

Advisory Note on the Implementation of Core Strategy Policy CS15

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

Revised November 2012



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A guide to the implementation of Core Strategy Affordable Housing Policy CS15

- This advisory note provides guidance on the implementation of Policy CS15 of the adopted New Forest District outside the National Park Core Strategy, and relates to proposals that are expected to include an element of affordable housing as part of their development.
- **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.** The cost of complying with planning policy requirements, such as the provision of affordable housing, public open space and recreational and transportation mitigation measures, are a development cost. Therefore, knowledge of the planning charges and contributions which will be expected as part of the development of the site will ensure that a realistic price or offer is made to a landowner when purchasing a potential development site.
- The Council offers a pre-application advice service which will help you make an informed decision about the development potential of a site. Use of this service is recommended as once a planning application is submitted and registered there is limited opportunity to amend the proposal. Further details about the pre-application advice service can be found at: <http://www.newforest.gov.uk/index.cfm?articleid=13716>
- 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 follow the approach the Council puts forward.
- This document provides a basis for negotiations. By following the advice given in this advisory note the time it takes to determine your planning application will be minimised and the probability of success increased.

(Note: For developments within the New Forest National Park refer to the New Forest National Park Authority for further information.)

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BACKGROUND INFORMATION

Provision of Affordable Housing – a key priority for New Forest District Council

The Council's Corporate Plan – Leading Our Forest Communities states the provision of Affordable Housing to be a key priority of New Forest District Council.

The Sustainable Community Strategy – Future Matters sets out the Local Strategic Partnership's priorities. For housing these are:

- 8.1 Increase the supply of affordable housing
- 8.2 Preventing homelessness and meeting the needs of special groups
- 8.3 Providing the right type of new housing to meet the needs of local communities
- 8.4 Making the best use of existing stock"

Objective 3 of the adopted New Forest District outside the National Park Core Strategy is:

"3. Housing

To provide for additional housing within the Plan Area to meet at least the requirements of the South East Plan (3,920 additional dwellings 2006-2026 which is equivalent to 196 additional dwellings a year) and to ensure that new housing provision is as far as possible directed towards addressing local housing needs, in terms of type, tenure and location, and in particular the needs of local people for housing which is affordable."

What is meant by "affordable housing"?

Affordable housing is defined in Annex 2 of the National Planning Policy Framework. It states:

"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 and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

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

Intermediate housing is homes for sale 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. "

(Note: For the purposes of implementation of Core Strategy policy CS15 'Affordable rented housing' will be considered as 'intermediate affordable housing'.)

Is the provision for affordable housing optional?

The provision of additional affordable housing is a key objective of the Core Strategy. Provision of affordable housing as part of a residential development is a requirement of the adopted Core Strategy for New Forest District outside the National Park. Planning law requires that applications for planning permission must be determined in accordance with the development plan, unless material considerations indicate otherwise¹. Failure to make appropriate provision for affordable housing on sites where there is a requirement for its provision under Policy CS15 in the New Forest District outside the National Park Core Strategy is likely to result in a refusal of planning permission.

What sort of housing is the Council seeking?

Policy CS15 of the adopted Core Strategy sets out the Council's policy aimed at securing affordable housing provision as part of private residential developments within the Plan Area. (See Appendix 1) Affordable housing provided will be a mix of social rented housing and intermediate housing, as set out in Policy CS15, and Table 1 of this document.

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. There is a particular need for family housing in the social rented sector. While the Homesearch² 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 reduce the number of over-occupied smaller dwellings.

The Strategic Housing Team will advise on this matter and you will be expected to provide affordable housing of the type and tenure advised. All dwellings must be provided in accordance with the Homes and Communities Agency (HCA) Design and Quality Standards, the Registered Provider's design brief, the Council's Local Development Framework documents (including relevant Local Distinctiveness Supplementary Planning Documents) and any other guidance that may be produced. All these can be made available at an early stage.

Who will live in the affordable housing provided?

Households on the New Forest District Homesearch 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.newforest.gov.uk/index.cfm?articleid=4297&articleaction=dispmedia&mediaid=21452>

¹ Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990.

² Homesearch is the housing waiting list and allocation scheme for the New Forest District.

A guide to Homesearch is available at:

http://www.newforest.gov.uk/media/adobe/i/o/Homesearch_guide_single_page_29Mar.pdf . The Council will retain nomination rights on occupancy of the housing.

IMPLEMENTING POLICY CS15

◆ What provision for “affordable housing” is required from private developments?

Most new private housing development that takes place within New Forest District is required to make some provision for new affordable housing. The landowner/developer subsidises the provision of affordable housing by providing free, clean, serviced land on which an affordable housing provider can build affordable homes.

Policy CS15 of the New Forest District outside the National Park Core Strategy sets out the requirements for affordable housing provision as part of new private developments creating dwellings. Policy CS15 is set out in full in Appendix 1 of this document. (Note: All calculations are based on the gross number of dwelling units in a development.)

Table 1 below summarises the requirements for different parts of the plan area as set out in Policy CS15. Table 1 also indicates the mix of affordable housing types normally expected to be provided.

Table 1: Quick guide to new affordable housing requirements in Core Strategy Policy CS15

Type of development \ Area	Basic affordable housing requirement Policy CS15 <i>(Based on gross number of dwellings in a scheme)</i>	<ul style="list-style-type: none"> • Replacement dwelling • Agricultural workers • Conversion/subdivision of a dwelling • Residential redevelopment for 4 or less (involving demolition of a dwelling, & less than 0.1ha) 	Greenfield sites Policy CS11 ³	Greenfield sites CS12 ⁴
Bransgore	50% 35% Social Rented 15% Intermediate <i>(70 % of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Fawley (Blackfield and Langley, Hardley and	40% 25% Social Rented 15% Intermediate	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate

³ See Appendix 1

⁴ See Appendix 1

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Holbury)	<i>(62.5% of the affordable housing to be social rented)</i>			<i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Fordingbridge	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Hordle, Everton	50% 35% Social Rented 15% Intermediate <i>(70 % of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Hythe and Dibden	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Lymington	50% 35% Social Rented 15% Intermediate <i>(70 % of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Marchwood	40% 25% Social Rented 15% Intermediate <i>(62.5% of the</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH</i>

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	<i>affordable housing to be social rented)</i>			<i>to be family housing)</i> Up to 30% Low-cost market
Milford on Sea	50% 35% Social Rented 15% Intermediate <i>(70 % of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
New Milton	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Ringwood	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	50% 35% Social Rented 15% Intermediate <i>(At least 50% of AH to be family housing)</i>	n.a.
Sandleheath Ashford	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	n.a	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market
Totton	40% 25% Social Rented 15% Intermediate <i>(62.5% of the affordable housing to be social rented)</i>	No requirement	50% 35% Social Rented, 15% Intermediate <i>(At least 50% of AH to be family housing)</i>	70% At least 40% Social Rented, up to 30% Intermediate <i>(At least 50% of AH to be family housing)</i> Up to 30% Low-cost market

Type of development \ Area	Basic affordable housing requirement Policy CS15 <i>(Based on gross number of dwellings in a scheme)</i>	<ul style="list-style-type: none"> • Replacement dwelling • Agricultural workers • Conversion/subdivision of a dwelling • Residential redevelopment for 4 or less (involving demolition of a dwelling, & less than 0.1ha) 	Greenfield sites Policy CS11 ³	Greenfield sites CS12 ⁴
Rural areas – Rural exceptions (Policy CS22)	100%	No requirement	n.a	100%

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

Affordable housing is normally provided for by the developer by transferring clean serviced land⁵, or buildings, sufficient to accommodate the required amount of affordable housing, to a registered provider, 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 and servicing up to the front door, to be at nil cost to the PRP/affordable housing provider.

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

The registered provider /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 registered provider /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 registered provider /affordable housing provider. The price should reflect build costs (rather than value of the dwellings) and exclude the value of the clean serviced land.

Subject to discussion between the developers, the registered provider/affordable housing provider and the Council, in some cases it may be more appropriate for a build contract to be agreed with the registered provider /affordable housing provider for the developer to build out the dwellings. In this case the developer will be paid by the registered provider /affordable housing provider for construction work undertaken on their behalf.

In designing a housing scheme the affordable housing should be well integrated with market housing and reflect the market housing’s character. Policy CS14(a) of the adopted Core Strategy requires affordable housing to be integrated into a development and indistinguishable from other housing on a site. Particularly on larger sites, affordable housing should be distributed in small groups of dwellings throughout the site,

⁵ (*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 RHP/affordable housing provider up to the front door of each dwelling).

avoiding concentrations in a single location. Normally groupings of social 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. Different dwelling tenures should be indistinguishable from each other in terms of appearance.

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.

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 the Core Strategy. **The Local Planning Authority's requirement for an element of affordable housing to be provided within a development site should influence the design of a scheme 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.

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.

The process of developing a design and access statement⁶ should take account of the need to provide affordable housing. Guidance is provided in the 'Housing design, density and character' Supplementary Planning Document adopted in April 2006 (<http://www.newforest.gov.uk/index.cfm?articleid=14295>), and Local Distinctiveness Supplementary Planning Documents produced by the Council (<http://www.newforest.gov.uk/index.cfm?articleid=14288>).

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

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

Core Strategy Policy CS15 identifies the circumstances where 'off-site' provision by way of a fixed financial contribution affordable housing may be made. These are:

- On developments of 4 or less dwellings in the defined built-up areas of Totton, Hythe, Lymington, New Milton and Ringwood;
- On developments of 1 or 2 dwellings in all other defined settlements.

⁶ A design and access statement is a short report accompanying and supporting a planning application to illustrate the process that has led to the development proposal, and to explain and justify the proposal in a structured way. (It is required under section 327A of the 1990 Act, which prohibits, among other things, a local planning authority from entertaining an application unless it is accompanied by a design statement and an access statement, see also Circular 01/2006)

In addition to the above, a financial contribution may be required where the full affordable housing requirement is not provided on site because the requirement involves a fraction of a dwelling. For example if the requirement is for 2.5 affordable houses, two may be provided on site and a financial contribution for 0.5 of an affordable house made towards off-site provision elsewhere.

Example of Affordable Housing requirement calculation - Scheme for 6 dwellings Ringwood

Requirement = 6 x 40% = 2.4 affordable dwellings required

2 affordable dwellings are provided on site alongside 4 market houses and a financial contribution is also paid for 0.4 dwellings to be provided by off-site provision. (Refer to table 2 below for guide.)

In the limited circumstances where off-site provision is acceptable, a developer will be expected to make an equivalent financial contribution towards the acquisition of land (on an alternative site) for the agreed number, size and type of affordable dwellings to be provided. This cost will be based on acquiring 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. (In some circumstances financial contributions may be used to acquire existing buildings for use as affordable homes.)

Financial contribution towards affordable housing provision will be additional to any other planning charges or tariffs required by the development.

Off-site provision on an alternative site, rather than a financial contribution, may 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 PRP/affordable housing provider), or;
- Where provision "on-site" would necessitate an unacceptable level of alteration to a listed building.

◆ How much will the fixed financial contribution for affordable housing be?

Off-site financial contributions are taken so that a registered provider / affordable housing provider can purchase a suitable development site on which to build affordable homes, or to subsidise the provision of social rented housing on sites where social rented housing cannot be achieved without public subsidy. The financial contribution should 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).

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). Where the Local Planning Authority accepts a financial contribution is appropriate (see Policy CS15) this may be negotiated on a site by site basis. However, as a guideline table 2 sets out the contribution levels (based on plot values) that the local planning authority will normally use to calculate an acceptable financial contribution. The figures in Table 2 are based on the likely costs (per unit of affordable housing required) of acquiring a plot of clean and serviced land on which to build the affordable housing. Where the contribution levels set out in Table 2 are not accepted by an applicant, the figures given will be the basis for negotiating the appropriate financial contributions towards the required affordable housing provision.

Table 2: Plot values used to assess off-site financial contributions

Dwelling plot value per unit/ Sub-Area	1 & 2 bedroom flat	2 bedroom dwelling	3 bedroom dwelling	4 bedroom dwelling	5 or more bedroom dwelling ⁷
West	£38,075	£62,000	£83,275	£95,250	Subject to individual assessment
South	£34,375	£63,850	£91,800	£97,350	Subject to individual assessment
East	£19,025	£45,150	£62,675	£62,675	Subject to individual assessment

For the purposes of the off-site financial contributions set out in Table 2 above, the Sub-Areas are as follows:

- **West Sub-Area** includes: Ashford, Bransgore, Fordingbridge, Ringwood and Sandleheath
- **South Sub-Area** includes: Hordle, Everton, Lymington & Pennington, Milford on Sea, New Milton and Barton on Sea
- **East Sub-Area** includes: Fawley, Blackfield, Langley, Hardley, Holbury, Hythe and Dibden, Marchwood, Totton and Eling

Example - Affordable housing contribution calculation

Proposed development is two three bedroom houses in New Milton

2 (dwellings) x 0.40 (40% requirement to be affordable) = 0.8 dwellings to be affordable

0.8 (AH requirement) x £91,800 (cost of purchasing off site plot for 3 bed affordable dwelling in South Sub Area) = £73440 (off- site financial contribution required)

The figures set out in Table 2 apply from 1st June 2010 until further notice. (To date, reviews of these figures, undertaken by the Council, have not identified a need to revise the figures either up-wards or downwards.)

In certain circumstances, where a particular site has unusually high and abnormal costs associated with its development, and as a consequence charges set out in Table 2 are not viable, the Council is prepared to enter into limited negotiations about the amount payable. (See below)

⁷ Contact NFDC Estates and Valuation Team

◆ **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 registered provider /affordable housing provider. In the absence of public subsidy the Council will negotiate with a registered provider/ affordable housing provider to forward fund the scheme. If this is not possible the land and/or contributions 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 PRP/affordable housing provider and developer, the Council will monitor costs to ensure value for money is being achieved and public subsidy requirements are limited.

◆ **What if it is not economically viable to provide the full affordable housing requirement?**

The requirements for the provision of affordable housing as part of a residential development have applied since the Core Strategy was adopted in October 2009. In most cases economic viability should not be a significant issue. The cost of making provision for affordable housing in accordance with the policies of the Development Plan is a known cost on the development that should be factored into calculations of development costs from the earliest stage in a project and consequently should be reflected in the purchase/option price of land (the site value).

Although the national economic down-turn has had an impact on the local housing market in New Forest District since the Core Strategy was adopted, this has been more limited than in other parts of the country. Land Registry data (available on the CLG web site), shows that house prices in New Forest District have returned to the levels they were at when the District Council's evidence base supporting the Core Strategy, 'Affordable Housing Economic Viability Assessment' was undertaken in 2007. Accordingly, it is expected that the provision of affordable housing as part of a scheme of development in accordance with CS15 will normally be economically viable for all developments falling within the scope of the policy.

There may be exceptional circumstances however in which providing the target level of affordable housing specified in Policy CS15 would make an otherwise acceptable development unviable. Circumstances when this may occur could include where a site has unusually high costs associated with its development, for example, in order to resolve a site contamination issue which was unknown at the time of site acquisition. Whilst a scheme which cannot afford to make any or only limited provision for affordable housing would not be consistent with meeting Core Strategy objectives and policies CS15 and CS25, and would therefore not normally be acceptable, the Core Strategy does allow for negotiation with applicants on the type of affordable housing to be provided and thereafter on the amount of affordable housing to be provided, in order to overcome difficulties of viability.

Policy CS15 states:

"Where it can be demonstrated that provision of the target level of social rented and/or intermediate affordable housing is not economically viable the Council will; first, seek to maximise the potential for affordable housing contributions from that development by allowing a higher proportion of intermediate housing to be provided to

*meet the overall housing target; second, seek to negotiate a percentage of affordable housing **as close as possible to the target level set in this policy**, having regard to a site specific economic viability assessment”.*

Policy CS25 states that: “...regard will be had to economic viability considerations consistent with meeting Core Strategy objectives.”

If ‘exceptional circumstances’ do arise affecting the viability of developing a site in accordance with development plan policies, it is important that you discuss this matter with the local planning authority at the earliest opportunity, and in advance of submitting a planning application. It will be up to applicants to clearly demonstrate why any deviation from Policy CS15 is believed to be necessary.

In addition to costs relating to the provision for affordable housing, there are likely to be further costs arising from other development requirements. Where contributions are necessary to make a particular development acceptable in planning terms, such as to provide public open space and transport infrastructure to mitigate the impact of development, they will not normally be negotiable. Attention is drawn to para. 176 of the National Planning Policy Framework which states:

“176. Where safeguards are necessary to make a particular development acceptable in planning terms (such as environmental mitigation or compensation), the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements. ”

You should seek advice on the likely cost of these other contributions from the Council and take them into account when considering acquiring a development site and planning a development. Detailed advice is available when using the Council’s pre-application advice service.

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 complying with policies of the Development Plan, including the provision of affordable housing, as well as other planning contributions and development costs.

◆ **How will economic viability of a scheme be assessed?**

Where the applicant does not propose to meet the planning policy requirements applicable to a development on the grounds of economic viability, the Council will seek evidence to explain why the site cannot be viably developed in accordance with planning policies. The assessment of the viability of a scheme will be based on the Housing and Communities Agency’s Development Appraisal Tool. This can be viewed on the HCA website at: <http://www.homesandcommunities.co.uk/ourwork/development-appraisal-tool>.

When considering purchasing or putting an offer in on a site, this model will assist you in ensuring that you acquire the site at a realistic price to enable you to develop an economically viable scheme in accordance with development plan policies.

When entering into negotiations regarding the affordable housing provision to be made, the Council will not be sympathetic to economic viability arguments for reducing the affordable housing provision where it is clear that a site has been acquired at a plot value which did not take into account requirements of the development plan, including the affordable housing policies.

NOTE: For the modelling, 'Developer's return' (developer 'profit' (before taxation) on the open market housing as a percentage of the value of the open market housing) will be assumed to be 15%.

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

When submitting a planning application for a development that involves making provision for affordable housing, the inclusion of an 'Affordable Housing Statement' with the planning application will aid the efficient consideration of the proposed development, and is essential if viability issues need to be addressed in detail. Advice on preparing the 'Affordable housing statement' can be given as part of the Council's Pre-Application Advice Service. (For further details see: <http://www.newforest.gov.uk/index.cfm?articleid=13716>)

An Affordable Housing Statement 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 Planning Obligation (S106 agreement) and contact details for legal representatives dealing with this matter
- 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.

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

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.

To speed the planning process, pre-application discussions will clarify the Council's requirements. A planning application should be accompanied by a draft agreement or a statement identifying a willingness to enter into an Agreement to pay contributions and confirmation of the scale/extent of the contributions offered. The terms of any planning obligation/ legal agreement will be agreed and an Agreement should be drawn up and signed as part of the application process. The local planning authority may refuse planning permission where there has been a failure to complete any necessary agreement prior to the application decision target date.

For an outline planning application, a planning Agreement 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 agreement 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.

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 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.

◆ **How do I find a Registered Provider to work with?**

It is important that a Registered Provider is involved as a partner in the project at an early stage. You should approach the District Council's Strategic Housing Team who will advise you on affordable housing providers to work on a particular site. In selecting the Registered Provider, 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 District Council will only provide grant funding, or support bids for HCA funding, to a Registered Provider which it has agreed should work on particular sites.

◆ **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.

◆ **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 Registered Provider. In the case of flats a lease of 125 years may be agreed.

Appendix 1: Policy extracts from adopted Core Strategy

Policy CS11 New housing land allocations

Provision will be made for new housing development during the plan period, by identifying sites in the Sites and Development Management Development Plan Document for:

- (i) around 100 dwellings at Totton; and
- (ii) around 150 dwellings at Ringwood.

Policy CS12 Possible additional housing development to meet a local housing need

Additional sites will be identified adjoining the main towns and larger villages to allow for housing to specifically address identified local needs for affordable housing and low-cost market housing (in accordance with policy CS15(b)) which will not otherwise be met. These sites will be identified through the Sites and Development Management Development Plan Document, working with local communities.

These sites could provide for:

- (a) up to around 50 dwellings at Totton (in addition to the 100 dwellings proposed under Policy CS10(e)(iii) and Policy CS11 (ii))
- (b) up to around 150 dwellings at Marchwood
- (c) up to around 50 dwellings at Hythe
- (d) up to around 150 dwellings at Lymington
- (e) up to around 110 dwellings at New Milton
- (f) up to around 100 dwellings at Fordingbridge
- (g) up to around 200 dwellings in total from small sites at the smaller defined villages provided from sites of:
 - up to about 30 dwellings at each of Blackfield and Langley, Hardley and Holbury, Fawley, and Milford-on-Sea ,
 - up to around about 10 dwellings at each of Hordle, Everton, Bransgore, Ashford and Sandleheath.

The total provision under this policy during the period 2006-2026 should not exceed around 810 dwellings.

Development permitted under this policy will be subject to the affordable housing contribution requirements set out in Policy CS15(b) below.

Policy CS14 Affordable housing provision

The Council's housing target of providing at least 100 additional affordable dwellings per annum within New Forest District will be addressed by:

- (a) requiring provision to be made for affordable housing as part of all new developments providing residential accommodation, subject to Policy CS15 below. Affordable housing provided will be integrated into the development and be indistinguishable from other development on the site.
- (b) the District Council and Registered Social Landlords or approved Affordable Housing Providers continuing to develop sites which provide 100% affordable housing (primarily social rented housing), both within existing built-up areas and on exceptions sites.
- (c) on suitable land in Council ownership within the defined towns and villages, maximising suitable opportunities to increase social-rented housing provision.
- (d) encouraging other public sector land owners to review their land holdings with a view to making suitable sites available for affordable housing provision.

- (e) making additional provision for affordable housing on rural exception sites in accordance with Policy CS22.

Policy CS15 Affordable housing contribution requirements from developments

Private developments creating new dwellings will be required to contribute towards the provision of affordable housing by making provision as set out below, under one of requirements (a) to (d). Affordable housing provision will not be required where the development is:

- a single replacement dwelling
 - an agricultural/ forestry workers dwelling or commoners' dwelling (but the removal of an occupancy condition will require an affordable housing contribution)
 - the conversion or subdivision (without significant extension) of an existing dwelling
 - a residential redevelopment scheme for 4 or less dwellings, involving the demolition of at least 1 dwelling, and where the site size is smaller than 0.1 hectare.
- (a) On greenfield housing site allocations (except for those covered by (b) below) the target is 50% affordable housing, of which 35% of the total dwellings will be social rented housing and 15% of the total dwellings will be intermediate housing. At least 50% of the affordable dwellings provided should be family housing.
- (b) On greenfield housing sites released specifically to meet an identified local need for affordable housing which will not otherwise be met (under Policy CS12), the target will be a minimum of 70% affordable housing. The development should provide a minimum of 40% social rented housing and 30% intermediate affordable housing. The remainder of the site should be developed for low-cost market housing which could include starter homes, self-build units and extra-care housing. At least 50% of the affordable dwellings provided should be family housing.
- (c) Within the defined settlements of Lymington, Everton, Hordle and Milford-on-Sea and Bransgore, the target is for 50% of all new dwellings on the site to be affordable housing, of which 35% of the total dwellings will be social rented housing and 15% of the total dwellings will be intermediate housing.
- (d) Within the other defined towns and villages⁸, the target is for 40% of all new dwellings to be affordable housing, of which 25% of the total dwellings will be social rented housing and 15% of the total dwellings will be intermediate housing.

Provision will normally be made on site. The affordable housing should reflect the type and size of the development as a whole, and should include family housing if that is provided as part or all of the market provision.

Where it can be demonstrated that provision of the target level of social rented and/or intermediate affordable housing is not economically viable the Council will: First, seek to maximise the potential for affordable housing contributions from that development by allowing a higher proportion of intermediate housing to be provided to meet the overall housing target; Second, seek to negotiate a percentage of affordable housing as close as possible to the target level set in this policy, having regard to a site specific economic viability assessment.

⁸ Totton, Marchwood, Hythe and Dibden, Hardley and Holbury, Blackfield and Langley, New Milton, Ringwood, Fordingbridge, Sandleheath, Ashford

In the following circumstances the affordable housing contribution may be made by payment of a fixed affordable housing contribution/ tariff rather than on site provision. This will be additional to any other planning charges or tariffs (including Community Infrastructure Levy) required by the development.

- **On developments of 4 or less dwellings in the defined built-up areas of Totton, Hythe, Lymington, New Milton and Ringwood;**
- **On developments of 1 or 2 dwellings in all other defined settlements.**

The contributions will be used to enable additional affordable housing provision on alternative sites, or to subsidise the provision of social rented housing on sites where social rented housing cannot be achieved without public subsidy.

In settlements where the site size threshold for affordable housing provision had previously been set at 15 or more dwellings⁹, on developments of 14 or fewer dwellings, the above affordable housing contributions will be applied subject to a 50% discount in the affordable housing provision required until 31 December 2010.

⁹ Totton, Marchwood, Hythe and Dibden, Hardley and Holbury, Blackfield and Langley, Lymington, Hordle, New Milton, Milford-on-Sea, Ringwood, Fordingbridge

Appendix 2: Dwelling Size requirements

Table 1: Dwelling Size Requirements for Affordable Housing

Property type and accommodation requirements ¹⁰									
Type	Occupancy	GIA M ²	Floors	Beds	Bath	WC	Kitchen	Living	Dining
1	2	45 to 50	1	1	1	1	✓	✓	✓
2	4	67 to 75	2	2	1	2	✓	✓	✓
3	5	75 to 85	1	3	1	2	✓	✓	✓
4	5	82 to 85	2	3	1	2	✓	✓	✓
5	6	85 to 95	1	4	1	2	✓	✓	✓
6	6	95 to 100	2	4	1	2	✓	✓	✓
7	6	100 to 105	3	4	1	2	✓	✓	✓
8	7	108 to 115	3	4	1	2	✓	✓	✓

Affordable housing provided should comply with Housing Quality Indicators (HQIs) and will therefore be required to meet the above unit size and living spaces requirements.

Housing Quality Indicators (HQIs) measure the quality of housing schemes funded through the National Affordable Housing Programme (NAHP).

The Housing Quality Indicators (HQI) system is a measurement and assessment tool to evaluate housing schemes on the basis of quality rather than just cost. They incorporate the design standards required of affordable housing providers receiving funding through the NAHP.

Further guidance on the requirements is given in the National Affordable Homes Agency "721 Housing Quality Indicators (HQI) Form".

¹⁰Based on The National Affordable Homes Agency: Housing Quality Indicators

Appendix 3: Contacts and References

Contacts at New Forest District Council

Your first point of contact should be the Planning Development Control case officer.

Planning Development Control

Tel: 02380 285345

dev.control@nfdc.gov.uk

Strategic Housing Team

Tel: 023 8028 5126

strategic.housing@nfdc.gov.uk

Estates and Valuation Team

Tel: 02380 285588

andy.groom@nfdc.gov.uk

Policy and Plans Team

Tel: 02380 285345

dev.control@nfdc.gov.uk

Environmental Design

Tel: 02380 285345

dev.control@nfdc.gov.uk

New Forest District Council - General

Appletree Court, Lyndhurst, SO43 7PA

Tel: 02380 285000

www.newforestdc.gov.uk

References

Housing design, density and character, Supplementary Planning Document	NFDC	http://www.newforest.gov.uk/index.cfm?articleid=14295
Design and Quality Standards	Homes and Communities Agency	http://www.homesandcommunities.co.uk/design_quality_standards
Housing Quality Indicators	Homes and Communities Agency	http://www.homesandcommunities.co.uk/hqi
Standards & Quality in Development	National Housing Federation	http://www.housing.org.uk/publications.aspx?p=35
Urban Design guidance		<ul style="list-style-type: none"> • Design Codes: A Practice Guide. • English Partnerships' Quality and Innovation publications • Housing Corporation Design and Quality Strategy • Building for Life guidance • Code for Sustainable Homes • Manual for Streets
EcoHomes: BREEAM/ Code for Sustainable Homes	BRE CLG	www.breeam.org/ecohomes.html www.breeam.org/page.jsp?id=86 http://www.communities.gov.uk/planningandbuilding/sustainability/codesustainablehomes/