

# Negotiating Affordable Housing Contributions

## DRAFT July 2016

[Planning has] a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations

NPPF, para. 7

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## 1.Introduction

This document sets out the council's interim approach to negotiating affordable housing contributions, in connection with planning applications for residential development. An interim approach (which is *not* a development plan policy) was first adopted for development control purposes by the council's Policy Committee on <u>29<sup>th</sup> May 2012</u>. This current version incorporates a <u>ministerial statement</u> issued in 2014 and related changes to <u>planning practice guidance</u>. It will be used as a stop-gap measure, by planning and housing officers, whilst an affordable housing policy is being prepared as part of the <u>new local plan</u>.

## 2.Background

The council's latest (2015) <u>Strategic Housing Market Assessment</u> (SHMA) indicates that there continues to be a high level of need for affordable housing in Craven. Where such need is identified, the National Planning Policy Framework (paragraph 50) says that local planning authorities should set policies requiring affordable housing to be provided on residential development sites, unless off-site provision or a financial contribution of broadly equivalent value can be fully justified. Such policies should be sufficiently flexible to take account of changing market conditions over time. The ministerial statement adds to this by saying that affordable housing should not be sought from small developers building up to 10 dwellings with a combined floorspace up to 1000sqm. However, in designated rural areas, council's may choose to lower this threshold to 5 dwellings/1000sqm, and any affordable housing policy in its emerging local plan, but, in the meantime, has adopted the following approach in the interests of achieving sustainable development and the social role of planning (see page 2 onwards of the National Planning Policy Framework).

#### 3. Our approach

In view of the above, the council will base its negotiations, with developers, on the general approach outlined in the table below. The approach is also illustrated in the <u>contributions flowchart</u>.

Proposed development	Affordable housing contribution			
More than 10 dwellings	0% of the units to be built on-site should be affordable housing			
More than 1000sqm <sup>1</sup>				
6 to 10 dwellings in designated rural areas <sup>2</sup>	A cash contribution should be paid, once a reasonable proportion of the			
Less than 6 dwellings, but more than 1000sqm, in designated rural areas	units is occupied, in lieu of on-site affordable housing provision			

#### All contributions will be subject to vacant building credit<sup>3</sup> and site-specific financial viability

<sup>&</sup>lt;sup>1</sup> This is 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.

<sup>&</sup>lt;sup>2</sup> 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, Coniston 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.

<sup>&</sup>lt;sup>3</sup> 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.

People submitting planning applications for residential development (applicants) are welcome to discuss these requirements and how they will be achieved with the council's housing development team. If an applicant believes that normal requirements may not be financially viable in a particular case, the council will take a lead in assessing the financial impact of those requirements and whether a reduced or nil affordable housing contribution is justified on financial grounds.

## 4. Definition of affordable housing

Affordable housing is defined in the National Planning Policy Framework (page 50) 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".

## 5. Registered providers

The council expects developers, building more than 10 dwellings (1000sqm), to demonstrate how affordable housing provided as part of their development will be made available to eligible occupiers, in perpetuity. Registered Providers (RPs) are 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. On occasion, the council may deliver affordable homes itself.

The council 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, the council will nominate an RP for the allocation of new affordable housing units, having regard to management base and capacity. Developers should contact the council's housing development team to discuss the most appropriate RP partner for their development.

## 6. Size and tenure of affordable housing units

The 2015 SHMA provides evidence of what size and tenure of housing is required to meet local needs. In light of this evidence, the council's general approach will be to focus on:

- Securing a high proportion of small affordable homes, particularly two-bedroom homes, for newly forming and growing households;
- Ensuring affordable homes with more than two bedrooms are also provided, but in less significant proportions, to meet the needs of larger households; and
- Achieving an affordable housing mix of about 75% affordable rented and 25% intermediate housing for sale.

Please contact the council's housing development team to discuss specific requirements for individual sites, including the size, type and tenure of affordable units and the applicable <u>transfer prices</u>.<sup>4</sup>

## 7. Distribution of affordable housing units

The nature and size of a proposed development will influence the distribution of affordable units within the site. However, as a general rule, affordable units should be spread throughout developments, rather than being concentrated into distinct areas, in order to avoid segregation and to promote integrated and sustainable communities<sup>5</sup>. Individual development proposals will need to be supported by plans showing an acceptable distribution of affordable units.<sup>6</sup>

Affordable housing contributions will be sought from phased developments or developments that come forward in a piecemeal fashion, where the total combined development exceeds the relevant threshold. This may mean that an initial proposal for a small part of a site may fall below the threshold and be exempt from affordable housing contributions. However, if the remainder of the site comes forward and the affordable housing threshold is exceeded, contributions will be sought from the whole development, including initial and subsequent phases. This is something that applicants need to be aware of and may need to anticipate in formulating their proposals.

#### 8. Design requirements

The council is committed to good design and expects affordable housing schemes to meet or exceed housing standards promoted by the <u>Homes and Communities Agency</u> (HCA). In support of good design in the local context, the council has published "<u>Design Guidance for Affordable Housing Providers</u>", which promotes equity between affordable and market housing design and should be referred to from the outset of a project. In addition, partner RPs are able to provide details of their own specifications, which form part of their contracts with developers.

Minimum space standards ensure that households have decent housing with sufficient room to live, which is particularly important when every bedroom is expected to be used as such. The council's approach to minimum space standards, in affordable housing, is as follows.

<sup>&</sup>lt;sup>4</sup> The council will expect details of the size, type, tenure and price of affordable housing units to be agreed with developers before the submission of a reserved matters application, unless such details have already been approved at the outline stage.

<sup>&</sup>lt;sup>5</sup> Clusters of affordable units are best avoided, if possible, and should be kept as small as possible where they prove to be necessary. Cul-de-sacs entirely made-up of affordable or market housing should be avoided and affordable flats should be accompanied by market flats (although separate blocks may be a necessity).

<sup>&</sup>lt;sup>6</sup> The council will expect details of the distribution of affordable housing units to be agreed with developers before the submission of a reserved matters application, unless such details have already been approved at the outline stage.

#### Craven's affordable housing minimum space standards

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

These minimum areas have been in practical use for some time and were originally based on HCA design and quality standards. Greyed areas are rarely or never used.

#### 9. Local connections criteria

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. When such criteria are imposed as a planning requirement, they affect the way RPs allocate affordable homes to prospective occupiers. The council has the following approach to local connections criteria.

#### First: Parish/Ward

In the first instance, RPs must offer affordable homes to prospective occupiers with a connection to the parish/ward (where the affordable home is located). This would be the parish in Skipton (which covers four wards); the parish or ward in Embsay-with-Eastby, Sutton-in-Craven, Glusburn and Cross Hills, and Cowling (where the parish and ward are the same); and the ward (groups of parishes)<sup>7</sup> everywhere else.

#### Second: Sub-Area

If there are no prospective occupiers with a connection to the parish/ward, RPs must then offer affordable homes to those with a connection to the wider sub-area<sup>8</sup>.

#### **Third: District**

In the unlikely event that there are no prospective occupiers with a connection to the sub-area, RPs must offer affordable homes to those with a connection to the district and should notify the council's housing development team as soon as possible.

#### Final: Default

As a last resort, the default method for offering affordable housing to prospective occupiers is the bidding system that operates within the <u>North Yorkshire Home Choice</u> area.

 $<sup>^{7}</sup>$  Some wards extend far beyond the plan area and into the Yorkshire Dales National Park. In those wards, only parishes that are wholly or partly within the plan area will be included – e.g. in Penyghent ward the parish of Giggleswick will be included, but the parishes of Stainforth and Horton-in-Ribblesdale will not.

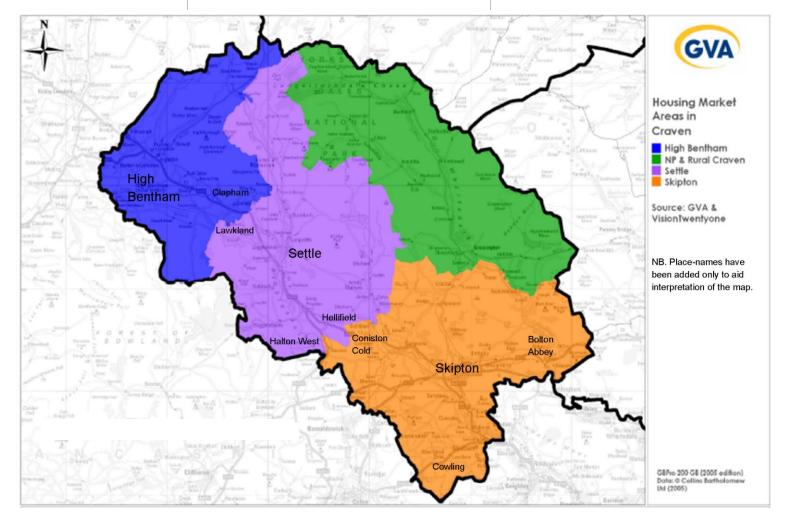
<sup>&</sup>lt;sup>8</sup> There are three sub-areas in the district. The north sub-area includes the parishes of Bentham, Ingleton, Burton-in-Lonsdale, Thornton-in-Lonsdale, Clapham-cum-Newby and Lawkland. The mid sub-area includes the parishes of Giggleswick, Langcliffe, Rathmell, Settle, Wigglesworth, 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.

## 10. Affordable housing transfer prices

Following consultation with its partner RPs and the HCA, the council has established a set of local transfer prices for affordable housing. These are the sums that RPs will pay to developers for the affordable housing units they provide. Transfer prices are kept under review and are based on affordability within the district (derived from local income and house price data) and on the assumption that affordable units will be provided without public subsidy. Current prices were introduced on 1st April 2012 and apply to all affordable dwellings secured through the planning process, irrespective of tenure or the RP partner. Transfer prices are presented in the following table—they take account of different market areas within the district, differences between houses and flats, are expressed as rates per square metre and are subject to maximum limits.

#### Craven's affordable housing transfer prices

Market area (see map below)	Price (per s	square metre)	Maximum limit on total price payable (equivalent to a 90sqm unit)		
	Dwellinghouses	wellinghouses Flats and other units with service charges		Flats and other units with service charges	
Skipton	£950 per sqm	£900 per sqm	£85,500	£81,000	
High Bentham, National Park & Rural Craven, Settle	£1,000 per sqm	£950 per sqm	£90,000	£85,500	



#### 11. Cash-sum contributions

The council will accept cash payments, in lieu of on-site affordable housing provision, where developers are building 6 to 10 dwellings (or less than 6, but more than 1000sqm) in designated rural areas. In order to help small developers manage their cash flow, staged payments will be accepted and the first payment won't be required until a reasonable proportion of dwellings are occupied (i.e. when money is coming in)<sup>9</sup>. The cash-sum due, in any particular case, will be based on the difference between the market value of dwellings being built on the site and the value of affordable housing. As dwellings will already be up for sale, the market value of dwellings will be determined having regard to the asking price and any sales where contracts have been exchanged. The value of affordable housing will be determined by the transfer prices quoted above.

Here is an illustration based on a six-dwelling development, in the Settle sub-area. 40% of 6 dwellings = 2.4 affordable The council's 40% affordable housing requirement would equate to 2.4 dwellings affordable dwellings. Evidence indicates a need for two-2.4 x two-bed (70sqm) = 168sqm • bedroom houses (at 70sqm each) to suit newly forming households. The total affordable housing value, based Affordable housing value =  $168 \times 1,000 =$ • on a transfer price of £1,000/sqm, would £168,000 be £168,000. If similar two-bedroom houses are up for Market value of a 70sqm two-bed = • sale on the site, their asking price or sale £200,000 contract price can be used to establish a Market value of  $2.4 \times \text{two-bed} = \text{\pounds}480,000$ comparable market value. Otherwise, it may be necessary to calculate an average pounds-per-square-metre price for the whole development and then to multiply that by 168 (sqm). Cash-sum due = £480,000 - £168,00 = The cash-sum due, in lieu of 40% on-site • affordable housing provision, is the £312,000 difference between market and affordable values.

In some cases, the council may need to seek cash-sum contributions from developments of more than 10 dwellings (or 1000sqm), rather than the usual on-site affordable housing provision. For example, a development of flats or apartments could be unduly problematic for RPs, especially if service charges

<sup>&</sup>lt;sup>9</sup> Alternatively, and in response to landowners' requests, the council may agree to 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 valuations, rather than asking or sale contract prices.

threaten to make units unaffordable or if the building's freehold cannot be obtained. Furthermore, there could be practical difficulties in requiring 40% on-site provision, if a development exceeds the 1000sqm threshold, but only delivers a small number of units. Such cases are unlikely to arise very often, but, if necessary, the housing development team will raise the matter during pre-application discussions. Any cash-sum contributions obtained will be used to secure off-site provision to help meet the district's affordable housing needs.

## 12. Vacant building credit

A vacant building credit is equivalent to the existing gross floorspace of any vacant building on a site and is deducted from the normal affordable housing contribution required by the council. It applies to vacant buildings that are to be brought back into use or demolished for re-development, but not to abandoned buildings. This national policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings, and we'll bear this in mind when considering whether a vacant building credit should apply to a particular development. As a general rule-of-thumb, we'll use the credit to help bring forward brownfield development that might not otherwise occur or might be postponed indefinitely, rather than to provide an automatic discount for people who own buildings.<sup>10</sup>

In order to calculate the credit, the council will need applicants to submit accurate figures and plans of existing and proposed floorspace. If these show a net gain in floorspace, an affordable housing contribution may be required and the nature of the contribution (on-site provision or a cash-sum payment) will depend on the circumstances of the case. If there is no net gain, no affordable housing contribution will be required.

For developments of more than 10 dwellings (1000sqm), the existing gross floorspace in any vacant buildings will be deducted before the 40% on-site affordable housing contribution is calculated.

Here is an illustration based on an eleven-dwelling development, on a site with existing vacant buildings of 260sqm gross floorspace.

- Proposed gross floorspace = 870sqm
- Existing gross floorspace = 260sqm (30% of the proposed gross floorspace)
- Vacant building credit = 30% reduction in the affordable housing contribution
- Usual affordable housing contribution = 4.4 dwellings (40% of 11 dwellings)
- Contribution with 30% vacant building credit = 3.08 dwellings (4.4 1.32) rounded to 3
- On-site affordable housing contribution = 3 two-bed houses at the relevant transfer price<sup>11</sup>

<sup>&</sup>lt;sup>10</sup> In particular, we'll consider whether a building has been made vacant for the sole purpose of redevelopment and whether a building is covered by an extant or recently expired planning permission for the same or substantially the same development. In addition, we won't normally apply the credit to buildings with temporary planning permission; or to buildings that people don't normally go into or go into only intermittently to maintain or inspect machinery (e.g. an electricity sub-station); or where part or all of the building is occupied; or where the building has been wholly or partly occupied for more than six months during the three years immediately before the date of the planning application. This will also help to align vacant building credit with Community Infrastructure Levy (CIL) rules, which provide a similar and complementary incentive for brownfield development.

<sup>&</sup>lt;sup>11</sup> In the illustrations, above and below, affordable housing contributions are based on the identified need for two-bed houses to suit newly forming households.

For developments of 6 to 10 dwellings (or less than 6, but more than 1000sqm) in designated rural areas, or in other cases where a cash-sum contribution is sought, the existing gross floorspace in any vacant buildings will be deducted before the cash-sum payment is calculated.

Here is an illustration based on a six-dwelling development, on a site with existing vacant buildings of 325sqm gross floorspace, in the Settle sub-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 = 2.4 dwellings (40% of 6 dwellings)
- Contribution with 65% vacant building credit = 0.84 dwellings (2.4 1.56)
- Affordable housing value = 70 (sqm) x 1,000 (£/sqm) = £70,000
- Market value (asking/contract price for a 70sqm two-bed house on the site) = £200,000
- Cash-sum due = £200,000 (market value) £70,000 (affordable value) x 0.84 = £109,200

#### 13. Financial viability

Affordable housing contributions from market housing developments – either as on-site provision or a cash payment – are often viewed as an additional cost or subsidy that the developer must pay. If a developer believes that the cost of providing affordable housing is likely to undermine the economics of a scheme – effectively making the site undevelopable – then viability will become an issue. The council's approach to negotiating affordable housing contributions acknowledges the importance of financial viability and its role as a material planning consideration.

In favourable circumstances, there should be a reasonable prospect of achieving the council's normal affordable housing target (40% on-site provision or an equivalent cash payment) on most sites – in fact this level of provision has already been agreed with developers in a number of recent cases. However, circumstances are not always favourable and if those affecting a particular site give rise to legitimate concerns about viability, which can be properly justified by means of a financial viability appraisal, the council will reduce its normal affordable housing target to an achievable level.

Financial viability appraisals (which should adopt an "open-book" approach) need to cover all costs and expected receipts arising from a development and the profit margin to which the developer operates, in order to provide the necessary net residual valuation.

In order to maintain public confidence in the planning system, the assessment of financial viability must be impartial and independent. To this end, the council has appointed Harrogate Borough Council's valuer to carry out its assessments on an arms' length, impartial basis. This independent assessment is a development cost that will need to be borne by the developer. The cost will depend on the complexity of the appraisal, the amount of evidence supplied and the time taken to complete the work, including negotiations as appropriate, but is likely to cost between £1000 and £2000. Should it be impossible to reach a negotiated settlement, the council reserves the right to put the assessment in the hands of the District Valuer for a final, independent, third-party opinion – the cost of this will also fall on the developer. Of course, developers themselves may choose to engage the District Valuer directly, at the outset of the assessment process.

## 14. Content of financial viability appraisals

The council will treat information contained in financial viability appraisals as sensitive and confidential. It will be made available to the council's planning and housing officers and the independent assessor, but not to third parties or the general public.

The information to be supplied should include the value of the completed development proposed in the application, and all costs incurred or expected to be incurred in order to achieve this value. The information should include the following, but may also cover other items specific to the proposed development.

#### Value

- Gross internal area of houses excluding garages, conservatories. Habitable roof-space should be listed separately, as should garages and conservatories. For industrial buildings, supply gross internal area; for any shops or offices, net internal area.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Registered Provider as published on the Craven District Council website or confirmed by the housing development team.
- Current Use Value of the property this means the value reflecting the existing physical state and use, which are authorised and require no consent to continue.
- Purchase price (and date), where this is considered to be relevant.

It may be useful to show more than one scenario.

#### Costs

- Build costs. Give the gross internal area x the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. Xm road @ £Y/m. Include boundary treatment, landscaping, demolition & site preparation costs as appropriate.
- Standard planning costs planning & building regulation fees, commuted sums.
- Professional fees architect, QS, CDM supervisor etc.
- Contingency allowance.
- Cost of finance. Indicate the period and interest rate.
- Community benefits. If the scheme includes any exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any. What are these (e.g. contaminated land remediation) and what costs are anticipated?
- Developer's profit the amount or percentage included.

Any other relevant items should be clearly defined and costed.

#### 15. Independent assessment - fees, terms and conditions

The council's assessment of financial viability appraisals is subject to the following fees, terms and conditions.

The information contained in appraisals will only be made available to the council's planning officer and his/her advisors, such as the valuation surveyor appointed to act on behalf of the council and the council's affordable housing development officer. It will not be placed on a public file or made available to third parties.

The council pays for the valuation surveyor to assess financial viability appraisals impartially and independently. Fees are recharged, at cost, to the applicant and, following payment, the assessor's report is released to the applicant/agent. The fee is banded according to the time taken to complete the assessment.

The scale of fees is as follows:

- Cases taking up to five hours will be charged at £500
- Cases taking five hours and up to ten hours will be charged at £1000
- Cases taking ten hours and up to fifteen hours will be charged at £1500
- Cases taking fifteen hours and up to twenty hours will be charged at £2000
- Cases taking twenty hours or more will be charged at £2500

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

An appraisal will not be considered unless the applicant has printed, signed and submitted a copy of this form, with his/her financial viability appraisal paperwork.

I, the applicant/agent ......(print name) confirm that I have read the terms and conditions and agree to pay a financial viability appraisal assessment fee according to the above scale.

Signed: ..... Date: .....

## 16. Planning applications

Anyone proposing a development of 6 or more dwellings, or more than 1000sqm, should discuss affordable housing requirements with the council's housing development team at a pre-application meeting.

Detail of what affordable housing contributions are required should be agreed at the meeting and recorded on an <u>affordable housing pro-forma</u>, which should then be signed by both parties.

If an applicant believes that affordable housing requirements are not financially viable, he/she should submit a financial viability appraisal before submitting a planning application, so that any agreed reduction in affordable housing contributions can be included on the affordable housing pro-forma.

Applications should include proposed affordable housing contributions to reflect pre-application discussions and agreements. A supporting pro-forma and any relevant financial viability information should be submitted with the application. A pro-forma will not be satisfactory unless it is complete and signed by both parties.

Applications that don't adequately address affordable housing requirements or include a complete and counter-signed pro-forma, will not necessarily be invalid. However, in such circumstances, applicants will be given a final opportunity to engage in discussions and to submit a pro-forma, before their application is validated and processed. This is important, because, once the statutory period for deciding the application has started, there is unlikely to be sufficient time to negotiate affordable housing requirements.

Applicants are urged to take the opportunities offered to engage in pre-application discussions, as insufficient attention to affordable housing requirements is likely to result in a refusal of planning permission.

Affordable housing contributions will be secured by means of a condition attached to the relevant planning permission (refer to the <u>delivery flowchart</u>). Conditions will be based on the Planning Inspectorate model and will follow the general format set out below (although the exact wording of conditions may need to be adjusted, in order to reflect the particular circumstances of individual cases).

#### Planning condition for affordable housing contributions

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:

- the numbers, type, tenure and location on the site of the affordable housing provision to be made, which shall consist of not less than X% of housing units unless otherwise agreed with the local planning authority following an assessment of financial viability;
- 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 [or 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 identity 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).

## 17. Affordable Housing Pro-Forma

A copy of this pro-forma should be completed in full, agreed and submitted with your planning application.
Name of applicant/agent
Postal address
Telephone number
Email address
Name of personal contact

Affordable housing contribution to be: on-site provision / off-site provision / cash payment / none (circle relevant contribution)

Site location/address		 	
		 	(attach a location plan)
Site area (ha)	Interest in the land	 .(e.g. owner,	prospective purchaser)

Summary of proposed development .....

Combined gross floorspace (GIA) of all vacant buildings on the site (if applicable): .....(sqm) Breakdown of proposed market (m) and on-site affordable (a) housing units (insert relevant numbers)

Flats	1 bedroom:	(m)	(a)	2 bedrooms:	(m)	(a)	3 bedrooms:	(m)	(a)
Houses	1 bedroom:	(m)	(a)	2 bedrooms:	(m)	(a)	3 bedrooms:	(m)	(a)
Other	:	(m)	(a)		(m)	(a)		(m)	(a)

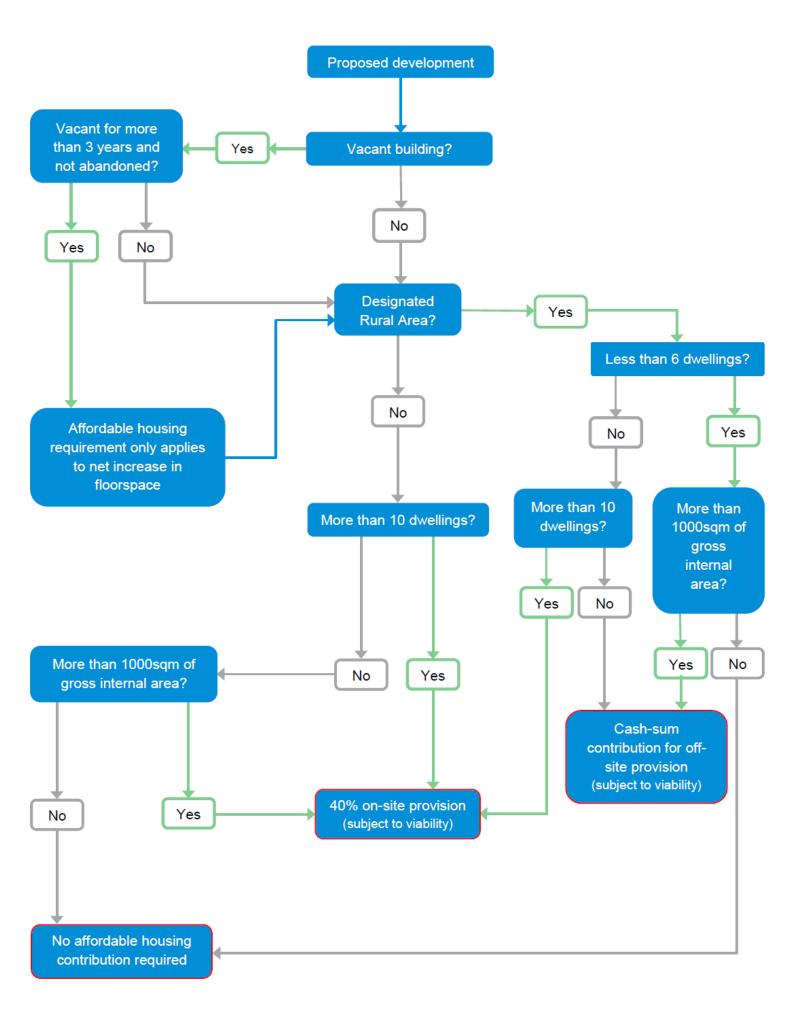
Proposed cash payment in lieu of on-site affordable housing provision .....(£)

Financial viability appraisal submitted: yes / no (circle relevant answer)

Comments.....

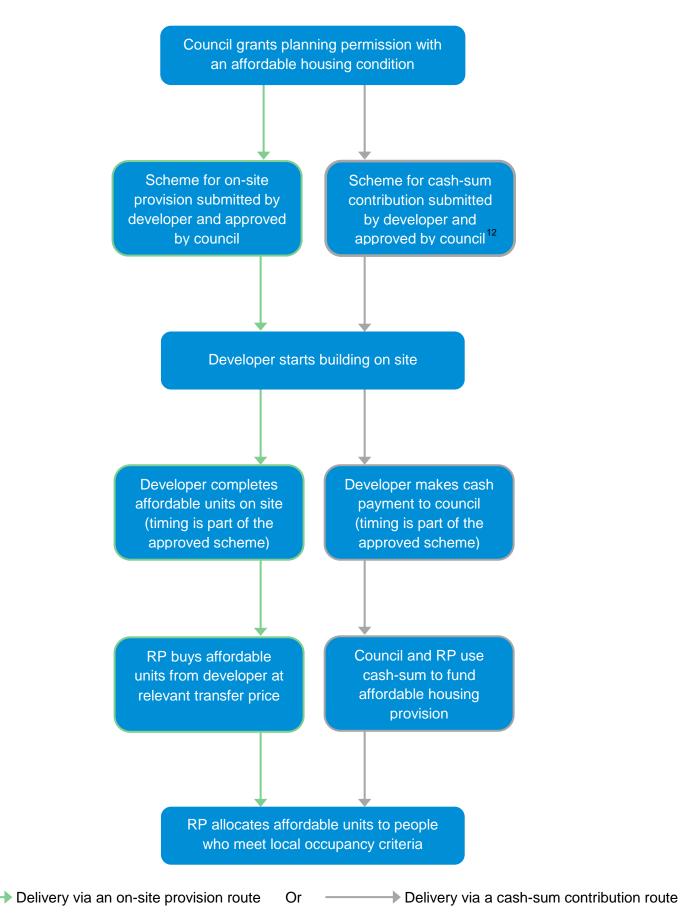
Declaration: I confirm that pre-application discussions have taken place and that agreement has been reached on the affordable housing contribution to be made (subject to planning permission). Where applicable, a financial viability appraisal has been submitted and an independent assessment has confirmed that a reduction in the council's target is acceptable. (sign and date, below)

#### 18. Contributions flowchart



## 19. Delivery flowchart

This flowchart illustrates how affordable housing is delivered, following a successful planning application.



<sup>&</sup>lt;sup>12</sup> The council and landowner may agree to calculation and payment of the cash-sum contribution before the site is marketed to developers – refer to <u>footnote 9</u>, above.

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If you would like to have this information in a way that's better for you, please telephone **01756 700600**.