



Hinckley & Bosworth
Borough Council

A Borough to be proud of

AAP 12

Adopted February 2011

Local Development Framework

Affordable Housing

Supplementary Planning Document



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2. INTRODUCTION

2.1 Background and Objectives

The Affordable Housing Supplementary Planning Document (SPD) forms part of the Hinckley and Bosworth Local Development Framework and expands upon policies contained within the Core Strategy (2009). It will provide additional planning guidance and will be used as a material consideration in determining planning applications. The document replaces the Affordable Housing Supplementary Planning Document (SPD) adopted in April 2008.

2.2

The Government's key objective for affordable housing is that:

"everyone should have the opportunity of a decent home, which they can afford, within a sustainable mixed community"

2.3

Reflecting the aims of national policy, the key objectives of this Affordable Housing SPD are:

- to provide guidance and further detail relating to the Council's policies 15, 16, 17 and 18 of the adopted Core Strategy;
- to optimise the provision of affordable housing as part of new housing developments in the Borough; and
- to encourage the timely delivery of affordable housing.

2.4

A number of key Council services are involved in the development process and will co-operate closely to ensure the minimum delay to planning applications. Development Management negotiate, and subsequently monitor, Section 106 Agreements, which include the affordable housing provision, with significant input and advice from the Housing Strategy and Enabling Officer and Community Services (Housing) department on housing needs issues. Legal Services are involved in the drafting of the Agreements.

2.5

The document includes information on the following areas in order to assist developers and their partners:

- Planning policy context;
- Definition of affordable housing;
- Targets for delivery of affordable housing in the Borough, including in rural areas;
- Negotiating affordable housing, including thresholds, tenure, housing mix and design and the conditions for acceptance of commuted sums;
- Delivering affordable housing through s.106 agreements and Rural Exception Sites.

2.6

In line with Government guidance this SPD will be regularly monitored and reviewed to ensure that it continues to help to meet the identified housing needs in Hinckley & Bosworth.

2.7

The document also takes account of consultation on the development of the Local Development Framework and the Housing Strategy 2010-2013 and ongoing discussions with the Council's key partner Registered Social Landlords (RSLs).

2.8 Consultation

Consultation on this document took place over a 6 week period from Monday, 11 October 2010 to Monday, 22 November 2010.

2.9

The Council considered all representations made within this period in preparing the final document. Responses from the consultation and the Council's replies were published on the Council's website.

3. STRATEGIC CONTEXT

3.1 Context

The SPD has had regard to national guidance as well as the adopted Core Strategy and Community Strategy. Outlined below is a brief summary of the documents considered.

3.2 National Policy

Guidance on planning policy is issued by central Government in the form of Planning Policy Statements (PPS). Local Planning Authorities have to take the contents of these Statements into account when determining planning applications and preparing documents for the Local Development Framework.

3.3

Planning Policy Statement 1 (PPS1) "Delivering Sustainable Development" (2005) states that the Government is committed to developing strong, vibrant and sustainable communities and to promoting community cohesion in both urban and rural areas. Development plans should therefore promote development that creates socially inclusive communities, including suitable mixes of housing. Plan policies should deliver safe, healthy and attractive places to live.

3.4

The Government's vision for the future for greater choice and opportunity in housing across England was set out in '**Sustainable Communities: Homes for All (2005)**':

"A flourishing fair society, based on opportunity and choice for everyone depends upon creating sustainable communities – places that offer everyone a decent home that they can afford in a community in which they want to live and work, now and in the future".

3.5 Planning Policy Statement 3 (PPS3) "Housing" (June 2010)

PPS3 sets out the definition for affordable housing which for convenience is outlined in the glossary at the end of this document. Key points from PPS3 on affordable housing include:

- "The specific outcomes that the planning system should deliver are mix of housing, both market

and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, urban and rural".

- "Key characteristics of a mixed community are a variety of housing, particularly in terms of tenure and price, and a mix of different households such as families with children, single person households and older people."
- "Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:
- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.
- The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%).
- The size and type of affordable housing required."
- Local authorities should take account of the need for low-cost market housing, even though this is no longer deemed to be "affordable housing".
- PPS3 introduces new definitions of affordable housing, social rented housing and intermediate affordable housing (see glossary).
- Local Development Documents should set an overall target for the amount of affordable housing, separate targets for social-rented and intermediate affordable housing, the size and type of affordable housing needed in particular areas and sites, the threshold for affordable housing and the approach to the use of commuted sums.
- Local Development Documents should also reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing.
- Local authorities should be pro-active in their approach to rural affordable housing and should adopt delivery targets. They should consider allocating sites solely for affordable housing, in addition to having an Exception Site policy. Exception sites should seek to accommodate those who "are either current residents or have an existing family or employment connection".

- Local authorities should set out the design standards that set out the quality of development that will be expected for the local area, including places that are attractive, safe, accessible, functional and inclusive, and make efficient and effective use of land.

3.6

'**Delivering Affordable Housing**' was published in November 2006 as a companion guide to PPS3 and expands on some of the key themes outlined in PPS3. In particular it focuses on:

- The roles of local and national government;
- Definition and types of affordable housing;
- Affordable housing providers;
- The Homebuy scheme;
- Provision of grant and developer contributions.

3.7

The Localism Bill was presented to Parliament in December 2010. It includes proposals which, if enacted, will directly affect planning and housing issues, specifically:

- The intention to abolish Regional Spatial Strategies, and with it, the regional housing targets;
- Local communities will be able to propose development which, if it meets certain safeguards and gets 50% of support in a local referendum, will be able to be built without planning permission. (known as the Community "Right to Build");
- The abolition of the Tenants Services Authority, which currently regulates Registered Social Landlords.

3.8 Local Policy

The Planning and Compulsory Purchase Act 2004 s.38(6) provides the legislative background for policies on Affordable Housing so that affordable housing policies contained in the development plan are a material consideration in all planning applications. The development plan currently consists of the Hinckley and Bosworth Local Development Framework, which includes the Core Strategy adopted December 2009, and the Hinckley and Bosworth Borough Council Local Plan adopted February 2001.

3.9

Whilst the policy documents included in this section are relevant to Hinckley and Bosworth Borough Council, some local policy is derived with partners within the Housing Market Area, which comprises of the seven Leicestershire district councils and the unitary Leicester City Council.

3.10

The Leicestershire Sustainable Communities Strategy and Hinckley and Bosworth Community Plan

The Local Development Framework is a key mechanism for delivering the spatial aspirations of the Leicestershire Sustainable Community Strategy and the Hinckley and Bosworth Community Plan. The Sustainable Communities Strategy sets out the priority outcomes for Leicestershire for the next 5 years, from 2008- 2013. Leicestershire Together, aims to improve the quality of life for the people of Leicestershire and make Leicestershire the best possible place to live and work for everyone. The Hinckley and Bosworth Community Plan provides the local interpretation of the Sustainable Communities Strategy.

3.11

The Hinckley and Bosworth Core Strategy, adopted December 2009, includes three specific policies relating to Affordable Housing:

- Policy 15 "Affordable Housing" gives a target for the number of affordable housing units to be delivered across the borough and a specific target for rural areas has been identified, and the thresholds and targets for provision on site
- Policy 16 "Housing Density, Mix and Design" requires a mix of housing types and tenures to be provided on qualifying sites.
- Policy 17 "Rural Needs" sets out the principles of provision of housing through a "Local Choice" or "Rural Exception Site" policy and defines the criteria for having a local connection.
- Policy 18 "Provision of Sites for Gypsies, Travellers and Travelling Showpeople" gives the requirement for new sites for gypsies, travellers and travelling show people, and the conditions under which planning permission would be granted.

3.12

This SPD will provide supplementary guidance on policies 15, 16 and 18. A separate Supplementary Planning Document provides additional guidance to support the content of Policy 17.

4. HOUSING STRATEGY CONTEXT.

4.1 Local Strategy

The **Hinckley and Bosworth Housing Strategy 2010-2013**, considers housing needs and aspirations across the whole Borough. One of the aims of the Strategy is to deliver better balanced housing markets. Housing Strategy recommends that in order to increase the supply of affordable housing, and to make better use of existing stock the following are required:

- Ensure that the Strategic Housing Market Assessment is updated regularly;
- Use initiatives to deliver affordable housing outside of Section 106 agreements;
- Initiatives to encourage underoccupying Council tenants to move to smaller accommodation;
- Continued work with the Rural Housing Enabler to increase the supply of rural affordable housing.

4.2

The Council's **Strategic Objective for Housing** is to 'Secure decent, well-managed and affordable housing across the Borough'.

5. THE EVIDENCE BASE

5.1

Leicester and Leicestershire Strategic Housing Market Area Assessment (2009) was adopted in January 2009. The Housing Market Area covers the seven district councils in Leicestershire and the unitary Leicester City Council. The Strategic Housing Market Assessment:

- Identifies and defines housing market areas.
- Establishes the strategic and policy context within which the housing market operates.
- Examines the housing market and how it operates – principally looking at the dynamic between dwellings and households.
- Considers recent and current trends in supply and demand.
- Considers the broad impact of economic and demographic trends on supply and demand.
- Defines the various factors which drive the demand or need of different groups of people for different types of housing in different parts/areas of the housing market.
- Considers the potential future trends in supply and demand.
- Identifies the broad magnitude of different tenures of dwellings required within the housing market area.
- Assesses the overall surplus or shortfall of housing relative to demand and how this breaks down by area, tenure etc given current policy and considers options to intervene to readdress any imbalances.

5.2

It is recommended in PPS3 that Local Planning Authorities should take into account information from the Strategic Housing Market Assessment. This document was adopted in January 2009 and will not be a snapshot in time, but will be regularly updated to continually monitor changes in the housing markets.

5.3

The key findings in the Strategic Housing Market Assessment are as follows:

- To meet the level of housing need in Hinckley and Bosworth, 76% of all new housing would need to be affordable;
- The extent of estimated need in all areas now means that the proportion of affordable housing actually sought in policy must be more dependent on specific local factors such as land availability and site viability;
- The Strategic Housing Market Assessment identified a number of housing sub markets within the districts by looking at patterns of house moves, house prices and local knowledge;
- In the Borough, analysis indicates that 21% of affordable housing should be for intermediate tenure; and
- The Strategic Housing Market Assessment suggests a mix of housing to best meet the need for housing in the Borough, and suggests Councils should work towards this mix of housing.

5.4

The Strategic Housing Market Assessment estimates that in order to meet housing need in rural areas in Hinckley and Bosworth, the Council would need to supply 40 to 50 new dwellings per year (figure 4-32, page 106 of the Strategic Housing Market Assessment). The site threshold set out in the Local Plan was 25 dwellings throughout the Borough. This has led to very little new affordable housing being provided via section 106 agreements in rural areas over the last 15 years, as very few rural sites met those thresholds, and those that did were in the key rural centres.

5.5

The decision has been made, in line with the guidance in PPS3, that thresholds in the rural areas will be reduced to capture the fact that smaller sites are brought forward in smaller settlements. However no contributions will be required on sites of 3 dwellings or less.

5.6

The **Affordable Housing Viability Assessment**, carried out by Three Dragons Consultants in July

2009, tested the sub markets for Hinckley and Bosworth Borough set out in the Strategic Housing Market Assessment to define what level of affordable housing provision would be viable in the different areas. The results would support differential targets in urban and rural areas and were used to inform the levels put forward in the Core Strategy. However, the Affordable Housing Viability Assessment uses the submarkets to recommend a variety of levels across the Borough. In order to give clarity to Development Management Officers, developers and land owners, the Council has suggested two levels to be applied across the Borough detailed in Policy 15 of the Core Strategy.

5.7

The Borough Council’s **Housing Register** records the needs and preferences of applicants for Council accommodation. The Register is regularly reviewed and updated and a range of management reports can extract information about the situations of current applicants or groups of applicants with selected characteristics. The Register alone does not give a comprehensive picture of housing need in the Borough but can provide useful information when considered in conjunction with other sources of information.

5.8

Local Housing Needs Surveys are carried out by the Rural Housing Enabler and focus on identifying the housing needs in rural parishes and settlements. The survey looks at need for affordable housing and any other housing issues such as the need for entry level market housing, or the need for smaller units of accommodation. To build up a picture of the level of housing need in rural areas, every parish in the Borough will have a Housing Needs Survey carried out and updated every 5 years to ensure that rural developments are tailored to the needs of the community.

6. NEGOTIATING AFFORDABLE HOUSING IN HINCKLEY AND BOSWORTH

6.1

The following paragraphs set out the Borough Council’s overall expectations in terms of affordable housing which applicants should consider when submitting a planning application. Developers will be expected to engage with the Housing Strategy and Enabling Officer at pre application stage, so that detailed plans and proposals will reflect the affordable housing requirements of the area and the Borough.

6.2 Thresholds

The following table shows the size of sites where affordable housing will be required:

Location	Site size
Urban (Hinckley, Barwell, Burbage and Earl Shilton but not the SUEs)	15 dwellings or more, or sites of 0.5 ha or more
Sustainable Urban Extensions – Barwell and Earl Shilton	15 dwellings or more, or sites of 0.5 ha or more
Rural areas (all sites not in the above categories)	4 dwellings or more, or sites of 0.13 ha or more.

6.3

The thresholds and targets set out will apply to allocated and unallocated sites, and to sites where renewal of planning permission is sought. Where sites are released for housing but developed in separate phases, the threshold and targets for affordable housing will be considered with reference to the total site size, and affordable housing will be expected to be provided proportionately across each phase. Sub division of sites will therefore not lead to a circumvention of the thresholds and targets set out in this document.

6.4 Targets

The Hinckley and Bosworth Core Strategy 2009 sets out the expectation for affordable housing in policy 15: Affordable Housing. Policy 15 sets a target of a

minimum of 2090 affordable homes to be provided in the Borough from 2006 to 2026.

6.5

The following targets will apply to the provision of affordable housing:

Location	On site target
Urban (Hinckley, Barwell, Burbage and Earl Shilton but not SUEs)	20%
Sustainable Urban Extensions – Barwell and Earl Shilton	20%
Rural areas (all sites not in the above categories)	40%

6.6

Where the calculation of the affordable housing contribution is not an exact number, the requirement will be rounded up to the next full number for on site provision.

6.7

The Council assumes that the cost of meeting the affordable housing requirement will be reflected in the land value for housing sites. It also expects land prices to take account of all development costs, which could have reasonably been foreseen. Such costs include site clearance and demolition, build costs, landscaping, archaeological and ecological surveys and resulting works, land contamination remediation, drainage, planning and highway requirements and other Section 106 obligations. Any reductions to section 106 contributions need to be negotiated by the Council with the lead organisations involved, e.g. county council, PCT and the Police.

6.8 Tenure and Mix

The provision of affordable housing is to ensure that provision is made for people who could not afford to buy a house on the open market. The majority of such people would be unable to purchase any property however modestly priced, and will therefore be reliant on the rental market to meet their housing needs. However provision also needs to be made for people who would be able to get onto the home ownership ladder with

some type of subsidy to assist their purchase. It is therefore important to provide a mix of affordable housing tenures to meet the needs of both of these groups.

6.9

However, the Council acknowledges the contribution that low cost market housing can make to people aspiring to home ownership, and will therefore consider any application for low cost market housing on its own merit, on a site by site basis.

6.10

PPS3 advises that Local Planning Authorities should specify the type and size of affordable housing on appropriate sites. When determining the affordable housing mix, in addition to the Strategic Housing Market Assessment, the authority will have regard to the evidence of its own local Housing Needs Studies and the Housing Register, also, where appropriate, the latest Census data, Land Registry house price data, CORE returns for RSLs and homelessness data.

6.11

The Strategic Housing Market Assessment identifies twenty four housing sub markets in the Borough, and makes the point that Hinckley and Bosworth is still fairly rural in nature. There is very little private rented housing throughout the Borough, and levels of owner occupation are high. Affordable housing therefore plays an important part in meeting the needs of residents of the Borough, and therefore it is important to maintain flexibility to allow housing development to respond to any known need in a specific submarket within the Borough.

6.12

The mix of affordable housing may therefore be negotiated on individual sites to respond to those variations, taking into account the current mix of housing in the area, and the needs of any specific groups such as older people, which are not currently being met.

**KEY POLICY PRINCIPLE AH1:
TENURE TYPE AND MIX**

On sites where affordable housing is being sought, the Council's first priority is for affordable social rented housing rather than other tenure types. Negotiations with developers and partner RSLs should therefore be based on the following priorities:

1) Social Rent

The Council's first priority is the provision of rented accommodation to meet the needs of people in highest need in the Borough. Local situations will vary, but the Council will expect at least 75% of all new affordable accommodation in the Borough to be for social renting.

2) Intermediate Tenure

The Council believes that intermediate tenure has a role in meeting housing need in the Borough. This includes products such as New Build HomeBuy, HomeBuy Direct and Rent to Homebuy. This tenure type is of secondary priority to rented accommodation. It is therefore anticipated that this will make up the remaining 25% of new affordable accommodation.

3) Other Tenures

Low-cost market housing, formerly considered as affordable housing, no longer meets the definition of affordable housing as outlined in PPS3.

6.13 Local Need

As a starting point, the affordable housing on site will be expected to reflect the mix of dwelling types being developed. However if evidence shows that there is a particular need for certain dwelling types in an area, this may be negotiated between the Council and the developer, having regard to the overall balance of the dwellings on site and viability issues.

6.14

Any differences to the affordable housing element on site will usually be in the mix rather than the quantity of dwellings. However in exceptional circumstances, where viability has been proven to be an issue, or where the Council request more

expensive dwelling types such as larger houses, a reduction in the total number of affordable housing may be negotiated.

KEY POLICY PRINCIPLE AH2 : LOCAL NEED

The starting point for affordable housing provision is as set out in the Core Strategy Policy 15. Any variation to the type and size of properties for affordable housing will be determined by specific local need and the nature of development, and agreed by negotiation between the Council and the developer.

6.15 Design and Layout

PPS3 is unequivocal about good design being fundamental to the development of high quality new housing in all tenures contributing to the creation of sustainable and mixed communities. In assessing design quality regard should be had to factors such as the extent to which proposed developments are easily accessible and well-connected to public transport and community facilities and the extent to which the needs of children are taken into account through recreational areas, private gardens and informal play space.

6.16

In order to ensure that schemes meet the requirement in PPS1 for communities which are "inclusive, healthy, safe and crime free" any site design should have regard to guidance contained in "Secure by Design" and "Safer Places". Web links to these documents are listed at the end of this document.

6.17

The Council will expect high standards of design, layout and landscaping for all developments, which respect the character of the area and reflect local distinctiveness in accordance with the Council's most up to date adopted policy and guidance. All developments must be in sympathy with, and have regard to, local vernacular design.

6.18

To ensure the creation of mixed and integrated communities the affordable housing should not be visually distinguishable from the market housing

on the site in terms of build quality, materials, details, levels of amenity space and privacy.

6.19

As far as possible, the affordable housing should be tenure blind and fully integrated with the market housing. It should be distributed in small clusters evenly across the site or in the case of apartments; the rented element may be grouped together as long as the apartments remain integrated into the site. The size of any cluster should be proportionate to the size of the development, but in any case should not normally be larger than 6 dwellings except for very large developments or apartment blocks. Tenure blind integration should be considered at an early stage of the detailed design and layout of the site.

6.20

Where building is to take place in a conservation area or historic settlement, or a building is to be converted to affordable dwellings, regard must be had to the principles set out in any Conservation Area Appraisals carried out by the Council, and to guidance produced by English Heritage on affordable housing and the historic environment.

6.21

All affordable housing development must meet the current building standards. Any development funded by Grant from the Homes and Communities Agency, must, in addition, meet or exceed the standards set by the Home and Communities Agency's predecessor, the Housing Corporation's Design and Quality Standards (April 2007). The performance measures, which indicate compliance, are:

- For each home, Housing Quality Indicator (HQI) unit minimum scores for Size of 41, Layout of 32, Noise, services, light of 22. In meeting the HQI unit layout minimum score, it is expected that internal and external storage provision at least meets the requirements for storage specified in the HQI guidance for the occupancy and does not fall short in any aspect.
- The achievement of the Code for Sustainable Homes level 3 (three star) as a minimum. Please note that full points need to be achieved in the security section.

- An assessment against the 20 "Building for Life" criteria, which demonstrate a minimum achievement of:
 - 10 out of 20 positive responses (rural and street-fronted infill)
 - 12 out of 20 positive responses (all other developments)

KEY POLICY PRINCIPLE AH 3 : DESIGN AND LAYOUT

The distribution of the affordable housing units across a new development is essential in order to assist in the creation of sustainable communities. On larger sites the preferred option is to have small groups of affordable homes in a number of different locations on the site. The size of the cluster will be dependent on the number of dwellings on site, but the expectation is that affordable housing will be spread through the site on all developments. Developers will be expected to agree the locations with the Council and to provide details of the affordable housing distribution in the development as part of the planning application.

7. DELIVERING AFFORDABLE HOUSING IN HINCKLEY AND BOSWORTH

7.1

This section refers to the delivery of affordable housing in the whole of the Borough of Hinckley and Bosworth. Where there are conditions which relate specifically to rural areas within the Borough, they will be set out in the Rural Needs Supplementary Planning Document.

7.2 Section 106 Agreements

It may be possible to secure affordable housing using conditions attached to a planning permission, but requirements for affordable housing are often too complicated to be incorporated into a condition, and therefore the Council’s preferred approach is to use Section 106 Agreements (or equivalent).

7.3

Nomination rights to the properties will be set out in a separate nominations agreement to be negotiated by the Council and the RSL partner prior to the first letting of the affordable housing.

7.4

KEY POLICY PRINCIPLE AH 4: SECTION 106

In order to secure the provision of affordable housing and its continued availability as affordable housing, on qualifying sites the Council will seek to establish Section 106 Agreements (or equivalent). Where appropriate, this will include any requirement for a local lettings policy.

7.5 Management and Long-term Affordability

The Council wishes to ensure that affordable housing remains affordable and is occupied by local people in housing need in perpetuity. The easiest way to ensure this is for the homes to be

owned and managed by a Registered Social Landlord (RSL). Other partners will be considered under the circumstances detailed below.

7.6

The Council does not currently operate a preferred partnering arrangement for affordable housing development in the Borough. However, in order to safeguard the quality of delivery, social housing providers will be expected to:

either:

- Be Registered with the Tenant Services Authority (formerly the Housing Corporation), or with the organisation which succeeds the Tenant Services Authority on its abolition;

or:

- If not registered, be part of the Housing Management Accreditation Scheme

and:

- Be assessed as of a satisfactory standard (that is, under the current “traffic light” assessment, to have no red lights.)

KEY POLICY PRINCIPLE AH 5 : RSL PARTNERS

Developers are encouraged to involve an RSL partner at the earliest opportunity and to make full use of its experience of developing affordable housing in Hinckley and Bosworth.

7.7 Viability of development sites

Developers must appreciate that the provision of affordable housing through planning gain is of key importance for the Borough and local communities of Hinckley and Bosworth, due to the level of need for such accommodation in the Borough. However, PPS3 requires local authorities to have regard to the likely economic viability of land for housing.

7.8

To this end, Hinckley and Bosworth Borough Council commissioned Three Dragons to carry out a viability assessment to inform the setting of overall targets and thresholds for the Borough as set out in the Core Strategy. Three Dragons also developed a viability toolkit to assist with issues of viability on individual sites. The toolkit uses a residual development appraisal model, which assumes that the value of the site will be the difference between

what the scheme generates and what it costs to develop. Scheme costs are deducted from scheme revenue to arrive at a gross residual value. This gives the starting point for negotiations about the level and scope of section 106 contributions.

7.9

Where sites are declared to be unviable by the developer or land owner, the Council will ask developers to provide viability information and supporting evidence / justification for input into the viability toolkit. The viability information must cover the following points:

- Construction costs including abnormals;
- Residual land value;
- Site purchase price and date of purchase;
- Any other contractual arrangement such as up-lift or clawback provisions;
- Details of any finance agreements;
- Fees associated with purchase and site development;
- Anticipated revenue from the proposed development including a full market research report and offers from RSLs; and
- Anticipated developer profit.

7.10

Viability Toolkit screenshots can be provided on request to demonstrate the format of the information required by the council. Negotiations around section 106 contributions for affordable housing will start from the following assumptions:

- There is no grant available to support the delivery of affordable housing;
- The affordable housing provision will be a change in the mix and / or tenure of the affordable housing rather than an overall reduction in the number of units; and
- Any changes to the affordable housing provision will be in proportion to changes to other section 106 contributions and will not be disadvantaged against those requirements.

7.11

Where the developer and the Council are unable to agree the financial appraisal, the Council may request an independent viability assessment. Both parties will abide by the results of the independent viability appraisal. Any specialist technical information requiring assessment for the purposes of agreeing the toolkit will be carried out at the developer's expense.

KEY POLICY PRINCIPLE AH6 : APPROACH TO VIABILITY

Developers must submit a financial assessment using the Council's preferred toolkit where sites may not be viable with the full level of section 106 contributions or equivalent. The starting point for negotiations on changes to contributions for affordable housing is to vary the mix, type and tenure rather than the quantity of affordable housing supplied. Affordable Housing will be considered alongside all other section 106 contributions on a site by site basis. All contributions must be CIL compliant.

7.12 Developer Contributions

Latest Government guidance in PPS3 assumes that affordable housing will be provided on-site '*so that it contributes towards creating a mix of communities*', but off-site provision or commuted sum contributions may also be acceptable alternatives where they can be '*robustly justified*' and '*as long as the agreed approach contributes to the creation of mixed communities*'.

KEY POLICY PRINCIPLE AH7 : COMMUTED SUMS

The Council's over-riding priority is to have affordable homes provided on-site as the easiest way of ensuring mixed and balanced communities from the outset, and only in exceptional circumstances and where it can be robustly justified will off-site provision or commuted sums be acceptable. Acceptance of commuted sums is at the Councils discretion. Where the Council decides to accept commuted sums, they will be calculated using the formula set out below.

7.13

The provision of affordable housing off-site may be considered in exceptional circumstances. Instances where commuted sums may be considered include, but are not restricted to:

- If it is clear that off-site provision would better meet the locally identified priority housing needs;
- Certain types of development, e.g. barn conversions, where the scheme is unlikely to attract Registered Social Landlord interest due to the cost of the scheme and the difficulty in meeting Homes and Communities Agency standards; and
- Supported housing, where affordable housing need cannot be evidenced by the Local or County Authority.

7.14

If off-site provision is agreed the developer could provide alternative affordable accommodation on another suitable site elsewhere in the Borough, either as part of a larger scheme or as a stand-alone development.

7.15

PPS3 says that where commuted sums are accepted in lieu of on-site provision they should be of 'broadly equivalent value' to ensure that the same number and type of affordable dwellings can be provided on an alternative site in the same or similar locality. The equivalent value will be calculated on the amount which would be contributed by the developer/landowner were the affordable housing provided on site.

7.16

The calculation of commuted sums is therefore as follows:

RV 100% MH	= Residual value with 100% market housing
RV AH	= Residual value with x% affordable housing (% as set out in Policy 15 of the Core Strategy)
Equivalent commuted sum	= RV 100% MH minus RV AH

7.17

Where it is considered that a commuted sum is the most effective way of discharging the developers contribution to affordable housing, and it can be robustly justified, the Council may use the commuted sum in a variety of ways. This may include:

- to increase the provision of affordable housing on an alternative scheme;
- to support schemes where affordable housing would not otherwise be viable;
- increasing the number of family units on a scheme;
- increasing the quality of dwellings on a scheme, such as a higher level of Code for Sustainable Homes; and
- the Local Planning Authority may accept a financial contribution in lieu of on site provision for regeneration projects which will contribute to the creation of mixed communities within Hinckley and Bosworth.

7.18

Clauses in respect of the use of commuted sums should initially target the use of the sum to the local area of the development (within three miles), but should also allow for the use of the sum in any part of the Borough, depending on priority housing needs, if opportunities for spending the sum in the vicinity of the original development appear to be limited within any defined time limits, normally two years.

7.19

Committed sums may also be pooled with other sums from developments across the Borough to make best use of available resources. Funding may be used to acquire land or buildings or to support an RSL development, in particular the delivery of Rural Exception Sites.

7.20 Supported Housing

Supported housing is developed to meet the needs of a specific group, who need assistance to be able to live independently. This is usually by the presence of support workers on the scheme, but in the case of extra care developments for older people it also involves staff to assist with some level of personal care.

7.21

Supported housing is treated in the same way as other housing developments in that where a site is developed for market sale, an affordable housing element is included on the provision on qualifying sites. Nominations to affordable supported housing will be made in consultation with colleagues in Social Care services.

7.22

However, unless there is a need for affordable supported housing that is identified by Hinckley and Bosworth Borough Council or by Social Care Services at Leicestershire County Council; commuted sums will be accepted in lieu of on site provision.

KEY POLICY PRINCIPLE AH8: SUPPORTED HOUSING

Where a supported housing scheme is to be developed, the principles relating to affordable housing provision set out in policies AH 1 to 3 will apply. However, the decision whether to accept on site provision or commuted sums, tenure type and mix and nomination to any affordable housing on site will be decided on an individual site basis, with reference to identified need and in consultation with care and support commissioners in Adult Social Care teams.

7.23 Provision for Gypsies and Travellers

The Leicestershire, Leicester and Rutland Gypsies and Travellers Accommodation Needs Assessment 2006-16 has identified a need for 26 residential pitches in the Hinckley and Bosworth Borough Council area. It also suggests that 25% of new pitch provision should be socially rented, and managed by an RSL. The numbers of new pitches proposed to meet the need of gypsies and travellers will take into account any new pitches provided since the last Needs Assessment was carried out.

KEY POLICY PRINCIPLE AH9: PROVISION FOR GYPSIES AND TRAVELLERS

To assist in the provision of affordable pitch delivery, the Council will consider the following mechanisms for delivering affordable sites and pitches:

- Sites funded from planning obligations, developer contributions or public funding sources, developed on a self-build basis by the site residents. The land would be owned by a Registered Social Landlord;
- Land developed and managed by a Registered Social Landlord or the local authority with residents as tenants in perpetuity;
- Shared ownership schemes paralleling those in operation in housing schemes.

7.25 Affordable Housing in Rural Areas

PPS3 suggests that in providing affordable housing in rural areas the emphasis should be on delivering 'high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages'.

7.26

Policy 17 of the Core Strategy sets out policy on alternative means of meeting the housing needs of rural settlements either through a Local Choice or a Rural Exception Site. Additional detail regarding rural needs policy 17 will be set out in the Rural Needs Supplementary Planning Document.

7.27 Performance Monitoring of Delivery

The impact and effects of the policies in the Supplementary Planning Document will be monitored by the Council annually, and the results of the monitoring will be made available in the Annual Monitoring Report. The local indicators that will be used to monitor the effectiveness of the Supplementary Planning Document are:

- the targets set out in the Core Strategy Policy 15 for provision of affordable housing are met;
- an increase in the percentage of new homes classified as affordable housing;

- an increase in the percentage of affordable housing delivered/ secured through section 106 agreements;
- affordable housing stock;
- progress against the published programme for the number of Housing Needs Surveys produced each year.

8. GLOSSARY

<p>Affordable Housing</p>	<p>Planning Policy Statement 3 (PPS3) November 2006 introduces a new definition of affordable housing. PPS3 is quoted below on this definition:</p> <p>Affordable housing: ‘Includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:</p> <ul style="list-style-type: none"> • Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices. • Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.’ <p>Social rented housing is: ‘Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.’</p> <p>Intermediate affordable housing is: ‘Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent’.</p> <p>These definitions replace earlier guidance given in <i>Planning Policy Guidance Note 3: Housing (PPG3)</i> and <i>DETR Circular 6/98 Planning and Affordable Housing</i>.</p> <p>The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas those homes that do not meet the definition, for example, ‘low cost market’ housing, may not be considered, for planning purposes, as affordable housing.</p>
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<p>Affordable Housing cont'd</p>	<p>The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. "Affordable housing" refers to particular products outside the main housing market.</p> <p>Market Housing is: Private housing for rent or sale, where the price is set in the open market.</p> <p>Low Cost Market Housing is: Market housing which is sold at a price affordable to local people unable to obtain housing in the open market. This may be because a discount is offered on the initial sale, or because the properties are small in size. Low cost market housing no longer falls within the definition of Affordable Housing as outlined in PPS3.</p>
<p>Community Infrastructure Levy</p>	<p>CIL is a new charge which local authorities in England and Wales will be able, but not required, to charge on most types of development in their area. It is designed to help fund needed infrastructure identified in the Local Development Framework, and will be paid primarily by owners and developers of land.</p>
<p>Commuted Sums</p>	<p>Commuted sums are payments a developer is required to make instead of giving provision (in this case, affordable housing), on site.</p>
<p>Exception site</p>	<p>A site at the edge of a rural settlement which would not normally be available to build housing on. It may be available as an 'exception' if there is a need for affordable housing in a village.</p>
<p>Government Office for the East Midlands</p>	<p>The Government Office for the East Midlands (GOEM) represents central government in the East Midlands region. GOEM works to develop government programmes and initiatives at a regional and local level, by working in partnership with relevant organisations to meet local needs.</p>
<p>Homes and Communities Agency</p>	<p>The Government organisation that funds new affordable homes and regeneration projects in England.</p>

HomeBuy	<p>The Government has introduced a scheme, branded as HomeBuy, to help people get a foot on the property ladder.</p> <p>There are currently five products in the HomeBuy scheme:</p> <ul style="list-style-type: none"> • New Build HomeBuy, where you share ownership of your home with a housing association; • Open Market HomeBuy, where you buy a property outright funded by a conventional mortgage/savings which is supplemented with the assistance of an equity loan; and • Social HomeBuy, where housing association and local authority tenants are helped to buy their current home. • HomeBuy Direct – purchasers buy specific new build properties with an equity loan of up to 30 per cent of the purchase price, with the loan jointly funded by the government and the developer. • Rent to HomeBuy - selected new build homes are rented on intermediate rent terms for up to three years, after which time the tenant can purchase their home through the New Build HomeBuy scheme
Intermediate tenure	Intermediate affordable housing is housing at prices and rents above those of social rent but below market price or rents. This includes Homebuy products and intermediate rent schemes.
Local Development Document (LDD)	The collective term covering Development Plan Documents, Supplementary Planning Documents and the Statement of Community Involvement.
Low Cost Market Housing	This is market housing which is sold at a price affordable to local people unable to obtain housing in the open market. This may be because a discount is offered on the initial sale, or because the properties are small in size. Low cost market housing no longer falls within the definition of Affordable Housing as outlined in PPS3.
Market Housing	Private housing for rent or sale, where the price is set in the open market.
Planning Policy Guidance (PPG) / Planning Policy Statement (PPS)	Statements of National Government Policy on land use within England. PPSs are being phased in to supersede PPGs. These can be viewed on line at: www.communities.gov.uk

RSL	Registered Social Landlords (RSLs) are independent housing organisations registered with the Housing Corporation under the Housing Act 1996. Housing Associations are RSLs. RSLs provide accommodation for people who cannot buy their own home.
Section 106 Agreement	A legal contract under section 106 of the Town and Country Planning Act 1990. Made between the local authority and the developer it sets out planning obligations to be met, such as financial contributions that are necessary to allow the development to go ahead.
Shared Ownership	A form of affordable housing in which part the occupant buys part of the property and pays rent for the remaining share. The occupant can buy further shares in the property (known as staircasing). This now forms part of the new HomeBuy scheme.
Social Housing Grant	The Government money that the Housing Corporation gives RSLs or investment partners to help them to provide affordable homes for rent or sale.
Strategic Housing Market Assessment	The SHMA brings together a wealth of detail about housing markets, housing needs, past delivery of homes and looks at future need for housing across the housing sub-region. The Leicester and Leicestershire Housing Market Area covers the eight local authorities of Blaby, Charnwood, Harborough, Hinckley & Bosworth, Leicester, Melton, North West Leicestershire and Oadby & Wigston
Supported Housing	Housing for people with special needs, such as homeless people, older people, people with disabilities including learning disabilities and mental health problems. There is usually staff employed to help to support the residents to live independently.
Viability assessment	Mechanism by which an appraisal of a site can be carried out to evidence the effect of development costs on the viability of the scheme.

9. USEFUL LINKS

English Heritage Guidance to affordable housing:	http://www.helm.org.uk/server/show/nav.20835 and http://www.helm.org.uk/server/show/nav.19599
Inspire Leicestershire programme	http://www.oakleaves.org.uk/inspire
Leicester and Leicestershire Economic Assessment	
Safer Places	
Secured by Design	

