

# Affordable Housing

## Supplementary Planning Document

SEPTEMBER 2005



## Foreword

The affordability of housing in Charnwood is a key issue. Property prices have risen dramatically in the last five years or so preventing many people from being able to buy or rent a home.

The Affordable Housing Supplementary Planning Document will clarify the Council's policies on affordable housing. It increases the proportion of affordable homes the Council will seek on a new housing scheme to a minimum of 30% and sets clear guidelines about how the Council will determine the type and tenure of dwellings as well as their design and layout.



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### Gujarati

આ દસ્તાવેજના સમાવેશમાથી જો તમને કોઈ પણ ભાગની તમારી ભાષામા સમજણ જોઈતી હોયતો, મહેરબાની કરી અને 01509 634769 પર ફોન કરશો.

### Hindi

यदि आप चाहते हैं कि आपको इस दस्तावेज के किसी भी भाग का विवरण आपकी अपनी भाषा में बताया जाए, तो कृपया 01509 634769 पर फ़ोन कीजिए।

### Bengali

আপনি যদি এই দলিলের (document) যেকোন বিষয়ের ব্যাখ্যা আপনার নিজস্ব ভাষায় পেতে চান, তাহলে অনুগ্রহ করে 01509 634769 নাম্বারে টেলিফোন করুন।

## Affordable Housing SPD

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## **Introduction**

**1.** Circular 6/98 defines affordable housing as:

***“both low-cost market and subsidised housing (irrespective of tenure, ownership - whether exclusive or shared - or financial arrangements) that will be available to people who cannot afford to rent or buy houses generally available on the open market.”***

**2.** The purpose of this Supplementary Planning Document (SPD) is to clarify the Council’s policies – Policy H/4, Policy H/5 and Policy H/6 of the adopted Borough of Charnwood Local Plan - on affordable housing. It will also help everyone involved in the process to understand how these policies can be implemented successfully. It aims to give an overview of housing need in Charnwood, to explain where and when the Council will seek affordable housing and to describe how it will be secured. In addition, the Document will give good practice advice to make sure the whole process runs smoothly.

**3.** This guidance is designed to highlight, at the earliest opportunity, where planning obligations will be sought for affordable housing and to encourage negotiations to be started as early as possible to make sure that developments are not delayed.

**4.** A number of key Council services are involved in the process and will work closely to ensure minimum delay. The Development Control sections negotiate Section 106 Agreements that include affordable housing provision, with the help of the Housing Strategy and Policy Unit. Legal Services is then involved in the drafting of the Agreements.

**5.** This SPD is a material consideration in determining planning applications.

**6.** This document covers the following main areas to assist developers:

- Planning policy context;
- Definition of affordable housing;
- Evidence of need;
- Negotiating affordable housing, including thresholds, tenure, housing mix and design;
- Delivering affordable housing through Section 106 agreements.

**7.** In line with Government guidance, this document will be monitored and reviewed on a regular basis to make sure that it continues to help to meet the identified housing needs in Charnwood.

**8.** This document takes account of consultation undertaken through the issues paper ‘Towards a Local Development Framework’, a consultation event held by the Local Strategic Partnership on the housing strategy and discussions with some of the Council’s preferred partner Registered Social Landlords.

**9.** This document was the subject of a consultation exercise before its adoption. It is accompanied by a Sustainability Appraisal Report. The Council consulted with developers, Registered Social Landlords and the public on the contents of this SPD.

## Policy Context

### National

#### Section 38 (6) Planning and Compulsory Purchase Act 2004

10. Section 38 (6) of the Planning and Compulsory Purchase Act 2004 provides the legislative background for the Council's policies on Affordable Housing. It means that affordable housing policies contained within the Borough of Charnwood Local Plan are a material consideration in all planning applications. The Act states that:

“If regard is to be had to the development plan for the purpose of any determination to be made under the Planning Acts the determination must be made in accordance with the plan unless material considerations indicate otherwise.”

#### Planning Policy Statement 1 (PPSI) 'Delivering Sustainable Development' (2005)

11. PPS1 indicates that development plans should ensure that sustainable development is pursued in an integrated manner. The Government is committed to developing strong, vibrant and sustainable communities and to promoting community cohesion in both urban and rural areas. Development plans should promote development that creates socially inclusive communities, including suitable mixes of housing.

#### Planning Policy Guidance 3 (PPG3): Housing (2000)

12. PPG3 outlines the Government's approach to the provision of housing. The Government intends that everyone should have the opportunity of a decent home. The Guidance advocates creating balanced and mixed communities and emphasises the need to plan to meet the housing needs of the whole community, including those in need of affordable housing. It stresses that:

“the Government believes that it is important to help create mixed and inclusive communities, which offer a choice of housing and lifestyle. It does not accept that different types of housing and tenures make bad neighbours.”

13. It states that Local Plan policies should seek affordable housing provision on suitable housing sites, where there is a demonstrated need for such provision. The details of the affordable housing provision on each site will be negotiated. If such provision is not forthcoming on housing sites, planning permission can justifiably be refused.

14. In January 2005, the Government published amendments to PPG3 'Planning for Sustainable Communities in Rural Areas'. This replaces paragraph 18 and Annex B and amends paragraph 36 of PPG3. Local planning policy should make sufficient land available within or adjoining existing rural communities to meet the housing needs of local people in rural areas in a way that contributes to achieving sustainable communities. Affordable housing policy in rural areas should be supported by a rural exceptions policy.

15. In addition, in January 2005, the Government published for consultation 'Planning for Mixed Communities'. This document is intended to replace paragraphs 9 to 17 of PPG3 and Circular 6/98 (Planning and Affordable Housing). It indicates how local planning policy should contribute to creating sustainable communities by ensuring a

well integrated mix of decent housing of different types and tenures to support a wide range of households of different sizes, ages and incomes.

#### Planning Policy Statement 12 (PPS12): Local Development Frameworks (2004)

16. PPS12 states that Supplementary Planning Documents must be consistent with national and regional planning guidance, as well as the policies set out in the Local Development Framework. They must be clearly referenced to the relevant development plan document policy or 'saved policy' and reviewed regularly. The process by which they are prepared and how the community were consulted must be made clear.

#### Circular 6/98: Planning and Affordable Housing

17. Circular 6/98 adds detail to the general Government policy on affordable housing established by PPG3. It gives advice on the need to make sure new housing developments provide an appropriate mix of housing types.

18. Circular 6/98 defines affordable housing as:

*“both low-cost market and subsidised housing (irrespective of tenure, ownership - whether exclusive or shared - or financial arrangements) that will be available to people who cannot afford to rent or buy houses generally available on the open market.”*

19. It sets out criteria for the suitability of affordable housing provision on new developments. In assessing the suitability of sites, Local Planning Authorities should take into account:

- Site size, suitability and the economics of provision. The threshold for requiring affordable housing is set at 25 units or 1 hectare, irrespective of the number of units. In settlements in rural areas with a population of 3,000 or fewer a appropriate thresholds should be adopted. The proximity of local services, facilities and access to public transport should also be taken into account.
- The need to achieve a successful housing development.

20. The Circular advocates that, where there is a requirement for an element of affordable housing, it should be provided as part of the proposed development. However, the Circular does allow for off-site provision or a financial contribution if both the Local Planning Authority and developer agree this is the best solution, but only where it would actually result in the provision of affordable housing elsewhere.

#### Circular 05/2005 'Planning Obligations

21. Circular 05/2005 gives revised guidance on the use of planning obligations under Section 106 of the Town and Country Planning Act 1990 as substituted by the Planning and Compensation Act 1991. The Circular clarifies the basis on which planning obligations should be assessed for their acceptability in policy terms and gives further guidance on the process of securing obligations.

#### Sustainable Communities: Building for the Future (2003)

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

### Sustainable Communities: Homes for All (2005)

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

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

### Regional

#### Regional Spatial Strategy for the East Midlands (RSS8) (2005)

24. It indicates that local planning policies should have regard to the priorities for affordable housing set out in the Regional Housing Strategy and includes policies seeking the provision of a mix of dwellings in terms of size, type, affordability and location in order to create inclusive communities which provide wider opportunity and choice.

25. The level of affordable housing should be justified by local housing needs assessments based on housing market or journey to work areas, as well as an assessment of the viability of seeking a proportion of affordable housing from such developments. Policy 18 sets an indicator for meeting affordable housing provision of 3,950 dwellings across the East Midlands per year.

### Regional Housing Strategy

26. The Regional Housing Strategy is part of the Integrated Regional Strategy and sits alongside the Regional Economic Strategy and Regional Spatial Strategy. It delivers national housing priorities set out in the Sustainable Communities Plan in a way that is appropriate to the East Midlands region.

27. Based upon robust evidence the Strategy includes a number of policies. It aims to ensure:

- a more balanced provision of housing by building more affordable homes in areas where they are needed;
- that the housing provided meets the needs of a wide range of people;
- that housing policy is joined up with other social, economic and environmental agendas across the region.

### County

#### Leicestershire, Leicester and Rutland Structure Plan 1996-2016 (2005)

28. Housing Policy 4 'Affordable Housing' indicates that provision should be made for affordable housing in urban and rural areas based upon an assessment of local housing need. Housing Policy 5 'Density and Design' indicates that the density and design of new housing should take into account proximity and accessibility to centres and the provision of a mix of housing types to establish socially mixed communities.

## Borough

### Borough of Charnwood Local Plan 1991-2006 (2004)

- [29.](#) Policy H/4 'General Guidance on Provision for Affordable Housing' indicates the number of affordable units on each site allocated for housing in the Plan. Policy H/5 'Affordable Housing on Unallocated Sites' indicates that the Council will seek to negotiate an element of affordable housing on sites that come forward for housing development. Policy H/6 'Affordable Housing in the Rural Areas' is an exceptions policy for small scale schemes providing affordable housing. The specific circumstances where such an exception will be made are set out in the policy.
- [30.](#) The SPD sets out specifically to expand upon Policy H/4, Policy H/5 and Policy H/6 of the adopted Local Plan. Appendix I sets out Policy H/4, Policy H/5 and Policy H/6 in full.

### Charnwood Housing Strategy (2005)

- [31.](#) The Housing Strategy 2005 to 2010 '*Successful, Thriving and Inclusive*' was approved by the Borough Council in July 2005. . The Council aims to "increase the availability of good quality affordable homes for people in housing need as part of a co-ordinated approach to regeneration". A priority within this aim is to "increase affordable housing targets on new developments to 30%".

## Housing Need and Supply

### Charnwood Housing Needs Survey 2003

- [32.](#) An survey of housing need was undertaken on behalf of the Council by David Couttie Associates in 2003. This assessment was undertaken in line with the ODPM research paper 'Local Housing Needs Assessment: A Guide to Good Practice'. The purpose of the study was to examine the housing requirements (needs, aspirations and demands) of the communities and households in Charnwood. In terms of affordable housing, the study's conclusions include the following:

- House prices in Charnwood are on average higher than those in Leicestershire and the East Midlands. Although, a considerable spread of incomes is evident, a number of people live on relatively lower incomes. Consequently, the two most important issues relate to affordability and the level of 'concealed households' living within an existing household, the majority of which are not recorded on a register of housing need.
- The house price and income study shows that about 60% of these concealed households are not able to afford even the cheapest 'market' housing within Charnwood.
- Most concealed household demand is for smaller and affordable types of housing, particularly flats and terraced houses, to meet the needs of newly forming households. There is a shortfall of flats in the existing stock. This should be addressed to ensure there is a mix of house types and sizes in line with PPG3.
- The assessment of annual affordable housing need and supply reveals that there is a total annual need of 1,409 units. Taking into account the supply of 749 units from re-lets of existing social housing stock there is net outstanding need for 660 units per year.

- This level of need, 660 units per year, significantly exceeds the number of units likely to be delivered from new acquisitions, new build or conversions, resulting in growing levels of unmet need each year. To address this scale of need, the consultants recommend a target of up to 30% of new units should be negotiated as subsidised affordable housing on all suitable sites.

33. The Borough Council commissioned David Couttie Associates to update the Housing Needs Survey to 2005 and carry out a dwelling balance analysis and housing market assessment for the Borough. The Borough Council will make use of information from the updated Housing Needs Survey and supporting studies in determining local needs on specific sites.

#### Charnwood Borough Council's Housing Register

34. Charnwood Borough Council's Housing Register records the needs and preferences of applicants for Council accommodation. It is constantly being updated and can be analysed to extract information about the situations of current applicants as a whole or of those with selected characteristics. The Register does not provide a comprehensive picture of housing need in the Borough but can give valuable insights when considered in conjunction with the other sources of information.

#### East Midlands Housing Market Study

35. The Housing Needs Survey has already identified Charnwood as above average in terms of house prices. Additional work has also been undertaken on the East Midlands housing market by the Centre for Urban and Regional Studies (March 2004) to identify and interpret affordability issues across the region. The study compares average house price information with average incomes at a district level to provide a measure of affordability. Postcode data was also used to provide below district level data.

36. The study compared house prices with household incomes for districts throughout the East Midlands. In Charnwood, based on 2003 data, house prices were found to be over 4½ times average incomes. Only 9 of the 40 local authorities in the East Midlands had higher house price- income ratios. The study also looked at more detailed post code level data which revealed the greatest affordability problems were focussed in a large zone in the centre of the region around Melton, South Kesteven, Rushcliffe, Charnwood and Harborough.

37. This Study supports the Housing Needs Survey information on house prices and incomes.

#### Other Sources

38. In addition to the sources already mentioned, the Council has access to other information which can assist in assessing housing need. Examples include the Census for 2001, Land Registry data on house sales, the CORE returns from Registered Social Landlords and homelessness statistics.

#### Definition of Affordable Housing

39. As noted earlier, Circular 6/98 defines affordable housing. This definition is also included in the Borough of Charnwood Local Plan. The suitability of different tenure

types to satisfy housing need in Charnwood in current circumstances is considered below.

### Negotiating Affordable Housing

#### Target

**40. The Council will seek a minimum of 30% affordable housing units on all sites for new housing which meet the thresholds described below.**

**41.** Based on evidence set out in the Housing Needs Survey 2003 as supported by the 2005 survey and the regional housing study information, a target of 30% has been adopted by the Council for negotiating affordable housing.

**42.** The Council assumes that the cost of meeting the affordable housing requirement will be reflected in land prices for housing sites. It also expects land prices to take account of all abnormal costs which could have reasonably been foreseen. Such costs include site clearance and demolition, landscaping, archaeological and ecological surveys, drainage, planning requirements and other Section 106 obligations.

**43.** Developers should not assume that any subsidy is available to fund the affordable housing that the Council will seek to negotiate. The Council will take into account site costs. However, if exceptional circumstances are claimed, the developer must provide a full financial appraisal of the scheme in a form agreed by the Council and allow the appraisal to be verified, at the developer's expense, by an independent agent chosen by the Council.

**44.** Non Registered Social Landlords are able to access Housing Corporation funding. The Housing Corporation has published guidelines on the key areas for funding as well as the approach and requirements in terms of sites negotiated through Section 106 Agreements.

#### Thresholds

**45. The Council will seek the provision of affordable housing on all housing sites which meet the thresholds set out in Government guidance.**

**The Council will encourage the provision of affordable housing on sites which fall below these thresholds.**

**46.** The thresholds for sites which are suitable for accommodating affordable housing are set out in the Borough of Charnwood Local Plan. These are in line with current guidance set out in Circular 6/98 which indicates that policies should be applied to suitable sites of 25 or more units or 1 hectare, irrespective of the number of units.

**47.** However, the recent Government statement ('Planning for Mixed Communities - Consultation Paper') on affordable housing indicates that the minimum site size threshold above which affordable housing may be sought is likely to be reduced to developments of 15 dwellings or sites of 0.5 hectares. The Council's threshold will be applied in line with any Government guidance that supersedes Circular 6/98.

48. In recent times, an average of about 100 new affordable homes have been provided each year in Charnwood. However, the addition of new affordable homes has not kept pace with the loss of existing affordable homes due to Council tenants exercising their 'Right to Buy'.
49. The adopted Local Plan allocates sites for housing and includes within those policies the number of affordable housing units that the Council will seek to negotiate from that site. If all the allocated sites were developed with their full contribution of affordable units, there would still be a shortfall in the number of affordable homes available in Charnwood. As a result, every opportunity to secure affordable housing on windfall sites will be taken. Therefore, for all planning applications for housing developments above the site size threshold, the Council will seek the provision of an appropriate proportion of affordable housing.
50. On sites where there is no specific Local Plan allocation, and hence no suggested level of contribution, affordable housing will be sought at a minimum level 30% of the total number of dwellings proposed on the site. This figure is in line with the recommendations of the most recent Housing Needs Survey.
51. The 30% minimum target for affordable housing will apply to all applications for renewal of permission where the site crosses the current thresholds. Any increase in the number of dwellings on a site should be reflected in a proportionate increase in the amount of affordable housing provision.
52. Sub-dividing a site or building so that the thresholds are not crossed will not avoid the requirement for affordable housing; thresholds will be applied across the whole development area. If there is a reasonable expectation of adjoining land coming forward for housing development, the Council will take account of the whole area to calculate any requirements, with each phase providing its share. Affordable housing will also be sought where the Council feels that a development site has been specifically designed so that the number of dwellings falls below the threshold.
53. The Council encourages the provision of affordable housing on sites which fall below the thresholds. In rural areas, Policy H/6 sets out the circumstances for the provision of affordable housing on exceptions sites.

#### Tenure

54. **On sites where affordable housing is sought, the Council's priority is for the provision of social rented housing.**
55. In setting its tenure priorities for affordable housing, the Council has taken note of the Housing Need Survey. Part of the Survey looked at the incomes of households in housing need and compared them with costs in the housing market. It found, for instance, that 52% of 'concealed' households (intending to move within a year) had an annual income of £15,000 or less. A further 17% had incomes between £15,001 and £23,000. At the same time, in February 2003, the price of a 2 bed 'access' terraced house ranged from £70,000 in Loughborough to £86,950 in the settlements fringing Leicester. Prices have risen sharply since the time of the original Survey and are expected to be significantly higher in the updated Survey.

56. In terms of price it is not considered in practice that shared ownership is affordable for a large proportion of households in housing need in Charnwood. The lack of availability of shared ownership properties of the right size and location is also a difficulty. In these circumstances, the Council's priorities for the tenure of new affordable dwellings is as follows:

### **Social Rent**

57. With the present relationship between incomes and property prices, only rented properties, controlled by a Registered Social Landlord, are likely to be affordable for the majority of households in housing need in Charnwood. This is, therefore, the Council's first priority. Although local situations will vary, the Council expects at least 75% of all new affordable housing in the Borough to be for social rented housing.

### **Shared Ownership**

58. Shared ownership is an appropriate tenure for households which can afford more than social rent levels but are unable to meet mortgage payments on outright purchase. For this reason, the Council recognises that shared ownership has a role in meeting housing need in the Borough. Shared equity schemes have the potential to play a similar role but, in practice, participants are likely to have difficulty obtaining a mortgage. To be acceptable, therefore, proponents of a shared equity schemes must be able to convince the Council that they have overcome this obstacle.

### **Other Tenures**

59. Other forms of affordable housing, such as low cost, discounted and sub market housing, are the Council's lowest priority in current circumstances. The Council believes that they are only helpful to people in housing need if substantial discounts are available initially and a mechanism is provided to transfer these discounts to future sales.

### **Housing Mix**

60. **The size and type of dwellings sought from a development will be determined by specific local need and the nature of development.**

61. The characteristics of the housing market in different parts of Charnwood are such that it is not appropriate to seek a uniform quota for the size and type of affordable housing for each development site. The mix of affordable housing on any given site will be dependant on local housing need. The housing mix will be determined by the Council at the time the proposal is made to reflect priority housing needs and could include affordable homes for single people, family accommodation, as well as provision for older people or to meet other special needs.

62. The Council will produce a Brief for each site setting out the affordable housing it seeks from that particular location. In preparing this Brief, the Council will have regard to the following sources of evidence of housing need:

- The latest Housing Need Survey;
- The latest Housing Market Assessment;
- The Charnwood Borough Council's Housing Register;
- Other sources such as the East Midlands Housing Market Study, Census data, Land Registry house price data, CORE returns for Registered Social Landlords and homelessness data.

**63.** The nature of the wider housing development should also be taken into account. For example, if a proposal comes forward for one and two bedroom flats, the Council would not insist on the provision of houses. The Council will take a sensible approach which balances local housing need with the need to achieve a sustainable housing development that integrates the affordable housing with market housing.

#### Design and Layout

**64.** To ensure a high standard of design and to create balanced communities, the Council will expect affordable housing to:

- i) **Be well related to, and indistinguishable from, the market housing on site;**
- ii) **Be distributed across a number of different areas around the site;**
- iii) **Be built to the Housing Corporation's standards where appropriate; and**
- iv) **Reflect the Council's Supplementary Planning Documents on design.**

**65.** As with all housing developments, the Council expects a high standard of design for affordable housing. The affordable housing should be well related to, and indistinguishable from, the market housing.

**66.** The distribution of affordable housing across new housing developments is essential to help to create sustainable communities. On larger sites, it is preferable to have small groups of affordable dwellings in a number of different areas around the site. In order to achieve an agreed distribution, developers will be expected to provide details of the location of the affordable housing within the development as part of the planning application.

**67.** It is preferred that all affordable housing units are built to the Housing standards, unless site constraints make this impossible. These standards will be applicable for all Housing Corporation funded schemes. In other circumstances, the Council and/ or Registered Social Landlords must agree to any deviation from these standards. Many Registered Social Landlords also have their own 'Design Briefs', which will have to be adhered to. The Council has also published 'Leading in Design' Supplementary Planning Document to encourage, promote and inspire higher design standards in Charnwood.

**68.** Modern methods of construction, which embrace the Government's agenda from Rethinking Construction, should be considered in all housing provision. All affordable housing and, where possible, private housing should be sustainable. Currently, affordable homes funded by the Housing Corporation should achieve the Building Research Establishment's (BRE) Eco-homes 'very good' standard as a minimum, for sustainable residential development.

#### Management and Long-term Affordability

**69.** The Council's preference is to ensure that affordable housing provision remains affordable and is occupied by local people in housing need in perpetuity by the involvement of an approved Registered Social Landlord in the ownership and management of affordable housing. In other cases, appropriate arrangements will be made to ensure that affordable housing

**provision remains affordable and is occupied by local people in housing need in perpetuity.**

70. The easiest way to ensure that affordable housing remains affordable and is occupied by local people in housing need in perpetuity is for it to be owned and managed by a Registered Social Landlord. The Council notes the benefits of this approach described in Circular 6/98. It values the regulatory role of the Housing Corporation in ensuring open and fair access to affordable properties, high standards of service and control over disposals. Other development partners may be considered but only where the Council is satisfied that the assurances provided by the Housing Corporation in the case of Registered Social Landlords will be replicated for the alternative development partners. Affordable homes must meet housing need in perpetuity. The Council will wish to approve all development partners providing affordable housing.
71. Developers are strongly advised to use the Registered Social Landlord which the Council will nominate in conjunction with its Preferred Partner Development Group. The nominated Registered Social Landlord brings a number of advantages:
- the Council is already satisfied with its policies and performance and no further enquiries are necessary,
  - a close working relationship already exists between the Registered Social Landlord and the Council,
  - the Registered Social Landlord is familiar with the Council's requirements in terms of both provision and administrative and legal procedures,
  - nomination rights are agreed, and
  - there is the possibility of Council support for grant applications.
72. Developers are encouraged to involve the nominated Registered Social Landlord at the earliest opportunity and to use its experience of developing affordable housing in Charnwood.

Delivery of Affordable Housing

Use of Section 106 Agreements

**73. The Council will seek to enter into a Section 106 Agreement to secure affordable housing on qualifying residential sites.**

74. Circular 6/98 allows the use of both conditions and planning obligations to secure affordable housing. Circular 05/2005 indicates that planning conditions are preferable. The Council's preference is to use planning obligations. The requirements for affordable housing are usually too complicated to be incorporated into a condition.

75. Therefore the Council will tend to use Section 106 Agreements to secure affordable housing on qualifying residential sites. To make the process as quick and consistent as possible, the Council will be producing standard Heads of Terms and standard clauses for use when drafting all such agreements relating to the provision of affordable housing. The clauses will include a requirement to provide the affordable dwellings at least as quickly as the remainder of the development.

**76.** The standards will give developers a clear idea in advance of what the Council will be seeking and how it will be secured. Use of the standards will also allow agreements to be drafted swiftly.

#### On-site provision

**77.** **In order to create mixed and balanced communities, affordable housing should be provided on site.**

**78.** Government guidance promotes the provision of affordable housing on-site wherever possible. Circular 6/98 states that where affordable housing is not provided as part of the proposed development, planning permission can be justifiably refused. The Council's priority for affordable housing is to have the units provided on-site, in order to create mixed and balanced communities. Only in exceptional circumstances will the Council accept off-site provision or, as a last resort, a financial contribution.

#### Off-site provision

**79.** In exceptional circumstances, affordable housing may be provided off-site but only if the Council and the developer agree. The Council will need to be persuaded that the off-site provision would meet housing need at least to the same extent as the on-site provision would have done.

#### Financial contributions

**80.** Financial contributions will be targeted firstly within three kilometres of the application site. Only in exceptional circumstances will they be spent elsewhere in the Borough, depending upon priority housing needs. If a financial contribution is accepted, the level should be large enough to ensure that the same number and type of affordable dwellings can be secured on an alternative site in the same locality. They may have to include an additional amount to cover the Council's costs in finding alternative sites or units on which to spend the financial contribution.

**81.** Financial contributions will be targeted firstly within the local area of the application site, but may be spent anywhere within the Borough, depending on priority housing needs. Contributions may also be pooled with other sums from developments across the Borough in order to make the best use of available resources. Funding may be used to purchase land or buildings or to subsidise Registered Social Landlord development.

#### Monitoring

**82.** A single monitoring system will be developed for the various component documents of the Charnwood Development Framework. This will be reported through an Annual Monitoring Report.

**83.** The following indicators could be used to monitor the effectiveness of the Affordable Housing SPD:

- Average percentage of affordable housing negotiated on housing developments
- Affordable housing completions
- Average house price to incomes ratio
- Affordable housing stock

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## **Appendix I - Local Plan Policies on Affordable Housing**

### **POLICY H/4 - General Guidance on Provision for Affordable Housing**

The Council will institute, and keep under review assessments of needs for affordable housing and other specialist housing needs. The Borough Council will seek to negotiate the provision of affordable housing to meet the targets specified on the following allocated sites which are considered suitable for affordable housing and are located in areas where an affordable housing needs has been identified:

H/2(a)	Land North of Bradgate Road, Anstey	approximately 15 dwellings
H/2(b)	Land between Cotes Road and Willow Way, Barrow upon Soar	approximately 55 dwellings
H/1(a)	Land off Nottingham Road, Barrow upon Soar	approximately 5 dwellings
H/2(c)	Land at Brook Street, Burton on the Wolds	approximately 10 dwellings
H/1(b)	Empress Road, Loughborough	approximately 5 dwellings
H/2(d)	Land at Peartree Lane, Loughborough	approximately 15 dwellings
H/1(c)	Former Factory, Churchside/Forest Street, Shepshed	approximately 5 dwellings
H/2(f)	Land at Little Haw Farm, Shepshed	approximately 8 dwellings
H/2(g)	Land east of 19 Barkby Lane, Syston	approximately 12 dwellings
H/2(h)	Land Barkby Road, Syston	approximately 55 dwellings
H/2(i)	Land at Wysall Lane, Wymeswold	approximately 15 dwellings

### **POLICY H/5 - Affordable Housing on Unallocated Sites**

For housing developments not allocated in the Plan which come forward in areas of identified need, the Borough Council will seek to negotiate an element of affordable housing provided:

- i) the site is close to a range of local services and facilities and easily accessible by public transport, and;
- ii) the provision of affordable housing would not prejudice the achievement of other key planning objectives identified in relation to the development of the site and;
- iii) the development incorporates a range and mix of housing types.

### **POLICY H/6 - Affordable Housing in the Rural Areas**

In those areas where market housing sites would not be suitable or are not able to provide affordable housing to meet local needs planning permission will be granted on an exceptions basis for small-scale schemes providing for affordable housing.

This exceptions policy will apply to sites where housing would be contrary to normally applicable policies and when all the following criteria are met:

- i) a local need within approximately 3km of the site for a specific scale, type, tenure and price range of affordable housing has been identified by the Borough Council, or through an appropriate local survey, the format of which has been agreed by the Borough Council;
- ii) the proposed scheme is shown to be economically viable on the basis of building the affordable housing without any enabling development;
- iii) the scale, location, details of development are compatible with the form, function and character of the settlement and the local environment;
- iv) the affordable housing could not be provided on allocated sites, or through infill, redevelopment or conversion within established limits to development located within approximately 3km of the site;

- v) the benefits of the affordable housing are guaranteed for the local community in the long term preferably by the involvement of a registered housing association or local trust to manage the housing and the signing of a secure agreement between the Borough Council and relevant parties.