of Commuted Sums

For the avoidance of doubt the affordable housing contribution applies to new build units, conversions of existing buildings resulting in the creation of new units and the sub division of existing residential properties resulting in additional units. This includes residential conversions and mixed use schemes involving an element of residential.

It will be a requirement of the S106 agreement that any commuted sum is payable to the council no later than start on site of the development. Sums will be indexed and bonded in accordance with council standards.

## 1. Sites of 5–9 units

On sites of 5 – 9 units, the council will expect either on-site affordable housing or a financial contribution towards its provision.

Where it is agreed by the council that a commuted sum will be accepted, the standard per unit amounts as set out in the table below will apply. The figures are calculated based on how much it would approximately cost to acquire equivalent off-site land to replace the affordable housing that would have been required on-site, plus an allowance for the indicative costs associated with a land purchase and preparing the site for development. The average market values used for each sub market area are as set out within the Three Dragons report commissioned by the council into the viability of affordable housing (available on the council's website).

The table below sets out the indicative financial contribution per dwelling type broken down into the four sub market areas identified within the Three Dragons report. The financial contribution is generated through the following steps:

- (A) The average market value of the relevant or comparable property taken from the Three Dragons report;
- (B) Multiply by the residual land value percentage of 36.69%;
- (C) Add 15% of the result of (A x B). This produces a per affordable housing unit equivalent sum;
- (D) Apply (C) to the total number of units within the scheme multiplied by the council's adopted affordable housing benchmark of 30% to arrive at the financial contribution required from the scheme

### Financial Contribution for off-site affordable housing per unit within the proposed scheme

Type of Property	Prime	Hinterland	High Value Service Areas	Low Value Service Areas
1 Bed Flat	£37,974	£17,721	£13,392	£11,076
2 Bed Flat	£53,797	£25,316	£19,409	£16,139
2 Bed House	£66,455	£30,063	£23,069	£19,936
3 Bed House	£81,265	£37,088	£28,227	£23,633
4+ Bed House	£107,435	£49,366	£37,389	£31,645

### Worked Example

Scheme: 8 units made up of 5 x 2 bed houses and 3 x 3 bed houses on a site in Clevedon.

Step 1 – Identify the appropriate level of contribution per unit by multiplying market value (taken from the Three Dragons report) by the residual land value percentage of 36.69% i.e. £66,868 per 2 bed house and £81,819 per 3 bed house;

Step 2 – Add 15% for purchasing/servicing costs giving a total of £76,898 per 2 bed house and £94,092 per 3 bed house;

Step 3 – Multiply by number of units and the councils adopted 30% affordable housing benchmark, giving a total financial contribution required from the site of £200,029.

The council guide; “5 – 9 Residential Unit Sites Affordable Housing Financial Contributions Guidance Note” is available on the council’s website, along with a contributions calculator to allow commuted sum amounts to be calculated for individual sites.

The financial contributions set out within the table above will apply for the financial year 2013/14 but will be reviewed annually as soon as practical after 1st April each year to reflect any significant changes to the data.

## 2. Sites of 10 units or more

On sites of 10 units or more, the affordable housing provision should be provided on the application site. Only in exceptional circumstances where it can be robustly justified, will off-site provision or a financial contribution in lieu of on-site provision be accepted.

Where it is agreed by the council that a commuted sum will be accepted, the amount will be calculated in the following way.

Calculation of commuted sum for each affordable housing unit:

**Approved Total Scheme Cost – Transfer Price = Commuted Sum Value.**

It is the council's intention that the commuted sum will be equivalent to the level of discount being made to the HARP. The sum will be calculated based on the tenure, size and mix of units that would otherwise be required as the on-site affordable housing, where the transfer price per unit will be deducted from the total cost of developing that unit (including land, fees, build costs and all other associated costs).

The proposed total development costs will be scrutinised by the council before approval.



*Millstream Close,  
Weston-super-Mare*

# Appendix 5 – Policy Context and Useful Links

## National

- National Planning Policy Framework (March 2012)
- Localism Act 2011

## Regional

- Strategic Housing Market Assessment (June 2009)
- South West Homes (South West Homebuy Agent)

## Local

- North Somerset Core Strategy (April 2012)
- North Somerset Housing Strategy 2010-15
- North Somerset Council Tenancy Strategy 2012
- North Somerset Sustainable Community Strategy 2008-26
- Three Dragons Report. North Somerset Council Core Strategy – Affordable Housing Policy: Viability and Deliverability Advice (Dec 2010)
- North Somerset Parking Standards Supplementary Planning Document 2013
- Guidance on delivering affordable rural housing
- 5-9 residential unit sites – affordable housing financial contributions guidance note (Jan 2013)



Council documents can be made available in large print, audio, easy read and other formats. Documents on our website can also be emailed to you as plain text files. Help is also available for people who require council information in languages other than English.

For more information please phone:

**01275 888 811**