



Affordable Housing Supplementary Planning Document

Approved by Craven District Council

6th August 2021

PREFACE

This supplementary planning document adds further detail to those policies of the adopted Craven Local Plan which are key to the delivery of affordable housing. It cannot and does not introduce any new policy requirements, rather it provides additional guidance to help applicants understand how it is possible for proposed developments to satisfy existing plan policies. In particular, Part 2 of the SPD, explains how proposed developments can satisfy each individual criterion of Policy H2, the plan's primary policy on affordable housing. Part 3 of the SPD is designed to assist applicants in preparing planning applications for different types of housing development, emphasising the importance of early pre-application discussions with council planners and housing officers.

On 24 May 2021, the government's Housing Minister published an Affordable Housing Update Written Ministerial Statement on 'First Homes'. The policy in this statement comes into force on 28 June 2021, albeit does not apply to planning applications determined before 28 December 2021 (or potentially 28 March 2022).

The First Homes requirement cannot be incorporated in the SPD as First Homes do not form part of the Craven Local Plan Policy H2. However, the new national First Homes policy replaces the NPPF concept of entry-level exception sites with a new concept of 'First Homes Exception Sites', which is discussed within this SPD.

The operation of this new government policy, which will require 25% of major development sites affordable homes to be for eligible first time buyers, will run alongside the Craven Local Plan Policy H2. The government has advised that local planning authorities should consider how best it's new policy requirement should operate locally, with options to alter national standards to reflect local circumstances. The council is currently considering what work is necessary to do this and ensure that First Homes are affordable to those who live and work locally in Craven.

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PART ONE: CONTEXT

1.1.0 Introduction

1.1.1 The Town & Country Planning (Local Planning) (England) Regulations 2012 defines a supplementary planning document as a document within Regulation 5 of the Regulations which is not a local plan, an adopted policies map, or a statement of community involvement. Effectively, this means that a supplementary planning document (SPD) will be a document prepared by a local planning authority which contains statements regarding environmental, social, design, or economic objectives that are relevant to the attainment of the development and use of land which is already encouraged by the policies of the local plan, with the proviso that those statements must not be statements which are required to be made in a local plan. Development management policies which are intended to guide the determination of applications for planning permission are matters for a local plan, and new statements on those matters (including the imposition of additional requirements) cannot be included in a SPD. However, a SPD can reiterate existing local plan policies and can give additional guidance to explain both the objectives which the policies are seeking to achieve and how it may be possible for proposed developments to satisfy those policies. The glossary of the National Planning Policy Framework (NPPF) describes SPDs as

“Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.”

1.1.2 This SPD provides further guidance on the delivery of affordable housing in the Craven Local Plan area. In accordance with the above legal and NPPF definitions of SPD's, it adds further detail to help explain the objectives relating to the following policies of the Craven Local Plan (Nov 2019) and ways in which applicants can seek to show (both pre-application and as part of their application) that their proposals are able to satisfy these policies:

- Policy H1: Specialist housing for older people
- Policy H2: Affordable housing
- Policy SP4: Spatial strategy and housing growth.
- Policy ENV3: Good Design
- Policy SD1: Presumption in favour of sustainable development
- Policy SD2: Meeting the challenge of climate change.

The SPD also provides some background information on the practical arrangements the Council undertake for delivering the affordable housing to those in need after a decision has been made on a relevant planning application.

1.2.0 Preparing, submitting and front loading of planning applications

1.2.1 In accordance with Policy SD1 of the Craven Local Plan and paragraph 11 of the NPPF, the Council will take a proactive approach and will work cooperatively with people and organisations wishing to carry out development and applying for planning permission, to find solutions to secure sustainable development that meets the relevant plan policies and be approved wherever possible. Solutions to secure sustainable development for Craven, including contributing to the implementation of the Council's Climate Emergency Strategic Plan 2020 to 2030 through the policies of the local plan, and the efficient processing of planning applications, can be achieved through early pre-application engagement with the Council. This is called the process of 'front loading' and is strongly encouraged by the NPPF at paragraphs 39 to 46.

1.2.2 Part three of this SPD, 'Preparing and submitting planning applications' explains how this front loading can best take place in Craven. **Part three of the SPD is a useful starting point for potential applicants as it also provides signposting back to those policy criteria set out in part two which are relevant to the following types of residential development:**

- General housing:
 - Building on-site affordable housing
 - Making contributions for off-site affordable housing,
- Rural Exception Sites,
- Specialist Housing for Older People.
- First Homes exception sites (Written Ministerial Statement, 24 May 2021)

This part of the SPD also provides important information on the Council's validation requirements.

1.3.0 Public consultation and adoption.

1.3.1 This supplementary planning document has been the subject of two public consultations. Representations received during these consultations have informed this adopted document. As required by regulation 12(a) of the Town and Country (Local Planning) (England) Regulations 2012 a Consultation Statement has been prepared which sets out details of the consultations that have taken place and how those issues raised have been addressed in the supplementary planning document.

- 1.3.2 In accordance with the provisions of the Strategic Environmental Assessment (SEA) Directive and the Environmental Assessment of Plans and Programmes Regulations (2004) (Regulation 9(1)), the local authority must determine whether a SEA is required under Regulation 9(3) for a supplementary planning document. An SEA screening report has been published alongside this supplementary planning document and this concludes there is no need for a full SEA.
- 1.3.3 A Habitats Regulations Assessment (HRA) is required to determine whether a plan or project would have significant adverse effects upon the integrity of internationally designated sites of nature conservation importance (also known as Natura 2000 sites). The requirement for HRA is set out within the Habitats Directive 92/43/EEC, and transposed into British law by Regulation 102 of the Conservation of Habitats and Species Regulations, 2010. A screening report can determine if a full HRA is required (i.e. an Appropriate Assessment or further report, as necessary). A HRA screening report has been published alongside this supplementary planning document and concludes there is no need for a full HRA.
- 1.3.4 This document was adopted by the council on 6th August 2021.

1.4.0 The Craven Local Plan and the National Planning Policy Framework

- 1.4.1 The [Craven Local Plan](#) (hereafter referred to as 'the plan') was adopted on 12 November 2019. Policy H2 on affordable housing sets out the local planning authority's policy approach to the delivery of affordable housing in the Craven local plan area. Policy H2 has been evidenced by the Craven Strategic Housing Market Assessment (SHMA): 2017 and addendums, and the Craven Local Plan Viability Assessment (LPVA): 2017 and addendums.
- 1.4.2 This evidence concludes that there is a high level of need for affordable housing in the plan area and that the planned housing growth up to 2032 can contribute to the provision of affordable housing. Similarly, the evidence concludes that Use Class C3 residential accommodation for older people in the plan area can also make contributions to the need for affordable housing.
- 1.4.3 The preparation of the plan, and its examination, has been based on the provisions of the 2012 NPPF, and the accompanying planning practice guidance (PPG) and relevant ministerial statements up to mid-2018. Therefore, Policy H2 reflects these provisions and the Council's SHMA has provided evidence for the types of affordable housing defined in the 2012 NPPF. Additional types of affordable housing are included in the 2019 NPPF. Both sets of definitions are set out in Appendix 1.
- 1.4.4 The 2019 NPPF and associated updates to the PPG retain the same main policy approach to the delivery of affordable housing as the 2012 NPPF. This

is the delivery of such housing through the contributions that can be made by general market housing sites. However, some of the details about what site sizes of general market housing should qualify for affordable housing contributions have changed. These NPPF site size thresholds were not the subject of public consultation during plan preparation, nor did they inform the plan's viability assessment. Therefore, the Council will continue to apply the site size thresholds in Policy H2 to development proposals.

- 1.4.5 The Council, as local planning authority, is required by law to determine planning applications in accordance with the development plan, unless material considerations indicate otherwise. Applications for general market housing and specialist housing for older people will be assessed against Policy H2 of the plan. The NPPF and/or the PPG contain some policy and guidance that is different to the provisions of Policy H2 and the Council will also consider whether any relevant parts of the NPPF and/or PPG indicate a decision other than that in accordance with the plan.
- 1.4.6 The 2019 NPPF includes an additional method of delivering affordable housing which was not available in the 2012 NPPF. This delivery mechanism is called 'entry-level exception sites'. This policy concept has been replaced by 'First Homes exception sites' in a ministerial statement published on 24 May 2021. These types of sites are discussed in section 3.4.0 of the SPD.
- 1.4.7 The Craven Local Plan Viability Assessment (LPVA), whilst published prior to the 2019 NPPF and accompanying updates of the PPG, is consistent with the approach advocated by these national planning policy and practice documents.

PART TWO: CONFORMING WITH POLICY H2

(AND OTHER RELEVANT POLICIES OF THE CRAVEN LOCAL PLAN)

2.1.0 General market housing: (criterion a)

2.1.1 Criterion a) of Policy H2 requires proposals to provide on-site provision or off-site financial contributions for affordable housing as follows:

Proposed development	Plan area coverage	Affordable housing contribution
More than 10 dwellings	All	Not less than 30% of the units to be built on a greenfield site to be affordable housing
More than 1000 sqm*	All	Not less than 25% of the units to be built on a brownfield site/previously developed land to be affordable housing
6 to 10 dwellings of 1000sqm or less*	Designated rural areas**	A financial contribution the equivalent of not less than 30% on-site provision on greenfield sites . A financial contribution the equivalent of not less than 25% on-site provision on brownfield sites/previously developed land .
6 to 10 dwellings of 1000sq m or less*	Outside designated rural areas	No affordable housing contributions required
1 to 5 dwellings of 1000sq m or less*	All	No affordable housing contributions required

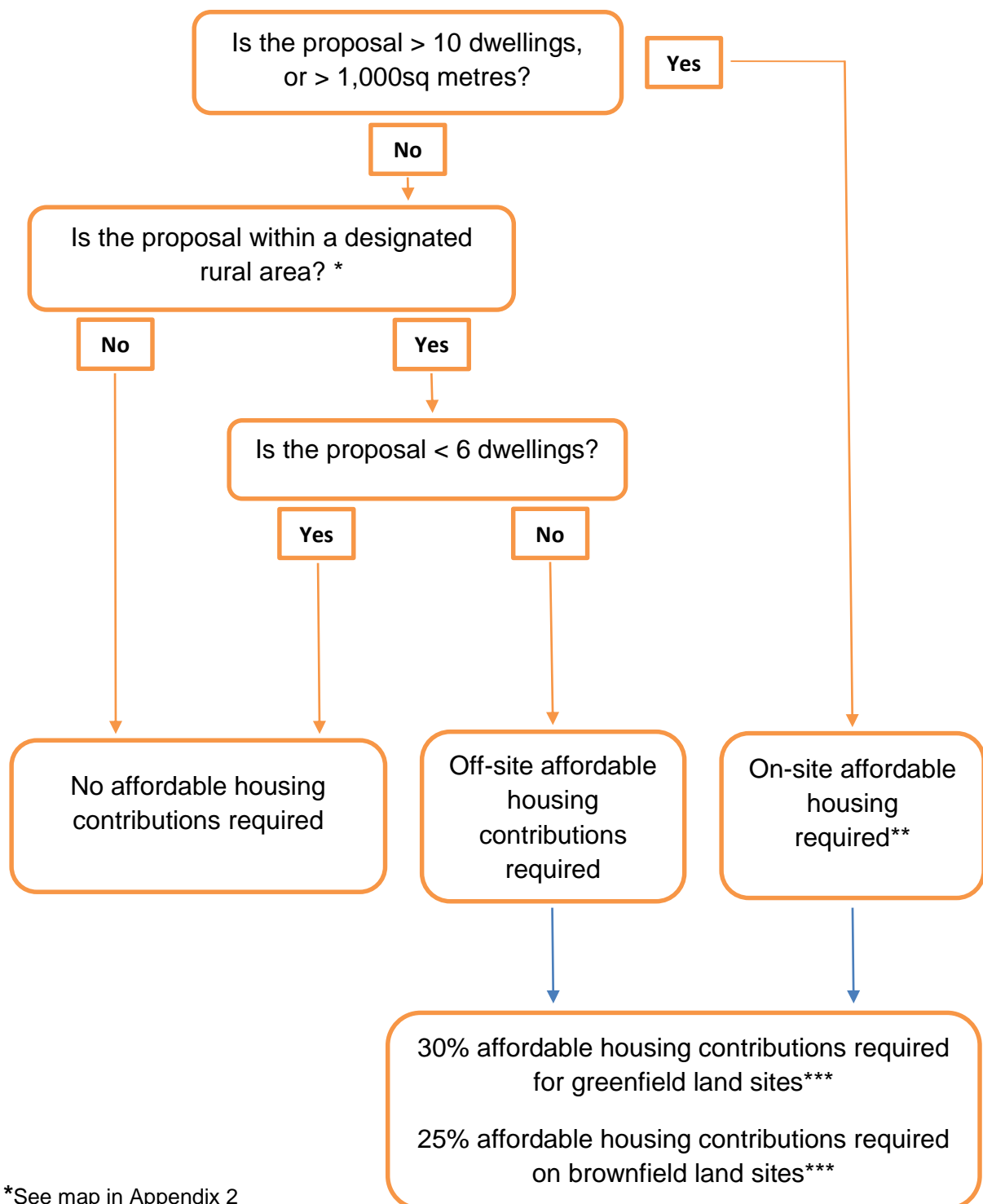
All contributions will be subject to vacant building credit, where appropriate. ***

*This is the combined gross floorspace (gross internal area), which is the floor area contained in all buildings (including garages etc.) measured to the internal face of external walls. Voids in buildings, such as roof-spaces without floors, are not included.

**See map in Appendix 2. Within the Craven plan area, designated rural areas are the Forest of Bowland Area of Outstanding Natural Beauty and the parishes of Bank Newton, Bentham, Bolton Abbey, Burton-in-Lonsdale, Clapham-cum-Newby, Conistone Cold, Embsay-with-Eastby, Gargrave, Giggleswick, Halton East, Hellifield, Ingleton, Langcliffe, Lawkland, Long Preston, Otterburn, Rathmell, Settle, Stirton-with-Thorlby, Thornton-in-Lonsdale and Wigglesworth. Please refer to Section 157 of the Housing Act 1985 and the Housing (Right to Buy) (Designated Rural Areas and Designated Region) (England) Order 1988.

*** This is a financial credit, equivalent to the existing gross floorspace of any vacant building brought back into lawful use or demolished for re-development, which will be deducted from the required affordable housing contribution. The credit will not apply to vacant buildings which have been abandoned. The purpose of the credit is to incentivise brownfield development on sites containing vacant buildings, in line with national policy.

2.1.2 A process flowchart is provided below which sets out when on-site or off-site affordable housing contributions will be required.



*See map in Appendix 2

**Unless there are clear advantages or overriding reasons for providing off-site contributions (Policy H2 criterion c) and Section 2.3.0 of this SPD)

*** Unless exceptional circumstances can be demonstrated (Policy H2 criterion d), Section 2.5.0 of this SPD) or vacant building credit applies.

2.2.0 Specialist housing for older people: (criterion b)

2.2.1 Criterion b) of Policy H2 expects proposals for Use Class C3 specialist housing for older people to provide for on-site provision or off-site financial contributions as follows:

Proposed development	Affordable housing contribution
Age Restricted/Sheltered Housing or similar (See paragraph 6.2 of the plan for a definition)	Not less than 30% of the units to be built on a greenfield site to be affordable housing or an equivalent financial contribution provided. Not less than 25% of the units to be built on a brownfield site/previously developed land to be affordable housing or an equivalent financial contribution provided. (See criterion c below regarding financial contributions)
Assisted Living/Extra Care Housing or similar. (See paragraph 6.2 of the plan for a definition)	Not less than 12% of the units to be built on a greenfield site to be affordable housing or an equivalent financial contribution provided. Not less than 7% of the units to be built on a brownfield site/previously developed land to be for affordable housing or an equivalent financial contribution provided. (See criterion c below regarding financial contributions)

2.2.2 Appendix 3 sets out the characteristics of a specialist housing scheme for older people which will be used by the planning authority to establish whether such a scheme is a Use Class C3 (residential development) or C2 (institutional use).

2.3.0 On site/off site contributions (criterion c)

2.3.1 For general market housing across the whole plan area on sites of 11 dwellings or more, and those proposals of more than 1,000 sq metres regardless of the number of dwellings, Policy H2 expects affordable housing to be provided on-site. For this size of site/proposal, off-site contributions will only be supported by the Council when the tests within criterion c of this policy are met. These tests reflect the approach previously set out in the NPPF and also the tests set out in the 2019 NPPF (Paragraph 62). Conversely, if a proposer of a site where off-site contributions should be payable prefers to

provide affordable housing on-site the Council would usually support this preference.

2.3.2 This means that, as set out in criterion (c) of Policy H2, any applicant seeking off-site contributions in lieu of the policy requirements for on-site provision should demonstrate as part of the pre-application procedures set out in Section 3.1.0 of this SPD that:

- There are clear advantages or overriding reasons for doing so, and
- Off-site contribution is preferable to on-site provision in terms of achieving housing and planning objectives, and
- Off-site contribution contributes to the objective of creating mixed and balanced communities.

For convenience these bullet points are referred to as sub-criteria a, b, and c in the guidance in Section 2.4.0 below.

2.3.3 There may also be situations where the above tests are passed and the Council would prefer, off-site contributions rather than on-site provision. For example, a development of flats or apartments could be unduly problematic for Registered Providers, especially if service charges threaten to make units unaffordable or if the building's freehold cannot be obtained. Off-site contributions for age restricted housing, including extra care, may also be preferable for similar reasons. In such cases the Council would seek to negotiate an off-site contribution as a better solution to on-site provision.

2.3.4 Any cash sum contributions obtained will be used to secure off-site provision to help meet the plan area's affordable housing needs.

2.4.0 Calculation and payment of financial off site contributions (criterion c; sub-criteria a, b, and c)

2.4.1 Where off-site financial contributions are required by sub-criteria a) or b), or acceptable under sub-criterion c) of criterion (c) of Policy H2, paragraph 6.20 of the plan's supporting text provides an overview of how the Council will calculate the appropriate level of cash payment.

2.4.2 In summary, paragraph 6.20 of the plan states that:

- the basis of the calculation of financial contributions will be the difference between affordable housing transfer value (per sqm) and open market value (per sqm) for 70sqm two bedroom houses assuming they are available on the same site. If not, regard will be had second hand market sales of broadly equivalent property type and size in the locality.
- on flatted schemes, the commuted sum will be based on the affordable housing transfer values for similar units.

- the market value of dwellings will be determined having regard to the asking price and/or any sales where contracts have been exchanged, along with any market sales, in the locality. *
- the value of affordable housing will be determined by the Council's latest published transfer prices (This is the price the registered provider will pay to a developer for affordable units in Craven, both for sale and rent – see below).

(* The definition of 'market value' by the Royal Institute of Chartered Surveyors (RICS) is set out in its 'Global Standards' valuation guide (Red Book) and this definition was effective from 31 January 2020.)

2.4.3 The justification for using transfer values in calculating off-site provision has been accepted by the Craven Local Plan Examination Inspector and is provided in the Craven Local Plan Examination Document Ec001 (2017). This document outlines the consultation the Council undertook with its partner registered providers and the Home and Communities Agency (now Homes England) in setting the transfer price. It confirms that the HCA supports the approach, which “.... ensures that Registered Providers can access homes to meet local housing need and create mixed sustainable communities in high value areas....”

2.4.4 The Council's current transfer price was established in 2017 and is set at £1,000 per square metre across the plan area (excluding communal areas in flatted developments). This will be reviewed at an appropriate time when relevant updated data is available. Registered Providers (RP) developing in Craven have agreed an appropriate specification to accompany transfer prices. This is set out in appendix 9 to this SPD.

2.4.5 An illustration based on a **6 dwelling proposal in a designated rural area** is given below:

<ul style="list-style-type: none"> • The Council's 30% affordable housing requirement would equate to 1.8 affordable dwellings 	30% of 6 dwellings = 1.8 affordable dwellings
<ul style="list-style-type: none"> • Evidence indicates a need for two-bedroom houses (at 70sqm each) to suit newly forming households 	1.8 x two bed (70sqm) = 126 sqm
<ul style="list-style-type: none"> • The total affordable housing value, based on a transfer price of £1,000sqm, would be £126,000 	Affordable housing value = 126 sqm x 1,000 = £126,000
<ul style="list-style-type: none"> • If similar two bedroomed houses are up for sale on site, their asking price or sale contract price 	Market value of a 70sqm two bed = say £200,000

<p>can be used to establish a comparable market value.</p> <ul style="list-style-type: none"> If there are no equivalent 2 bed homes on site, the market value will be determined by reference to recent second hand market sales in the locality 	<p>Market value of 1.8 x two bed = £360,000</p>
<ul style="list-style-type: none"> The commuted (cash) sum due is the difference between market and affordable values 	<p>Cash sum due = £360,000 - £126,000 = £234,000</p>

2.4.6 For development of between 6 and 10 dwellings in designated rural areas - to help small developers manage their cash flow and in accordance with the PPG - staged payments will be accepted and the first payment won't be required until 30% of dwellings (to the nearest dwelling) are occupied (i.e. when money is coming in).

2.4.7 Alternatively, and in response to landowners' requests, the Council may agree to a calculation and payment of the cash sum contribution before development commences on site. This may be helpful where land is to be marketed with planning permission. In such cases, market value will need to be based on alternative valuations, rather than asking or sale contract prices.

2.5.0 Site Viability Assessments and Exceptional Circumstances (criterion d)

2.5.1 This criterion indicates that development proposals seeking to provide a lower level of affordable housing contribution than those percentages given in criteria a) and b), either on or off site, will not be acceptable unless it can be clearly demonstrated that exceptional circumstances exist which justify a reduced affordable housing contribution.

2.5.2 The Craven Local Plan Examination Inspector's Report (IR) (Paragraph 157) was clear that although the phrase 'exceptional circumstances' is not used in the 2012 NPPF, the Council's thorough testing of the viability of development justified the policy's use of this phrase.

2.5.3 Paragraph 6.18 of the plan, the supporting text to Policy H2, provides two examples of exceptional circumstances which could allow a lower than policy level of affordable housing to be granted planning permission.

2.5.4 The wording of the plan's paragraph 6.18 is repeated here and more detail about the type of factors that might constitute these circumstances is given in paragraph's 2.5.5 to 2.5.9 below:

- unusual and wholly unexpected/unforeseen development costs which affect scheme viability, or
- where there is a clear need to meet other planning objectives, such as the restoration of heritage assets.

Wholly unexpected/unforeseen development costs

2.5.5 All *foreseeable* development costs (normal and abnormal) associated with individual developments should have been taken into consideration between the landowner and the developer in determining the site's land value (Paragraph 6.17 of the plan) *. The more expensive a site is to develop, e.g. due to topography, contamination, remediation etc, the less the developer should pay for the land compared to land with lower development costs *. Similarly, a landowner should not expect to receive the same land value for a site with apparent abnormal costs (e.g. contaminated or sloping sites) compared to land with lower development costs (e.g. a greenfield level site with no contamination) *. The plan's clearly expressed requirements for affordable housing and other planning obligations, mean that these costs can be accurately accounted for in the price paid for land by the developer. This is set out in PPG Paragraph 001 Ref ID: 10-001-20190509.

*The above approach is supported by paragraph 014 Ref: ID: 10-014-20190509 of the PPG and paragraph 4.57 of the Local Plan Viability Assessment 2017. The former states that "Benchmark land value should:

- Be based upon existing land value
- Allow for a premium to landowners (excluding equity resulting from those building their own homes)
- Reflect the implications of abnormal costs; site specific infrastructure costs and professional site fees.
....."

The latter states that

"It is important to note that the TLV's contained herein are for 'high-level' plan viability purposes and the appraisals should be read in the context of the TLV sensitivity table (contained within the appraisals). It is important to emphasise that the adoption of a particular TLV £ in the base-case appraisal typologies in no way implies that this figure can be used by applicants to negotiate site specific planning applications. Where sites have obvious abnormal costs (e.g. retaining walls for sloping sites) these costs should be deducted from the value of the land." TLV is Threshold Land Value which equates to Benchmark land value."

- 2.5.6 The Council will expect applicants to demonstrate that they have used the above approach to agree an appropriate price for the land. In doing so it is expected that the majority of residential developments coming forward in Craven will be policy compliant. All planning applications that comply with the plan's planning obligations will be assumed to be viable (paragraph 57 of the NPPF).
- 2.5.7 On the relatively few occasions when a site specific viability assessment is necessary, the onus falls to the applicant to show that the development will not be viable and that unusual and wholly unexpected/unforeseen development costs have occurred which cannot be reasonably be reflected in the price paid for the land, thereby making the scheme unable to provide for all the planning obligations set out in the plan. For the avoidance of doubt, this would not extend to development costs which are apparent from non-invasive surveys, desk based research and due diligence/follow up site investigations. For example, if contamination is evident from these surveys, research and follow up site investigations this should be reflected in the land value/land acquisition contract.
- 2.5.8 The above approach is consistent with the approach set out in criterion (d) of Policy H2 and with the 2019 NPPF and accompanying PPG.

Meeting other planning objectives

- 2.5.9 Very occasionally, proposals for residential development may be a catalyst for the restoration of heritage assets or for the provision of much needed community facilities, including sport and recreation not directly related to the development. If the costs and/or constraints of securing these planning benefits are considered by the applicant to affect the ability of the scheme to meet the plan's policy requirements for affordable housing, then a site-specific viability assessment should be submitted along with the planning application. The preparation of this assessment should be in accordance with the procedures set out in Part 3 and Appendix 4 of the SPD. If, following an independent review of this assessment, the Council considers there are exceptional circumstances to justify a reduction in the affordable housing contributions, Policy H2 allows for this to take place.

Planning Practice Guidance (PPG)

- 2.5.10 The PPG, at Paragraph 007 Ref ID: 10-007-20190509, provides some other examples of circumstances, where it envisages viability assessment might be necessary in decision taking. These are where:

- development is proposed on unallocated sites of a wholly different type to those used in the viability assessment that informed the plan; or
- further information on infrastructure or site costs is required; or
- particular types of development are proposed which may significantly vary from standard models of development for sale (build to rent or housing for older people); or
- a recession or similar significant economic changes have occurred since the plan was brought into force.

2.5.11 Paragraph 57 of the NPPF states that:

“..... It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.....”

In seeking to demonstrate that one of the examples given in the PPG was a circumstance which justified a site viability assessment, applicants should take account of the following approach which the Council considers appropriate in the light of the evidence which supports Policy H2 of the plan, and the provisions of Policy SP4:

PPG: Unallocated sites

2.5.12 Policy SP4 of the Craven Local Plan (Criteria H, I, J and K) provide the development plan’s spatial approach to determining proposals for housing on unallocated land.

2.5.13 The Local Plan Viability Assessment (LPVA) assessed a wide range of site and scheme typologies and these were considered to reflect the types of sites which would come forward on the plan’s housing land allocations and those that could come forward on unallocated land within the terms of Policy SP4. Hence, the majority of housing proposals coming forward on unallocated land should be viable and not require site –specific viability assessment. In all cases of housing proposals on unallocated land, the Council expects the developer to carry out its own scheme design and appraisal and to agree the policy compliant residual land value with the landowner. This should be at a land purchase price which reflects all the costs of policy compliance.

2.5.14 As stated in the PPG, the trigger for site viability assessment would have to be a wholly different type of housing proposal compared to that assessed in the LPVA. Where this is the case, it is up to the applicant to demonstrate how their site differs from the plan’s assessment and why this difference cannot be taken into consideration in the price of the land. It is highly

unlikely that traditional housing developments proposed will be a wholly different type to that envisaged and assessed in the LPVA.

PPG: When further development cost information is likely to be needed

- 2.5.15 Paragraph 2.5.5 to 2.5.8 of this SPD provides guidance on when development site costs might represent the exceptional circumstances which justify a site viability appraisal. As set out in these paragraphs the Council expects developers to take into consideration *foreseeable* development costs when negotiating for land purchase. For example, the demolition and site clearance of a redundant building, the decontamination of petrol tanks etc.
- 2.5.16 The Council recognises that there may be circumstances where further information is required at the time of the planning application. For example, a utilities quote, intrusive ground investigation report etc.
- 2.5.17 In such circumstances, it will be up to the applicant to demonstrate that their original land bid makes appropriate allowances/contingencies for these costs, and if there are additional unforeseen costs how and why this difference cannot be taken into account in the price of the land. For example, the developer could negotiate overage or underage payments with the landowner based on the actual outturn costs of certain cost elements as the scheme progresses.

PPG: Particular types of development at variance with the LPVA.

- 2.5.18 The LPVA assessed a wide range of site and scheme typologies. However, there are many types of housing development and there may be particular types proposed which significantly vary from the standard types/models tested in the LPVA. Only where there is a *significant* variation from the type of development proposed compared to the LPVA typology will a site-specific viability assessment be necessary.
- 2.5.19 As well as appraising typologies of general market housing, the LPVA appraised the viability of two types of housing for older people and the Council has a specific affordable housing policy target for these types of housing. The LPVA did not appraise the viability of build to rent typologies and this would be a particular type of development where a developer may require a viability assessment at the decision-making stage. Any affordable housing for rent in such build to rent schemes should conform to the relevant conditions set out in the definition of 'affordable housing for rent' in Annex 2, the glossary of the NPPF.

PPG: Significant economic changes

2.5.20 The Council's role is not to under-write developers from the normal/foreseeable market cycles. Developers must seek their own advice and acquire sites based on appropriate profit margins and contingencies etc which will enable them to continue in anything other than a significant recession or economic change (e.g. the 2007/8 financial crisis). It is too early to tell whether the economic and social consequences of the Covid-19 pandemic will produce significant economic changes for the development sector but the Council will keep this issue under review as part of its regular monitoring and review of the plan's policies.

Content and review of viability appraisals

2.5.21 Where site-specific viability assessments are necessary (see paragraphs 2.5.5 to 2.5.20 above) and a robust justification for not meeting policy requirements has been provided, it is recommended that they should contain the information set out in Appendix 4. The information in the appendix is based on the guidance set out in the PPG and the approach used in the Local Plan Viability Assessment. Following confirmation that the costs of any assessment required will be met by the applicant, the Council will instruct a suitably qualified independent viability assessor to review the applicant's site-specific appraisal. (See part three of this SPD regarding the preparation and submission of planning applications)

2.5.22 If the Council is satisfied that exceptional circumstances exist to allow a lower than policy requirement for affordable housing, in accordance with criterion d) of Policy H2, the provision of affordable housing should be set at the maximum level which is viable. This is also stated at paragraph 6.18 of the plan.

2.5.23 Depending upon the recommendations of the independent assessor (including sensitivity analysis provided), the Council may consider, as a means of maximising affordable housing provision, whether overage mechanisms and/or phase-by-phase viability reviews would be warranted as is recommended by PPG Paragraph: 009 Reference ID: 10-009-20190509.

Transparency of viability appraisals

2.5.24 Developers will be expected to conduct financial appraisals and negotiations with the Council on a transparent and 'open book' basis (as set out in criterion d) of policy H2. In accordance with the PPG (paragraph 010 Ref ID: 10-010-20180724), any viability assessment should be proportionate, simple, transparent and publicly available. Improving transparency of data associated with viability assessment will, over time, improve the data

available for future assessment as well as provide more accountability regarding how viability informs decision making.

- 2.5.25 PPG (paragraph:021 Ref ID: 10-021-20190509), states that any viability assessment should be prepared on the basis that it will be made publicly available. Information used in a viability assessment is not usually specific to that developer and thereby need not contain commercially sensitive data. In circumstances where it is deemed that specific details of an assessment are commercially sensitive, the information should be aggregated in published viability assessments and executive summaries, and included as part of total costs figures.
- 2.5.26 Where an exemption from publication is sought, the planning authority will want to be satisfied that the information to be excluded is commercially sensitive. This might include information relating to negotiations, such as ongoing negotiations over land purchase, and information relating to compensation that may be due to individuals, e.g. the right to light compensation. The aggregated information should be clearly set out to the satisfaction of the Council.
- 2.5.27 The Council will expect an executive summary prepared in accordance with the data format published from time to time by government including the gross development value; benchmark land value and landowner premium, costs, return to developer and the proposed developer contributions.
- 2.5.28 At the Council's discretion it may publish redacted viability assessments. Any decisions to publish a viability assessment or decline to do so – albeit redacted – would be in accordance with the provisions of the Environmental Information Regulations 2004. However, this decision can be challenged, with the possibility of a complaint to the Information Commissioner or ultimately the relevant Information Tribunal. While the Council will consult the relevant developer if a request to publish previously unpublished information is made, due to the challenge system that is available, the Council may not be able to maintain a decision to refuse to publish certain information in any individual viability assessment.

2.6.0 Vacant building credit (criterion d)

- 2.6.1 The latter part of this criterion states that:

“.....The local planning authority will apply vacant building credit in all appropriate circumstances, in accordance with the NPPF and PPG and will reduce on-site and/or financial contributions accordingly.”

- 2.6.2 In March 2019, the PPG was updated in regard to vacant building credit.

2.6.3 Paragraph 026 Ref ID: 23b-026-20190315 of the PPG states that:

“National policy provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.

2.6.4 Paragraph: 027 Reference ID: 23b-027-20190315 states:

“Where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing contributions required from the development as set out in their Local Plan. A ‘credit’ should then be applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided.

The existing floorspace of a vacant building should be credited against the floorspace of the new development. For example, where a building with a gross floorspace of 8,000 square metre building is demolished as part of a proposed development with a gross floorspace of 10,000 square metres, any affordable housing contribution should be a fifth of what would normally be sought.”

2.6.5 Paragraph: 028 Reference ID: 23b-028-20190315 states:

“The vacant building credit applies where the building has not been abandoned.

The courts have held that, in deciding whether a use has been abandoned, account should be taken of all relevant circumstances, such as:

- *the condition of the property*
- *the period of non-use*
- *whether there is an intervening use; and*
- *any evidence regarding the owner’s intention*

Each case is a matter for the collecting authority to judge.

The policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. In considering how the vacant building credit should apply to a particular development, local planning authorities should have regard to the intention of national policy.

In doing so, it may be appropriate for authorities to consider:

- *whether the building has been made vacant for the sole purposes of re-development*
- *whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development”*

2.6.6 An illustration of how the Council will calculate vacant building credit is given below for a 12 dwelling proposal.

Here is an illustration based on a 12 dwelling development, on a brownfield site with an existing vacant building of 330sqm gross floorspace:

- Proposed gross floorspace = 990 sqm
- Existing gross floorspace = 330sqm (33% of the proposed gross floorspace)
- Vacant building credit = 33% reduction in affordable housing contribution
- Usual affordable housing contribution = 3 dwellings (25% of 12 dwellings)
- Contribution with 33% vacant building credit = 2 dwellings (3 – 1)
- On-site affordable housing contribution = 2 houses to be built and sold at the relevant transfer price (see section 7.0 of this SPD)

2.6.7 For developments of 6 to 10 dwellings in designated rural areas or in other cases where a commuted sum is sought, the existing gross floorspace in any vacant buildings will be deducted before the commuted sum payment is calculated.

Here is an illustration based on a 6 dwelling development, on a brownfield site with existing vacant buildings of 325sqm gross floorspace in the designated rural area.

- Proposed gross floorspace = 500sqm
- Existing gross floorspace = 325sqm (65% of the proposed gross floorspace)
- Vacant building credit = 65% reduction in the affordable housing contribution
- Usual affordable housing contribution = 1.5 dwellings (25% of 6 dwellings)
- Contribution with 65% vacant building credit = 0.525 dwellings (1.5 – 0.975)
- Affordable housing value = 70 (sqm) x 1,000 (£/sq m) = £70,000
- Market value (asking/contract price for a 70sqm two bed house on site) = £200,000

- Cash sum due = £200,000 (market value) minus £70,000 (affordable value) x 0.525 = £36,750

2.7.0 Other affordable housing provision (criterion e)

2.7.1 This Policy H2 criterion sets out three other ways that affordable housing might be provided.

2.7.2 These are through the Council's support for:

- registered providers bringing forward developments of 100% affordable housing within the main built up areas of the plan areas most sustainable settlements in accordance with the plan's Policy SP4
- the development of rural exception sites outside the main built up area of these settlements, and
- registered providers repairing, altering and improving the existing affordable housing stock and the re-use of empty homes.

2.7.3 A written ministerial statement on 24 May 2021 has replaced the NPPF concept on entry-level exception sites with a new concept of 'First Homes exception sites' These types of sites are discussed at section 3.4.0 of the SPD.

2.8.0 Size, Type and Tenure of Affordable Homes (criterion f)

2.8.1 As stated in criterion f) of Policy H2, the size, type and tenure of affordable units will be expected to reflect the most up to date evidence of affordable housing needs, from the Council's latest Strategic Housing Market Assessment and any other robust and up to date evidence of local housing need.

2.8.2 At the time of the publication of this SPD, the Council's evidence on local housing need (2017 SHMA and addenda) is largely based on the 2012 NPPF definitions of affordable housing. Hence this policy and the evidence behind it is based on these definitions. They are included in Appendix 1.

2.8.3 The current NPPF (2019) sets out some additional types of housing that are now defined as affordable. These definitions are also set out in Appendix 1. Applicants may wish to propose some of the affordable housing defined in 2019 NPPF within their schemes. Under these circumstances, the Council will treat the NPPF's support for such housing as a material consideration. However, when determining an appropriate split in affordable housing size, type and tenure, the Council will always have regard to the most up to date evidence on the relative level of these needs. To be in accordance with Policy H2, affordable housing proposals must be genuinely affordable to local

people on local incomes. Otherwise it will not meet the local need for affordable housing.

- 2.8.4 Currently, the SHMA (2017) indicates that an appropriate split on tenure would be achieving between 15% and 25% affordable housing for sale (previously referred to as intermediate housing), and between 75% and 85% affordable housing for rent. The SHMA also indicates that a high proportion of 1/2/3 bedroom affordable homes should be provided for newly forming and growing households.
- 2.8.5 Other evidence could include that provided on the Council's housing register. The Council's Strategic Housing Team will advise developers of any other appropriate evidence which points to variations to the plan wide SHMA evidence. (See paragraphs 2.11.8 and 2.11.9 and Appendix 8 of the SPD for information on the level of detail on size, type and tenure required to be submitted as part of relevant planning applications and agreed in advance of submission). Para 2.11.5 of this SPD relates to providing for the needs of disabled people in dwellings and addresses how the type of affordable housing to reflect the most up to date evidence of need, as required by policy H2(f) can include design matters embraced by policy ENV3(i), which requires that reasonable provision is made to ensure buildings and spaces are accessible.

2.9.0 The Sub-Division of Large Sites (criterion g)

- 2.9.1 Affordable housing contributions will be sought from phased developments or developments that come forward in a piecemeal fashion, where the total combined development site exceeds the relevant threshold. This may mean that an initial proposal for a small part of a site may fall below the threshold and, if viewed in isolation, would have been exempt from affordable housing contributions. However, if the remainder of the site comes forward or is considered likely to come forward and the affordable housing threshold is exceeded, contributions will be sought from the whole development, including initial and subsequent phases. The Council will look with care at proposals which appear to be formulated to avoid affordable housing thresholds and will seek affordable housing whenever the 'holistic' development exceeds the relevant threshold, either at the time the initial phase is considered, or subsequently, as appropriate to the circumstances of the case. This is something that applicants need to be aware of and need to anticipate in formulating their proposals.

2.10.0 Planning obligations (criterion h).

- 2.10.1 Criterion h) of Policy H2 sets out that the provision of affordable housing will be secured via a planning obligation (section 106 agreement). The obligation will seek to ensure that affordable dwellings are maintained in perpetuity for

households in affordable housing need or that the affordable housing subsidy is recycled. Appendix 10 provides examples of the clauses the council has used in Section 106 agreements to appropriately control matters contained in this SPD. For guidance on front loading the resolution of the content of such agreements see part three of the SPD on 'Preparing and submitting a planning application'.

Registered Providers (RPs)

- 2.10.2 When affordable housing is proposed on-site, criterion (h) of Policy H2 expects developers to demonstrate how the affordable housing will be made available to eligible occupiers, in perpetuity, or the subsidy recycled. Registered Providers (RPs) are usually the preferred agencies to achieve this, because the Council is satisfied that they will deliver their affordable housing management obligations efficiently and effectively, and will work with the Council to meet shared objectives for sustainable communities. Moreover, only RPs can deliver affordable or social rented housing. On occasion, the Council as an RP may deliver affordable homes itself. However, as well as RPs there are other affordable housing providers who may operate under equivalent arrangements or, more often, may specialise in offering innovative intermediate tenure products.
- 2.10.3 The Council currently works with preferred partner RPs for the management and delivery of all new affordable housing developments in the district and regularly engages with them and monitors their performance. In Craven, a panel of RPs, (which includes the Council) will be used to match one partner RP to each development for the transfer of affordable housing at approved prices. This will ensure an even spread of opportunity between partners, whilst having regard to stockholdings and financial capacity. Developers should contact the Council's Strategic Housing Team to discuss the most appropriate RP partner or other affordable housing providers operating under equivalent arrangements for their development.
(jkerfoot@cravenc.gov.uk)

Local connection priorities

- 2.10.4 Policy H2 ensures that affordable housing, once provided, is occupied by those in affordable housing need in perpetuity (or any subsidy is recycled) but it does not go into detail on how individual occupiers are to be identified. Paragraph 6.3 of the plan states that the provision of affordable housing for local needs is an important objective of the plan, but does not provide detail on how local needs should be identified. It does indicate that this SPD will be produced to set out in more detail how Policy H2 will operate and be administered. The prioritisation of certain groups of people, who cannot afford market housing, to be housed in newly provided affordable rented accommodation has been common practice by local planning authorities for many years. Local connections criteria help people with existing ties to an

area – through residency (including past residency), close family residency or employment – to secure the affordable housing they need. It is a matter of practice rather than policy which helps to secure that the social objectives of affordable housing policy in terms of meeting local needs are achieved once that housing has been provided. Hence, whilst not detailed in Policy H2 itself, it is appropriate to explain this practice here to assist RPs and others to understand the Council's approach.

2.10.5 The connection priorities and criteria set out below only apply to affordable rented accommodation. These priorities are set by the sub-regional partnership North Yorkshire Home Choice. Local connection cannot currently apply to affordable sale housing that is grant funded.

2.10.6 An applicant for affordable rented housing shall be considered to have a local connection if he/she:

- currently lives in the ward/sub area/District (as appropriate – see below) and has been resident for at least 6 out of the last 12 months; or
- has lived in the ward/sub area/District (as appropriate – see below) for at least 3 years out of the last 5 years; or
- is employed in the ward/sub area/District (as appropriate – see below). Employment is defined as meaningful permanent full or part time and not casual or seasonal
- has a close family member residing in the ward/sub area/District (as appropriate – see below) that has done so for the last 5 years (close family members are mother, father, adult son or daughter, adult brother or sister); or
- is a current or former member of the armed forces as defined by 'The Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012

First priority: by ward

2.10.7 In the first instance, affordable rented homes should be offered to eligible occupiers with a connection to the ward in which the affordable home is located. Skipton comprises four wards, all of which have equal priority.

Second priority: by sub-area

2.10.8 If there are no eligible occupiers with a connection to the ward, RPs should then offer affordable homes to those with a connection to the wider sub-area. There are three sub-areas in the plan area.

- The north sub-area includes the parishes of Bentham, Ingleton, Burton-in-Lonsdale, Thornton-in-Lonsdale, Clapham-cum-Newby and Lawkland.
- The mid sub-area includes the parishes of Giggleswick, Langcliffe, Rathmell, Settle, Wigglesworth, Long Preston, Halton West and Hellifield.

- The south sub-area includes the parishes of Otterburn, Coniston Cold, Bank Newton, Gargrave, Martons Both, Broughton, Stirton-with-Thorlby, Embsay-with-Eastby, Halton East, Draughton, Bolton Abbey, Thornton-in-Craven, Elslack, Carleton, Skipton, Lothersdale, Cononley, Bradleys Both, Cowling, Glusburn & Cross Hills, Farnhill, Kildwick and Sutton-in-Craven.

Third priority: by district

- 2.10.9 In the event that there are no eligible occupiers with a connection to the sub-area, RPs should first seek the written consent of the Council's Strategic Housing (SH) Team before offering affordable rented homes to those with a connection to the district.

Fourth Priority: default

- 2.10.10 With the prior written consent of the SH Team, the default method for offering affordable rented housing to eligible occupiers is the bidding system that operates within the North Yorkshire Home Choice area. See <https://www.northyorkshirehomechoice.org.uk/>

Management charges

- 2.10.11 To ensure that affordable housing is genuinely affordable as expected by criterion (h) of Policy H2 - where estate management charges apply to affordable homes provided on-site the Council will want to be satisfied that the charges are not disproportionate. One way of achieving this would be that they are apportioned fairly between all the dwellings on-site based on their relative size. The management charges applicable to all dwellings could be apportioned as follows:

- 2.10.12 All estate management charges are to be apportioned between the affordable and market dwellings based on the combined gross internal floor space of each tenure, such that the contribution made by the affordable homes is as follows:

$A/B \times C$ = Management Company Contribution applicable to the affordable homes

Where

A = Gross internal floor space of all affordable dwellings in square metres

B = Total gross internal floor space of all dwellings in square metres

C= Total management fee.

- 2.10.13 The Council will also consider any alternative arrangements which achieve the same outcome of not imposing a disproportionate burden on occupiers of affordable housing.

2.11.0 Design, distribution and construction of affordable housing (Policy ENV3, SD1 and SD2, and ENV1, 2, 4 to 9)

2.11.1 The Council is committed to securing good design, including sustainable design and construction, in all development proposals through Policy ENV3 of the plan. Policy SD1 of the plan seeks to contribute to the achievement of sustainable development. Policy SD2 supports the move to a low carbon future and the Craven Climate Emergency Strategic Plan 2020 to 2030 (January 2020) provides the latest position of the Council on meeting the challenge of climate change. (See paragraphs 2.11.10 to 2.11.12 below for more details). Policies ENV1, 2, 4 to 9 of the plan set out the council's approach to assessing new development against other design issues. Respectively these policies ensure that, where relevant, proposals take account of the countryside and landscape; heritage; biodiversity; green infrastructure; flood risk; land and air quality; water resources, water quality and groundwater: and renewable energy.

Design and space standards

2.11.2 The principles of good design set out in Policy ENV3 apply equally to both affordable housing and market housing. As such, and in order to ensure inclusive and integrated communities, affordable homes should be indistinguishable in design, character and appearance from market housing. For example, affordable housing in terraces or flats is not likely to be acceptable unless there are terraces and flats for market housing on the same site, and in the same proportion. In addition, partner RPs are able to provide details of their own specifications, which form part of their contracts with developers. It is important that developers discuss with the Council and the selected RP details of both internal and external design and space standards as early as possible in the planning process. Making affordable housing indistinguishable from market housing and in accordance with the RP specifications will contribute positively to sustainable development.

2.11.3 As a starting point, it would be sensible for the space standards of affordable housing to be the standards used in the Local Plan Viability Assessment (LPVA), since the LPVA showed that the affordable housing based on those standards could be viably delivered in most cases.

These are as follows:

No. of beds	House size	Flat size
1	60sqm	57sqm
2	70sqm	65sqm
3	85sqm	-
4	100sqm	-

2.11.4 The Government has published nationally described space standards as set out below. These standards provide more detail on different types of housing sizes than the LPVA standards. They also include areas for storage. Therefore, where relevant, developers are strongly encouraged to consider providing these internal floor and storage areas in their schemes in the interests of delivering sustainable development, high quality design, satisfactory amenity and making affordable housing indistinguishable from market housing. The council will apply policies SD1 and ENV3 of the Craven Local Plan to secure sustainable development, good design and appropriate levels of amenity for occupants (ENV3 e) and f)). Those National Described Space Standards (NDSS) promoted by the council are set out below:

Minimum gross internal floor areas and storage (sq m): NDSS

Nos of bedrooms (b)	Nos of bedspaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built in storage
1b	2p	50	58	n/a	1.5
2b	4p	70	79	n/a	2
3b	5p	86	93	99	2.5
	6p	95	102	108	2.5
4b	5p	90	97	103	3
	6p	99	106	112	3
	7p	108	115	121	3
	8p	117	124	130	3

2.11.5 Applicants should also take account of the Government's National Design Guide (October 2019) in designing their housing proposals. Conformity with this National Design Guide will be a material consideration in the consideration of planning applications for residential development. Significant departures from this design guide may not represent sustainable development. The Council is preparing a supplementary planning document on Good Design to support Policies ENV1 to ENV3 and SD2. When adopted this will be an important material consideration in determining planning applications for relevant development, including housing. Making provision for the needs of disabled people in dwellings is highlighted in the plan's policy ENV3 i). Building regulations 2010, (as amended) Part M4(2) and M4(3) provide design specifications for accessible and adaptable dwellings and for wheelchair users. These are optional requirements in the building regulations and were unable to be incorporated as requirements of the Craven Local Plan. (The NPPF upon which the plan was based did not include such a policy option for local plans). Nevertheless, policy H2 (f) provides that the size, type and tenure of affordable units in development proposals will be expected to

reflect the most up to date evidence of affordable housing needs. Further, through policy ENV 3 i), the plan requires reasonable provision to be made to ensure that buildings and spaces are accessible and useable to all individuals, including those with disabilities. All Part M of the Building Regulations relate to this provision. The council's forthcoming SPD on Good Design will set out examples of what 'reasonable provision' for people with disability could be in both market and affordable housing. Suffice to say in this SPD on affordable housing: - where local evidence has identified an affordable housing need for a disabled person/household in the local area from the council's housing register or another robust source at the time of the planning application, the council will apply Policies H2 (f) and ENV3 (i) in combination to seek reasonable provision to meet that need in new development proposals and accommodation that can also be adaptable for future needs.

2.11.6 The National Design Guide expects all new homes to enhance the quality of life for their occupants and for them to be efficient and cost effective to run. They should provide a good standard and quality of internal space. Where flats are provided they should have balconies with a pleasant aspect and private or communal areas for clothes drying and bin storage as well as having amenity value.

Distribution of affordable homes

2.11.7 The nature and size of a proposed development will influence the distribution of affordable units within the site. However, in the interests of securing sustainable development in accordance with Policy SD1 of the plan and the NPPF, developers should provide a good spread of affordable units across a scheme rather than this type of housing being concentrated into distinct areas. This will avoid segregation in the form of clusters of affordable housing, and promote integrated and sustainable communities in accordance with the plan's objective 1 (PO1). This objective seeks to "Achieve patterns of development supported by adequate and appropriate infrastructure which:

- Make best use of available resources
- Promote sustainable travel movements,
- Nurture high quality environments and community life, and
- Promote health, well-being and equality.

2.11.8 As required by the Council's validation criteria (See part three of the SPD), individual development proposals will need to be supported by plans showing an acceptable distribution of affordable units. It is expected that developers have agreed with the Council details of the distribution and design of affordable before the submission of a reserved matters application, unless such details have already been approved at the outline stage.

2.11.9 Where the size of a proposal in an outline planning application is likely to result in the requirement for affordable housing, but the application is unable

to provide details of their design and distribution, a standard condition will be applied as follows:

“The development shall not begin until a scheme for the provision of affordable housing has been submitted to and approved in writing by the local planning authority. The development shall be carried out in accordance with the approved scheme. Affordable housing shall meet the definition of affordable housing in the NPPF or any future guidance that replaces it. The scheme shall include:

- i. the numbers, type, tenure and location on the site of the affordable housing provision to be made which shall consist of not less than 25% or 30% (*brownfield/greenfield requirements*) of housing units
- ii. the timing of the construction of the affordable housing and its phasing in relation to the occupancy of the market housing
- iii. the arrangements for the transfer of the affordable housing to an affordable housing provider (for the management of the affordable housing) (if no Registered Provider involved)
- iv. the arrangements to ensure that such provision is affordable for both first and subsequent occupiers of the affordable housing; and
- v. the occupancy criteria to be used for determining the identify of occupiers of the affordable housing and the means by which such occupancy criteria shall be enforced; or
- vi. details of an equivalent affordable housing contribution to be provided in lieu of affordable housing on site and the means by which such a contribution shall be provided (alternatively, this may be a contribution that is to be provided partly on-site and partly in lieu”.

Sustainable design and construction

2.11.10 Policy ENV3 (criterion t) states that for residential and commercial development “Sustainability should be designed in, so that development takes all reasonable opportunities to reduce energy use, water use and carbon emissions and to minimise waste, ensure future resilience to a changing climate and wherever possible to generate power through energy solar or other means, in accordance with Building Regulations.” More detail on how applicants should explore and include these ‘reasonable opportunities’ to reduce energy use, water use and carbon emissions will be provided in the emerging SPD on Good Design. Policy SD2 is the plan’s strategic policy on meeting the challenge of climate change and cross refers to the various policies which seek to mitigate the impacts of, and adapt to, climate change. e.g. ENV3 on Good Design and ENV6 on Flood Risk.

2.11.11 In January 2020 the Council approved the Craven Climate Emergency Strategic Plan 2020 to 2030 which seeks to act upon the Council’s Climate Change Emergency Declaration adopted in August 2019.

<https://www.cravencdc.gov.uk/media/9460/cdc-climate-emergency-strategic-plan-february-2020.pdf>

The objective of the declaration is for the district to be carbon neutral by 2030 and is related to the Council's response to reduce the district's emissions and waste through the Greener Craven Corporate Priority.

2.11.12 The Craven Climate Emergency Strategic Plan (CCESP) can form a material consideration in determining relevant planning applications and it supports policies ENV3 and SD2 (and Policies ENV6, to 9) to reduce energy use, water use and carbon emissions, maximise the energy efficiency of development, and reduce the environmental impact of materials used in construction. The CCESP prioritises the reduction in energy use in residential properties. Indeed, one of the actions in the CCESP is for the Council to roll out and promote a new low carbon housing model for rural housing.

2.11.13 Developers should discuss with the registered provider and the council as early as possible to ensure that any energy efficiency measures to be employed in the affordable housing (and market housing) meet the requirements of Policy ENV3 t), are suitable for the registered provider and not cause the registered provider any long term management and maintenance issues. Further guidance on energy efficiency and low carbon solutions will be set out in the council's forthcoming SPD on Good Design.

2.12.0 Rural Exception Sites (criteria i) and j))

2.12.1 Rural exception sites are sites that are released to provide affordable housing in rural locations which would not normally be used for housing.

2.12.2 Such sites, normally for 100% affordable housing, will be supported outside the main built up areas of the plan's tier 2 to 5 settlements when they fulfil the requirements of criteria i) and j) of Policy H2. The relevant settlements are listed in Appendix 6. Highlighted below is how Policy SP4 and Policy H2 of the Craven Local Plan will work together to incentivise the delivery of rural exception sites. Policy SP4 provides the policy definition of the main built up area of settlements listed in Appendix 6. This definition is copied in the appendix.

Settlement tier	Policy SP4 for <i>general market housing</i> outside a settlement's main built up area.	Policy H2 for <i>rural exception sites (RES)</i>
Tier 1	Subject to compliance with a number of criteria in Policy SP4 this type of housing may be supported, but only where the proposal is <u>adjoining the main built up area</u>	RES not supported
Tier 2 to 4	Subject to compliance with a number of criteria in Policy SP4 this type of housing may be supported, but only where the proposal is <u>adjoining the main built up area.</u>	Subject to compliance with a number of criteria in Policy H2 RES may be supported, <u>both adjoining the main built up area and where the site is physically and visually well related to the settlement.</u>
Tier 5	<u>Not supported outside the main built up area.</u>	Subject to compliance with a number of criteria in Policy H2, RES may be supported, <u>both adjoining the main built up area and where the site is physically and visually well related to the settlement.</u>

2.12.3 Hence, for tier 2 to 4 settlements, rural exception sites can, in principle, be supported on sites both adjoining the main built up area and those which might be further away from the main built up area, provided they are physically and visually well related to the settlement. This provides additional opportunities for rural exception sites coming forward in these settlements, compared to both market housing and First Homes exception sites.

2.12.4 For Tier 5 settlements, the lack of support for general market housing outside the main built up area may provide an incentive for landowners to consider bringing forward rural exception sites in these locations.

2.12.5 Landowners who are interested in helping provide affordable homes for the local community and have land which might meet the above criteria are encouraged to contact the Council's Strategic Housing Team and Development Management Team.

- Development Management (DM): planning@cravendc.gov.uk
- Strategic Housing (SH): ACarruthers@cravendc.gov.uk

2.12.6 In the absence of sufficient public funding through Registered Providers, Policy H2 may allow an element of market housing on rural exception sites. If market housing is considered necessary on a rural exception site for this reason, a site viability appraisal will be necessary as set out in Appendix 7.

PART THREE: PREPARING AND SUBMITTING PLANNING APPLICATIONS

3.1.0: General market housing

3.1.1 The importance of pre-application engagement between developers and the local planning authority and early resolution of policy issues ('front loading'), particularly in relation to relevant planning obligations such as affordable housing, is highlighted in the NPPF at paragraphs 38 to 46. Also, In the light of the Council's recently approved Craven Climate Emergency Strategic Plan (CESP) it is important to reflect one of the actions of the CESP here. This action (CND03) states that the Council will "work with developers as new sites across Craven are approved to ensure that opportunities for efficiency and carbon reduction are maximised".

3.1.2 Therefore,

- **in a designated rural area** (See map in Appendix 2), applicants proposing a development of 6 or more dwellings, or a development of more than 1000sqm regardless of the number of dwellings, and
- **outside a designated rural area** (See map in Appendix 2), applicants proposing a development of 11 or more dwellings, or a development of more than 1000sqm regardless of the number of dwellings:

should firstly refer to paragraphs 2.1.1 and 2.1.2 of this SPD for the basic information on the affordable housing requirements by type of site and level of on or off site contributions. The level of on or off site contributions may vary in the event that vacant building credit applies to a proposal (Section 2.6.0).

3.1.3 **When affordable housing is required to be built on site** applicants should then look to provide for the appropriate size, type and tenure; design, distribution and construction of affordable housing. In accordance with Policy H2 f) and Policy ENV3, sections 2.8.0 and 2.11.0 of the SPD elaborate on these matters and early pre-application discussions with the Council's Development Management and Strategic Housing teams are strongly recommended (see contacts at paragraph 3.1.5). It is the Council's practice to charge for all such engagement. Pre-application enquiry forms and charging rates can be found at:

<https://www.cravencdc.gov.uk/planning/information-and-advice/obtaining-pre-application-planning-advice/>

Applicants submitting an outline planning application unable to provide this detailed information will be asked to accept an appropriate planning condition along the lines set out at paragraph 2.11.9. Guidance, and validation

requirements relating to planning obligations and financial viability testing are set out in Sections 2.5.0 and 2.10.0 above (Policy H2 d and h) and paragraphs 3.1.6 to 3.1.10 below. Applicants seeking off-site contributions in lieu of on-site affordable housing will have to justify such an approach in accordance with Section 2.3.0 of this SPD (Policy H2 c)).

- 3.1.4 When off-site contributions towards affordable housing are required** applicants should look to provide for the appropriate amount of funding for such purposes in accordance with paragraphs 2.1.1 and 2.1.2 (Policy H2 a)). Sections 2.4.0 and 2.6.0 provide further information on this matter (Policy H2 c) and d)). Again, early pre-application discussions with the Council are recommended. Guidance, and validation requirements relating to planning obligations and financial viability testing are set out in Sections 2.5.0 and 2.10.0 above (Policy H2 d) and h) and paragraphs 3.1.6 to 3.1.10 below.

3.1.5 Contact details at the time of publication are:

- Development Management (DM): planning@cravendc.gov.uk
- Strategic Housing (SH): jkerfoot@cravendc.gov.uk

Conditions, planning obligations and validation

- 3.1.6 Where acceptable to the applicant, an outline planning application which is unable to be accompanied with a planning obligation will be conditioned as set out in paragraph 2.11.9 of the SPD. Otherwise, the scope of any planning obligation should be agreed before the application is submitted, and all relevant planning applications should meet the council's validation requirements through the submission of a 'Heads of Terms' pro-forma on affordable housing contributions for the Section 106 legal agreement required by Policy H2 criterion h). The pro-forma is set out in Appendix 8 and a link is provided in paragraph 3.1.7 below.
- 3.1.7 Appendix 8 provides not just the information required by the Council regarding a future legal agreement on affordable housing, but also the information required on other planning obligation costs where their calculations have already been identified in the policies and supporting text of the plan. As these costs are embedded in the development plan it is considered they are proportionate requests for information in accordance with government guidance. They are all requirements set out on the Council's list of local validation criteria. At

<https://www.cravendc.gov.uk/planning/planning-applications-and-notifications/national-and-local-planning-validation-requirements/local-information-requirements/planning-obligations-and-draft-heads-of-terms-pro-forma/>

it is stated that "Where relevant to the development proposal, failure to supply a completed and agreed Draft Heads of Terms with the submitted application,

will result in the application not being validated". In determining whether to agree the Draft Heads of Terms, the Council will assess whether the applicant has made all reasonable steps to provide the appropriate information. Reasonable steps include pre-application discussions with this Council and North Yorkshire County Council. All the Council's validation requirements can be found at:

<https://www.cravendc.gov.uk/planning/planning-applications-and-notifications/national-and-local-planning-validation-requirements/>

3.1.8 Section 2.5.0 and Appendix 4 of the SPD provide guidance on Policy H2 d), and are supported by the NPPF and PPG. They cover matters such as:

- when applicant's site-specific viability assessments (ASVA) are appropriate to accompany a planning application,
- what, in the light of Policy H2 and the PPG, ASVA's should contain in order for an independent assessor, and ultimately the Council to determine whether a lower than plan policy requirement for affordable housing contributions is justified, and
- the transparency of ASVAs.

3.1.9 Policy H2 d) states '*Development proposals that seek to provide a lower level of affordable housing contribution, either on or off site, will not be acceptable unless it can be clearly demonstrated that exceptional circumstances exist which justify a reduced affordable housing contribution. In such exceptional circumstances, the local planning authority will look to maximise provision of affordable housing having regard to the circumstances of individual sites and scheme viability.*' In order to comply with policy H2 d) and thereby clearly demonstrate that exceptional circumstances exist and that under these circumstances, the maximum provision of affordable housing has been achieved, a clear and comprehensive site viability assessment is required to be submitted by the applicant (ASVA). Section 2.5.0 and Appendix 4 of this SPD provides the guidance on what the content of such ASVA's should preferably include to comply with policy H2 d). Failure to provide an adequate ASVA with a relevant planning application runs the risk of a refusal of permission on the grounds that it does not comply with policy H2 d).

3.1.10 Appendix 5 is an agreement by the applicant to pay the reasonable costs of an independent assessment of the ASVA. To ensure this agreement doesn't cause delay, it is in the applicant's interest to contact the local planning authority in advance of submitting their planning application to request that the Council seek a quote from a suitably qualified (RICS) valuation surveyor to independently review their forthcoming ASVA. The Council, having received this quotation, will send the Appendix 5 form to the applicant for signing and submission with their planning application.

- 3.1.11 Applicants are urged to take the opportunities offered to engage in pre-application discussions, as insufficient attention to affordable housing requirements may result in either non-validation or a refusal of planning permission.
- 3.1.12 In preparing and submitting such an application the procedures set out in the Council's Statement of Community Involvement (SCI) should be followed. The Council's SCI can be viewed at:
<https://www.cravendc.gov.uk/media/5647/statement-of-community-involvement-for-planning-march-2018.pdf>

3.2.0 Rural exception sites

- 3.2.1 **Step One:** A pre-application enquiry would usefully be submitted to the Council's Development Management Team (DM). Enquiry forms and the charging regime can be found at:
<https://www.cravendc.gov.uk/planning/information-and-advice/obtaining-pre-application-planning-advice/>

In accordance with Section 2.12.0, planning officers will advise the enquirer whether the proposal is:

- small and physically and visually well related to the settlement (Policy H2 criterion i) II), and
- what key design principles would have to be met for development on the site (Policies ENV1 and ENV3).

If the Council's planning officers conclude that the location of the site and the design of the proposal is worthy of further consideration, the enquirer is advised to contact the Council's Strategic Housing Team (SH). The current housing officer who should be contacted is ACarruthers@cravendc.gov.uk

- 3.2.2 **Step Two:** The Council's Strategic Housing Team (SH) will assist enquirers in explaining how any planning application will have to be supported by a local assessment of housing need and that contact with the relevant Parish Council will be important. Having completed such a local needs assessment, the SH will advise the enquirer what the results would mean in terms of the size, type and tenure of affordable homes on the site in accordance with Policy H2 criterion i) I). If a scheme is moving towards stage three, the SH team will inform the enquirer about various practical matters, including the role of registered providers in the development of the site, any public subsidies that might be available to realise the development, and any legal requirements necessary for an approval of the scheme.

- 3.2.3 If an appropriate level of housing need is identified which can be met, or partially met, on the site and other matters point to a potentially successful scheme, the SH team will advise that the process can move onto step three.

- 3.2.4 **Step Three:** A design concept scheme can be put to the DM planning officers for discussion. Providing this scheme complies with the policy matters discussed at Step One, this concept scheme can be drawn up for the purposes of submitting a planning application. In preparing and submitting such an application the procedures set out in the Council's Statement of Community Involvement (SCI) should be followed. The Council's SCI can be viewed at: <https://www.cravendc.gov.uk/media/5647/statement-of-community-involvement-for-planning-march-2018.pdf>
- 3.2.5 **Step Four (only if necessary):** The general policy position is that rural exception sites will provide 100% affordable housing. Should the enquirer seek to deliver less than 100% affordable housing on a suitable site, then to meet Policy H2 j) I), a robust justification will be required on why the scheme is unable to deliver the size, type and tenure of affordable housing required to meet the local need. The enquirer is advised to demonstrate that all potential funding sources have been exhausted.
- 3.2.6 If step four is necessary, in accordance with Policy H2 j) III), a transparent and 'open book' viability assessment should be submitted prior to the submission of a planning application. Up to 30% of the total yield of the site, the market housing is only allowable to help cross-subsidise the construction and development costs of the affordable housing and not to subsidise land value on sites which would not otherwise be suitable for market housing (Policy H2 j) II).
- 3.2.7 Appendix 7 provides more detail of what information would be helpful to be included in an applicant's site viability assessment (ASVA) for rural exception sites. Policy H2 j) III) states that
- aspirational land values should not be used to justify a higher proportion of market value units, and
 - viability should be based on reasonable land values for a rural exception site.
- 3.2.8 Policy H2 j) II) and III) require viability assessments to be submitted with planning applications which propose a proportion of market housing on a rural exception site. A relevant planning application failing to submit an adequate ASVA, along the lines of that shown in Appendix 7 will run the risk of a refusal of permission on the grounds that it does not comply with Policy H2 J) II) and III) Applicants are advised to seek agreement with the council on the payment of an independent assessment as set out in Appendix 5. Signature of this form will ensure that the applicant pays the fees of a suitably qualified surveyor to independently assess the ASVA.

3.2.9 In preparing and submitting such an application the procedures set out in the Council's Statement of Community Involvement (SCI) should be followed. The Council's SCI can be viewed at:
<https://www.cravendc.gov.uk/media/5647/statement-of-community-involvement-for-planning-march-2018.pdf>

3.2.10 All the Council's validation requirements can be found at:
<https://www.cravendc.gov.uk/planning/planning-applications-and-notifications/national-and-local-planning-validation-requirements/>

3.3.0 Specialist housing for older people

3.3.1 It is important that very early pre-application discussions take place between the developer of a specialist housing development for older people and the Council to determine whether the proposal is considered to be in the Use Class C3 (dwelling houses). Appendix 3 of this SPD sets out how the Council will assess the use class of this type of specialist housing.

3.3.2 A pre-application enquiry will usefully be submitted to the Council's Development Management Team (DM). Enquiry forms and the charging regime can be found at: <https://www.cravendc.gov.uk/planning/information-and-advice/obtaining-pre-application-planning-advice/>

3.3.3 In the event that the proposal is considered to be Use Class C3, the applicant is advised to discuss with the Council's Strategic Housing Team and DM the level and type of affordable housing which can be provided in accordance with Part 2 of this SPD. (See contact details at paragraph 3.1.5 above). The Council will draw the applicants' attention to those other sections of the SPD (e.g. Section 3.1.0) that are relevant to the proposal.

3.3.4 In preparing and submitting such an application the procedures set out in the Council's Statement of Community Involvement (SCI) should be followed. The Council's SCI can be viewed at:
<https://www.cravendc.gov.uk/media/5647/statement-of-community-involvement-for-planning-march-2018.pdf>

3.3.5 Applicants should also take account of the Council's validation requirements as set out at: <https://www.cravendc.gov.uk/planning/planning-applications-and-notifications/national-and-local-planning-validation-requirements/>

3.4.0 First Homes Exception Sites

3.4.1 A written ministerial statement (WMS) on 24 May 2021 introduced the concept of 'First Homes Exception Sites'. The WMS comes into force on 28 June 2021 and replaces the concept of Entry Level Exception Sites (previously referred to in the draft SPD). This new concept accompanies the wider government's priority to enable as many people as possible to enjoy the

benefits of home ownership and secure 25% of the majority of affordable housing provision as housing for eligible first time buyers.

3.4.2 Rural exception sites, as referred to in criteria i) and j) of Policy H2 and dealt with in section 3.2.0 of this SPD continue to be supported by the WMS. For information only, the following text reflects statements made in the WMS on First Homes exception sites:

'First Homes exception sites should be on land which is not already allocated for housing and should:

- a) Comprise First Homes (as defined in this Written Ministerial Statement)*
- b) Be adjacent to existing settlements, proportionate in size to them, not compromise the protection given to areas or assets of particular importance in the National Planning Policy Framework, and comply with any local design policies and standards.'*

3.4.3 The WMS also states that

- a small proportion of market homes may be allowed on these sites, subject to the local authority's discretion, for example where it is essential to enable the delivery of First Homes without grant funding, and
- also, a small proportion of other affordable homes may be allowed on these sites where there is significant identified local need.

3.4.4 The WMS indicates that the First Homes exception sites policy will not apply in National Parks, Areas of Outstanding Natural Beauty (AONB) and Designated Rural Areas (DRA's). Appendix 2 of this SPD identifies those parts of the plan area that lie within and outside DRA's. The Forest of Bowland AONB lies within the DRA's of the plan area.

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APPENDIX ONE

Definitions of Affordable Housing:

The 2012 NPPF defined affordable housing as:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

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

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as ‘low cost market housing may not be considered as affordable housing for planning purposes’

The 2019 NPPF defines affordable housing as:

“Affordable housing: *housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

*a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future*

eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement."

APPENDIX TWO

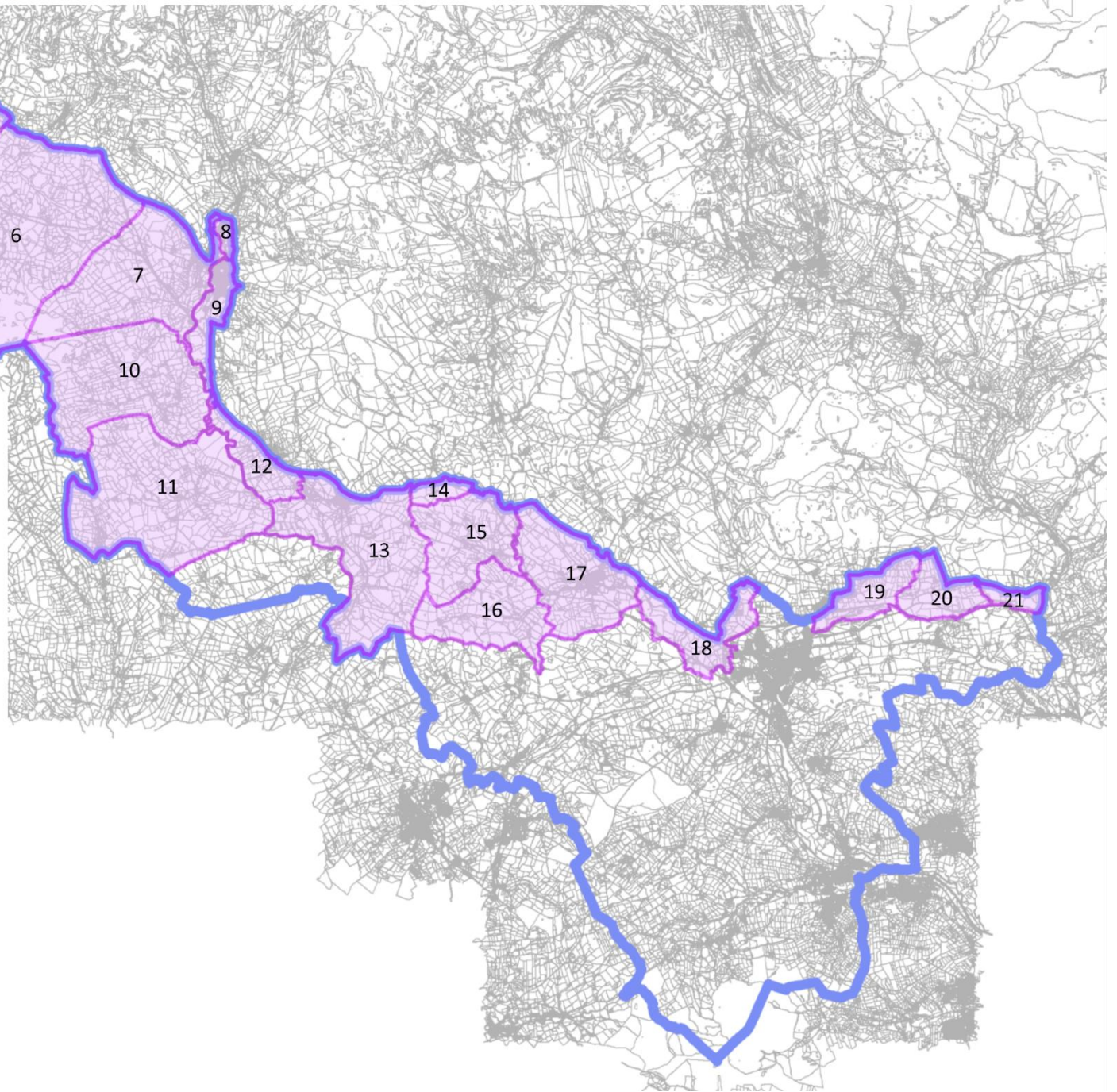
MAP OF THE DESIGNATED RURAL AREAS IN CRAVEN DISTRICT OUTSIDE THE YORKSHIRE DALES NATIONAL PARK.

Designated Rural Areas in the Craven Local Plan area: July 2020

Designated Rural Areas in Craven



- | | |
|------------------------|-------------------------|
| 1 Thornton in Lonsdale | 12 Long Preston |
| 2 Burton in Lonsdale | 13 Hellifield |
| 3 Ingleton | 14 Otterburn |
| 4 Bentham | 15 Coniston Cold |
| 5 Clapham cum Newby | 16 Bank Newton |
| 6 Lawkland | 17 Gargrave |
| 7 Giggleswick | 18 Stirton with Thorlby |
| 8 Langcliffe | 19 Embsay with Eastby |
| 9 Settle | 20 Halton East |
| 10 Rathmell | 21 Bolton Abbey |
| 11 Wigglesworth | |



Establishing Use Class status for Specialist Housing for Older People

- 1 Specialist housing for older people can fall into either Use Class C2 (residential institution) development or Use Class C3 (dwelling house) development, dependent upon its composition, including factors such the level of care and services therein. They can also be sui-generis (not falling within any specific use class). Sometimes, it may be appropriate to define a single development proposal as a mixed use, with distinct parts being Use Class C2 and other parts being Use Class C3.
- 2 Use Class C3 (dwelling houses) development should, subject to viability, contribute to the need for affordable housing, but it is accepted that Use Class C2 (residential institutions) development should not be expected to contribute to this need.
- 3 The PPG, in asking the question ‘How does the use classes order apply to specialist housing for older people?’ states at paragraph 014 Reference ID: 63-014-20190626
“It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwelling house) of the Use Classes Order, consideration could, for example, be given to the level of care and scale of communal facilities provided”
- 4 It is therefore important that very early pre-application discussions take place between the developer of a specialist housing development for older people and the Council to determine whether the proposal is considered to be Use Class C3 (dwelling house) and thereby be expected to make contributions to affordable housing, either on or off-site, in accordance with Policy H2.

- 5 In making its decision on which Use Class the proposal should fall into, the Council will take into account the following factors:
- The self-containment of residents,
 - The design of the independent units provided for residents,
 - The level and type of care required for residents, e.g. the regularity of assessment of individual care needs and the involvement of a registered care provider,
 - The level and type of communal facilities and services, including the availability of meals,
 - The functional relationship between the residential units and the wider communal and care facilities,
 - The ability to legally restrict the occupancy of the units to older people in need of care.
- 6 A description of these aspects of any proposal, cross referenced to plans and layouts should be discussed with the Council at a very early stage in the process. The supporting text of Policy H1 of the plan provides definitions of the main types of specialist housing for older people.

APPLICANT'S SITE VIABILITY ASSESSMENTS (ASVA).

The NPPF (2019) is clear that, *'it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments [...] should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.'*

However, Policy H2 d), based on the evidence provided in the Craven Local Plan Viability Assessments, requires that a proposed development which seeks to provide a lower than policy requirement of affordable housing will not be acceptable unless the existence of exceptional circumstances can be demonstrated. An example of these exceptional circumstances could be where development costs render the scheme unviable (see paragraphs 2.5.5 to 2.5.8). Clearly in these circumstances, to comply with Policy H2 d) an applicant would need to demonstrate what these costs are and how they affect land values through a site viability appraisal. Therefore, wherever an applicant would like the Council to review the viability of the proposed development in order to reduce or waive particular policy requirements, the applicant is strongly encouraged to provide a comprehensive site viability assessment completed by a suitably qualified valuation surveyor to evidence why this is the case.

It is advisable that the applicant's site viability assessment (ASVA) is compliant with the PPG on Viability (as updated from time to time) and sets out clearly the following:

1. The rationale for the need for a site-specific viability assessment – why is the viability assessment being brought to the Council; why can the scheme not afford the policy requirements (in terms of either land value or profit). This should have regard to section 2.5.0 above Site Viability Assessments and Exceptional Circumstances (Craven Local Plan Policy H2 Criterion d)
2. What circumstances have changed since the assumptions in the Local Plan Viability Assessment (LPVA) were made, which prevent the scheme being viably developed. The applicant should provide evidence of what has changed since the Local Plan Viability Assessment was carried out.
3. A viability appraisal and detailed description of the key elements of gross development value, costs, land value, landowner premium, and developer return. The viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and

infrastructure and affordable housing providers¹. To comply with Policy H2 applicants are advised to provide

- (i) a viability appraisal on a policy compliant basis and
 - (ii) a viability appraisal to evidence what the applicant considers is the maximum affordable housing that can viably be provided for, whilst complying with all other planning obligations required by the plan.
4. The gross development value - should be defined and evidenced having regard to Paragraph: 011 Reference ID: 10-011-20180724, Revision date: 24 07 2018 (and any future revisions) of the PPG, *'How should gross development value be defined for the purpose of viability assessment?'* In this respect, a comprehensive independent comparable market assessment and analysis to justify values proposed is recommended.
5. Development cost assessment - should be based on evidence which is reflective of local market conditions. Costs should be defined and evidenced having regard to Paragraph: 012 Reference ID: 10-012-20180724 Revision date: 24 07 2018 (and any future revisions) of the PPG, *'How should costs be defined for the purpose of viability assessment?'* In this respect, comprehensive independent technical and cost reports to substantiate development costs would comply with the PPG.
6. Land value is critical to the assessment and based on a benchmark land value on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. This is clearly set out in the PPG Viability paragraphs 013 – 017. Note that the PPG does not consider that the price paid for land will be relevant justification for failing to accord with relevant policies in the plan². In this respect, the Council recommend the submission of a Red Book valuation report supported by comparable market evidence to confirm the EUV of the site. The rationale for any premium should be clearly articulated in the viability assessment having regard to the *'differences in the quality of land, site scale, market performance of different building use types'*³ i.e. obsolescence and historic legacy cost and liabilities of sites being promoted for redevelopment.
7. Return to developers – the applicant is advised to set out the appropriate return for the scheme being proposed. Note that the PPG requires that *'in plan making and decision-making viability helps to **strike a balance** between the aspirations of developers and landowners, in terms of returns against risk,*

¹ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

² Paragraph: 018 Reference ID: 10-018-20190509, Revision date: 09 05 2019

³ Paragraph: 016 Reference ID: 10-016-20190509, Revision date: 09 05 2019

*and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission'*⁴ [our emphasis].

Therefore, Craven District Council interprets this that it is not a balance for developers return (and/or land value premium) to be underwritten at the expense of planning obligations. It is for the applicant to demonstrate how they have compromised to 'strike a balance'.

8. Proposals for future review and clawback - Where contributions are reduced below the requirements set out in policies to provide flexibility in the early stages of a development, a clear agreement of how policy compliance can be achieved over time would comply with the PPG⁵. Applicants are advised to set out within their viability assessment how they propose to achieve this.

⁴ Paragraph: 010 Reference ID: 10-010-20180724, Revision date: 24 07 2018

⁵ Paragraph: 009 Reference ID: 10-009-20190509

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AGREEMENT TO INDEPENDENT ASSESSMENT OF APPLICANT'S SITE VIABILITY APPRAISAL

It is only reasonable for the Council to secure an independent assessment of the ASVA. This independent assessment will be subject to the following process, fees, terms and conditions.

The Council pays for the valuation surveyor to assess financial viability appraisals impartially and independently. Prior to commencement of the viability review, the Council will obtain a quotation from a suitably qualified independent firm of Chartered Surveyors. This quotation will be conveyed to the applicant who will be asked to confirm that they are content with the fee quotation prior to the commencement of any work. Fees are recharged, at cost, to the applicant and, following payment, the assessor's report is released to the applicant/agent.

The fee is based on the assumption that the Council's independent assessor is reviewing the viability assessment provided by the applicants as described in Appendix 4 of the supplementary planning document and it will conclude on whether the scheme is compliant with Policy H2 of the Craven Local Plan and this SPD. This is based upon a desktop assessment including 1 x set of written clarification questions and 1 x iteration of the appraisal with the Council. It is not the role of the viability assessor to negotiate planning obligations in the first instance (although the Council may retain the services for such negotiations and/or appeals).

Prior to appointment, the Council's viability assessor will be required to confirm that they have no conflict of interest in providing the advice.

The Council's viability assessor will carry out their review in collaboration with the Council (as Local Planning Authority (LPA)) and the applicant/landowner. At all times they will act with objectivity, impartially and without interference when carrying out the viability review.

Transparency and fairness are key to the effective operation of the planning process. The presumption is that this independent viability assessment review report will be published in full, except where this may compromise delivery of the proposed application scheme or infringe other statutory and regulatory requirements.

Reasonable costs incurred by developers in carrying out appraisals are included as legitimate fees and form part of the appraisal.

An appraisal is unlikely to be considered by the council unless the applicant has printed, signed and submitted a copy of this form, with his/her site viability appraisal (ASVA) paperwork.

I, the applicant/agent

.....(print name) confirm
that I have read the terms and conditions and agree to pay for a financial viability appraisal
up to the sum of [£] + VAT as set out in the quotation by [xyz firm] [
dated]

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INFORMATION TO ASSIST LANDOWNERS SEEKING SCHEMES ON RURAL EXCEPTION SITES

List of settlements where Rural Exception Sites can be located when site is within the Craven Local Plan area.

- Bentham (High and Low)
- Broughton
- Bell Busk
- Bolton Abbey
- Burton in Lonsdale
- Carleton
- Clapham
- Coniston Cold
- Cononley
- Cowling
- Draughton
- Eastby
- East Marton
- Embsay
- Farnhill and Kildwick
- Gargrave
- Giggleswick
- Glusburn/Cross Hills
- Halton East
- Hellifield
- Ingleton
- Kildwick Grange
- Long Preston
- Lothersdale
- Low Bradley
- Lower Westhouse
- Newby
- Rathmell
- Settle
- Stirton
- Sutton in Craven
- Thornton in Craven
- Tosside
- West Marton
- Wigglesworth

Definition of a settlements main built up area in Policy SP4

“The main built up area is defined as the settlement’s closely grouped and visually well related buildings and any associated spaces between these buildings, and excludes:

- 1. Individual buildings or groups of dispersed buildings or ribbon developments which are clearly detached from the main built up area of the settlement, and ribbon developments attached to the main built up area but where the housing relates more to the surrounding countryside than to the main built up area of the settlement, and*
- 2. Gardens, paddocks and other undeveloped land within the curtilage of buildings on the edge of the settlement where land relates more to surrounding countryside than to the main built up area of the settlement, and*
- 3. Agricultural buildings and associated land on the edge of the settlement, and*
- 4. Outdoor sports and recreational facilities and other formal open spaces on the edge of the settlement.”*

SITE VIABILITY APPRAISALS FOR RURAL EXCEPTION SITES

As explained in Part 2, Section 13 of this SPD, Rural Exception Sites (criteria i) and j) of Policy H2)) are sites that are released to provide affordable housing in rural locations which would not normally be used for housing.

Such sites are normally for 100% affordable housing.

Landowners who are interested in helping provide affordable homes for the local community on rural exceptions sites are advised to go through the Council's three/four step process described in Section 3.2.0 of this SPD.

The general rule is for rural exception sites to provide 100% affordable housing to meet locally parish based housing need. However, there may be an occasion when there is a clearly identified need which cannot be met on a suitable site without some higher value market housing within the scheme. In this type of situation, the landowner/Registered Provider (RP) will need to demonstrate to the Council that there is no other way of delivering the affordable housing of the size, type and tenure required to meet the local need. The landowner /RP will have to have exhausted all other potential funding sources before the Council will accept any market housing on the site.

In such circumstances the landowner/RP will be required to provide a viability assessment to consider the financial viability of the scheme. This should be provided on the same basis as set out in Appendix 4 above, apart from the following detail:

To comply with Policy H2 j) II) the RP should provide (i) a viability appraisal on a policy compliant basis i.e. 100% affordable housing and (ii) a viability appraisal of their proposal including the minimum level of market housing required to make the scheme viable.

Note that high land value expectations are not a rationale for introducing market housing onto a site. Market housing is to cross subsidise the development costs of the affordable housing where there is a deficit. By definition the EUV of rural land that can only be used for a rural exception site will be low and the Council is unlikely to accept a benchmark land value (i.e. total EUV and Premium) of >£10,000 per plot.

In any event, no more than 30% of the proposed units will be allowed as market housing in accordance with Policy H2 j) II).

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HEADS OF TERMS PRO FORMA

Heads of Terms Proforma for Planning Obligations Relating to Play & Open Space Contributions, Affordable Housing, Education Provision and Highways.

S106 of the Town and Country Planning Act (England) 1990 (as amended)

Please complete this form and submit it, along with the required documents/information, to the council along with your planning application.

<p>1. Location of proposed development (address and postcode of the site)</p> <p>If there is no postal address, please give a clear and accurate description of the site location</p>	
<p>2. Name and address of applicant</p> <p>Please insert the FULL NAME(s) and address(es) of the person(s) submitting the planning application</p>	<p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>E mail:</p>
<p>3. Is the applicant the legal owner of the application land?</p>	<p>Yes / No (delete as appropriate)</p> <p>If No: Please provide the legal owner's <u>full name and address</u> below:</p> <p>Name:</p> <p>Address:</p> <p>Telephone:</p> <p>E Mail:</p>
<p>4. If the applicant is not the owner has the applicant entered into contract to purchase the land?</p> <p>5. Details of the agent dealing with this application (if applicable):</p>	<p>Yes/No/Still in Negotiation (delete as appropriate)</p> <p>Date of the agreement (if yes):</p> <p>Additional information:</p> <p>Name:</p>

<p>It is not necessary to have either an agent or a solicitor dealing with this for you, however it is recommended.</p>	<p>Company:</p> <p>Address:</p> <p>Telephone:</p> <p>Email:</p>
<p>6. Details of the legal representative dealing with this matter (if applicable):</p> <p>It is not necessary to have either an agent or a solicitor dealing with this for you, however it is recommended</p>	<p>Name:</p> <p>Company:</p> <p>Address:</p> <p>Telephone:</p> <p>Email:</p>
<p>7. Title number:</p> <p>If the land has been purchased within the last 25 years it will be registered with HM Land Registry and have a title number e.g. LT123456 proving ownership, please provide a copy of the register with a title plan.</p>	<p>If the land is not registered, please submit a copy of the title deeds with this form.</p>
<p>8. Play & open space contribution (on sites of 11 or more dwellings or more than 1000sq metres):</p> <p>See Policy INF3 and Appendix A of the Craven Local Plan on Sport, Open Space and Recreational Facilities.</p>	<p><i>Early pre-application discussions to establish the required contributions for your scheme should take place with the Sports Development Officer via email shudson@cravendc.gov.uk</i></p> <p>The following documents must be submitted with this form:</p> <p>On-site provision:</p> <ol style="list-style-type: none"> 1) Proposed plan for on-site provision 2) Maintenance schedule and proposed management of on-site provision (if applicable) <p>Please also provide the following information:</p> <ul style="list-style-type: none"> • Description of on-site provision to be made: • Trigger for on-site provision, e.g. on completion/occupation of a certain number of dwellings. Please state how many or provide details of another trigger: • Any additional clauses, e.g. maintenance schedule required for a certain number of years. Please state how many. • Any other requirements: <p>Off-site provision:</p> <ul style="list-style-type: none"> • Amount/calculation of contribution: • What is the commuted sum to be used for?

	<ul style="list-style-type: none"> • Trigger for payment of commuted sum, e.g. on completion/occupation of a certain number of dwellings. Please state how many or provide details of another trigger. <p>Please note, interest will be charged on late payments.</p>
<p>9. Affordable housing provision (on all sites of 11 or more dwellings or more than 1000sqm, and sites of 6 – 10 dwellings in Designated Rural Areas)</p> <p>See Policy H2 of the Craven Local Plan on Affordable Housing.</p>	<p><i>Early pre-application discussions to establish the required contribution (on or off-site) for your scheme should take place with Strategic Housing via email Jkerfoot@cravendc.gov.uk or ACarruthers@cravendc.gov.uk</i></p> <p><u>Reserved matters and full planning applications (where the details for affordable housing have not been approved at outline stage).</u></p> <p>The following information must be submitted in writing with this form:</p> <p>On-site provision (if the proposal is for 11 or more dwellings or more than 1000 sq m. regardless of the number of dwellings)</p> <ul style="list-style-type: none"> • Proposed plan for on-site provision (showing number and location of affordable rented/sale units) • Schedule of affordable homes (identifying mix of housing type, floorspace, number of bedrooms and tenure by plot) • Development programme, showing phasing (if known) • The arrangements for the transfer of the affordable housing to an affordable housing provider or if no registered provider is involved for the management of the affordable housing • The arrangements to ensure that such provision is affordable for both the first and subsequent occupiers of the affordable housing • the occupancy criteria to be used for determining the identify of occupiers of the affordable housing and the means by which such occupancy criteria shall be enforced; <p>Off-site provision (usually only for proposals for 6 to 10 dwellings within Designated Rural Areas)</p> <ul style="list-style-type: none"> • Justification for off-site provision (if the proposal is for 11 or more dwellings, or more than 1000 sq m, regardless of the number of dwellings) • Amount/calculation of contribution: • Trigger for payment of commuted sum, e.g. on completion/occupation of a certain number of dwellings. Please state how many or provide details of another trigger. <p><u>Outline planning applications (where full details of affordable housing provision as required above are unable to be provided and the number of dwellings which will be granted permission is being specified)</u></p> <p>The following information must be submitted in writing with this form:</p>

	<p>On site provision (if the proposal is for 11 or more dwellings or more than 1000 sq m. regardless of the number of dwellings)</p> <ul style="list-style-type: none"> • A schedule of the percentage of affordable homes to be provided on the site, split by the percentages of affordable housing by size, type and tenure. <p>Off-site provision (usually only for proposals for 6 to 10 dwellings within Designated Rural Areas)</p> <ul style="list-style-type: none"> • Justification for off-site provision (if the proposal is for 11 or more dwellings, or more than 1000 sq m, regardless of the number of dwellings) • Amount/calculation of contribution (if this can be provided) • Trigger for payment of commuted sum, (if possible) e.g. on completion/occupation of a certain number of dwellings. Please state how many or provide details of another trigger.
<p>11. Education contribution – (Where residential development is above the relevant plan’s policy thresholds and results in a deficit in school places in the area)</p> <p>See Policy INF6 and Appendix B of the Craven Local Plan on Education Provision</p>	<p><i>Early pre-application discussions to establish whether your scheme requires a contribution, and if so, what that contribution is, should take place with Nicola.Howells@northyorks.gov.uk</i></p> <p>The information received from North Yorkshire County Council Education should be submitted with your planning application.</p>
<p>12. Highway improvement/public transport contribution</p> <p>See Policy INF7 of the Craven Local Plan on Sustainable Transport and Highways.</p>	<p><i>Early pre-application discussions to establish whether your scheme requires any contribution, and if so, what that contribution is, should take place with Area5.Skipton@northyorks.gov.uk</i></p> <p>The information received from North Yorkshire County Council Highways, along with relevant transport statements, assessments and travel plans should be submitted with your planning application.</p> <p>Trigger for payment of commuted sum, e.g. on completion/occupation of a certain number of dwellings. Please state how many or provide details of another trigger.</p> <p>Please note, interest will be charged on late payments.</p>

Privacy notice - Data Protection Act 1998

Please note that all the data provided by you is for use in drafting the Unilateral Undertaking which is required in connection with your application for planning permission under S106 of the Town and Country Planning Act (England) 1990 (as amended). The resulting undertaking and information contained within it will be registered as a local land charge and will be subject to release in accordance with the Council's FOI policies and procedures and Local Land Charges Legislation.

Please submit this form to Planning & Development Services, Craven District Council, 1 Belle Vue Square

Broughton Road, Skipton, North Yorkshire, BD23 1FJ or alternatively email a copy of the form to planning@cravencd.gov.uk with your planning application.

There is a charge payable on completion of the legal agreement to Craven District Council for legal costs in preparation of the S106 Agreement. Contact Craven District Council Legal Services for further information.

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APPENDIX NINE

Design specification agreed between Craven District Council and Registered Providers operating in Craven District

Element	Specification
Building	To meet EPC band B or above. All works must meet the requirements of Building Regulations, NHBC, Gas Safe Regulations, IEE Regulations, Fire Regulations, existing British Standards, Codes of Practice & manufacturers' recommendations. 10-year NHBC or equivalent warranty to be provided.
Gutters and fall pipes	Matching the market homes on the development.
Windows and rear doors	Matching the market homes on the development. Window restrictors to first floor casement windows (except fire escape window).
Front entrance door	Steel faced paint finish secured by design fire door matching market units. Mains operated door bell. Letter box & house numbers to be included.
Internal doors	4 panel painted flush doors.
Heating	Gas-fired Combi boiler (minimum A* rated), radiators throughout, thermostatically controlled bar towel rail in bathroom, which must meet the required heat output for the room. Smart controls featuring automation and optimisation functions (or as agreed).
Ventilation	Background ventilation including trickle vents.
Bathroom/WC/Cloaks	Electric shower over bath. Shower screen to shared ownership homes, fixed shower rail & curtain to rented homes. Full-sized non-slip bath, wide enough to be used as a shower bath, with handles. Mixer taps to bath & basins. Half height tiling to bathrooms and cloakrooms, fully tiled around bath & to window sills. Electric shaver points in bathroom and cloaks. Extractor fan.
Floor coverings	Flooring to kitchens, bathrooms, cloaks and utility room meeting R10 slip resistance standard.
Kitchen	Fitted kitchen with adequate storage for the property size, to include tall broom unit if no other similar storage available. Stainless steel sink & drainer with mixer tap. Space for washing machine (water & waste pipe connections must be fitted), tall standing fridge freezer and cooker (fittings for either electric or gas cooker must be included). Extractor fan/vented cooker hood. Worktops to have mitred joints and upstand or be tiled from worktop to cupboard. Full height splashback protection to be provided to cooker area. Shared ownership homes to include fitted oven & hob with vented cooker hood.
Electrical	White sockets & switch plates. All lighting to be low energy lamp fittings.
TV	TV wiring to be HD compatible with wiring to loft for TV aerial (communal digital compatible aerial with booster to apartments). Telephone and broadband connections wired into living room.
External lights	At both front & rear with dusk to dawn sensors.
Smoke/CO detectors	Mains operated with battery back-up.

Garden	Outside tap with isolator valve (no external pipework) & external weatherproof electric socket to be provided to private rear garden. Turf to front & rear garden. Dividing fence to rear to be 1800mm treated timber panel or feather edge with matching lockable gates. Paths to be provided to gates minimum width 900mm, paved patio area to rear minimum width 2.4m.
Water	Automatic water cut off device installed (surestop type) in easily accessible location.
Decoration	All ceilings & walls to be emulsioned and woodwork glossed.
Bins & drying areas	Provision of all necessary refuse & recycling bins. Apartments to have external communal drying areas & bin stores.
Handover	Full property information pack to be provided at handover to include all certification, guarantees & warranties including Landlords Gas Safety Certificate where applicable.

Where relevant (e.g. kitchens) a choice of fittings to be offered to association.

Examples of narrative used by Craven District Council in Section 106 legal agreements as they relate to matters referenced in this SPD.

Definitions

Affordable dwellings for freehold homes will be those dwellings with warranty to be provided on the site shown on the affordable housing plan attached at annex X, with all the necessary rights of access and services to be provided in perpetuity (to the extent permissible by law and subject to any exclusions or provisos contained in this agreement) as affordable housing.

Off-site affordable housing contribution means, if applicable, the sum of money that will be calculated in accordance with the calculation set out at paragraph X.X.X and paid by the owners to the council in accordance with and in the circumstances specified in paragraph X>X to be used by the council for the provision of affordable housing within the Council's administrative area.

Affordable housing sale unit means X nos of affordable dwellings which are to be constructed in accordance with the planning permissions and leased to an eligible occupier on a shared ownership lease or such housing as approved in writing by the Director of Services that provides a subsidised route to home ownership and which complies with either definition (c) "discounted market sales housing" or definition (d) "other affordable routes to home ownership" as set out within Annex 2 of the National Planning Policy Framework (February 2019).

Affordable housing for rent means XX nos of the affordable dwellings which are to be constructed in accordance with the planning permission or such other housing as approved in writing by the Director of Services and as defined in Annex 2 of the National Planning Policy Framework.

Conditional contract is a contract for the future transfer of the affordable housing units (as the context so requires) at the transfer price.

Eligible occupier:- a person or household containing a person who is in housing need for a property of the type and size in question and who is unable to afford to rent or purchase dwellings of a similar kind generally available on the open market within the administrative area of the council provided that a person within the household has a local connection within the search area,

- i. in the event that no such person or household can be found using all reasonable endeavours the registered provider may cascade to the wider search area (see paragraphs 2.10.6 to 2.10.10 of this SPD);
- ii. in the event that no such person or household can be found using all reasonable endeavours the registered provider may cascade to the wider search area (see paragraphs 2.10.6.to 2.10.10 of this SPD);
- iii. in the event that no such person or household can be found using all reasonable endeavours the registered provider may with the written approval of the Director of Services widen the cascade to all those eligible to join the housing register via the

bidding system that operates within the North Yorkshire Home Choice area from time to time.(see paragraph 2.10.10 of this SPD)

Local connection: a person has a local connection with an area if they:

- i. have resided within the search area for three years out of the preceding five years; or
- ii. have previously resided within the search area for a period of 20 years or if less than 20 years half of that person's lifetime but subject to a minimum of ten years; or
- iii. have immediate family (mother, father, sister or brother, son or daughter) that live in the search area and have done so for a continuous period of at least five years; or
- iv. are in employment with a company or organisation based within the search area and established for at least three years and such employment to be at least sixteen hours each week for a minimum of 12 months or an offer of such employment.

Registered provider: as defined by the Housing and Regeneration Act 2008 (or as redefined by any amendment, replacement or re-enactment of such Act) and registered under the provisions of the Housing and Regeneration Act 2008 or any company or other body approved by Homes England (or any successor body) or the council or a company wholly owned by the council and nominated or approved in writing by the Director of Services (or successor).

Search area: collectively the original search area, wider search area (a) and wider search area (b). (the relevant search area and wide search areas will depend on the location of the proposed development – see paragraphs 2.10.6 to 2.10.10)

Transfer: means a transfer of the freehold beneficial interest in the affordable dwellings and reference to transfer shall include the terms “transferred”.

Transfer price: means a price that equates to one thousand pounds (£1000) per square metres of the gross internal area of the affordable dwelling.

Warranty: NHBC warranty or LABC warranty of Premier warranty or warranty of another provider approved by the party taking transfer of the affordable dwellings.

Legal Basis

The covenants, restrictions and requirements imposed upon the owner and their successors in title under this deed create planning obligations pursuant to Section 106 of the Act which bind the land and are enforceable in respect of the site by the council as local planning authority against the owner and any successor in title thereto.

Details on affordable housing

The owner covenants with the council as follows:

- i. the number of affordable dwellings shall equate to XX of the on-site dwellings and shall comprise of XX affordable housing for rent and X affordable housing sale units as set out in the first schedule unless a change in the mix of tenure is otherwise agreed by the Director of Services.

- ii. Not to allow cause or permit occupation or sale of more than XX % of the market dwellings until the affordable dwellings have been practically completed and transferred to the registered provider or the Council at transfer price.
- iii. The affordable dwellings shall not (save for where consent in writing to do so is given by the Director of Services) be occupied otherwise than by eligible occupiers found in accordance with the process set out and in that respect the registered provider on the transfer of the affordable dwellings will comply with the provisions herein.
- iv. Following recovery of the transfer price by the registered provider or the council where an affordable dwelling or any portion thereof is sold the sums payable to the registered provider or the council (as the context requires) in relation to that transaction will be used exclusively for the provision of new units of affordable housing within the district of Craven to the extent permissible by law.
- v. That the owner shall provide in relation to the affordable dwellings an NHBC warranty or LABC warranty or warranty of another provider approved by the party taking the transfer of the affordable dwellings (the registered provider or the Council)
- vi. The affordable dwellings shall be provided in perpetuity to the extent permissible by law.

In the event that a registered provider does not enter into a conditional contract for all of the affordable housing units within twelve weeks of an offer by the owner to transfer the freehold beneficial interest in those dwellings to a registered provider then the following shall apply:

- i. In lieu of the on-site provision of the affordable housing units the owner can pay to the council an affordable housing contribution towards the provision of affordable housing in the administrative district of the council calculated in accordance with clause XXX and following the payment of the affordable housing contribution the affordable housing units will no longer be subject to the terms of this Deed and shall be free to be disposed of (in perpetuity) as open market dwellings at any tenure and at any price to a person or persons originating from any location.
- ii. The payment to which clause XXX applies shall be paid no later than occupation of the affordable housing units as open market dwellings
- iii. The restriction contained within paragraph XXX of the schedule shall no longer apply (in perpetuity) upon the affordable housing contribution being paid.
- iv. The affordable housing contribution shall be calculated as follows by reference to the number of affordable housing units to which the term applies for the purposes of clauses XXX.

$$A-(B+C)$$

Where:

A = Open Market Value

B = the Transfer Price

C = the owner's reasonable marketing costs incurred in selling each affordable housing unit on the open market together with any costs incurred in the event that an expert is appointed to determine the open market value.

