



# Affordable Housing and

# Extra Care Housing

## Supplementary Planning Document



May 2014

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# 1. PURPOSE

The purpose of this supplementary planning document (SPD) is to support the local authority, developers, housing providers and local communities to deliver a wide range of housing through successful planning applications with particular focus on:

- the provision of affordable housing and
- the delivery of exception sites in rural areas and
- the provision of Extra Care housing, including affordable Extra Care.

This SPD contains detailed advice and direction on the implementation of South Gloucestershire Core Strategy policies CS18 (Affordable Housing), CS19 (Rural Housing Exception Sites) and CS20 (Extra Care Housing).

These policies, and the supplementary advice supporting them, supersede those in the South Gloucestershire Local Plan, published in 2006, and in the Affordable Housing Supplementary Planning Document, published in 2008.

The SPD sets out the council's preferred approach for the delivery of affordable housing, rural exception sites and Extra Care housing. Whilst it is intended to form the basis of negotiations with developers, the specific circumstances of individual applications will be taken into consideration.

The document contains references to other background material, some of which is accessible via electronic links, or alternatively which may be obtained from the Strategic Planning or Strategic Housing Enabling teams in South Gloucestershire Council.

## 1.1 Objectives

The specific objectives of the revised SPD are to:

- confirm the policy context at national and local level affecting the provision of affordable housing
- set out the means by which the requirement for 35% affordable housing in new housing developments can be achieved on-site, taking account of viability considerations
- enable the delivery of an appropriate mix of affordable housing suitable in tenure, type, size and location to meet identified housing need, drawing on evidence from the most recent Strategic Housing Market Assessment (SHMA)
- contribute to the achievement of sustainable development, economically, socially and environmentally; for example providing jobs and homes to local communities, enhancing social cohesion, improving living conditions for all households, and ensuring that developments respect the local environment.
- highlight the thresholds of sites on which a proportion of affordable housing will be sought and indicate how such sites will be defined
- set out how more affordable housing might be provided in rural areas for local communities, with the support of some market housing and
- define Extra Care housing and provide guidance for its provision, including when it would be appropriate to seek a proportion of affordable housing
- address the scope for Custom build housing to provide "affordable housing", distinguishing Custom build from other low cost market housing.

## 1.2 Status of Document

The Affordable Housing and Extra Care SPD is one of a suite of documents which support the council's Local Plan. Upon adoption by the council it will be considered a material consideration in the determination of planning decisions by the council.

## 2. POLICY BACKGROUND

### 2.1 National Planning Policy Framework (NPPF)

The [NPPF](#) provides the broad policy framework for the South Gloucestershire [Core Strategy](#) and the guidance within the SPD applies those national policies and requirements. Additional national guidance is provided by the National Planning Policy Guidance ([NPPG](#))

In particular the NPPF:

- confirms that planning policies should contribute to sustainable development by: *“providing the supply of housing required to meet the needs of present and future generations”* (para. 7);

Requires local authorities to:

- *“meet the full objectively assessed needs for market and affordable housing in the housing market area”* as far as is consistent with other national policies (para 47);
- *“plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community”* and
- *“where affordable housing is needed, set policies for meeting this need on site”* unless equivalent alternatives can be identified” (para 50)
- In rural areas *“plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate”* (para 54).

### 2.2 Definition of Affordable Housing

The definition of affordable housing which underpins the approach in the Core Strategy and in the SPD is that set out in Annex 2 of the NPPF.

- Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.
- Affordable housing is generally subsidised by the development as a planning requirement, so that it is provided at below market rent levels.
- In order to be considered as affordable for planning purposes it 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.  
It may include shared ownership and homes for sale at below market levels, but not housing which does not meet the above definition of affordable housing, particularly in respect of its future retention as affordable housing and its restriction to eligible households.

## 2.3 Core Strategy Affordable Housing Policies

South Gloucestershire Core Strategy policies CS18, CS19 and CS20 and the full supporting text are contained in Appendix 1. The following sections provide additional guidance on them.

## 3. CS18 AFFORDABLE HOUSING

### 3.1 Developments Subject to the Affordable Housing Requirement

Policy CS18 requires 35% of housing provided on “all new housing developments” over certain thresholds to be affordable and to be provided on-site, normally without public subsidy, unless the developer can demonstrate that the affordable housing jeopardises the economic viability of the proposals (see paragraph 7.2)

In urban areas the council requires affordable housing as part of any development of 10 or more dwellings or residential site with a gross area of at least 0.33 ha, irrespective of the number of dwellings. Urban areas are defined by the Core Strategy to include the North Fringe of Bristol, the East Fringe of Bristol, Yate/Chipping Sodbury and Thornbury and the industrial area of Severnside (see Appendix 3).

The threshold for providing affordable housing in rural areas is 5 or more dwellings or a residential site with a gross area of at least 0.20 ha, irrespective of the number of dwellings.

### 3.2 Site Definition

The area of land, against which site size thresholds will be measured, is the ‘red line’ boundary of the whole of the application site which encompasses any housing scheme, and not simply the footprint of the residential buildings and their immediate curtilage. However, the policy does allow some flexibility in the case of site specific issues. Where there are specific features or constraints that good design would normally require to be retained (such as important trees, ecological or conservation features), these should be taken into account and the gross site area reduced to developable area, as per CS1(3) of the Core Strategy – *‘existing features of landscape, nature conservation, heritage or amenity value and PROW should be safeguarded and enhanced through incorporation into development.’*

In mixed use schemes where housing is a component within buildings with other uses, the calculation of the affordable housing requirement will be based on the total number of dwelling units in the building.

The gross number of new dwellings created as part of a development scheme will be used to determine the number to which the threshold will be applied. Existing dwellings, which might be present on a site and which would subsequently be demolished or the subject of significant structural alterations will not be discounted, except in specific circumstances, such as estate regeneration.

Where existing houses/ flats are retained, and refurbished and upgraded, as part of any development scheme, they will not count as additional new units for the calculation of the affordable housing requirement.

However, where existing dwellings are subdivided, the additional new units would be included in the total housing numbers for the purpose of determining the affordable housing requirements. The requirement for an affordable housing contribution will therefore apply to the conversion of any existing building where the additional housing units would result in the threshold being reached.

### **3.3 Site Densities**

Policy CS16 requires all housing developments to make an efficient use of land, maximising provision whilst meeting the requirements of high quality design and compatibility with the character of the local area as set out in policy CS1.

Therefore, when a planning application for residential development is made, and the dwelling numbers proposed fall just under the proposed threshold for affordable housing, assuming that the site size is also below the threshold; an assessment of the housing density appropriate to the site will be made with a view to determining whether affordable housing should be required.

### **3.4 Artificial Division of Sites**

Where it is proposed to phase development or sub-divide sites, the council will take the whole site for the purpose of determining whether the scheme falls above or below the thresholds for the provision of affordable housing.

Similarly, where recent sub-division has taken place, or where there is considered to be a reasonable prospect of adjoining land being developed for residential purposes which is not included in the relevant application, the council will assess both sites as one for the purpose of applying policy CS18. The particular circumstances and planning history of the site will be taken into account.

## **4. THE NEED FOR AFFORDABLE HOUSING**

### **4.1 Assessing Housing Need**

Affordable housing should be provided according to identified need, which will determine the quantity, tenure and type of affordable housing. The [Strategic Housing Market Assessment](#) (SHMA), identifies that need and is the evidence base supporting the delivery requirements of affordable housing under policies CS18, CS19 and CS20. Meeting these needs and ensuring a sufficient variety of house types and sizes to achieve mixed and inclusive communities is a high priority for the council.

## 4.2 Access to Affordable Housing

Affordable housing delivered under policies CS18, CS19 and CS20 may be occupied only by eligible persons, determined with reference to local incomes and house prices and household circumstances. South Gloucestershire Council operates a Choice Based Lettings system known as HomeChoice and eligibility criteria are set out in the [HomeChoice Lettings Policy and Procedure](#). Intermediate affordable housing is marketed to eligible households by the Help to Buy Agent. Contact the HomeChoice Team for more information (see Appendix 5 - Useful contacts).

## 4.3 Affordability

Affordable housing should be provided at a cost the occupiers can afford, with regard to local incomes and values, and which meets the affordability criteria in the SHMA and the council's [Strategic Tenancy Policy](#).

- Social Rent should be let at no more than target rent as determined by the national rent regime.
- Shared Ownership should be provided with limits on the initial equity share and rent on the unsold equity in line with affordability criteria.
- Affordable Rent includes service charges and can be set at up to 80% of local median market rents but not exceeding the Local Housing Allowance.
- Service charges will be capped at an appropriate level to ensure that the affordable housing is affordable.

## 4.4 Rural Affordable Housing and Local Connection

In order to deliver affordable housing in rural areas the council will:

- promote partnership working with key stakeholders and, in particular, with local communities and their Parish Councils
- provide strategic advice on affordable housing and numbers of local people on the waiting list and
- encourage Parish Councils to consider an investigation of local housing need and the potential to develop Rural Housing Exception sites where appropriate (See Section 8)

In relation to the development of affordable housing in rural areas, other than on exception sites, a priority may be given to applicants with a local connection to the Parish, where appropriate and where there is evidence of local affordable housing need.

In the assessment of bids through HomeChoice for rural tenancies, a bid from an applicant with a local connection will take priority over applicants who do not, provided that they have the same level of need.

To illustrate this, if two applicants have the same housing need, e.g. both have been designated as Band A applicants, the applicant with the local connection shall be given priority. However, if an applicant with a lower assessed need, e.g. Band B, has a local connection but another Band A applicant does not, the Band A applicant would have priority, despite not having a local connection.

Applicants with a **priority card** as defined in the council's HomeChoice Lettings Policy and Procedure shall be given preference over all other applicants, regardless of their level of need or local connection.

As opportunities for the development of rural affordable housing are limited, legislation exists to ensure that it can be retained for future use, by protecting it from being sold under any Right to Buy or Right to Acquire and restricting the amount of equity that can be purchased by leaseholders of intermediate affordable housing (see Appendix 3)

## **4.5 Affordable Housing for Specific Needs**

In addition to general affordable housing need, the council will consider meeting the housing needs of specific groups and may seek affordable housing under policy CS18 for people with specific accommodation requirements where a need has been identified. These include:

### **Wheelchair Accessible Accommodation**

The need for wheelchair accessible accommodation, as determined by the SHMA will be met by an appropriate percentage of the affordable housing being provided as accommodation accessible for wheelchair users, with dwelling types to be determined on a site by site basis according to layout and need.

### **Supported Housing**

Supported housing, for example for young homeless people or people with Learning Difficulties.

### **Black Minority Ethnic (BME); Gypsy and Traveller communities**

The council will consider meeting the housing needs of specific Black Minority Ethnic (BME) and Gypsy and Traveller and Travelling Showpeople communities.

### **Extra Care Housing**

Extra Care housing providing a tenure range of self-contained accommodation which provides flexible care and support arrangements to meet the increasing needs of people as they get older and/or become more disabled whilst enabling them to live independently (see section 9).

### **Sheltered and Retirement Housing**

Self-contained sheltered or retirement housing, which is not Extra Care housing.

## **4.6 Custom Build**

Custom build, also known as Self-Build, includes housing built or commissioned by individuals or groups of individuals for their own use. There is no single model but a wide range of ways that custom build can be procured. <http://www.selfbuildportal.org.uk/>

Custom build does not automatically come under the definition of affordable housing; it may be low cost but it is generally considered to be market housing unless it meets the definition of affordable housing, as defined by the NPPF.

The development of custom build on rural exception sites needs to be supported by housing needs evidence and meet the definition of affordable housing i.e. retained in perpetuity for households in housing need and with a local connection to the area.

Custom build schemes coming within the affordable housing threshold in policy CS18 would be required to provide 35% affordable housing although actual on-site provision will be the subject of negotiations.

## 4.7 'Non-affordable' housing

The following will not be regarded as meeting the definition of affordable housing although their provision may be encouraged in the context of creating mixed communities;

- "Low cost market" housing – housing for sale which may be cheaper than most market housing or at the lower end of the scale, including custom build;
- Market housing - private housing for rent or sale where the price is set by the open market;
- Student accommodation (not self-contained);
- Accommodation in care homes, residential and nursing homes within C2 of the Use Classes Order;
- Gypsy/Traveller residential and transit pitches

## 5. DEVELOPMENT STANDARDS

### 5.1 High Quality Design

Central government policy (para 50 and section 7 of NPPF), as well as local plan policy, demands high quality, sustainable design of our neighbourhoods and buildings. The Core Strategy contains a range of policies that are related to the high quality design of the built and natural environment. Affordable housing will be expected to achieve these standards of design quality.

In order to deliver high quality and sustainable affordable housing in inclusive and mixed communities, the council will seek that all affordable housing developed in the District meets appropriate design standards.

This standard includes compliance with the Homes and Communities Agency (HCA) [Design and Quality Standards](#) and [Housing Quality Indicators](#) (HQIs) or as superseded by national guidance.

### 5.2 Wheelchair Standard

Standards set out in the HCA Design and Quality Standards will be the minimum standard expected. The council has developed a [Wheelchair design guide and specification](#), which applies a practical blend of [Habinteg Wheelchair Housing Design Guide 2<sup>nd</sup> Edition](#), [Lifetime Homes Design Guide](#), BS8300 and Occupational Therapist advice. Contact the Occupational Therapist or Strategic Housing Enabling Team.

## 5.3 Phasing and Distribution of Affordable Housing

On major sites, the master planning approval process will include a requirement for an affordable housing distribution plan and schedule that sets out the proportions of affordable dwelling types and tenures and, if appropriate, locations in each phase or parcel of the development, in order to maintain the approved percentages and ensure the even distribution of the affordable housing across the site. The plan and schedule must be approved before submission of successive residential Reserved Matters applications.

The affordable housing should be built at the same time as the market housing to ensure that a comprehensive development is delivered. A legal agreement will contain trigger points to ensure that certain percentages of the affordable housing are transferred to a Registered Provider (RP) before agreed percentages of permitted dwellings have been completed.

The affordable housing should be well integrated and indistinguishable, as far as possible, from neighbouring market housing, to achieve a sustainable, inclusive and mixed community (para 50, NPPF). Paragraph 10.48 of policy CS18 seeks the “peppercotting” of affordable housing in small clusters within mixed tenure developments.

The council will expect no more than 6 affordable houses in a cluster, regardless of tenure, and no more than 6 affordable flats sharing an entrance and communal areas. Registered Providers would generally expect flats within a single block to be of the same tenure.

On sites of more than 100 total dwellings, clusters may be increased up to a maximum of 12 affordable homes. However, no more than 6 affordable flats using a common entrance will be accepted.

## 6. DEVELOPMENT PROCEDURES

### 6.1 Affordable Housing Requirements

The council wants to provide a clear and effective approach to planning applications where affordable housing is required. Early engagement and consultation with the Strategic Housing Enabling team is encouraged and pre-application advice is recommended. On planning applications for residential development where policy CS18 applies, negotiations will be held with applicants to ensure the affordable housing is delivered in line with Policy CS18 and the NPPF.

### 6.2 Legal Agreements

Applicants should have regard to the [Affordable Housing Heads of Terms](#), which give guidance on the council’s requirements.

Planning applications should be accompanied by an [Affordable Housing Statement](#), which requires the applicant to demonstrate how the proposal addresses the affordable housing obligation.

The terms and obligations for the delivery of the affordable housing, including trigger points and monitoring requirements, will be set out in a legal agreement made between the owner of the land and the council. Early negotiation, resolution and drafting of the legal agreement are encouraged.

The provisions of S106 legal agreements will be endorsed by Committee in accordance with the terms of the Constitution.

### **6.3 The Registered Provider (RP)**

The council will not prescribe which RP a developer chooses to work with but it is the council's preference for the affordable housing to be delivered by one of its RP partners.

In the event that a developer chooses to work with a RP which is not a preferred partner, the council would seek confirmation that it would meet current service standards. Please contact the Strategic Housing Enabling Team for more information and a list of preferred partners.

Whichever provider is chosen, it is advisable for the developer to involve them at the earliest opportunity, ideally before the design stage. Early consultation with an RP partner allows for the early incorporation of standards and design brief in affordable housing designs.

## **7. ENSURING THE DELIVERY OF AFFORDABLE HOUSING**

### **7.1 Delivering Affordable Housing without Public Subsidy**

Affordable housing delivered through policy CS18 should normally be delivered without public subsidy.

Where schemes are demonstrated to be unviable, developers/landowners will be required to seek public subsidy to deliver affordable housing to the full 35% policy level where other funding sources are unavailable. The council can provide advice on sources of appropriate funding.

Developers will be expected to deliver the affordable housing in contract with an RP, who will purchase the affordable housing units from the developer at a price agreed between themselves. The council can provide guidance on the price that RP's might expect to pay for affordable housing units but it cannot prescribe or influence that price.

The price paid for affordable housing should be what can be supported by capitalised rents in the case of social and affordable rented units and the limits of equity and residual rent for intermediate units.

## 7.2 Viability

Policy CS18 requires developers to achieve 35% on site affordable housing, normally without public subsidy, if development sites fall within the site size thresholds. In negotiating the maximum level of affordable housing, the council will have regard to the economic viability of the site and the factors underpinning it.

Applicants who cite non-viability as the reason for not complying with Policy CS18 must support their case with sufficient evidence when submitting their planning application.

It will be the responsibility of the developer to demonstrate that the economic viability of a particular site is affected by specific factors and that as a result a lower percentage of affordable housing should be provided, without public subsidy.

In addition to the supporting text in paragraphs 10.38 – 10.42 of CS18, [NPPG guidance: Viability and decision taking](#) is intended to provide guidance on the council's approach to viability assessment.

At an early stage in the preparation of a planning application, for example in pre-application discussions, developers are encouraged to make themselves familiar with all the planning obligations likely to be required in a development, including the requirements for affordable housing, and to identify any factors affecting viability (see examples at Appendix 2).

The council will assess the economic viability using its own appointed chartered valuer or surveyor, who will ask the developer for the necessary information. All costs relating to the viability assessment will be borne by the developer.

The supporting evidence for a viability appraisal should be made available on an open book basis and should relate directly to the application site. Information provided will be treated confidentially.

When considering any viability arguments, the council, in making its assessment, will not normally take into account what the applicant has paid, or has agreed to pay, for the land above standard benchmark values. The costs of the development should be reflected in the purchase price for the land. If, despite all reasonable investigations prior to purchase, abnormal conditions are subsequently discovered which render the scheme unviable, supporting evidence should be submitted for the council to consider.

The council's preferred method for assessing the impact of planning obligations on the viability of the development is the residual land value model (see Appendix 2).

The residual land value is the value of the land that remains after any and all costs associated with developing, maintaining or reselling the land have been deducted from the total market value of all elements of the scheme. A site is viable where the residual value produced by the proposed scheme exceeds the assumed existing use value as either a serviced or un-serviced development site or as a green field site.

## 7.3 Offsetting Measures

Where the council is satisfied that planning obligation liabilities, including the affordable housing requirement, render the scheme unviable, the council will reconsider those obligations. In respect of affordable housing the council can consider:

- supporting the introduction of grant funding, or other financial contributions, in order to achieve the 35% requirement wherever possible; or
- adjusting the tenure split or unit types; or
- a lower percentage of affordable housing to be provided without public subsidy, but retaining the tenure split and unit mix; or
- a combination of any of these options necessary to restore viability or achieve an agreed alternative target.

## 7.4 Futureproofing

Where schemes are unviable and the council has agreed to one or more of the mechanisms in 7.3 above to restore viability, a Section 106 agreement will be drawn up to include appropriate 'futureproofing' provisions to capture a proportion of any increase in development values over the construction period of the development.

Examples of possible futureproofing mechanisms include:

- a) A negotiated, fixed percentage of affordable housing, which is lower than the policy requirement of 35% but above the level which is viable at the time of the planning application. Funding should also be sought to restore viability. This would be appropriate for large, multi-phased sites which will be developed over several years and may assist in providing some certainty over the period of development.
- b) When a lower percentage of affordable housing has been agreed following a viability assessment, after 3 years the contribution will revert to 35% for the remainder of the development, in line with the provisions of [Section 7 of the Growth and Infrastructure Act 2013](#). If it is still not viable at this time, a re-assessment of viability would be sought.
- c) Viability reviews carried out at agreed times or stages of the development to reassess the affordable housing contribution to be delivered on subsequent phases.
- d) When a lower percentage of affordable housing has been agreed, following a viability assessment, if the development is not completed within a certain timeframe, or assumptions made in the viability assessment change significantly, such as sales rates; an agreed proportion of any uplift in net development value would be assessed and paid to the council as a financial contribution.

## 7.5 Retention of affordable housing

The council's intention is to provide affordable housing which is retained as such for as long as it is needed.

Policy CS18 states, "All provision will therefore include the expectation that affordable homes provided remain at an affordable price for future generations of eligible households and for the subsidy to be recycled for alternative affordable housing provision within South Gloucestershire where this is not so."

- **Social rented and affordable rented housing**, which is delivered **without** public subsidy, is exempt from the requirements of the Right to Acquire in order to maintain its future use as affordable housing.
- **Rural affordable housing**. Certain rural areas are protected from the Right to Acquire, through the provisions of Statutory Instrument 2009 No. 2098, which identifies the exempt parishes of South Gloucestershire (Appendix 3). In these areas, under the provisions of the [Housing and Regeneration Act 2008](#), shared ownership intermediate housing may be subject to a staircasing limit, e.g. 80% equity, or provisions must be in place for the social landlord to buy back the equity shares to prevent its loss through outright sale.

The mechanism for recycling the developer subsidy will be set out in a legal agreement. Instances in which net capital receipts will be recycled are set out below:

- **Social rented and affordable rented housing**, which is delivered **with** public subsidy, may be purchased under Right to Acquire, producing a capital receipt.
- **Intermediate housing**, may be lost as affordable housing through staircasing to full ownership. In order to be able to replace it, the council will require net capital receipts to be recycled towards the provision of additional affordable housing in South Gloucestershire.

## 7.6 Off-Site Contributions

Affordable housing should be provided on-site unless off-site provision, where it contributes to the objective of creating mixed and inclusive communities, or a financial contribution of broadly equivalent value can be robustly justified (para 50, NPPF). Exceptional circumstances to be considered might include an inappropriate location for affordable housing, a lack of need for affordable housing in a particular area, or a planning consideration that would restrict delivery.

A financial contribution will represent the same level of subsidy that would have been provided by the developer, had the affordable housing been delivered on-site. The subsidy is equivalent to the difference between the net development value of the site with no affordable housing and the net development value of the site with a policy compliant affordable housing contribution, which has been sold to an RP.

The financial contribution will be payable to the council no later than the start of the development, unless otherwise agreed, and will be subject to appropriate indexation for the period between the notice of decision on the planning application and the date of payment of the contribution.

## 7.7 Calculation of Off-Site Financial Contribution

In order that any off-site contribution is sufficient to provide elsewhere the affordable housing that would have been provided on the application site, the following factors should be taken into account:

- the total cost of building the affordable housing to meet the standards set out in this SPD;
- the unencumbered value of the alternative land needed; and
- the price that would be paid for the affordable housing by a Registered Provider.

The council will require construction costs to be supported by evidence of actual costs or, where these are not available, indicative costs provided by BCIS<sup>1</sup>. An independent valuer, jointly appointed with costs paid by the developer, will determine the financial contribution.

The value of the land will be a matter for the independent valuer to determine.

This contribution is equal to the cost of acquiring the land, which would be required to deliver the affordable housing, plus the cost of constructing the units, including all associated costs (total development costs), minus the sum that an RP would pay for the dwellings, i.e.

$$\begin{array}{rcl} & \text{Land cost} & \\ + & \text{total development costs} & \\ - & \text{price paid by RP} & \\ = & \text{off-site contribution} & \end{array}$$

## 7.8 100% Affordable Housing Schemes

Where only affordable housing is proposed on a site and where the CS18 threshold is reached or exceeded, there will be no requirement to deliver a percentage of affordable housing without public subsidy, if it is not viable to do so.

A legal agreement will ensure that at least 35% of the affordable housing units will be secured in perpetuity in the event that not all the affordable housing is delivered or is subsequently sold on the open market.

The council will expect all the affordable dwellings at first letting and 75% of subsequent lets to be made available to eligible households through HomeChoice.

The legal agreement will also ensure that net capital receipts obtained through the disposal or staircasing of the affordable housing will be recycled within South Gloucestershire.

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<sup>1</sup> [\*Building Cost Information Service of the Royal Institution of Chartered Surveyors\*](#)

## 8. CS19 RURAL HOUSING EXCEPTION SITES

### 8.1 Principles and Processes

In rural areas planning policy constraints will normally restrict new housing development, although the council will consider proposals from local communities for additional housing sites through the Neighbourhood Planning process, or its own development plan process.

Rural communities may wish to support a small amount of new affordable housing specifically to meet those local housing needs which cannot be met by the market in order to maintain more mixed inclusive and viable local communities. Exception site proposals should be supported by the appropriate Parish Council.

Proposals for sites providing affordable housing will therefore be considered as an exception to the policies of development restraint which would normally apply, subject to the considerations in sections 8.2 - 8.5 below.

Rural exception sites can be brought forward only if there is a proven, unmet local need for affordable housing and all lets will be subject to the requirement to demonstrate a local connection to the Parish (see Appendix 4). Homes will be let on the basis of a sequential priority, or cascade, so that those with a local connection to the Parish will have first priority. If however, there are no applicants who meet that criterion, priority will be given to applicants with a local connection to neighbouring Parishes and thereafter to the whole of the District of South Gloucestershire.

All exception site developments will be subject to a Section 106 legal agreement, linked to the planning permission, to ensure that the properties will always remain available at an affordable price for people in housing need and prioritised for those with a local connection to the parish or group of adjacent parishes.

### 8.2 Local Housing Needs Surveys

All planning proposals for the development of rural exception sites should be supported by a local housing needs survey undertaken within the previous five years, which will determine the level of affordable housing need in the Parish (or a group of parishes should they agree to work jointly on a survey).

The Parish Council should be involved in the investigation of local housing need in partnership with the council and/or any other housing body. It will be essential to consult and engage the local community throughout the process and particularly at the site selection stage. Guidance on the council's approach to consultation and engagement is set out in [South Gloucestershire Council's Statement of Community Involvement](#).

South Gloucestershire Council will

- carry out the Housing Needs Survey, analyse and produce the report, or
- commission an independent survey based on the council's standard survey and report, or
- accept a proposal from another body e.g. a housing provider, to undertake a survey, where appropriate.

However the survey is conducted, the methodology must be considered sufficiently robust to provide evidence which supports the development proposals.

There are limited council resources to directly carry out surveys; nevertheless the council wishes to ensure a standard approach to such surveys and a consistency between them. Where a developer or landowner wishes to resource a survey, the council will need to approve the survey methodology and questionnaire and validate the survey results.

If an affordable housing need is identified, the report should give an indication of the number, type and tenure of affordable homes that are needed by households with a local connection to the parish. The analysis will consider information on the incomes and savings of respondents in relation to their needs and to local housing costs, in order to assess their eligibility.

Individual responses to surveys should be kept confidential.

If a survey fails to identify a local need for affordable housing then no further work will be undertaken to investigate a scheme.

### **8.3 The Selection of Sites**

Planning applications for such sites will be considered in accordance with other relevant Core Strategy policies, together with the need to provide affordable housing.

Although proposals can be located outside the settlement development boundary, they should be well related in terms of their physical proximity and design to the existing rural settlement and in sympathy with the scale, form and character of the settlement and locality and should pay particular attention to the local distinctiveness of the whole settlement and the surrounding area.

Proposals which satisfy the criteria above and meet local need may be considered an exception to a presumption against the principle of development but will still be required to satisfy the usual planning considerations in relation to:

- Highway and pedestrian access, including the safety of such accesses;
- Environmental considerations – including impact of proposals on landscape and heritage matters, ecology, agricultural land quality and flood risk;
- Implications for any relevant planning policies in respect of the Green Belt or an AONB.

The site selection process should involve a transparent, logical and consistent assessment of alternative sites in order to identify the most appropriate, sustainable and deliverable site. The assessment of available, potential sites may conclude that, because of site constraints or other policy considerations, fewer dwellings may be proposed than would meet the total need identified in the local housing survey.

The willingness of the landowner to provide a site on acceptable terms and development costs will be a key factor in deciding whether a site is feasible and deliverable.

If an appropriate site emerges, detailed proposals should be presented to confirm the feasibility of developing the site, taking account of the identified needs and the planning and financial constraints which apply.

## 8.4 Selection of a Housing Provider

A housing provider can be selected at various stages of the process. The Parish Council should be involved in the selection of the provider and should work closely with them. Occasionally, a provider may have initiated the process to meet local affordable housing need and sought the involvement of the Parish Council. Ideally a housing provider should be involved from an early stage and be a preferred partner of the council.

## 8.5 Market Housing

Paragraph 54 of the NPPF requires local authorities to “...*consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs*”.

Core Strategy Policy CS19 therefore allows for a small element of market housing to be developed on Rural Exception Sites to facilitate this where sufficient public subsidy is not available.

Developers will, however, need to demonstrate that all reasonable endeavours have been made to seek grant to deliver an affordable housing scheme before proposals for an element of market cross-subsidy will be considered.

Proposals containing an element of market housing to improve viability should be supported by an open book viability assessment, which demonstrates that the proposed number of market dwellings is necessary for the successful delivery of the development and is based on reasonable land values as an exception site. The council will review the scheme viability assessment or commission an independent review, if appropriate, for which the developer will bear the cost.

As a guide, the council expects exception site land values to be marginally above agricultural values and considers that individual plots should attract no more than approximately £10,000 (2013 prices).

The council will only permit the minimum number of market homes required to deliver the scheme and the dominant tenure will be expected to be affordable housing. In areas with little affordable housing even small quantities of new market units might have a significant impact and proposals will be assessed accordingly.

Individual proposals will be assessed on their merits, taking account of viability considerations. There will be no separate requirement under Policy CS18 for affordable housing in respect of any market element. However, any CIL charge which the council decides to implement will be levied on the market dwellings.

## 8.6 Planning application and implementation

All key stakeholders should work together throughout the consultation, planning and development process. It is expected that in most cases, and with the support of the Parish Council, a housing provider will submit a planning application, after carrying out all site surveys and investigations.

The planning application should confirm the evidence of local need, based on the housing needs survey. The application should be supported by a transparent, logical and consistent assessment of alternative sites, including a reasoned justification of the proposed site. The application will be considered in accordance with other relevant Core Strategy policies. Whilst there can be no presumption that planning consent will be granted, early engagement and support from all interested parties from the start of the process will do much to ensure a successful application.

All applicants must be registered on the council's Housing Register. All properties will be advertised through the Choice Based Lettings system (HomeChoice) or through the Help to Buy agent for intermediate affordable housing. The housing provider will receive a shortlist of housing register applicants who have bid for the properties and will allocate tenancies according to council's allocations policy, in line with the local connection criteria contained in the legal agreement.

## 9. CS20 EXTRA CARE HOUSING

### 9.1 Extra Care Housing

The South Gloucestershire Core Strategy commits the council to achieving a wide variety of housing types and sizes to accommodate a range of different households across income and age scales. Similarly, para 159 of the NPPF requires local authorities to address the need for all types of housing including “*older people, people with disabilities.....*”.

In policy CS20, provision is made for Extra Care housing as one form of housing to meet the needs of an ageing population. The number of older people in South Gloucestershire aged 65 years and over is projected to increase in the years between 2011 and 2021 by over 11,000 or 25%.<sup>2</sup> The council envisages a continuing need for Extra Care Housing and will therefore encourage the development of the market for Extra Care housing.

### 9.2 Definition of Extra Care Housing

For the purposes of this policy guidance, Extra Care Housing will be regarded as a model of housing that combines independent housing with flexible levels of care and support. Schemes might incorporate purpose-built, self-contained and accessible rented, shared ownership, or leasehold accommodation.

Extra Care is one important component of a continuum of housing designed to meet the needs of an ageing population where care and support needs can be focussed into individual housing developments as required. The Housing Learning and Information Network (LIN) has identified the key features of Extra Care<sup>3</sup>. The term Extra Care has therefore gained prominence as the generic description of housing with care and support.

Whilst policy CS20 specifically refers to the provision of Extra Care, to ensure consistency it is intended to apply similar planning principles to other housing schemes which are similar in nature and with similar characteristics.

### 9.3 The Wider Benefits of Extra Care Housing

When considering Extra Care schemes the council will take into account the wider planning and housing market benefits of providing this type of accommodation for older people as well as the personal wellbeing and social care benefits of any proposals.

### 9.4 Development Criteria and Building Design

Schemes will be required to meet development and location criteria established for other residential developments in particular CS1 relating to high quality design and CS5 relating to location.

Whilst there is likely to be a minimum scale of provision for Extra Care schemes in order for the particular model of care to retain viability, proposals should nevertheless be well related to their local surroundings in respect of size and design.

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<sup>2</sup> Source: [ONS interim 2011 based projections](#)

<sup>3</sup> The Housing Learning and Information Network (HLIN) <http://www.housinglin.org.uk/>

The council wishes to ensure that Extra Care accommodation maintains longevity in terms of appearance, cyclical maintenance, running costs, responses to climate change and adaptability to meet future lifestyles and technologies throughout the life of the building and is therefore future-proofed to ensure such adaptability.

Developers are encouraged to have regard to the council's briefing note on Extra Care housing for more information.<sup>4</sup> 'The Housing our Ageing Population: Panel for Innovation' (HAPPI) report also provides current thinking on design and delivery.<sup>5</sup>

## 9.5 Access to Facilities

Policy CS20 specifically requires Extra Care schemes to be located so that residents can access local facilities. Schemes should provide safe links to the immediate local road and footpath system, have access to local transport facilities and be well integrated into the local community, close to local facilities that the Extra Care residents can use.

CS20 also requires schemes to provide ancillary, communal facilities to complement those available locally, whilst avoiding duplication, with some access provided to the wider community.

Such facilities might range from small scale provision such as a restaurant, bar or hairdresser, to extensive facilities such as a library, crafts/woodworking room, gym/leisure facilities and even dedicated transport (depending on the economics of the development).

In submitting a planning application for an Extra Care scheme, the developer will need to show how local community links might be developed. Consequently, in any grant of planning consent, developers will be required to reach an agreement on access to ancillary facilities and/or activities within a scheme by the local community, unless it is deemed inappropriate in the context of a specific scheme.

## 9.6 Location of Extra Care Schemes

Policy CS20 requires the new neighbourhoods identified in Policies CS26 (Cribbs/Patchway), CS27 (East of Harry Stoke) and CS31 (North Yate) to make provision for Extra Care housing.

The council will seek to secure Extra Care housing, through negotiation and partnership working, on sites throughout the district, focussing both on the Core Strategy new neighbourhoods and on major sites in other locations, where factors indicate that a demand or need exists and which would provide attractive environments for such housing as part of a wider integrated development.

The council does not regard it as appropriate or practical to require all residential sites to provide a fixed percentage of Extra Care housing. Only major sites are likely to be appropriate for Extra Care provision on-site, either as part of a dedicated development of Extra Care, a larger Continuing Care Retirement Community, or a much larger mixed residential development.

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<sup>4</sup> [ExtraCare Housing in South Gloucestershire - Briefing Guide South Gloucestershire Council 2008](#)

<sup>5</sup> [The Housing our Ageing Population: Panel for Innovation \(HAPPI\) report](#)

## **9.7 Extra Care Housing and Section 106 Obligations including Affordable Housing**

Extra Care schemes will be subject to planning obligations under S106 agreements depending on the specific characteristics of the relevant scheme. The obligation to make an affordable housing contribution will depend on which Use Class Order the council considers the scheme to be.

The particular characteristics of Extra Care housing are likely to make it more expensive to deliver than general market housing, which may affect its ability to provide a full affordable housing contribution. However, this may be offset by other planning obligations, such as contributions towards education, which may not apply to Extra Care housing. Where viability is an issue, it will be assessed in the same way as any other scheme

Extra Care housing can take a variety of forms which can influence whether it is classified as C2 or C3. The nature and type of service and accommodation in a scheme will determine the Use Class and therefore whether or not it needs to accord with the provisions of CS18 in providing an affordable housing contribution where this is viable and appropriate.

The council will usually regard the following factors as indicating that a development falls within Use Class C3 and therefore subject to the affordable housing requirements of policy CS18:

- Units within a scheme consist of single, self-contained units of occupation being used as a single dwelling for an individual household;
- Units are designed, or adapted, for residential purposes - containing the normal facilities for cooking, eating and sleeping associated with use as a dwelling house i.e. they afford the facilities required for day to day private domestic existence.

In relation to Extra Care schemes, the factors which differentiate C2 and C3 are those relating to the predominant level of care provided and whether it is provided as a condition of residency, which is more likely to indicate a C2 classification. However, receiving a care service does not in itself necessarily determine it as C2 accommodation if it is not a requirement. If the level of care provided is high or equivalent to the service normally associated with residential care homes, a C2 classification would be indicated.

The council will take all the characteristics of a scheme into account in determining the Use Class and will not consider any one factor as the defining criterion.

Where the development of Extra Care Housing forms part of a larger development, for example in a retirement community which might contain C2 residential nursing home accommodation, the individual parts of the development will be treated separately in determining their use class, providing they are in separate buildings.

## **9.8 The Affordable Housing Requirement**

Where a C3 use is determined, an Extra Care housing scheme will be subject to the provisions of CS18 and be required to achieve 35% affordable housing on-site, subject to viability considerations.

The composition of the affordable housing will be the subject of negotiations and may be Extra Care Housing or General Needs housing or a mixture of both. Factors influencing affordable housing type will include the physical nature of the development, the flexibility of the site in providing for a range of needs, and the assessed housing need.

Policy CS18 seeks on-site provision of affordable housing except “...*in exceptional circumstances where it can be robustly justified*”. However, there may be circumstances in which the council seeks off-site provision, or a broadly equivalent financial contribution in lieu of on-site provision, in respect of Extra Care housing schemes.

## 10. MONITORING AND REVIEW

The government expects local authorities to monitor all housing provided through the planning system. Under the [Planning and Compulsory Purchase Act 2004](#), this will take place as part of the annual [Residential Land Availability Survey](#) (RLAS) and the [Authority's Monitoring Report](#) (AMR). The council already monitors affordable housing completions by tenure and whether delivered through the planning process or publicly funded. Subsidy details are recorded. The results are made publicly available through the AMR and published performance indicators.

The council will actively monitor the provision and delivery of affordable housing to ensure that the procedures for implementing affordable housing are up to date and meeting the council's targets. The AMR will identify the key challenges to and opportunities for the provision of Affordable Housing and revisions to be made. Market conditions and levels of affordability will also be kept under review.

The council will monitor the performance of its Registered Provider partners to ensure high standards of service delivery. In particular, the council will require annually, from the RPs or other affordable housing managers, information relating to:

- Target and affordable rents
- Rent increases
- Staircasing and other sales receipts
- Management standards

Developers' delivery partners, whether a RP or other provider/manager, will be similarly monitored in relation to specific sites through the obligations contained in legal agreements.

This guidance will be kept under review in the light of all future material information.

# 11. GLOSSARY

## **Affordable housing**

Housing provided, with subsidy, for people who are unable to resolve their housing needs in the open market because their incomes are insufficient to meet market prices or rents. It is defined in Annex 2 of the NPPF.

**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 (NPPF Annex 2).

## **Authority's Monitoring Report (AMR)**

A report prepared by local planning authorities assessing progress with, and the effectiveness of, a Local Development Framework (or current Local Plan). Formerly known as the Annual Monitoring Report.

## **Code for sustainable homes**

A national standard for sustainable design and construction of new homes. Since April 2007 the developer of any new home in England can choose to be assessed against the Code. The Code uses a 1 to 6 star rating system to indicate the overall sustainability performance of a new home.

## **Department for Communities and Local Government (DCLG)**

The Government department with specific responsibility for communities and local government, covering planning, housing and regeneration.

## **Design and Quality Standards (DQS)**

The Homes and Community Agency's standards for affordable housing.

## **Dwelling**

A dwelling is defined as a self-contained unit of accommodation. Self-containment is where all rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a door which only that household can use. Non-self contained household spaces at the same address are counted together as a single dwelling. Therefore a dwelling can consist of one self-contained household space or two or more non-self contained household spaces at the same address.

## **Extra Care**

Self-contained accommodation which provides flexible care and support arrangements to meet the increasing needs of people whilst enabling them to stay in their homes as they get older. (Department of Health, Care Services Improvement Partnership, Housing Learning and Improvement Network: Fact Sheet 6 – Design principles for Extra Care).

## **Help to Buy Agent**

An organisation appointed by the HCA for a Housing Market Area to market intermediate housing to eligible households and to administer the Government's Help to Buy scheme for market homes.

## **HomeChoice**

The council's choice based lettings system. The council's waiting list of applicants is known as the [HomeChoice Register](#).

## **Homes and Communities Agency (HCA)**

A Government agency which regulates the activities of Registered Providers (RPs) /Housing Associations (HAs) and administers the subsidy (known as Social Housing Grant) to help them develop new affordable homes. ([link to HCA site](#))

## **Housing Quality Indicator (HQI)**

A measurement and assessment tool designed to allow housing schemes to be evaluated on the basis of quality rather than simply of cost. The HQI assesses the quality of a housing project using three main categories: location, design and performance. These are subdivided into ten sections - the Indicators. An HQI assessment generates separate scores for each Indicator producing a profile of the scheme, and an overall HQI score. The system was developed behalf of the Department for Transport, Local Government and the Regions (now Communities and Local Government) and the Housing Corporation.

## **[Housing Strategy 2013-2018](#)**

The council's vision for housing in South Gloucestershire based on the four themes set out in the [South Gloucestershire Sustainable Communities Strategy](#):

**Housing and our economy:** Affordable, sustainable and investing in communities

**Housing and healthier living:** Quality, choice, right for you

**Housing within communities:** Friendly, safe communities we are proud of

**Housing and our place:** Well-planned places for a greener future.

## **Intermediate affordable housing**

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.

## **Lifetime Homes Standard**

A standard of housing established by the Joseph Rowntree Trust which would enable someone with physical or sensory impairment to live comfortably in their home or for the home to be easily adapted to meet their needs.

## **Local Housing Allowance (LHA)**

Local housing allowance (LHA) is the maximum amount of rent that can be used when calculating entitlement to housing benefit, depending on the number of people in a household and where a property is located. South Gloucestershire is covered by four different Broad Rental Market Areas (BRMA); Bristol, Gloucester, Bath and West Wiltshire. The council can provide information on the coverage of each BRMA.

## **Registered Provider (RP)**

A not-for-profit organisation, usually a housing association but which may include developers, registered by the HCA to provide affordable housing.

## **Right to Acquire**

Gives eligible housing association tenants the right to buy their home at a discount, as long as it was bought or built with public funding after the 31<sup>st</sup> March 1997.

## **Right to Buy**

Gives eligible council tenants the right to buy their council home at a discount.

## **Section 106 agreement**

A legal document made under the provisions of Section 106 of the Town and Country Planning Act 1990 (as amended) binding developers and the council into carrying out specific works or payments of money that are necessary to allow the development to go ahead.

## **Secured by Design (SBD)**

A Police initiative supporting the principles of "designing out crime". It uses effective crime prevention and security standards for individual houses and residential sites. Schemes are certified by the Crime Prevention Design Advisor.

## **Shared ownership**

A form of affordable housing which is partly sold and partly rented to the occupiers

## **Social rented housing**

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.

## **Strategic Housing Market Assessment (SHMA)**

An assessment of the estimated demand for market housing and need for affordable housing in a defined geographical area, in terms of distribution, house types and sizes and the specific requirements of particular groups and which considers future demographic trends.

## **Supplementary Planning Document (SPD)**

A document that supplements and elaborates on policies and proposals in development plan documents.

## **Sustainability Appraisal (SA)**

An appraisal of the social, environmental and economic effects of the strategies and policies of a local development document from the outset of the preparation process. It incorporates the requirements of the European Environmental Assessment Directive.

## **Target rents**

Guideline rents for social rented housing, determined through the national rent regime contained in the Three Year Review of Rent Restructuring which became policy in April 2006. They are calculated with reference to local incomes and house prices.

## **West of England (WoE)**

A sub-region which encompasses the administrative areas of Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council

## **APPENDICES**

# APPENDIX 1: Core Strategy policies CS18, CS19 & CS20

## Affordable housing

### Policy CS18 Affordable housing

The council is committed to improving affordable housing provision to meet housing need in South Gloucestershire. This will be achieved through:

- requiring developers to achieve 35% on-site affordable housing on all new housing developments, normally without public subsidy, in urban areas of 10 or more dwellings, or 0.33 hectares irrespective of the number of dwellings (except in rural areas where the threshold will be 5 or more dwellings or 0.20 hectares); unless the developer demonstrates that the economic viability of a particular site is affected by specific factors and as a result that a lower percentage should be provided without public subsidy, in which case other financial contributions should be sought to achieve the 35% requirement;
- delivery of direct provision on sites by registered providers,
- the delivery of Rural Housing Exception sites in accordance with Policy CS19;
- providing affordable housing in suitable mixed use schemes, where this would form a viable element of a commercial development, and through existing properties in need of investment brought back into use as permanent affordable housing by registered providers;
- seeking off-site provision, or a broadly equivalent financial contribution in lieu of on-site provision, but only in exceptional circumstances where it can be robustly justified, for the provision of affordable housing elsewhere in South Gloucestershire; and
- empowering local communities through opportunities presented by Neighbourhood Planning.

In implementing this policy the council will negotiate the maximum level of affordable housing on each site that is feasible up to the 35% figure and will aim to ensure that:

- developments contribute to a range of housing provision in local areas, with the aim of achieving mixed and balanced communities, and refer to the findings of the Strategic Housing Market Assessment, (and in rural areas, where appropriate, to local housing needs surveys) in providing the specific housing mix required to meet housing needs; and that
- the different types of defined affordable housing are used effectively to maximise appropriate provision in line with the

**West of England Strategic Housing Market Assessment 2009 or as updated by future housing market assessments;**

**The council will further develop policy guidance on affordable housing through updating and replacing the current SPD including its approach to the calculation of financial contributions and to the provision of affordable housing in Extra Care housing schemes.**

## **Evidence of housing need**

- 10.28 The findings of the West of England (WoE) Strategic Housing Market Assessment (SHMA), May 2009, which was undertaken in line with good practice advice published by the government, provide the background to this policy. The study shows that there is a high need for affordable housing in the West of England that is not being met through existing policies.
- 10.29 In South Gloucestershire there is an estimated average annual need for 903 new affordable housing units over the period 2009 to 2021 compared to a potential average annual housing supply (both market and affordable) of around 1100 units. The proportion of younger households able to buy or rent in the market had fallen from 52.3% in 2002 to 45.3% in 2007. Other key features are the large backlog of need for affordable housing, the projected annual increase of newly forming households continuing to need social rented accommodation, and the relatively small existing stock of affordable housing limiting the ability to meet needs through re-lets.

## **Percentage of affordable housing**

- 10.30 The main source of new affordable housing is expected to arise through Section 106 agreements on sites for market housing. The council requires 35% of affordable housing on such sites given that a range of market conditions need to be taken into account, a position supported by the SHMA; para.10.34 sets out how the impact of current market conditions will be considered. The expectation is that such affordable provision would normally take place without public subsidy. However, the economic viability of individual site developments would be considered where the developer raised a site viability issue and a site appraisal was undertaken.
- 10.31 The definition of affordable housing is as set out in national policy and includes social rented housing, affordable rented and intermediate affordable housing. Where affordable rent is provided, flexibility will be sought to provide such affordable rent housing at rent levels best suited to prevailing local levels of income whilst achieving a policy compliant percentage of affordable housing.
- 10.32 Delivery will comply with the provisions of national policy and other published national guidance. All provision will therefore include the expectation that affordable homes provided remain at an affordable price for future generations of eligible households and for the subsidy to be recycled for alternative affordable housing provision within South Gloucestershire where this is not so.
- 10.33 On sites allocated solely for affordable housing, or where only affordable housing is proposed, there will be no requirement to deliver a percentage without public

subsidy where the threshold is exceeded, as set out in this policy, providing that the proposed affordable housing meets identified need and complies with the requirements of the Affordable Housing Supplementary Planning Document.

- 10.34 The expectation is that affordable housing will be provided on the application site. However, where it can be robustly justified, off-site provision, or a financial contribution in lieu of on-site provision of broadly equivalent value may be accepted, providing the agreed approach contributes to the creation of mixed communities in South Gloucestershire.

### **Threshold (size of site)**

- 10.35 The size site threshold at which on-site affordable housing should be provided will be set at 10 dwellings or above in urban areas, or 0.33 hectares irrespective of the number of dwellings, and 5 dwellings or above in rural areas, or 0.20 hectares, in order to maximise the provision of affordable housing whilst acknowledging viability issues. Some flexibility will need to be maintained to take account of site specific issues which may have a particular impact on smaller sites. The approach to seeking off-site contributions towards affordable housing will be set out in the Policies, Sites and Places DPD.

- 10.36 In accordance with Policy CS16 Housing Density all housing development will also be expected to make efficient use of land, maximising the amount of housing supplied. Therefore, where a planning application for residential development is made on a site, and the dwelling numbers proposed fall below the thresholds for affordable housing provision set out in Policy CS18, then an assessment of the housing density appropriate to the site will be made with a view to determining whether affordable housing should be required.

- 10.37 Similarly, where it is proposed to phase development, sub-divide sites or where recent sub-division has taken place, or where there is a reasonable prospect of adjoining land being developed for residential purposes in tandem, the council will take the whole site for the purpose of determining whether the scheme falls above or below the site thresholds for the provision of affordable housing.

### **Site viability**

- 10.38 The 35% figure is considered a robust target, capable of being achieved in an improving housing market in the medium to longer term, where a real increase in housing prices can be anticipated. In some cases, higher percentage targets have been achieved, but these have generally been in areas of higher land value where different viability conditions apply.

- 10.39 In a less favourable national economic climate, and without a real increase in house prices, then for some sites, total reliance cannot be placed on funding through land values alone to deliver this 35% affordable housing figure. A combination of other financial support measures therefore may be required to achieve the 35% target.

- 10.40 In finalising targets it will be important not to jeopardise the overall delivery of housing within South Gloucestershire that is required to meet both market and affordable need; a continuing supply of deliverable and developable residential sites being a requirement of national guidance.

- 10.41 Therefore, in seeking to negotiate the maximum level of affordable housing on each site, the council will have regard to the economic viability of site development, likely costs, market conditions, the availability of public subsidy and the aim of achieving a mixed and balanced community. Developers will be expected to demonstrate the validity of such viability factors, providing supporting evidence. This, the council will seek to verify independently, with the developer being liable for reasonable costs incurred by the council.
- 10.42 Where developers have clearly demonstrated that scheme viability prohibits the full provision of affordable housing, the council may support an application for grant funding, or consider alternative financial support measures, to increase affordable housing provision to the 35% target figure. Alternatively it may negotiate a lower level of affordable housing provision and/or a different housing mix. Where public subsidy has been made available, unrelated to viability, the council will consider seeking additional affordable housing above the targets where viability is not jeopardised.

## **Rural areas**

- 10.43 Local communities will be empowered to shape the future of their own areas, including the provision of affordable housing, through opportunities presented by Neighbourhood Planning. In the absence of an adopted Neighbourhood Plan, Policy CS19 sets out the approach to rural housing exception sites. This policy allows for affordable housing to be developed in locations where market housing would not normally be acceptable, subject to there being an identified local need. Where it can be satisfactorily proved that an element of market housing will facilitate the delivery of affordable housing to meet the identified local affordable housing need this will be allowed subject to the proposals fulfilling other requirements of the policy. A legal obligation will limit occupancy to those with a local connection. Where there are small rural schemes for market housing, an affordable housing element will be sought on sites of five dwellings, or 0.20ha and over.
- 10.44 The particular shortage of affordable housing supply in rural areas, and the need to maintain and sustain rural communities, is recognised by the council. Therefore, in planning agreements related to market housing sites where affordable housing is provided, consideration will be given to seeking specific provision for those who have both a housing need and a defined local connection to a settlement, or group of settlements, where evidence is available through local needs assessments that such needs exist. The development of a local connections policy will take place during the preparation of a future supplementary planning document.

## **Improving affordable housing provision**

- 10.45 In order to further expand the provision of affordable housing, and recognising that there will be some residential sites that fall below the proposed size thresholds, it is also proposed that in future (a) consideration is given to seeking mixed use provision in suitably located commercial schemes so that a housing element might be provided, and (b) additional investment might be put into bringing more empty homes back into use by registered providers as permanent affordable housing, where these have fallen into disrepair and/or remained vacant for a long period. The

use of commuted sums made in lieu of on-site provision will be considered for this purpose.

- 10.46 The SHMA provides guidance on the tenure split, type and mix of affordable housing the council will seek in development schemes and developers will be expected to incorporate this guidance into housing proposals to ensure that affordable housing provision addresses housing need.
- 10.47 Within the wider context of Policy CS20 (Extra Care Housing), the council will seek to deliver an affordable element in Extra Care schemes. These schemes are designed specifically to promote independent living in self-contained flats, predominantly for older people, who are also able to access high quality flexible support and care services on-site to suit their needs, and use a range of on-site communal facilities. In applying the affordable housing policy particular considerations will pertain because of the special nature of this accommodation; it will not normally be appropriate to seek the general size/type mix of housing set out in the SHMA.

## **Delivery**

- 10.48 Affordable housing will be delivered within the framework of this Core Strategy and the council's Housing Strategy and will also need to reflect Government policy. Delivery will be supported by more detailed guidance on policy requirements and implementation matters in a revised Supplementary Planning Document. The precise details of quantities, type and mix of affordable housing on specific sites will be a matter for negotiation with the Housing Enabling team and Planning Officers. Delivery will support the wider objective of creating sustainable, inclusive and mixed communities. To this end, affordable housing will normally form part of the overall development, well integrated with market housing. The "peppercotting" of affordable housing in small clusters within mixed tenure developments will be sought in accordance with the design guidance in the revised SPD. Affordable housing can also be delivered by Neighbourhood Planning

## Rural housing exception sites

10.49 Where communities wish to support further housing development which would not normally be acceptable because of planning policy constraints, South Gloucestershire Council's preference would be to achieve this by empowering local communities through opportunities presented by Neighbourhood Planning. In the absence of an adopted Neighbourhood Plan the following policy will be applicable.

### **Policy CS19 - Rural housing exception sites**

**Proposals for permanent affordable housing to meet an identified local need (including a small element of market housing where this will facilitate the successful delivery of the affordable housing) will be permitted as an exception on sites where market housing would not normally be acceptable.**

**Proposals should be:**

- supported by an approved housing needs survey;
- well related to a rural settlement;
- modest in scale and in keeping with the form and character of the settlement and local landscape setting; and
- supported or initiated by the appropriate Parish Council.

**Permission will be subject to conditions, or a legal obligation will be negotiated, to ensure that the affordable housing is reserved in perpetuity for those in local affordable housing need.**

10.50 The council is committed to delivering affordable homes in the rural areas to meet the identified local needs of households unable to meet their housing needs on the open market and to promote inclusive and thriving communities.

10.51 This policy allows for the development of affordable housing in rural locations where market housing would not normally be acceptable, because of planning policy constraints, subject to there being identified need. This policy will deliver both 100% affordable housing sites and sites where it can be satisfactorily proved that a small element of market housing will facilitate the delivery of affordable housing to meet identified local housing need where sufficient public subsidy is unavailable, subject to the proposals fulfilling the other policy requirements. Proposals containing an element of market housing should be supported by a viability assessment, which demonstrates that the proportion of market housing provided should be no greater than that required to deliver the agreed amount of affordable housing identified from an approved housing needs survey.

10.52 Proposals must be well related and in sympathy with the scale, form and character of the settlement and the locality and should pay particular attention to the local distinctiveness of the settlement and the surrounding area. Environmental

considerations including landscape and heritage matters and other constraints, including the impact on the openness of the Green Belt and AONB policy, may determine the number of dwellings considered to be acceptable. This may result in fewer dwellings than that identified in the local housing need survey (see paragraph 10.55).

- 10.53 Proposals must be well related, in terms of their physical proximity and design, to an existing rural settlement.
- 10.54 The identification of appropriate sites and design principles will be best achieved through an appraisal of the whole rural settlement concerned and should include engagement with the communities/parishes concerned. Where proposals include an element of market housing, the design of the site and individual units should ensure integration with the affordable housing. Development should be supported by the appropriate parish council.
- 10.55 Development proposals should be consistent with the local need identified by a housing need survey carried out in the last 5 years in accordance with national or any superseding council approved guidance covering the rural settlement or parish (or group of rural settlements or parishes) to which the proposal is related. Advice on the preparation of these surveys and their validation can be obtained from the council. The local housing needs survey must demonstrate that there is a genuine local need for affordable housing within the rural settlement /parish (or group of rural settlements or parishes) from people who are or have been closely connected with the rural settlement /parish (or group of rural settlements or parishes) due to family ties, support network, birth or formative years spent in that locality or who have an existing employment connection to the area covered by the survey.
- 10.56 Affordable housing on rural exception sites will be subject to a condition or legal obligation, which limits occupancy to those with the local connection, defined in paragraph 10.55 above. Should dwellings remain unoccupied for a period of time a cascade approach to widen the area of connection will come into effect. The cascade approach will be defined in a legal agreement, together with details of how the dwellings will be reserved as affordable in perpetuity.
- 10.57 Policy CS18 does not apply to Policy CS19.
- 10.58 Rural communities are encouraged to undertake local housing needs surveys and prepare parish plans and/or design statements to set out the future needs and aspirations for their communities, in order to help inform proposals for rural housing exception sites and provide information to assist in determining such applications. The council expects that affordable housing will also be delivered by Neighbourhood Planning.
- 10.59 Should rural affordable housing not be delivered in sufficient numbers through Neighbourhood Planning, the Rural Housing Exceptions (Policy CS19) and the Affordable Housing (Policy CS18), then consideration will be given to allocating Affordable Housing Only Sites in or adjoining a rural settlement. This will be considered in conjunction with the review of the defined settlement boundary approach to villages outlined in the text to the Rural Areas Policy CS34 and will involve engagement with local communities and other stakeholders/partners. Any such allocations will be identified in the Policies, Sites and Places Development

Plan Document and will need to be supported by up to date and validated local housing needs surveys.

10.60 The council will prepare a revised Affordable Housing Supplementary Planning Document to amplify this policy and Affordable Housing Policy CS18.

## **Delivery**

10.61 This policy will be delivered through partnership working with parish councils, rural landowners, the council (as planning and housing authority) and affordable housing providers approved by the council.

## Extra Care Housing

### **POLICY CS20 - EXTRA CARE HOUSING**

**In order to assist in meeting emerging need, and creating sustainable, inclusive and mixed communities, the provision of Extra Care housing will be required in South Gloucestershire, including in the new neighbourhoods identified in Policies CS26, CS27 and CS31.**

**Regard will be had to the nature of a scheme to determine whether it comes within category C2 or C3 of the Use Classes Order and is subject to the provisions of Policy CS18 in relation to affordable housing provision.**

**Extra Care schemes should be located so they are accessible to local facilities, proportionate in scale to the locality and provide ancillary facilities as part of the development. These ancillary facilities should complement locally available amenities and be made available to the wider community.**

- 10.62 The strategic importance of Extra Care as an alternative accommodation choice for older people and those with special needs is reflected in the Sustainable Community Strategy, the council's Corporate Plan, the Housing Strategy 2013-18 and the Better Services for Older People programme.
- 10.63 For most people Extra Care Housing is designed to be a home for life. It promotes independent living in self-contained accommodation, where people are able to readily access high quality, flexible support and care services on site to suit their needs. Differing from traditional sheltered/ retirement accommodation, schemes also incorporate a wide range of communal facilities, available not only to service users but also as a potential resource for the wider community.
- 10.64 Community inclusion is a central ethos of Extra Care Housing. Communal spaces can be used by health and social care partners to deliver a menu of services on site and into the community. A range of facilities, dependent on the scale and location should be considered to improve the health, fitness and well-being of individuals and provide a 'lifestyle' option. These facilities may range from a communal living room, small shop, hairdressing salon, gym and café/bistro to specialist health care facilities. Such facilities should complement the amenities available in the locality, not compete with them. Residents should be able to access locally available amenities as well, either by foot, mobility scooter or community/public transport.
- 10.65 Extra Care Housing schemes will be required throughout South Gloucestershire and the council will particularly look to the strategic housing allocations set out in Policies CS26, CS27 & CS31 to deliver such schemes as an integral part of those developments. Extra Care housing can take a variety of forms which influence whether it is classified as a C2 or C3 use under the relevant Use Classes Order. The council will consider the nature and type of accommodation to be provided in

each scheme in order to determine this and whether the proposal needs to accord with the provisions of Policy CS18 in relation to affordable housing contributions where this is viable and appropriate.

- 10.66 Developers will be encouraged to contribute to the provision of homes that are suitable for the needs of older people, persons with disabilities and those with other special needs, in a way that integrates these people with the wider community in accordance with Policy CS17 (Housing Diversity). This could include Extra Care Housing.
- 10.67 Extra Care should be part of wider, balanced communities. Stand alone schemes should not be separate, gated developments. Equally, where provision is proposed as part of a larger development, Concept Statements and master plans should clearly define the scale and location of the Extra Care provision.
- 10.68 The Affordable Housing SPD will set out in greater detail how this policy will be implemented.

### **Delivery**

- 10.69 Extra Care Housing is currently being delivered by the council using a capital programme to meet the present need.
- 10.70 Delivery will be through partnership working with the council (as planning and housing authority) and affordable housing providers approved by the council and private developers.
- 10.71 Consideration will also be given to meeting emerging need by allocating sites through the Sites and Policies, Sites and Places Development Plan Document.

## APPENDIX 2: The Residual Valuation Model

A residual valuation model will be used to assess the impact of planning obligations on the viability of a development, calculating a residual land value as follows:

$$\text{Gross Development Value} \text{ minus } \text{Gross Development Costs} \\ \text{equals } \text{Residual Land Value}$$

**Gross Development Value (GDV)**— Total revenue generated by the market value of all elements of a scheme including both commercial and residential (affordable and open market) floor areas and to include, with supporting evidence:

- Schedule of units and areas –gross internal areas (GIAs) of all units (sq.m.)
- Market values of all units (residential sale values and yields from commercial elements)
- Ground rent values for leasehold properties
- Value of affordable housing units
- Any grant funding for additional affordable housing above 35%

**Gross Development Costs (GDC)** - Total development costs to build the new development and to include, with supporting evidence:

- Construction costs
  - base build costs assessed using standard guidance (e.g. Building Cost Information Service [BCIS]) in a Quantity Surveyor's report
  - additions required by local requirements/standards
- Abnormal costs due to site conditions including demolition of existing structures on redevelopment sites, site decontamination, land remediation costs, abnormal foundations, site clearance
- External costs including estate roads, landscaping, services to properties, sustainable urban drainage systems
- Major Infrastructure costs i.e. major new services and highways
- Professional and planning fees including those to architects, quantity surveyors, planning consultants, engineers, project managers, and the local authority
- Planning obligations –Section 106 contributions required by the local authority
- Community Infrastructure Levy – any CIL charges levied by the local authority
- Land acquisition costs including agent fees, legal fees and Stamp Duty Land Tax.
- Finance costs - fees charged by a bank or other financial institution for borrowing money to undertake the development; to be calculated as a cash flow with a programme included showing build and sales periods
- Developers profit- the required return to the developer for taking the development risk and delivering the scheme expressed as a percentage of the GDV
- Marketing costs including promotion, show houses, letting agents and legal fees

**Residual Land Value** – The result of such an assessment is the Residual Land Value that the proposed scheme, taking into account the assumptions made, can generate for the site.

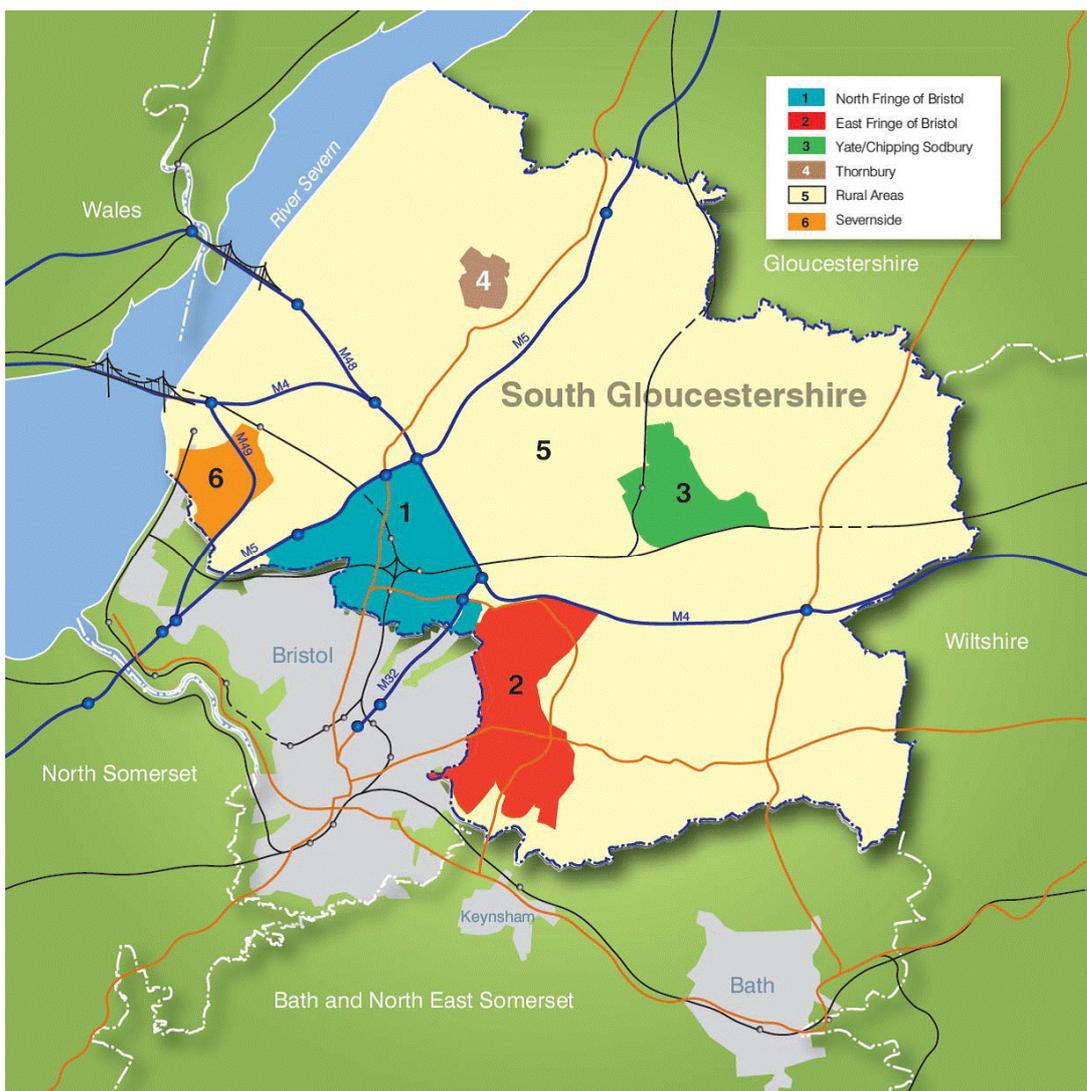
**Viability** – A viable site is where the residual value produced by the proposed scheme exceeds the assumed current market value for the site in its present state, as a serviced or un-serviced development site, or as a green field site, with the market value having regard to development plan policies and all other material planning considerations and disregarding that which is contrary to the development plan.

## APPENDIX 3: Urban, Rural and Protected Areas

### Defining urban and rural areas in South Gloucestershire -

The definitions of urban and rural areas in the Affordable Housing and Extra Care SPD South Gloucestershire are based on those used in the Core Strategy. The South Gloucestershire area has been divided into 6 areas as follows:

1. The communities of the North Fringe of Bristol urban area (including the communities of Filton, Patchway, Bradley Stoke, Stoke Gifford, Harry Stoke and Frenchay)
2. The communities of the East Fringe of Bristol urban area (including the communities of Downend, Emersons Green, Mangotsfield, Staple Hill, Soundwell, Kingswood, Warmley, Cadbury Heath, Oldland Common, Longwell Green and Hanham)
3. Yate and Chipping Sodbury
4. Thornbury
5. Severnside
6. Rural Areas



## Protected Areas

Government legislation has created measures to ensure that rural affordable housing remains available for local people. This is done by placing certain restrictions on affordable housing in some rural areas. Parishes or certain parts of parishes have been designated as 'protected areas' and are listed in schedule 3, part 8 and schedule 4, part 8 under The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009 No.2098.

The link below relates to Schedule 3 – listing whole parishes designated as protected areas in the South West:

<http://www.legislation.gov.uk/uksi/2009/2098/schedule/3/made>

The link below relates to Schedule 4 – listing parts of parishes designated as protected areas in the South West:

<http://www.legislation.gov.uk/uksi/2009/2098/schedule/4/made>

Please access the maps that illustrate where only part of a parish has been designated as a protected area via this web link [here](#)

## APPENDIX 4: Local Connection

### Local connection criteria

"Local Connection" shall mean a connection demonstrated by a person or member of their household who at the date of an Affordable Dwelling in the relevant Parish being advertised:

- (i) has been resident within the Parish of XXXXXXXX for a continuous period of three years within the preceding five years or six months in the preceding twelve months other than not of his own choice (not including serving with regular armed forces of the Crown) or
- (ii) is permanently employed within the Parish of XXXXXXXX or is moving to the Parish to take up an offer of permanent employment or
- (iii) has a close family member (e.g. parent or adult child or sibling) who is living and has lived in the Parish of XXXXXXXX for a continuous period of five years immediately preceding the date of advertising the Affordable Dwelling
- (iv) because of special circumstances.

It is the responsibility of the housing association landlord of the advertised property to assess the local connection of the applicant. This assessment may require the applicant to provide evidence such as listed below, although this is not exhaustive.

#### **Residency – sufficient evidence to cover the relevant local connection period for prospective purchaser/tenant/close family member as appropriate**

- Utility bills (water, gas, electricity, phone etc)
- Council tax bills
- Bank/Building Society account/credit card statements
- State benefit books
- Receipts showing rent paid
- Payslips showing home address
- Written certification from either a Solicitor / Social Worker / Probation Officer / Inland Revenue Officer / Police Officer / Teacher or Doctor

#### **Employment – sufficient evidence to cover the relevant local connection period**

- Payslips showing employer's address
- Employer's letter confirming length and terms of employment (including hours worked if applicable)

## **APPENDIX 5: Useful contacts**

### **South Gloucestershire Council**

#### **Strategic Planning Policy and Specialist Advice Team**

[planningLDF@southglos.gov.uk](mailto:planningLDF@southglos.gov.uk)

Tel no 01454 863469

#### **Strategic Housing Enabling Team**

[HousingEnabling@southglos.gov.uk](mailto:HousingEnabling@southglos.gov.uk)

01454 865599

#### **HomeChoice**

[HomeChoiceTeam@southglos.gov.uk](mailto:HomeChoiceTeam@southglos.gov.uk)

01454 868005

#### **Occupational Therapist: Private Sector Housing Team**

01454 868007

### **Other Bodies**

#### **Help to Buy Agent**

0238 062 8004

<http://www.helptobuysouth.co.uk/>

#### **Homes and Communities Agency**

0300 1234 500

[mail@homesandcommunities.co.uk](mailto:mail@homesandcommunities.co.uk)

<http://www.homesandcommunities.co.uk/>

#### **Crime Prevention Design Advisor**

PC Peter Wozniak Crime Reduction

01454 864402, 0117 9454127

[peter.wozniak@avonandsomerset.pnn.police.uk](mailto:peter.wozniak@avonandsomerset.pnn.police.uk)