



Affordable Housing

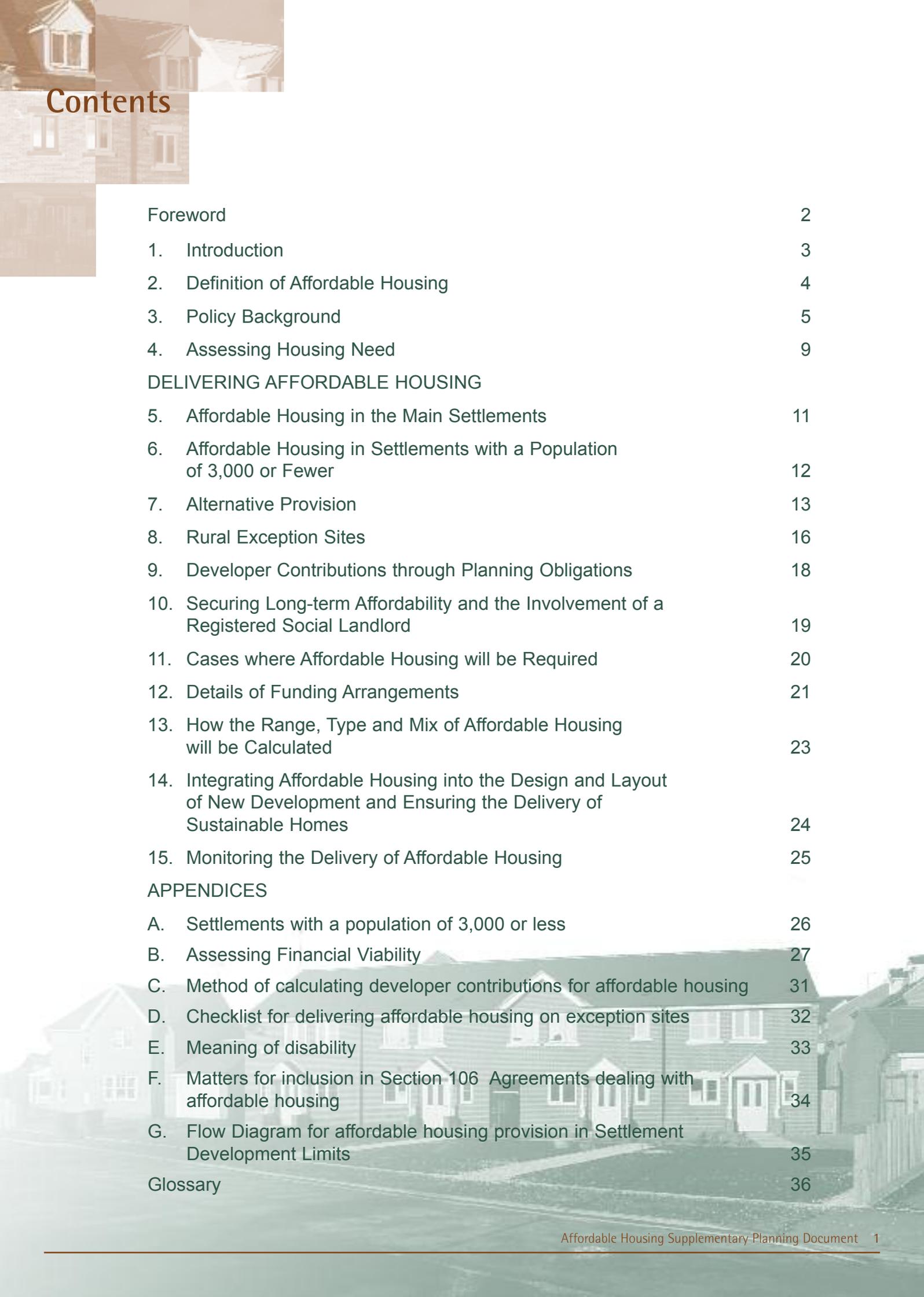
Supplementary Planning Document

*Meeting the need for Affordable Housing
in North East Derbyshire District*

North East Derbyshire
Development
Framework (LDF)

Adopted
January 2008





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Affordable Housing Supplementary Planning Document

Foreword

The need for affordable housing is acknowledged at national, regional and local level. In recent years house prices, and to a lesser extent rents, have risen rapidly in relation to incomes, so that those aspiring to setting up a home for the first time are finding it increasingly difficult. The Council believes that there are opportunities to provide more affordable housing in North East Derbyshire District if those with an interest in providing housing work together.

It is hoped that this guidance will help those who are involved in the delivery of affordable homes. It sets out the procedures that will need to be followed if more affordable homes are to be secured.

The purpose of this document is to provide more detailed guidance on the implementation of the Council's policies on affordable housing contained in the North East Derbyshire Local Plan (2005). Paragraph 5.40 of the Local Plan states the intention to prepare a Supplementary Planning Document (SPD) to explain the means by which the Council expects affordable housing to be delivered. The SPD will build on the Local Plan's existing affordable housing policies H6, H7, H8 and H9. When adopted, this SPD will be a Local Development Document (LDD) and form part of the North East Derbyshire Development Framework (LDF). It will be a material consideration in the determination of planning applications.

This document is not intended to provide guidance on the specific allocation of housing sites. This will be covered by a Housing Development Plan Document (DPD) to be produced by the Council later on in the LDF process.

1. Introduction

1.1 This draft SPD has been prepared by North East Derbyshire District Council to assist in negotiations with house builders and others and in determining planning applications.

The objectives are to:-

- Provide a clear framework for developers and others to understand how affordable housing is to be provided in the District.
- Summarise national, regional and Local Plan policies relating to affordable housing, reflect the aims of the District's Housing Strategy 2006-2009 and outline the findings of the Housing Needs Survey and the Strategic Housing Market Assessment.
- Set out ways of providing appropriate levels of affordable housing (including the re-use of empty properties) for those people who cannot access homes on the open market, taking into account housing needs assessments and economic issues relating to sites.
- Ensure an appropriate mix of different sizes and types of affordable housing is integrated into the District's towns and villages to help create sustainable communities.
- Outline the procedures that will be used to secure S106 Agreements in relation to affordable housing.

1.2 During the preparation of this document formal views were sought from a range of interested people and organisations. The text was amended to reflect the comments received.

1.3 The SPD was adopted in January 2008.





2. Definition of Affordable Housing

- 2.1 The Government, in Planning Policy Statement 3 (PPS3): Housing (see also paragraphs 3.5–3.6 below) defines **Affordable Housing** as including both social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Social rented housing is rented housing that is owned or managed by local authorities and registered social landlords (RSLs), such as housing associations.

Intermediate housing is housing at prices and rents above those of social rented, but below market price and rents.

- 2.2 All affordable housing should:
- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and house prices.
 - Include provision for the home to remain at an affordable price for future eligible households or, if the restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Low cost market housing is not considered to be affordable housing, although it can meet an important role in achieving a mix of housing.

- 2.3 The Government has adopted this wide definition of affordable housing because it wishes to ensure that developer contributions (see Sections 7 and 9) are used to provide genuinely affordable housing in a range of circumstances.

Local Plan definition of Affordable Housing

- 2.4 Affordable housing policies in the Local Plan (2005) are underpinned by the Housing Needs Survey which was completed in 2002. Paragraph 5.42 of the Local Plan states that the District wide Housing Needs Survey:

'recognises that Government definitions of affordable housing contained in Circular 6/98, include both subsidised and non-subsidised housing to meet the needs of people who cannot ordinarily afford to buy or rent suitable accommodation on the open market.'

- 2.5 As a result, the survey investigated the full range of tenure aspirations and needs, including owner occupation, low cost ownership, shared ownership, market renting and social renting. However, it found that the majority of the need is for subsidised housing rather than low cost market housing.

Relationship between these definitions

- 2.6 The definition of affordable housing used in the Housing Needs Survey and translated into Local Plan policies included both low-cost home ownership and sub-market rent, although it is made clear that in North East Derbyshire the majority of need is for subsidised housing. In contrast the PPS3 definition of affordable housing uses the terms social rented and intermediate housing, both of which involve subsidy below market value (see 2.1 above). For the purpose of this SPD, the definition of affordable housing used in PPS3 will be used, as this is the most up to date policy guidance. The role of low cost open market housing is included at paragraph 12.11.

3. Policy Background

3.1 This SPD has been prepared in accordance with national and regional policy and planning guidance. In addition, it has taken into account other documents prepared by and for the Council. Relevant documents are as follows:-

National Guidance

Sustainable Communities: Building for the Future (2003)

3.2 The Sustainable Communities Plan sets out the Government's agenda for providing sustainable communities, including increasing housing supply and tackling decent homes standards.

Sustainable Communities: Homes for All (2005)

3.3 This is the Government's 5 year plan for housing, showing how it will offer greater choice and opportunity in housing across England. It builds on the Sustainable Communities Plan and sets out the Government's vision for the future:

'A flourishing, fair society, based on the opportunity and choice for everyone, depends on 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.'

Planning Policy Statement 1 (PPS1): Delivering Sustainable Development (2005)

3.4 PPS1 states that development plans should ensure that sustainable development is pursued in an integrated manner. The Government is committed to developing strong,

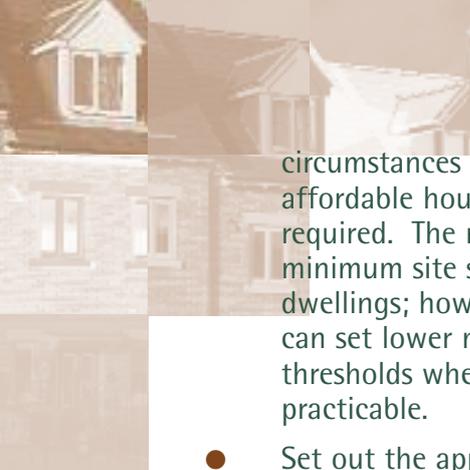
vibrant communities and to promote community cohesion in both urban and rural areas. Development plans should promote development that creates socially inclusive communities, including suitable mixes of housing.

Planning Policy Statement 3 (PPS3): Housing and the accompanying policy statement Delivering Affordable Housing (2006)

3.5 These documents provide national policy guidance for the provision of affordable housing. The Government's key objective is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live.

3.6 In respect of affordable housing, PPS3 requires local authorities to:-

- Set an overall target for the amount of affordable housing to be provided. It should reflect an assessment of the likely economic viability of land for housing within the area, taking account of the risks of delivery and drawing on informed assessments of the likely levels of finance available for affordable housing. This can include public subsidy and the level of developer contribution that can reasonably be secured.
- Set targets for social rented and intermediate affordable housing where appropriate.
- Specify the size and type of affordable housing that is likely to be needed in particular locations, taking into account the findings of the Strategic Housing Market Assessment.
- Set out the range of



circumstances in which affordable housing will be required. The national indicative minimum site size threshold is 15 dwellings; however, authorities can set lower minimum thresholds where viable and practicable.

- Set out the approach to seeking developer contributions to facilitate the provision of affordable housing. In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes towards the creation of mixed communities.
- In providing for affordable housing in rural communities, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities.
- Where viable and practical, consider allocating and releasing sites purely for affordable housing, including using a Rural Exceptions Site Policy. This enables small sites in rural communities to be used specifically for affordable housing. These sites would not normally be used for housing because, for example, they are subject to policies of restraint. Rural exception sites should be used for affordable housing in perpetuity and should address the needs of the local community.

Homes for the future: more affordable, more sustainable – Housing Green Paper (2007)

- 3.7 This outlines the Government's plans for delivering more affordable homes, that are built more quickly and to higher environmental standards.

Regional Guidance

Regional Spatial Strategy 8 (RSS8) (March 2005)

- 3.8 Policy 18 of RSS8 sets out regional priorities for affordable housing. Councils should have regard to priorities identified in the Regional Housing Strategy and seek provision for a mix of dwellings in terms of size, type, affordability and location to help create inclusive communities which provide wider housing opportunity and choice.
- 3.9 Local needs assessments should justify the level of affordable housing to be provided, preferably based on Housing Market Assessments or journey to work areas, as well as an assessment of the viability of seeking a particular proportion of affordable housing from developments.
- 3.10 The **Draft East Midlands Regional Plan**, issued for public consultation in September 2006, reviews RSS8. Policy 15: Regional Priorities for Affordable Housing, provides an interim affordable housing target for the Northern Housing Market Area (that includes NEDDC); 33% of total housing should consist purely of social rented housing. It recommends that this target should be reviewed following the completion of full Housing Market Assessment. The draft Plan suggests that authorities should have a strategic vision of the type of communities that they wish to foster in particular neighbourhoods. For the social sector, it suggests taking into account the allocation system that enables dwellings to be more readily matched to households and providing larger dwellings so that households have the opportunity to grow.

- 3.11 The draft Plan points out that public subsidy (largely Housing Corporation funding) is currently only able to deliver about half of the affordable housing needed. The planning system will need to deliver the balance. It is suggested that a variety of mechanisms are used to secure affordable housing in rural areas.
- 3.12 Whilst the Plan is unlikely to be adopted until late 2008, its content is considered relevant to this SPD.

Regional Housing Strategy (2004–2010)

- 3.13 The Regional Housing Strategy (RHS) delivers national housing priorities set out in the Sustainable Communities Plan in a way appropriate to the East Midlands.
- 3.14 Its vision is that the East Midlands will be recognised as a region with a high quality of life and sustainable communities that thrive because of its vibrant economy, rich cultural and environmental diversity and the way it addresses social inequalities and manages its resources.
- 3.15 Policy 1 seeks to increase the quantity and improve the delivery of appropriate high quality affordable housing for all communities.

Local Guidance

The Council's Community Strategy (2005–2015)

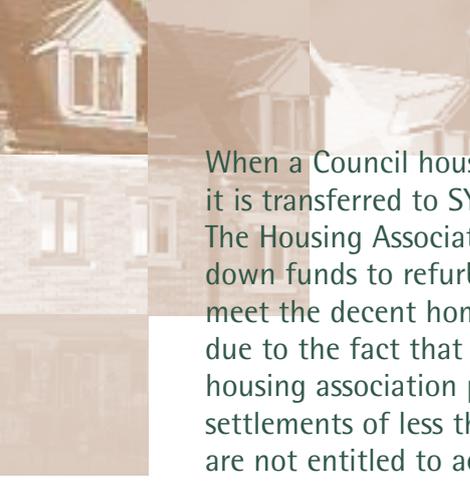
- 3.16 The Homes and Neighbourhoods section of The Community Strategy for North East Derbyshire and Chesterfield, has the overall objective to 'support the provision of good quality sustainable and affordable homes to meet current and future needs and demand, and

ensure the neighbourhoods in the area are places where people are happy to live'. One of the sub-aims is to work with the private sector to develop appropriate levels of affordable housing across the area. Influencing the provision of affordable housing is also one of the aims and priorities of the Council's Corporate Plan.

The Council's Housing Strategy (2006–2009)

- 3.17 The Strategy sets out the Council's priorities for future years that will contribute to the corporate vision to 'make a difference by building thriving communities through partnership, community leadership and excellent service delivery'. The overall aim for this Strategy is taken from the Homes and Neighbourhoods objective in the Community Strategy as set out in paragraph 3.16 above.
- 3.18 The particular needs of village residents, who are having difficulty accessing affordable housing, are recognised. Rural social housing stock has diminished in recent years due to the impact of the Right to Buy. The Council has introduced a Rural Housing Scheme for the eight parishes along the western fringes of the District that ensures the 'trickle transfer' of 2, 3 and 4 bedroom Council houses to South Yorkshire Housing Association (SYHA).





When a Council house becomes vacant, it is transferred to SYHA to administer. The Housing Association is able to draw down funds to refurbish the houses to meet the decent homes standard. Also, due to the fact that residents of housing association properties in settlements of less than 3,000 people are not entitled to acquire their homes, the retention of these homes in the social sector is assured.

North East Derbyshire Local Plan (November 2005)

3.19 The following Local Plan policies address the provision of affordable housing:

H6 Affordable Housing Provision in the Main Settlements

In the settlements of Clay Cross, Dronfield, Eckington, Grassmoor, Holmewood, Killamarsh, North Wingfield, Pilsley, Tupton and Wingerworth the Council will seek to enter into a Section 106 Obligation with the developer to secure an element of affordable housing on suitable sites of 0.5 hectares and above or where the number of dwellings is 15 or more.

H7 Affordable Housing in Settlements with a Population of 3,000 or fewer

When planning applications are submitted within settlements with a population of 3,000 or less as listed in the Local Plan (see **Appendix A** of the SPD), the Council will seek to negotiate the provision of affordable housing on suitable sites of 0.1 ha and above.

The following criteria will be taken into account:-

- (a) housing needs within the local area
- (b) proximity of local shops and services
- (c) access to public transport services
- (d) economics of developing the site
- (e) need to achieve a successful housing development

H8 Affordable Housing: Alternative Provision

Where on-site provision is not considered appropriate, the Council will seek to negotiate a financial or other contribution towards the provision of affordable housing on suitable sites elsewhere in the Plan area. This can include long-term vacant properties and flats above shops. It should be shown that there are positive benefits to be gained from providing off-site affordable housing.

H9 Affordable Housing: Exception Sites in Rural Areas

The Council will grant consent for affordable housing on sites that would not normally be released for development, provided that:-

- (a) it would meet a genuine local need not otherwise met by the housing market
- (b) the benefits should remain 'in perpetuity'
- (c) it is of a size, type, tenure and occupancy suitable to meet the identified local needs
- (d) it takes full account of environmental considerations; sites should be located within the built up area and only be provided on the edge of a settlement if it can be shown that there are no sites available within the settlement.

At paragraph 5.44 the Local Plan states:-

'The Council will seek the provision of up to 40% of all new dwellings as affordable on allocated sites and other sites of 0.5 hectares and above, or where the number proposed is 15 or more, within the Settlement Development Limits' of settlements listed in Policy H6. 'In areas where the Needs Survey has identified a particularly high need, this requirement may be higher.'

4. Assessing Housing Need

- 4.1 A district wide housing needs assessment was carried out in 2002 and updated in 2006. The earlier survey identifies a need for 261 new affordable homes a year until 2011, together with 40 low cost market homes. It also identifies rural housing requirements.
- 4.2 The survey was updated through a desk top study published in 2006. This provides useful information on the way in which the housing market has changed over the past few years, particularly the relationship between house prices and local incomes. The affordable housing need has increased to 971 units a year. Even taking account of net re-lets of the existing social stock, after the impact of the right to buy, the District has an annual shortfall of 442 units a year. These units will need to come from new sites, conversions and market purchase by registered social landlords to reduce the shortfall figure each year.
- 4.3 Also 45 existing households and 133 concealed households intend to leave the District over the next 5 years due to a lack of affordable housing. Whilst these households have not been included in the needs assessment, their existence indicates the severity of the problem.

Average house prices

- 4.4 Between December 2001 and December 2005, house prices in the District rose by 94.5%. The prices of terraced houses and flats, regarded as being entry level stock, increased by 146% and 208.5% respectively. Prices of semi detached houses increased by 107.6% and detached houses by 78%. In December 2005, a terraced property had an average price of £102,302 and a

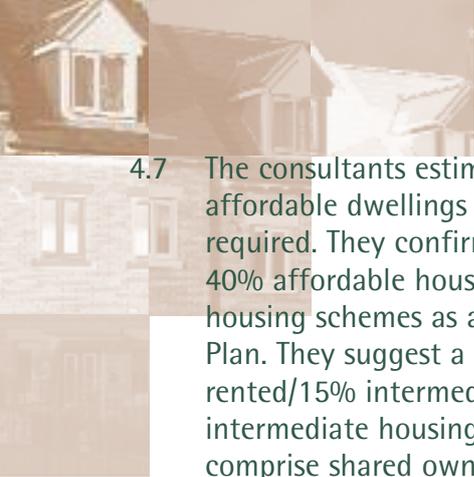
flat or maisonette an average price of £115,675. This is still significantly lower than in the adjoining area of Derbyshire Dales, and this results in migration into the District, particularly of first time buyers, putting further pressure on this District's housing stock. Private rental levels vary significantly throughout the District – a 1 bedroom flat (the smallest and most affordable unit) can be accessed at between £300 and £398 a month.

Purchase Income Thresholds

- 4.5 In December 2005, an income of at least £24,500 was required to purchase the cheapest housing in the District. However, if average incomes and house prices are examined, Land Registry data shows that the income needed to access terraced properties has increased from £13,170 in 2001 to £32,396 in 2005 – an increase of 146%. Flats appear to have increased in price even more, as an income of £36,630 is now required to purchase. This is an increase of 208.5% on the 2001 level of £11,875.

The Strategic Housing Market Assessment (SHMA) (2007)

- 4.6 A Strategic Housing Market Assessment has been carried out by consultants, Fordhams. In the Northern Sub-region (that also includes Chesterfield Borough, Bolsover District and Bassetlaw District Councils) the overall need for housing is shown to be much greater than the allocation of new housing. In particular, it is estimated that much of the need for affordable housing will remain unmet. There is a substantial need for social rented housing, particularly 2 bedroom properties.



4.7 The consultants estimate that 311 affordable dwellings a year are required. They confirm the need for 40% affordable housing in new housing schemes as advised in the Local Plan. They suggest a 25% social rented/15% intermediate split. The intermediate housing is likely to comprise shared ownership housing which will provide a foothold of equity ownership to households.

The Joseph Rowntree Foundation Study

4.8 This Study shows that in 2005 North East Derbyshire had the 4th highest house price to income ratio (3.47:1) out of the nine local authority areas in Derbyshire.

Parish Needs Surveys

4.9 A number of Parish Councils have carried out more detailed local parish needs surveys. Where these are less than 5 years old, their findings will provide information on specific parish needs. These surveys inform the Council of the different types and sizes of properties needed and give details of the age ranges and circumstances of those people needing affordable homes.

Housing Register

4.10 Additional information on housing needs comes from the Council's housing register. This indicates how many applicants have expressed interest in affordable housing both in particular parishes and as an overall total across the District. It provides information on the age and type of household and if it is interested in affordable rented housing or subsidised low cost home ownership. The data is divided between households with a housing need (i.e. those whose housing circumstances are in some way not suitable) and those without a need. The information has to be regarded as indicative because the data is based on households expressing their interest in

as many parishes as they wish. It is best used to support the information sources outlined above.

Specialist types of housing need

Local Employment Connection

4.11 The Government has suggested a list of key workers that may be eligible for affordable housing. However, accommodating key workers is not this Council's highest priority. The need of this group will be kept under review. In the meantime, priority will be given to those households meeting the employment criteria specified in the Local Plan. The Plan includes a cascade mechanism; cascading to the next level of eligibility will occur at 6 weeks for rented schemes and 3 months for owner occupied and shared ownership properties.

- **Level 1** People employed by a firm located within the parish in which the affordable housing is located. If no such people can be found...
- **Level 2** People employed by a firm located within a parish immediately adjacent to the parish in which the affordable housing is located. If no such people can be found....
- **Level 3** People employed by a firm located elsewhere in the District. If no such people can be found...
- **Level 4** People employed by a firm located within a district council area abutting this District.

Provision for disabled and mobility impaired

4.12 Further information relating to access issues is set out in the Access for All SPD (adopted December 2007). The Council will negotiate the provision of housing for disabled and mobility impaired people according to proven need identified by the Strategic Housing Section.

Delivering Affordable Housing

5. Affordable Housing in the Main Settlements

5.1 The Local Plan defines settlement limits for Clay Cross, Dronfield, Eckington, Grassmoor, Holmewood, Killamarsh, North Wingfield, Pilsley, Tupton and Wingerworth. Within these settlements the Council will seek a target of up to 40% for affordable housing when negotiating on residential and mixed use schemes of 0.5ha and above and for schemes of 15 dwellings or more. It should be noted that 'up to 40%' is the figure included in the Local Plan. Since the adoption of the Local Plan, both the Housing Needs Survey Update (2006) and the SHMA (2007) have indicated the rising level of need for affordable housing in the District. The consultants that have carried out the SHMA have indicated 40% to be an appropriate target. Whilst the Council accepts that the planning system cannot by itself meet the level of housing need revealed, it considers that developers should be looking to make provision as close to 40% as possible. The continued justification of this target is included in



the SHMA. Where this target cannot be met, developers will be expected to demonstrate why they have not been able to meet this requirement.

5.2 It is important that housing on these sites meets the needs of the Council's residents. A range of house types should be provided based on the results of Housing Needs Surveys and the Council's housing waiting list. Applicants should discuss the mix of housing with the Council's Housing Strategy Team at an early stage. Council officers will inform developers of the precise requirements that will need to be met through pre application discussions. These requirements should then inform the Section 106 Agreement (see Section 9).



6. Affordable Housing in Settlements with a Population of 3,000 or Fewer

6.1 In settlements with a population of 3,000 people or less (See [Appendix A](#)) and a defined Settlement Development Limit, the Council will expect an element of affordable housing in respect of sites of 0.1 hectares and above. The level of affordable housing provision or financial contribution will be determined by the identified need in the area concerned at the time a planning application is submitted. However, it is anticipated that the Council will negotiate an affordable housing requirement of as close to 40% as possible as evidenced by the need

for the District in the SHMA. Reference will also be made to the most up to date Housing Needs Survey, together with current information from the Council's Housing Strategy Team. Other factors, such as the economics of developing the site, will also be taken into account.

6.2 Because of the relatively small sites involved, the Council accepts that on-site provision may be problematic. As a result, in such cases, a financial contribution will be requested to allow for off-site provision (see Section 7).



7. Alternative Provision

Off-site provision

- 7.1 The primary objective of this guidance is to maximise the delivery of affordable housing on site. This is to help create mixed communities and overcome social exclusion. In exceptional circumstances affordable housing may be provided off-site but only if the Council and developer agree. The Council will need to be persuaded that the off-site provision would meet housing need at least to the same extent as the on-site provision would have done. The developer will need to provide sound and detailed reasons why the affordable housing cannot be incorporated onto the original site.
- 7.2 These circumstances might be where the locality, physical characteristics or the conservation requirements of the site make provision unviable or impractical, and where the Council thinks the overall need would be better served by providing affordable housing elsewhere in the District.
- 7.3 A search for a suitable site should take place (see paragraph 7.9). If after this site search no land is available, then a financial contribution, known as a commuted sum, will be sought.

Committed Sums

- 7.4 In particular parts of the District or on particular sites, the Council may consider it more appropriate for a developer to make a financial contribution towards the provision of affordable housing in lieu of on or off-site provision. This may be the result of site constraints or the need to improve poor existing housing stock in certain

parts of the District. Thus off-site financial contributions will either be used to:-

- Assist housing associations in the development of new affordable housing schemes in the District; or
- Fund the renovation of empty properties (including space above shops) to enable them to be re-used by those in need of affordable housing. These properties will be identified through the Council's Empty Homes Register; or
- Satisfy the needs of a particular group.

Extenuating circumstances

- 7.5 It will generally not be appropriate for major developments (10 or more dwellings) to provide financial contributions in lieu of on-site provision. However, there may be exceptions:-
1. Where the proposal involves the conversion or redevelopment of existing buildings, e.g. barn conversions. These schemes are often expensive, both to create and to maintain, and often result in dwellings that do not comply with Housing Corporation requirements. They therefore do not attract grant funding and are unlikely to be self-financing and are therefore potentially unacceptable to registered social landlords (RSLs).
 2. If the off-site provision offered has a larger capacity for affordable housing than would be gained from on-site provision.

3. Where insurmountable problems mean that an RSL or developer is unable to commit to a scheme, the Council would expect evidence to be submitted demonstrating lack of viability (see Appendix B) before consideration could be given to acceptance of a commuted sum in lieu of on-site provision.



- 7.6 Commuted sums will need to provide sufficient funds to be able to produce affordable housing in lieu of the opportunity missed on site. This means that payments should effectively be equal to the cost of providing dwellings of the same type and size in that location. Developers will be required to provide commuted sums through staged payments so that they can benefit from the sales of other properties being developed. A commuted sum will be held by the Council until it is committed to an appropriate affordable housing scheme within the District. Contributions may be pooled with other sums from developments across the District in order to make the best use of available resources.
- 7.7 The calculation of the level of affordable housing required, including commuted sums, will need to take into

account the economics of developing a site and any abnormal costs and other planning objectives that affect the viability of the proposal. However, the Council considers that the costs incurred in delivering a workable, high quality development should be reflected in the price paid for the land and should not normally reduce the ability of the site to contribute towards affordable housing provision. Such expected costs might include site demolition and clearance, good quality design, landscaping, noise and other environmental attenuation (such as flood prevention measures), infrastructure provision (such as highway and public transport measures) and any other S106 obligations deemed to make the development acceptable (such as open space, sport and recreation, health and education provision).

- 7.8 Developers should demonstrate abnormal costs at an early stage in order that their impact on viability might be assessed. If exceptional circumstances are claimed, the developer must provide a full financial appraisal of the scheme in a form agreed by the Council (See [Appendix B](#)). The appraisal should then be verified, at the developer's expense, by an independent agent agreed by the Council and submitted as part of the planning application.

Hierarchy for off-site/commuted sum delivery

- 7.9 The off-site/commuted sum provision will take place on an alternative site considered by the Council to be suitable for affordable housing within the same local area as the original development. To ensure that the housing to be provided addresses a need as close as possible to the development that generated the

affordable housing, a hierarchical approach will be used by the Council. The following categories will apply:-

1. Sites within the same settlement. If there are no potential schemes then
2. Sites within the same parish area. If there are no potential schemes then
3. If there are no potential schemes then sites within adjoining parishes.
4. Sites elsewhere in the District.

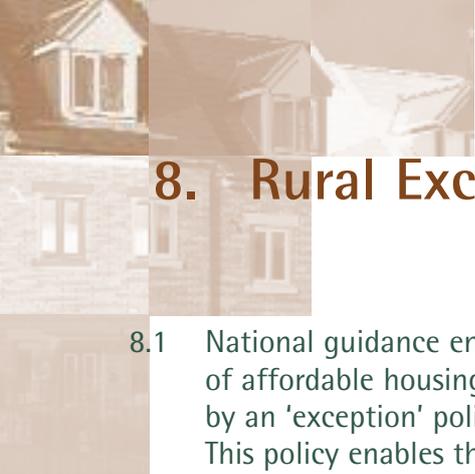
7.12 In the event that a developer fails to make any provision on site, fails to agree to make any financial contribution to off-site provision or does not agree to the arrangements/provision set out by the Council, then the Council will require the developer to submit a financial appraisal that sets out the reasoning behind the decision ([Appendix B](#)).

Calculation of developer contributions

7.10 The method of calculating a commuted payment is included at [Appendix C](#). Further advice is given at paragraphs 9.1-9.5.

7.11 The payment will be held by the Council for a maximum period of 10 years. If any part of the payment has not been committed to fund alternative affordable housing, it will normally be returned, on request, to the person/body that made the contribution.





8. Rural Exception Sites

8.1 National guidance enables the provision of affordable housing to be augmented by an 'exception' policy in rural areas. This policy enables the development of small sites, within or adjoining rural settlements of below 3,000 population, that would not normally be used for housing. Housing on these sites should remain affordable 'in perpetuity' and should meet the needs of the local community by accommodating households with a strong local connection. A checklist for the delivery of affordable housing on exception sites is included at [Appendix D](#).

8.2 The Local Plan defines the following people as being local (paragraph 5.56):-

- (a) Those residing continuously for a period of not less than 5 years out of the previous 10 years in the parish and currently living in accommodation which is overcrowded or otherwise unsatisfactory.
- (b) Those residing continuously for a period of not less than 5 years out of the previous 10 years in the parish and forming a household for the first time.
- (c) Those who are related to a resident of the parish or are not now resident in the parish but who have resided continuously within the parish for more than 10 out of the previous 20 years.
- (d) Those who have an essential need arising from age or infirmity to live close to other people who have lived continuously within the parish for more than 5 out of the previous 10 years.
- (e) Those who have an essential need to live close to their work in the parish.

8.3 Some of the above criteria require further explanation:-

Paragraph 8.2 a) refers to accommodation which is 'overcrowded or otherwise unsatisfactory'. This is intended to be the definition used in the 1985 Housing Act relating to properties that are overcrowded or unfit. It may also relate to a property that cannot be modified or adapted by personal mobility aids to satisfy the requirements of a person who is genuinely disabled or infirm as described in the Disability Discrimination Act (DDA) 1995 (outlined at [Appendix E](#)) and generally in receipt of benefit. Should the person believe themselves to meet this definition but not be receiving benefit, he/she will inform the Council of the reason for this. Such cases will require written confirmation of disablement as defined in the DDA by the person's General Practitioner.

Paragraph 8.2 d) refers to 'essential need arising from age or infirmity'. This is intended to mean elderly and requiring long-term care or simply requiring long-term care. Again proof of infirmity will be expected to involve proven disablement as set out above.

Paragraph 8.2 e) refers to 'essential need to live close to their work'. This is intended to mean the need to live close to one's work for management reasons. A new house would not be justified where a person can carry out his or her work whilst living in an existing property in a nearby settlement.

8.4 Exception sites should be well related to the settlement. In settlements with a Settlement Development Limit (SDL), a site on the edge of the settlement should take account of adjoining

development and the impact of the proposed development on the surrounding open countryside. Where this is Green Belt or Special Landscape Area, the development should not compromise the intentions of these policies (See Local Plan policies GS2, GS3 and NE2).



8.5 Exception sites should also be relatively small scale (normally less than 10 dwellings). In this way they are more likely to be assimilated into the settlement. Schemes should not compromise the form and character of the settlement.

8.6 The number of dwellings should not exceed proven need and, in some circumstances, where there are clear landscape constraints, may not entirely meet the settlement's proven needs. Sites should not be remote from existing buildings and should not result in a loose settlement form intruding into the surrounding landscape. Any application for development that may affect a European Site will be subject to Habitats Regulations Assessment under Regulation 48 of the Conservation (Natural Habitats, etc.) Regulations 1994 (SI 2716).

8.7 Where a settlement does not have a SDL, affordable housing should be located within the built framework of the settlement, only using an edge of settlement site if no internal site is available.

8.8 Mixed development housing sites, where market housing cross subsidises affordable housing, will not be acceptable as an exception site proposal and will be regarded as a departure from the adopted Local Plan.

8.9 It should be noted that the Housing Corporation requires RSLs to complete an assessment of sustainability for schemes in order to be eligible for funding. Settlements with very limited services are unlikely to be suitable for new affordable housing.



9. Developer Contributions through Planning Obligations

- 9.1 Affordable housing will normally be secured by means of a legal agreement called a planning obligation. A planning obligation is currently negotiated under Section 106 of the Town and Country Planning Act 1990 and such a document is therefore often referred to as a Section 106 (S106) agreement. It is a private agreement between the Council and a person(s) with an interest in the land. It can be used to prescribe the nature of the development by requiring the inclusion of a proportion of affordable housing. It runs with the land and applies to successive owners. More information, including a model S106 agreement, is provided in the Developer Contributions SPD (adopted September 2007).
- 9.2 The precise terms of the S106 are determined by the adopted Local Plan policies. [Appendix F](#) lists the issues that will need to be covered in the S106 agreement.
- 9.3 The S106 agreement will contain a claw-back clause, requiring the Council to pay back financial contributions if they have not been spent within 10 years. In such cases, any interest will be retained by the Council and spent on other appropriate affordable housing schemes.



- 9.4 As well as seeking contributions from the development of housing schemes, the Council will seek contributions from the development of nursing homes, large educational establishments and retirement/sheltered accommodation.
- 9.5 All sums received will be deposited into the Council's bank account and will be separately identified as Housing Strategy/Section 106 Contribution. This will ensure that the funds are administered by the Council's Housing Strategy Team, who will keep a record of the income received and the expenditure against that income.

10. Securing Long-term Affordability and the Involvement of a Registered Social Landlord (RSL)

- 10.1 The term RSL applies to housing landlords registered with the Housing Corporation. These may be charities that are housing associations or other not for profit organisations. Developers are encouraged to involve an RSL at the earliest opportunity and take advantage of its experience in the delivery of affordable housing. The involvement of an RSL also ensures that affordable housing remains affordable 'in perpetuity'. The RSL should also be party to the terms of the S106 agreement.
- 10.2 The mechanism for delivering affordable housing will usually be a design and build contract between the developer and the RSL. Developers are advised that by encouraging a partnering approach from an early stage, it is hoped that openness and innovation will be achieved and that this will result in increased efficiency and cost savings.
- 10.3 The Council will expect RSLs to agree nomination procedures before construction on the new homes is started.
- 10.4 The Council recognises that some developers may secure contractual arrangements with the Housing Corporation which would enable them to provide affordable housing directly and oblige them to meet certain standards on quality of accommodation and service and on the cost of homes. Whilst these obligations on developers are not as extensive as the regulatory expectations for RSLs, the Council will consider developers with continuing contractual arrangements with the Housing Corporation as suitable to provide affordable housing.
- 10.5 Where a private developer wishes to deliver and retain control over affordable housing, he/she will be expected to enter into a S106 agreement with the Council to ensure that the property remains affordable (see also paragraph 12.8). The Council will need to be assured that the terms of the S106 agreement will be adhered to.

11. Cases when Affordable Housing will be Required

11.1 The Council will expect provision to be made in relation to **new build schemes, conversions and changes of use**. Affordable housing will be required in the following circumstances:-

Windfall sites

The Local Plan allocates sites for housing where the Council will seek to negotiate a percentage of affordable housing. However, even if all these sites were to come forward, with the maximum number of affordable houses, there would still be a shortfall in relation to the need demonstrated in the Housing Needs Survey (2002 and 2006) and the SHMA (2007). The Council will therefore take every opportunity to secure affordable housing on windfall sites.

Sites where planning permission has previously been granted

The Local Plan targets will also be applied to applications for development where planning permission has previously been granted. Any increase in the number of dwellings on the site will result in a proportionate increase in the number of affordable houses required.

Sub-division of sites

Sub-dividing a site or building so that thresholds are not crossed will not avoid the requirement for affordable housing – thresholds will be applied across the whole of the area to be developed. If there is a reasonable expectation that adjoining land will come forward, the Council will take account of the whole area in calculating any requirements, with each phase providing its share.

Sites capable of taking 15 dwellings or more

The Local Plan recommends that schemes should achieve a **minimum** density of 30 dwellings per hectare. Where a site is clearly capable of accommodating the 15 dwellings required to secure 40% affordable housing, the Council will expect compliance with the policy.

Deliberate attempts to design a scheme that falls below the threshold will not be tolerated.



12. Details of Funding Arrangements

- 12.1 The purpose of this SPD is to provide housing that is genuinely affordable. This means that an appropriate funding package needs to be agreed with developers to secure affordable housing.
- 12.2 The Housing Corporation is very selective about the location and distribution of Social Housing Grant (SHG). SHG is available to local authorities through partnership with RSLs in exceptional circumstances, and its availability will be determined by regional policy through the Regional Housing Strategy. The Housing Corporation may also grant fund schemes that raise quality, although this will be subject to a financial sustainability appraisal. The Housing Corporation recommends the use of its Economic Appraisal Tool (EAT) when applying for SHG. Further details can be found in the Housing Corporation's *'Capital Funding Guide - General points applicable to Social Housing Grant funding through the Housing Corporation and Local Authorities'* which is available on the Housing Corporation's website at www.housingcorp.gov.uk.
- 12.3 In the absence of SHG, the only funding source generally available to meet the capital costs of affordable housing is for the RSL or landlord to borrow.
- 12.4 RSLs assess their ability to finance the capital costs of affordable housing based partly on sales receipts they might receive from the disposal of some equity (on low cost home ownership schemes) and mainly on borrowings which are repaid from the rental stream from retained equity. For social rented housing, all of the capital cost has to be met from borrowing which is repaid from rental income.

Tenure

- 12.5 The present relationship between house prices and incomes means that the majority of households in housing need in North East Derbyshire can only afford rented property, controlled by an RSL. In line with the SHMA, the Council expects that about 2/3rds of all new affordable housing in the District should be social rented housing.
- 12.6 Shared ownership may be an option for households that can afford more than social rented property, but would be unable to meet mortgage repayments on outright purchase. A shared ownership home is likely to be affordable if access is restricted to households from a target group at a price they can afford. Whilst the purchaser can generally staircase, that is increase the proportion of the dwelling that they own (there are greater restrictions in respect of settlements of 3,000 and less), there should be secure arrangements for subsidy to be recycled to provide additional affordable homes.
- 12.7 It should be noted that since 2004 both registered (e.g. housing associations) and unregistered bodies, including private developers and ALMOs, can bid for social housing grant from the Housing Corporation. When economically viable, the Corporation considers that, where an element of cross subsidy is involved, affordable housing should be delivered without grant assistance. Where an application for grant is to be made, the Corporation should be involved at an early stage so that an optimum number and mix of affordable homes can be secured.

Target rents

- 12.8 Rents of social rented housing are predetermined by target rents advised by the Housing Corporation. Target rents are determined by dwelling size and reflect local values and earnings. Should private developers wish to offer affordable housing to rent without the involvement of an RSL, they will be expected to set rents in accordance with the target rent figure advised by the Housing Corporation at the time (see also paragraph 10.5).



Transfer of land to a Registered Social Landlord

- 12.9 Whilst the procedure set out in Section 10 is likely to be the swiftest and most cost effective way of providing new affordable housing, it may be acceptable for developers to contribute a proportion of the site by transferring the land so that another (usually an RSL) can build the affordable housing. Where this occurs, the site area should be sufficient to provide the appropriate number of dwellings in agreed house types and sizes.

The involvement of Derbyshire Supporting People

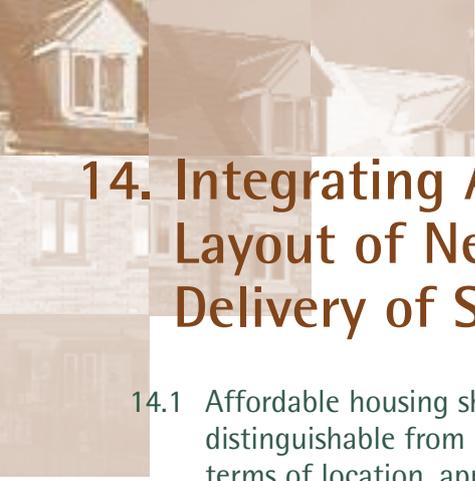
- 12.10 This Council will continue to work in partnership with Derbyshire County Council to secure living accommodation for vulnerable people. This could include the development of 'move-on' Strategies and the submission of applications for bids for supported housing.

The contribution of Low Cost Market Housing

- 12.11 In accordance with PPS3, low cost market housing is not affordable housing. The provision of low cost market housing within a scheme should therefore not be considered to be a suitable replacement for truly affordable housing. However, the Council accepts that low cost market housing can contribute towards the choice and mix within a scheme in the interests of providing balanced communities.

13. How the Range, Type and Mix of Affordable Housing will be Calculated

- 13.1 The Council will strictly apply Local Plan Built Environment Policy BE1 relating to general design principles. The emerging SPD relating to Residential Design will also be relevant.
- 13.2 Generally, the more modest a house, the more affordable it will be. The Council therefore expects that any new affordable housing provided will be of a similar floor space to that currently being provided in the District by RSLs. Generally floor spaces should adhere to the latest Housing Corporation's Housing Quality Indicators (HQi) document (see www.housingcorp.gov.uk). At present, HQi version 4 recommends:-
- | | |
|----------|-----------------------|
| 2 person | 45 - 50 square metres |
| 3 person | 57 - 67 square metres |
| 4 person | 67 - 75 square metres |
| 5 person | 82 - 85 square metres |
- 13.3 Persons rather than bedrooms are used for guidance as a bedroom may be used for alternative purpose, such as a dining room or study. Normally a one and two person house would contain one bedroom, a three person house would contain two bedrooms, a four person house would contain two or three bedrooms and a five person house would contain three bedrooms. However, it is the total floor area that is most relevant, as any future changes to the internal layout of a property is unlikely to require planning permission.
- 13.4 Floor areas should be measured to the finished internal faces of the main containing walls on each floor of the accommodation and include space taken up by private staircases, partitions, internal walls, chimney breasts, flues and heating appliances. It excludes any space where the height to the ceiling is less than 1.5 metres, open porches or covered way etc. to open air and non-habitable basements and attics.
- 13.5 These guidelines are not intended to be over prescriptive, although properties that significantly exceed these floor areas will be critically examined to see if they meet the objectives of this SPD.
- 13.6 The range, type and mix of affordable accommodation required will be determined by a combination of Housing Needs Surveys, information from the waiting lists, availability of the existing affordable stock, local market information as well as any available information from the Primary Care Trust and County Council Education Department and any other evidence from the most up to date Housing Strategy.
- 13.7 As well as the scale of need, the dwelling mix will depend on the nature of the development, the location and constraints of the site and the facilities available. It is important that this is discussed with the relevant development control officer before any application is submitted so that the development can reflect priority housing needs and could include homes for single people, families, older people or special needs.
- 13.8 The precise mix of dwelling type will change according to location and as needs vary over time and must be agreed with the Housing Strategy Team.
- 13.9 It is also important that the remaining provision of open market housing on a new housing development also contributes to providing the full range of housing to meet the needs of the community.



14. Integrating Affordable Housing into the Design and Layout of New Development and Ensuring the Delivery of Sustainable Homes

- 14.1 Affordable housing should not be distinguishable from market housing in terms of location, appearance, build quality and materials. Reduction in size, use of substandard materials or poor finishing should not be perceived as an acceptable short-cut to affordability.
- 14.2 The Housing Corporation's Design and Quality Standards are established as good practice for the affordable housing sector as a whole. All affordable housing should comply with these standards. This approach ensures that RSLs and other affordable housing providers are working to the same criteria and standards. Further details can be obtained from the Housing Corporation web site. It is recognised that in some instances RSLs may have their own design standards that will also be relevant.
- 14.3 Developers should ensure that affordable housing is fully integrated within the site. It should blend in with neighbouring open market housing. This can be achieved if distributed throughout the development rather than being concentrated in one location. However, it is accepted that small clusters may be preferred by RSLs for management reasons. Developers will be expected to provide details of the location of affordable housing within the site when submitting the planning application.
- 14.4 Affordable housing should also be of sustainable construction with high standards of insulation and energy efficiency so that it is affordable to maintain and heat. As well as achieving the Housing Corporation's Design and Quality Standards (D&QS), newly built affordable housing should be constructed in accordance with the BREEAM (Building Research Establishment Environmental Assessment Model) Code for Sustainable Homes Level 3 for energy efficiency. (www.breeam.org). Providers of new homes should also give consideration to the management of waste, in particular opportunities for recycling. Regard should also be had to PPS25: Development and Flood Risk which encourages the inclusion of sustainable water management.
- 14.5 Providers of affordable housing are also advised to take account of the 'Lifetime Homes' Standards which incorporate design features that help make new homes more adaptable to meeting changing family needs or those of future occupants. Further details can be obtained from the Joseph Rowntree Foundation website (www.jrf.org.uk).
- 14.6 New schemes should also take account of the Building for Life (www.buildingforlife.org) criteria set out by CABE and the Home Builders' Federation. This will ensure that new developments have regard to their surroundings, including impact on Conservation Areas and Listed Buildings.
- 14.7 Developers should also seek to deliver projects that improve biodiversity by ensuring that affordable housing has a setting that is attractive to biodiversity through the provision of adequate private gardens and local green space.
- 14.8 Regard should also be paid to community safety and the need to reduce opportunities for crime to occur. Applicants should consider the standards set out in the Government publication 'Secured by Design.'
- 14.9 The emerging Residential Design SPD will provide further guidance.

15. Monitoring the Delivery of Affordable Housing

15.1 The delivery of Affordable Housing is monitored and reported annually in the Council's Annual Monitoring Report (AMR). This is submitted to the Government Office for the East Midlands at the end of each year and covers the previous financial year. The AMR is available on the Council's web site. Monitoring will be used to identify any changes required to Local Plan policy.

15.2 The following information is currently recorded each financial year:-

1. Housing completions by rent, low cost home ownership as well as those homes:-
 - (i) wholly funded by RSLs
 - (ii) wholly funded through developer/landowner contribution
 - (iii) funded through a mix of public subsidy and developer contribution.

2. Location and type of dwelling and number of bedrooms, provision for elderly and those with special mobility requirements.
3. The % of affordable housing achieved on open market developments.

15.3 Details of planning obligations will be reviewed annually. Non-compliance with the terms of the obligation will be reported to planning committee and, where necessary, the Council will consider taking enforcement/legal action to ensure compliance.

15.4 The way in which commuted payments are used to provide more affordable homes will also need to be monitored.



Appendix A

Settlements with a population of 3000 or less

Apperknowle

Ashover

Barlow

Brackenfield

Calow

Cutthorpe

Heath

Higham

Highmoor

Holmesfield

Holymoorside

Kelstedge

Littlemoor

Long Duckmanton

Marsh Lane

Mickley

Morton

Old Brampton

Renishaw

Ridgeway

Shirland

Spinkhill

Stonebroom

Stretton

Temple Normanton

Unstone

Wadshelf

Wessington

Woolley Moor



Appendix B

Assessing Financial Viability

Any site suitable for housing should normally be capable of providing some affordable housing in accordance with Local Plan policies H6 and H7.

Where a developer considers that there are significant economic constraints affecting a development and that these are sufficient to jeopardise the developer meeting the Council's affordable housing policy expectations, the developer will need to provide financial and other information to enable the Council to assess the nature, extent and impact of economic constraints.

As a guide, the following schedule highlights the main economic factors the Council would expect to assess, the information that will be required from the developer and the action the Council will take to carry out the assessment. A model form is included at the end of Appendix B to assist the collection of information. This list is not exhaustive and further information may be required.



Assessing Financial Viability

Subject	Information provided by the developer	Action to be taken by the Council
<p>Site or building acquisition cost</p>	<p>How much the developer has paid or is proposing to pay for the land or building, net of any site abnormalities and including VAT if applicable.</p> <p>Whether the site or building has been fully acquired at this price and when exchange of contracts took place.</p>	<p>The Council will obtain an independent opinion* from a qualified professional valuer with local market knowledge of</p> <ul style="list-style-type: none"> ● the value of the site or building in its existing use ● the value of the site or building for the proposed residential use ● the value of the site or building for any realistic alternative.
<p>Construction costs</p>	<p>How much the developer is estimating to pay for all aspects of the construction of the development including abnormalities, siteworks, houseworks and estate completions. Abnormalities should be itemised and costed individually and general construction costs should also be expressed as a price per square metre of the proposed development.</p> <p>The allowances made within the estimated figures for building cost inflation should be stated.</p>	<p>The Council will obtain independent advice* from a qualified professional quantity surveyor with knowledge of the local construction sector on</p> <ul style="list-style-type: none"> ● the reasonableness of the estimates for general construction ● the reasonableness of the estimated abnormal costs and the construction solutions that underlie them.
<p>Fees and other on-costs</p>	<p>An itemised breakdown of the main development and sales related fees and other costs the developer expects to incur including fees for design, engineering, planning, building control, surveying, warranties etc., legal fees, introduction fees, marketing and direct sales costs and interest charges where identified at a scheme level.</p>	<p>The Council will obtain independent advice* from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates.</p>

Subject	Information provided by the developer	Action to be taken by the Council
Projected sale price for dwellings	<p>How much the developer is proposing to sell the completed dwellings for broken down by dwelling type.</p> <p>What allowance has been made for inflation on values up to point of sale when compared to prices applicable at the time of compiling the information.</p>	<p>The Council will obtain independent advice* from a qualified professional valuer with local market knowledge of both the proposed sale prices compared to reasonable market expectations and the assumptions on house price inflation.</p>
Gross Margin	<p>What contribution the developer is assuming to achieve for overheads and profits as a % of the proposed gross sales value of the development.</p>	<p>The Council will obtain independent advice* from a qualified professional quantity surveyor and/or development consultant on the reasonableness of the estimates.</p>
Other Costs and receipts	<p>How much the developer has allowed for any other contributions or costs associated with the development including planning gain contributions for education, transport, local recreation etc.</p> <p>How much the developer has allowed in its assessment of viability for receipts attributable to providing affordable housing in accordance with the Council's policy expectations, broken down by dwelling numbers, types and tenures.</p>	<p>The Council will compare the estimated figures with its own knowledge on levels of planning gain contributions sought and affordable housing required and prices attributable to this. When appropriate, the Council will seek advice* from suitably qualified external consultants to validate certain cost or receipt assumptions.</p>

* The developer will be expected to pay for these valuations



Model Form

Information required for Assessing Financial Viability

	Value (£)
Acquisition Costs	
Date of site purchase.....	
Site purchase price
Stamp duty
Acquisition agent fees
Acquisition legal fees
Architect
Planning/Building regs/survey fees
 Construction Costs	
Square metres and construction costs
Road/site works
Planning contributions
Other costs (to be specified)	
.....	
.....	
.....	
.....	
 Marketing costs/Revenue	
Market housing sales
Affordable housing sales to RSL
Sales agent fees
Sales legal fees
 Residual land value	
(Value of development–Cost of development–Profit)	
 Alternative use site value	
 Developers' profit	
(15% on gross development value)	

Appendix C

Method of calculating developer contributions for affordable housing

Any financial contribution sought or the cost to a developer of providing affordable housing on or off-site will, for each dwelling required, be calculated as a sum equal to the difference between the registered social landlord (RSL) purchase price for the dwelling and the open market value (OMV) of an equivalent dwelling in the locality.

**Developer Contribution =
OMV of dwelling – RSL purchase price.**

The RSL purchase price is the amount of money that an RSL is able to pay for a new dwelling, either through a mortgage or loan. This amount has to be covered by the rent it will receive from the occupancy of the dwellings. It is determined by local affordable rent thresholds; a cap on the maximum rent that an RSL can charge is set by the Housing Corporation. The RSL purchase price will be set at 55% of the open market value of the dwelling. RSLs working in the District have indicated that they are able to pay up to 40% OMV for a rented property and 70% for a shared ownership property. 55% therefore represents an average of these amounts.

The open market value will be established by reference to the latest Hometrack Housing Intelligence System (HIS) figures for the District supplied by Data Systems Ltd, in June and December of each year. The average house price for each house type in the relevant ward will be used as a basis for the calculation.

Examples of developer contributions (based on average house prices (June 2007))

	Contribution
Semi detached £135,700 - £74,635 =	£61,065
Terraced £109,500 - £60,225 =	£49,275
Flat/Maisonette £91,200 - £50,160 =	£41,040



Appendix D

Checklist for delivering affordable housing on exception sites

- Local need assessment demonstrates a local need for the type and number of proposed dwellings as defined in paragraph 5.56 of the Local Plan.
- Cross subsidy between open market and affordable housing does not form part of the scheme, unless the open market element involves the conversion of buildings which are considered capable of retention under Policy GS7 of the Local Plan.
- The proposal is small scale and within or adjoining the existing built up area.
- Representations have been made in support of the scheme, particularly from the Town or Parish Council/Parish Meeting or Community Meeting.
- The affordable housing could not reasonably be provided on a site allocated for residential development or elsewhere within the settlement development limits.
- The proposal is subject to a legal (S106) agreement to ensure initial and all subsequent occupancy is restricted to members of the local community in need of affordable housing.
- The proposal complies with all other policies in the Local Plan including the availability of supporting services (e.g. shop, bus service etc.) and conservation.

Appendix E

Meaning of disability

The Disability Discrimination Act (1995) states that 'a person has a disability if he/she has a physical or mental impairment which has a substantial effect on his/her ability to carry out normal day-to-day duties.'

The Disability Rights Commission has provided further guidance:

Impact on 'normal day-to-day activities' will involve one or more of the following areas being badly affected:-

- Mobility
- Manual dexterity
- Physical coordination
- Continence
- Ability to lift, carry or move everyday objects
- Speech, hearing or eyesight
- Memory or ability to concentrate, learn or understand
- Understanding the risk of physical danger.



Appendix F

Matters for inclusion in Section 106 Agreements dealing with affordable housing

(This list is not exhaustive and additional information may be required).

All tenures

- Number, type and tenure mix of affordable housing
- Plan indicating affordable housing and associated car parking bays
- A schedule of affordable homes, confirming plot number, type and floor area
- Full details of the title to the development land
- Requirement to limit services (e.g. drainage, sewerage) for affordable housing to ensure that homes do not become unaffordable due to high cost of charges
- Where affordable housing is to be transferred to a 3rd party (e.g. RSL) it should be named and be party to the agreement
- Council to receive a full copy of the development agreement entered into with the RSL/3rd party
- Where nomination rights are reserved by the agreement, occupation of the affordable housing should be restricted to those nominated
- Requirement for affordable homes to be built to requirements of D&QS.
- All relevant cascade or similar letting/sale provisions in adopted plans.

Discounted Sales

- Marketing obligations of RSL to be set out
- Reference to local connection criteria

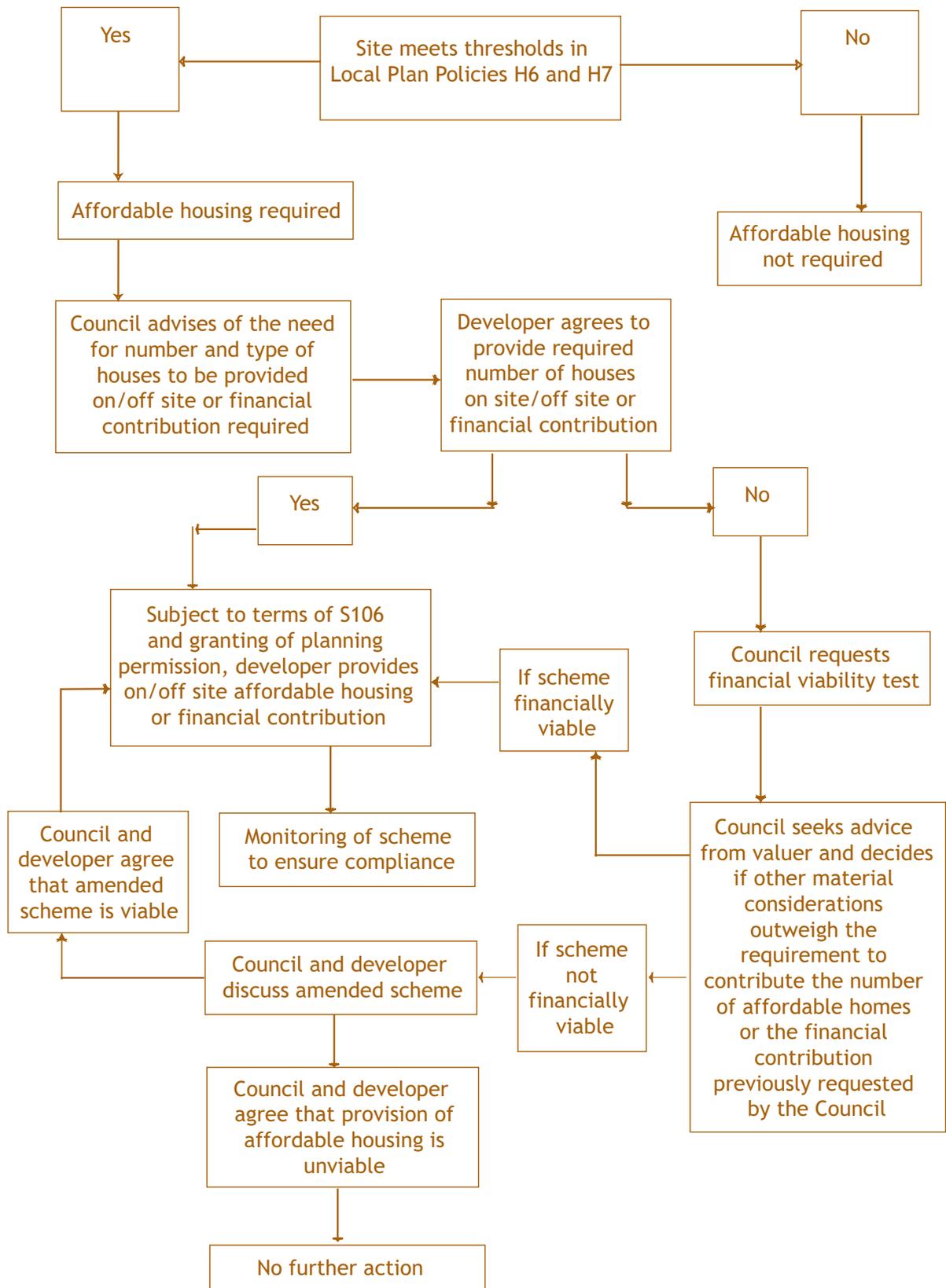
- Details of how the price of the discounted sale home is to be calculated and specification of the percentage discount
- Requirement that marketing period of discounted sale homes to be for a minimum period of 6 months
- Flexibility for RSL to commence marketing prior to their completion
- Clause permitting the RSL to purchase the affordable sale homes in the event that the marketing period has expired and customers are still progressing mortgages.

General Requirements

- Car parking for affordable homes to be provided by developers at nil charge (i.e. not calculated as part of the affordable housing benefit)
- Time requirements for when the affordable homes will be provided to be inserted, according to construction programme but ensuring that no more than 40% of the open market housing is practically completed prior to the completion of all the affordable housing
- Affordable housing will be required to remain as affordable in perpetuity or for as long as there is a requirement for affordable housing
- Affordable housing will be required to be reserved for people in housing need according to the Council's criteria
- A requirement for those purchasing under discounted home ownership scheme to enter into lease with RSL restricting conditions of resale ie limiting the percentage of open market value at which the home can be sold
- Developer to meet the local planning authority's reasonable legal costs in preparing, negotiating and completing the S106 agreement.

Appendix G

Flow Diagram for affordable housing provision in Settlement Development Limits.





Appendix H

Glossary

Affordable Housing

Includes social rented and intermediate housing provided to specified eligible households whose needs are not met by the market.

Development Plan Document (DPD)

Prepared by local authorities to deliver the goals of the LDF.

Housing Association

A body registered by the Housing Corporation to provide social housing.

Housing Corporation

A public body whose role is to provide social housing.

Housing Market Area (HMA)

Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work.

Intermediate housing

Housing at prices and rents above those of social rent, but below market prices or rents.

Lifetime Homes Standards

Lifetime homes have 16 design features that ensure a new house or flat will meet the needs of most households. The emphasis is on adaptability and design features that make the home flexible enough to meet whatever comes along in life.

Market Housing

Private housing for rent or for sale, where the price is set on the open market.

Housing Strategy

The Council's key document for the delivery of housing in the District based on an assessment of need and demand in consultation with relevant partners and stakeholders.

Key Worker

The Government's definition of key workers includes those groups eligible for the Housing Corporation funded Key Worker Living Programme and others employed within the public sector identified by the Regional Housing Board for assistance.

Local Development Document (LDD)

Forms part of a Local Development Framework. It may be either a Development Plan Document (DPD) such as the Core Strategy or a Supplementary Planning Document (SPD) such as guidance on affordable housing, public open space provision etc.

Local Development Framework (LDF)

Comprises LDDs together with supporting documents (Statement of Community Involvement and Annual Monitoring Report).

Low Cost Market Housing

Affordable housing offered for sale at sub-market values and secured in perpetuity to ensure that it remains affordable.

Planning Policy Statement:3

Government guidance notes relating to housing.

Registered Social Landlord (RSL)

A housing association or a not for profit company registered by the Housing Corporation to provide social housing.

Right to Buy

An option for council tenants to purchase the property in which they live.

Shared ownership housing

Housing which allows the occupier to purchase a proportion of a home whilst renting the other proportion from a housing association.

Social Housing Grant (SHG)

Capital grant provided by the Housing Corporation to fund RSLs to develop social housing.

Social Rented Housing

Housing that is owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime.

Section 106 Agreement (S106)

Section 106 of the Town and Country Planning Act (1990) allows individuals with an interest in land to enter into a legal agreement which can cover various restrictions on development or use of the land, can require specific operations to be carried out or can require the payment of sums of money to the Authority, in order to provide items such as affordable housing.

Shared ownership housing

Housing which allows the occupier to purchase a proportion of a home whilst renting the other proportion from a housing association.

Staircasing

When an owner of a shared ownership property increases the proportion of the dwelling that they own.

Strategic Housing Market Assessment (SHMA)

A Strategic Housing Market Assessment is defined in Planning Policy Statement:3 to be a process carried out within a Housing

Market Area (HMA). It should be a process involving key stakeholders and should cover all tenures of housing. It therefore includes, but goes beyond, the old style Housing Needs Survey (HNS) which dealt with only affordable housing.

A Strategic Housing Market Assessment should:

- Estimate housing need and demand in terms of affordable and market housing
- Determine how the distribution of need and demand varies across the study area
- Consider future demographic trends and identify the accommodation requirements of specific groups.

Supplementary Planning Document (SPD)

Guidance adopted by the Council that provides further detail on planning issues.

Target rent

Rent levels set by the Government and Housing Corporation which are used to measure the affordability of social rented housing.



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We care. We want all of our customers to be able to access all of our services. To talk to someone in English, ring this number.

☎ **01430 457390** (CANTONESE) 廣東話

☎ **01430 457391** (MANDARIN) 國語

本市政府關心閣下，我們希望區內所有的市民都能夠使用我們所有的服務。請致電上列這一號碼，可用廣東話或國語和我們交談。

☎ **01430 457392** (ITALIAN)

Noi ci prendiamo cura di voi. Il nostro obiettivo è quello di dare a tutti i nostri clienti la possibilità di accedere ai nostri servizi. Per parlare in **italiano**, chiamate questo numero

☎ **01430 457394** (URDU) اُردو

ہم احساس کرتے ہیں۔ ہم چاہتے ہیں کہ ہمارے صارفین ہر دہی تمام سروسز سے استفادہ میں کریں۔ اگر آپ کسی سے اُردو میں بات کرنا چاہیں تو اس لینکون نمبر پر رابطہ کریں

☎ **01430 457395** (POLISH)

Dbamy o naszych klientów.

Pragniemy, by wszyscy mogli skorzystać z całości oferowanych przez nas usług. Aby porozmawiać w języku **polskim**, wybierz ten numer telefonu.

☎ **01430 457396** (PUNJABI)

ਅਸੀਂ ਦੇਖ-ਭਾਲ ਕਰਦੇ ਹਾਂ। ਅਸੀਂ ਚਾਹੁੰਦੇ ਹਾਂ ਕਿ ਸਾਡੇ ਸਾਰੇ ਗਾਹਕ ਸਾਡੀਆਂ ਸਾਰੀਆਂ ਸੇਵਾਵਾਂ ਤੱਕ ਪਹੁੰਚ ਕਰ ਸਕਣ। ਕਿਸੇ ਨਾਲ ਪੰਜਾਬੀ ਵਿਚ ਗੱਲਬਾਤ ਕਰਨ ਵਾਸਤੇ, ਇਸ ਨੰਬਰ ਤੇ ਟੈਲੀਫੋਨ ਕਰੋ।

☎ **01430 457397** (OTHER LANGUAGES)

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North East
Derbyshire
District Council



YOU WILL NOT BE CHARGED FOR THE TALKBACK SERVICE

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