

HOUSING

SPD



Calderdale
Council

The Provision of Affordable Housing in New Housing Developments

Supplementary Planning Document

ADOPTED FEBRUARY 2008

Contents

1 Background	3
Background	3
Process	3
Aims of the SPD	3
2 Introduction	4
Introduction	4
3 Planning Policy on Affordable Housing	5
National Policy	5
Planning and Compulsory Purchase Act	5
Regional Policy	5
Replacement Calderdale Unitary Development Plan	5
Local Development Framework	5
4 The Need for Affordable Housing	6
Evidence	6
Definitions of Affordability	6
Statement of Housing Needs	6
5 Affordable Housing Requirements	7
Sites Where Affordable Housing is Required	7
Assessment of Affordable Housing Requirement	7
Nature of Provision	8
Type of Provision	8
Tenure	9
Management of Dwellings	9
6 Design and Quality	11
Design and Quality	11
7 Development Costs	12
Development Costs	12

Contents

8 Procedure for Working with Developers	13
Procedure for Working with Developers	13
9 Securing Affordable Housing: Conditions and Planning Obligations	14
Securing Affordable Housing: Conditions & Planning Obligations	14
10 Monitoring and Enforcement	15
Monitoring and Enforcement	15

Appendix

Appendix 1	16
Appendix 2	19
Appendix 3	20

Background

1.1 The intention to publish a Supplementary Planning Document (SPD) on Affordable Housing was included in the Local Development Scheme (March 2005).

1.2 The Council acknowledges that residential development is a dynamic market and will apply this SPD flexibly in response to changes in market forces.

Process

1.3 Following publication of this draft SPD in December 2005 to seek early views regarding the provision of Affordable Housing in New Housing Developments, it was published for formal public participation under Regulation 17 of the Town and Country Planning (Local Development) (England) Regulations 2004, in June 2007. The responses received by the Council can be viewed at www.calderdale.gov.uk.

1.4 This SPD has been prepared in accordance with the advice in paragraphs 4.39 to 4.43 of PPS12 (Local Development Frameworks).

1.5 The SPD is accompanied by a Sustainability Appraisal which includes a statement stating how the requirements of strategic environmental assessment (required under European Directive 2001/42/EC) have been met. Sustainability Appraisals are required to accompany SPDs under the 2004 Act. The Sustainability Appraisal can be viewed at www.calderdale.gov.uk.

1.6 The SPD was formally adopted by the Council on 13 February 2008 and replaces Supplementary Planning Guidance Note 1 on Affordable Housing approved by the Council in 1998.

1.7 Copies of the SPD are available at www.calderdale.gov.uk.

Aims of the SPD

1.8 The aim of the SPD is to explain how Policy H13 (Affordable Housing) in the Replacement Calderdale Unitary Development Plan (RCUDP) will be implemented and how this relates to the development of balanced and mixed communities. Within this SPD there are several key objectives relating to the implementation of Policy H13 and these are shown in **bold text**. For readers' information Policy H13 and its reasoned justification is attached to this SPD as Appendix 1.

1.9 In seeking to secure affordable housing flexibility is written into the document to take account of the varying circumstances encountered in this area of work and to achieve the affordable housing without undermining developments.

2. Introduction

4

Introduction

2.1 A major objective of the Replacement Calderdale Unitary Development Plan (RCUDP) is to meet the housing requirements of the whole community, including those in need of affordable housing and those with specialised housing needs. A further objective is to provide a better mix in the size, type and location of housing in order to create mixed communities.

2.2 These are challenging objectives as the Council is no longer a housing landlord. Yet this issue has to be seen in a context where a significant proportion of the population cannot afford home ownership and there are those for whom owner occupation is not appropriate. Affordable housing, whether for rent or low cost home ownership is a crucial element in helping to meet the housing needs of those who cannot secure appropriate housing on the open market.

2.3 This note includes advice on how to ensure that appropriate provision for affordable housing is incorporated into development schemes (both in terms of the number, type and tenure of dwellings) and also explains the various mechanisms for securing affordable housing that the council will adopt. The guidance in this note should help standardise the approach to dealing with affordable housing and ensure that it is dealt with in a clear, fair and consistent manner.

National Policy

3.1 In setting out how local planning authorities plan for sustainable development PPS1 (Delivering Sustainable Development) at paragraph 23 (vii) states that planning authorities should “ensure the provision of sufficient, good quality, new homes (including an appropriate mix of housing and adequate levels of affordable housing) in suitable locations, whether through new development or the conversion of existing buildings”.

3.2 Current Government guidance on affordable housing is provided in PPS3 (Housing) and the Government Statement "Delivering Affordable Housing " both published in November 2006.

3.3 PPS12 (Local Development Frameworks) states at paragraph 2.43 that SPDs must be consistent with national and regional planning policies as well as the policies set out in the development plan documents contained in the local development framework.

Planning and Compulsory Purchase Act

3.4 The Planning and Compulsory Purchase Act came into force on 28th September 2004 introducing a new system for preparing and updating development plans. Under the transitional arrangements (see paragraph 5.3 of PPS12 (Local Development Frameworks) the policies in the RCUDP can be ‘saved’ for up to 3 years from the date it was adopted (25th August 2006).

Regional Policy

3.5 Policy H4 of the Regional Spatial Strategy for Yorkshire and the Humber (2004) requires local authorities to develop targets for the provision of affordable housing in their district through local housing needs studies. Development sites are to take account of the need for different types and sizes of housing to meet all needs and be subject to delivery of an appropriate proportion of affordable housing. The RSS is currently being replaced and the examination in public into the draft revised RSS took place in October 2006. The Proposed Changes were published for consultation in September 2007 and the RSS is expected to be adopted in early 2008. Policy H3 (Affordable Housing) of the draft RSS, as amended in the Proposed Changes, identifies patterns of affordability across the region based on house prices relative to income. These are categorised as high, medium and low with Calderdale being within the low category at the regional level. According to provisional estimates RSS identifies that in areas such as Calderdale up to 30% of the housing provided may need to be affordable. Local authorities through their LDFs are to set targets for the amount of affordable housing to be provided.

Replacement Calderdale Unitary Development Plan

3.6 The RCUDP was adopted on 25th August 2006 with the relevant Policy being Policy H13 which sets out the Council's general approach to seeking affordable housing. This Policy together with its reasoned justification is reproduced in Appendix 1 to this SPD. PPS3 was published in November 2006 (after the RCUDP was adopted) and represents a significant material consideration to take into account when considering planning applications for residential development.

Local Development Framework

3.7 The Local Development Scheme for Calderdale (2007) sets out the programme of documents to be produced for the local development framework. These include a SPD on Affordable Housing which is timetabled for adoption in October 2007.

4. The Need for Affordable Housing

Evidence

4.1 The Calderdale Housing Requirements Study was completed in July 2005. The study included an assessment of the need for affordable housing across the District (in line with DETR Guidance – Local housing Needs Assessment: A Guide to Good Practice) and a broad assessment of the operation of the housing market in the District.

4.2 The Study concluded that in 2005 there were 720 households per annum unable to secure accommodation in the housing market and in need of affordable housing. The recent increases in house prices in the area have meant that the majority of people wanting to purchase in the private sector are unable to do so.

Definitions of Affordability

4.3 Affordable Housing is defined in PPS3 as:

'Affordable Housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

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

4.4 Social rented housing is:

'Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.'

4.5 Intermediate affordable housing is:

'Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), discounted sale and intermediate rent.'

Statement of Housing Needs

4.6 A Statement of Housing Needs will be published annually and will be available from the Council on request. Needs and affordability in relation to all tenures covered within this document will be reviewed taking into account changes in incomes, prices and provision. This statement will assess the need for affordable housing across Calderdale as a whole, and at sub-district level. Appendix 2 to this SPD provides a summary of the type of information included in the Area Needs Statements.

Sites Where Affordable Housing is Required

5.1 The thresholds determining when it will be appropriate to seek an element of affordable housing are set down in Policy H13 of the Replacement Calderdale UDP and reflect national guidance, currently published in PPS 3. The minimum site size threshold is 15 dwellings.

5.2 In accordance with the government's "Draft Guidance for Local Planning Authorities on the Validation of Planning Applications" (August 2007), the Council requires that an "affordable housing statement" and a "planning obligations statement" are submitted prior to the validation of any application that includes 15 or more dwellings. Where an applicant believes that it would not be economically viable to provide the amount of affordable housing in accordance with the requirements of the Replacement Calderdale Unitary Development Plan and this Supplementary Planning Document, a residual type valuation must be submitted prior to validation of the application to demonstrate how this is the case. In addition the applicant will be expected to meet the Council's reasonable costs for having this valuation assessed by independent expert(s).

5.3 In order to ensure a fair and consistent approach, the Council will produce further detailed guidance on the format and content of these residual valuations, and the procedures for ensuring that they are properly assessed. It is likely that this guidance will be incorporated into the Council's list of Locally Required Information, which will be published pursuant to the changes to the General Permitted Development Order that will be introduced in April 2008. The detailed guidance will be discussed at the Agent's Forum and distributed to all Forum contacts prior to being brought into use.

5.4 In practice it may not always be immediately apparent whether a site qualifies for affordable housing, particularly where a site is close to the threshold. Where a site has been allocated in the RCUDP as a new development site, the RCUDP site boundary will determine whether the site is above the threshold where affordable housing is to be sought rather than the area associated with proposals to develop part of the RCUDP site. In other cases, the natural land development boundary forming a site area should be used and not necessarily the boundary put forward by a developer. Where a site is in one or more ownerships the whole site area will be considered when establishing whether or not the site is above the threshold but the mechanism for securing affordable housing will normally reflect the difficulties of bringing such sites forward as a whole. Such sites should be treated at this stage as if affordable housing will be required. Site area is the gross site area including any open space and roads provided as part of a development.

5.5 Both sites allocated for housing in the RCUDP and sites coming forward as windfalls will qualify for affordable housing where such sites are suitable. The requirement to provide affordable housing will apply to both new build developments and conversion schemes. Where development is phased the affordable housing contribution will be provided as the development progresses and in accordance with the timetable included in the legal agreement accompanying the planning permission.

Assessment of Affordable Housing Requirement

Objective 1

The value of the affordable housing contribution will be calculated on the basis of 20% of dwellings or net floorspace on all sites above the threshold being made available at a price which would allow for rent levels consistent with Housing Corporation target rents or without the need for further subsidy. This would represent the maximum affordable housing contribution which would be sought on the site.

5.6 The provision of affordable homes will, unless otherwise agreed, be based upon the Area Needs Statement. Should an alternative mix of dwellings, or an off-site contribution be agreed, the value of the contribution will be assessed with regard to 20% of the dwellings or 20% of the net floorspace of the development.

5. Affordable Housing Requirements

5.7 Any other more recent site specific information relating to identified local need and supply and the economics of provision which update the Area Needs Statements will be considered at the planning application stage.

5.8 The price at which the affordable dwellings will be transferred to the RSL is determined by the Housing Corporation's definition of target rents. The figure will be assessed for each development proposal but indicators will also be presented in the Annual Statement of Needs. The costs will vary depending upon the type and size of dwellings. This standard calculation of discount will apply to all affordable dwellings, irrespective of the tenure of the housing delivered.

5.9 The housing has to meet the needs of eligible households at a cost low enough for them to afford and so must not require the payment of service charges at a level which take it outside these parameters. If service charges are to be levied this must be known at the time the affordable housing contribution is being negotiated to enable a full affordability assessment to be made.

Nature of Provision

Objective 2

The Council will expect affordable housing to be provided on site within the proposed development. Off-site provision of affordable housing will only be considered in exceptional circumstances.

Any commuted sum will be of a sufficient value to enable the Council, together with an RSL partner to develop the equivalent level of affordable housing on another site.

5.10 There is a presumption in favour of the provision of dwellings within the development itself, unless outstanding reasons can be demonstrated to justify an alternative form of provision such as off-site dwellings or a commuted sum.

5.11 There may be circumstances where it is appropriate to secure a land site as the affordable housing contribution, which could be developed for a greater number of dwellings, in conjunction with other funding.

5.12 Where it is considered appropriate to accept off-site provision or payment of a commuted sum additional costs will be incurred in the provision of the affordable housing. The value of the payment will therefore be calculated at a higher value (+5%) than with on site provision in order to reflect the additional cost of providing equivalent units on another or other sites.

5.13 The calculation of the affordable housing contribution on qualifying sites will include a charge to reflect the necessary or incidental expenses incurred by the Housing and Community Support Service in connection with the preparation, negotiation, implementation and monitoring of S106 agreements.

Type of Provision

Objective 3

The affordable housing provision will meet needs for affordable housing in the District as identified by the Housing Requirements Study and presented in the Annual Statement of Housing Needs.

5.14 The mix of dwellings by type, size and tenure to be provided for affordable housing will be determined with reference to the Annual Needs Statements which will identify priority needs within the different parts of the District.

5. Affordable Housing Requirements

5.15 The following aspects will be taken into account in identifying the nature of the housing need that can best be met by the proposed development. Reference to the following criteria will be made:

- a. Need for a specially designed property within the local area (to meet a specific and identified need, for instance for a wheelchair user).
- b. Local need for affordable housing.
- c. Need for properties with enhanced facilities or design to meet a wider identified special need.
- d. Need to provide funding to support existing, proposed or future scheme to provide affordable housing.
- e. District wide need for affordable housing.

Tenure

5.16 The Annual Statement of Needs will identify the priorities and balance in the tenure of affordable housing required in the different areas of the District, and will include rented housing and different types of low cost home ownership schemes. All types of tenure will be considered in the most appropriate mix to meet housing need in the locality.

Social Rented Housing

5.17 Affordable dwellings for renting will be transferred to a Registered Social Landlord and let at Housing Corporation target rents. Any service charge associated with the affordable dwellings must be taken into account in the calculation of the affordable rent.

Intermediate Affordable Housing

5.18 The term Intermediate Affordable Housing covers several models between market housing and social rented housing and includes:

- *Intermediate Rented* - homes are provided at rent levels above those of social rented but below private rented.
- *'Shared ownership'* dwellings - enable the occupier to part rent and part purchase a property, and in subsequent years increase the proportion of ownership. The remaining proportion is owned by the managing RSL, which ensures the continuity of the affordability and the restriction of occupation to those who cannot afford to buy outright.
- *'Shared Equity'* - The occupier purchases a proportion of the equity but does not pay rent on the remainder. The remaining proportion is owned by the managing RSL, which ensures the continuity of the affordability and the restriction of occupation to those who cannot afford to buy outright.
- *'Discounted Sale'* - This model enables households to purchase a property on long leasehold, but at a discounted value. Retention of the freehold will allow the RSL to ensure that the property is occupied by households unable to purchase on the open market, and that the discounted value is retained for subsequent occupiers.

Management of Dwellings

Objective 4

All affordable dwellings provided will be transferred to a Registered Social Landlord, unless there are exceptional circumstances which support the implementation of alternative management arrangements.

5. Affordable Housing Requirements

5.19 The affordable units will be transferred to a Registered Social Landlord unless it can be demonstrated that adequate measures, legal controls and management frameworks are in place to ensure that the properties are made affordable in perpetuity and are occupied by households in need of affordable housing. The most effective method of ensuring these criteria are met is through the transfer of the dwellings to an RSL. The affordable dwellings will be let and managed in accordance with the RSL's allocation policy.

5.20 There are a number of Housing Associations with whom the Council deals on Section 106 sites, namely Jephson HA, Pennine Housing 2000, St Vincents HA, Home Housing Group, and Yorkshire Housing. These RSLs have affordable housing stock in the district and are supported by the Housing Corporation as developing RSLs with access to Social Housing Grant, and also have agreements to recycle surplus balances for development in Calderdale. The Council will expect these to be the RSLs with which developers normally work having regard to the RSL's presence in the locality of the site and ability to provide the types of affordable housing needed with grant subsidy when required. However, there is also a wider number of Housing Associations with some activity in the district who would also be considered as RSLs to enter into Section 106 agreements, as on occasion would RSLs with no previous history in the district.

Design and Quality

Objective 5

The affordable housing will be built to quality standards of design and amenity.

6.1 To ensure a high standard of design and to create balanced communities, the Council will expect affordable housing for rent to:

- Be built to the Housing Corporation Design and Quality standards current at the time of building (these incorporate the DCLG's Code for Sustainable Homes), unless there are exceptional circumstances identified by the RSL partner that justify a variation.
- Be well related to, and indistinguishable from, the market housing on site;
- On larger sites the affordable housing will be distributed across a number of different areas around the site (though, on occasion it may be prudent to group the housing in order to assist its management); and
- Meet the design briefs of Registered Social Landlords and Council planning policies on design.

6.2 Policies relating to privacy levels, open space standards, design and materials remain relevant when considering affordable housing. PPS3 requires integration of the affordable housing with the general market housing and visual consistency is therefore important. Car ownership rates are generally lower for the occupants of affordable housing than for those of general market housing allowing the Council's car parking standards to be applied flexibly to affordable housing schemes. Policy T18 of the RCUDP does make provision for such flexibility.

6.3 The Council's overall aim of increasing the number of Lifetime Homes within the housing stock of the district as set out in Policy H15 (Lifetime Homes) of the RCUDP requires a number of the affordable dwellings within each development to be built to the Lifetime Homes Standard. This requirement will be implemented having regard to the number of dwellings to be provided on the site and any physical constraints making it impossible to achieve this standard.

7. Development Costs

Development Costs

7.1 The Council would not normally consider the identification of abnormal development costs justification for not providing affordable housing. Such costs, which are normally associated with the development of brownfield sites, should be reflected in the land values.

7.2 Where developers are of the opinion that the viability of the scheme is at risk, the Council will require submission of a full Financial Appraisal of the whole development as part of the assessment of the affordable housing contribution. The viability assessment will be undertaken by a third party independent appraiser who will provide the Council with a summary report setting out the position regarding viability and the profit margin of the proposed development. The developer will be expected to fund this task (see paragraphs 5.2 and 5.3).

7.3 Planning services will view the requirement for affordable housing in the context of the need to secure other planning obligations in respect of, for example, economic, employment and regeneration objectives.

Procedure for Working with Developers

8.1 Calderdale Planning Services has introduced protocols for dealing with major applications in relation to both the pre-application stage and the processing of applications. These are explained in full in the 'Major Planning Application Pack' available from Planning Services.

8.2 Planning Services operates a Development Team approach and applicants are advised to submit pre-application enquiries for consideration by Development Team. Further details are included in the 'Major Planning Application Pack'. Following consideration of proposals for major residential schemes by Development Team, a view regarding the affordable housing contribution will be incorporated into the Council's response to the applicant. In order to enable the Council to provide as comprehensive a response as possible proposals submitted to Development Team should include a statement detailing how the applicant is proposing to satisfy the affordable housing requirement.

8.3 If the applicant intends to submit a Full Planning Application he/she should, following receipt of the Development Team comments, complete the Development Schedule included in the Council's Advice Note for Affordable Housing and return it to Housing and Community Support Services.

8.4 The Service will assess the affordable housing contribution and convene a meeting with the applicant and the Registered Social Landlord to discuss and agree the nature and details of the affordable housing contribution.

8.5 The applicant will include the agreed details of the affordable housing contribution within the Planning Obligation Statement that accompanies the planning application.

8.6 In cases where agreement cannot be reached regarding the provision of affordable housing, the planning application may be refused on this basis. Depending on the individual case, any such refusal is likely to be along the following lines

"The proposal fails to include sufficient provision of an appropriate type of affordable housing to address identified local needs and as such is contrary to Policy H13 of the RCUDP, Planning Policy Statement 3 (Housing) and the Provision of Affordable Housing in New Housing Developments SPD."

9. Securing Affordable Housing: Conditions and Planning Obligations

Securing Affordable Housing: Conditions & Planning Obligations

9.1 Securing the affordable housing will be either by planning condition or planning obligation (under Section 106 of the Town and Country Planning Act 1990) as appropriate. Further details are included in the 'Major Planning Application Pack' available from Planning Services.

9.2 Where S106 agreements are to be used the Council has developed a model agreement in order to make the process as quick and consistent as possible. This model acts as the basis for all agreements in respect of affordable housing and will be tailored to the circumstances of specific sites.

9.3 Matters to be covered in planning agreements may include clauses to:

- a. Ensure dwellings and/or land are transferred to a Registered Social Landlord at the agreed price.
- b. Name the Registered Social Landlord.
- c. Identify the plot numbers of the affordable dwellings and units and show their location on a plan.
- d. Refer to the Housing Corporation's Design and Quality Standards, and any Registered Social Landlord Development standards that must be met when constructing the affordable housing.
- e. If appropriate, ensure the provision of a financial contribution in lieu of housing units. Include a schedule for payment arrangements.
- f. Ensure the units remain affordable in perpetuity.
- g. Prevent occupation of a specified proportion of the general market housing units until the affordable housing has been transferred to the Registered Social Landlord.

Monitoring and Enforcement

10.1 Details of agreed affordable housing schemes are entered into the Council's databases recording all developments involving affordable housing schemes. This assists in both measuring progress in providing affordable housing and in ensuring all agreed affordable housing contributions are delivered.

Affordable Housing Section In The Replacement Calderdale Unitary Development Plan

5.43 Affordable housing is that provided for local people who are unable to resolve their housing needs in the private sector market because of the relationship between housing costs and incomes. The need for affordable housing has been recognised in national planning guidance for some time and also in the previous UDP (1997). Providing affordable housing also forms part of the Government's overall strategy of creating mixed communities.

5.44 The Calderdale Housing Requirements Study (2005) confirms and quantifies the affordable housing need in the District and indicated that, at the conclusion of the Study, 720 households needed affordable housing. This need cannot be met at current rates of provision, and the requirements to meet existing need, in addition to newly arising needs, will continue in future years.

5.45 A Statement of Needs and Requirements will be published annually, indicating the level of need, and requirements for new dwellings by area and tenure. Reference will be made to changes in incomes and housing costs.

5.46 Affordable homes are those provided for people who are unable to afford to access suitable housing through the normal working of the housing market. A subsidy is required to enable homes to be affordable, either to rent, or in a form of low cost home ownership.

5.47 The Housing Corporation Target Rents define affordability in relation to rents. Affordable ownership will be assessed in line with the method adopted in the Housing Requirements Study, and will be undertaken on an annual basis. Reference will be made to incomes and house prices and costs, in order to identify the entry level point where households are able to secure home ownership. Consequently the need in terms of low cost home ownership schemes, for those who are unable to do so will be assessed.

5.48 With the transfer of the local authority housing stock to Pennine Housing 2000, the Council's only direct means of increasing the supply of affordable housing is through its enabling role with Registered Social Landlords. This source alone will not be able to meet the scale of need identified in the Housing Requirements Study. In such instances PPG3 requires UDPs to include a policy for seeking affordable housing in suitable private housing developments. Government guidance as to what are considered to be suitable sites has evolved since the inception of policy on affordable housing. Whilst the most recent definition of a suitable site is set down in DETR Circular 6/98, the Council will have regard to whatever guidance is current when assessing individual sites. One of the main criteria to be employed in assessing a site's suitability is its size. For sites in the main urban areas the current threshold in Circular 6/98 is 1 hectare or 25 dwellings whilst for settlements of 3000 population or fewer in rural areas it is up to local authorities to define their own thresholds. In Calderdale the settlements conforming to the Government's definition of rural areas are:-

- Blackshaw Head;
- Cragg Vale;
- Heptonstall;
- Old Town/Chiserley;
- Barkisland;
- Ripponden; and
- Rishworth/Krumlin.

5.49 In these settlements affordable housing will be sought on sites of 15 or more dwellings or sites of 0.5 hectare or more. The Housing Needs Study recognised that in the more rural areas the impact of the Right to Buy Initiative has been more severe. There is also a higher demand for social rented housing in rural areas,

which reflects the proportionately higher house prices in these areas.

5.50 Other measures of a site's suitability are its proximity to local services and access to public transport. Abnormal costs associated with the development of a site will only be accepted as mitigating circumstances for the affordable housing requirement to be waived wholly or in part if they render a scheme not viable. Such cases will be the exception since any abnormal development costs should be reflected in the price paid for the land. Where developers seek mitigating circumstances, evidence of the effect of any additional costs will be required in the form of detailed financial assessments of the whole development.

5.51 Developers should contact Housing Services as soon as possible, and prior to submitting a planning application, to discuss the affordable housing that will be required where the results from the Housing Requirements Study demonstrate a need for affordable housing. The average level of affordable 86 Housing 5 Replacement Calderdale UDP : Adopted 25 August 2006 housing required on a site will be 20% unless the need is for a lower amount. This is the level at which the Council considers it reasonable and appropriate to set the average level of affordable housing that will be required, without it being unduly onerous on developers whilst assisting in meeting the need for affordable housing in the district. The specific amount and type of affordable housing will be subject to negotiation with developers and be dependent on the circumstances prevailing when the site comes forward. These will include information in the annually revised Housing Strategy, which involves consultation with a wide range of housing providers, enablers and users who have an interest in the requirements for and provision of housing within the District.

5.52 In Circular 6/98, the term affordable housing relates to both low cost market and subsidised housing (irrespective of tenure, ownership (whether exclusive or shared) or financial arrangements) that will be available to qualifying persons who cannot afford to occupy houses generally available on the open market. Circular 6/98 also states that the type of affordable housing to be built should reflect local housing need and individual site suitability and be a matter for discussion and agreement between the parties involved. The differing priorities for the housing that is required are highlighted in the Council's Housing Strategy and based on the Housing Requirements Study. A mix of different types of affordable housing including housing for disabled people may be required on a site. Normally, the affordable housing will be expected to be provided on the site, but there may be certain instances when good reasons exist to provide the housing elsewhere or to provide a commuted sum towards the provision of housing elsewhere. This will be a last resort since the objective of affordable housing policy is to meet the needs in the area of the site and by allowing the affordable housing to be provided elsewhere this could lead to the polarisation of communities.

5.53 The Council will need to ensure that any affordable dwellings built are available for those in genuine need and that a significant proportion remain affordable in perpetuity. Appropriate mechanisms will therefore need to be in place to secure these objectives. The clear preference in Circular 6/98 is that registered social landlords are involved since they have their own occupancy criteria and are governed by the rules of the Housing Corporation making further occupancy controls unnecessary. This is also the preferred approach of the Council. Where a registered social landlord is not involved, Circular 6/98 requires conditions or legal agreements to be attached to planning permissions restricting occupation to households meeting eligibility criteria based on the Council's Scheme of allocations.

5.54 Evidence will be required on planning applications that the dwellings to be provided will be of a suitable type and design. There will also be a need to ensure that affordable housing is provided on a site within a reasonable timescale, and that in a mixed scheme, the affordable houses are not forgotten as development of the total package proceeds. To this end the Council will use conditions and/or planning obligations to ensure that the affordable housing element in mixed schemes is not unduly delayed. The following Policy sets out the approach to the provision of affordable housing:-

Policy H 13

Affordable Housing

Affordable housing within private development schemes on sites in Policy H 5, Policy H 7 and Policy H 8 and other proposed housing schemes will be sought where:-

- i. the site or proposed number of dwellings is above government thresholds - these are currently developments of 25 or more dwellings or sites of 1 hectare or more ⁽¹⁾; or
- ii. the site is in a rural settlement of 3,000 or fewer population where this policy shall apply to developments of 15 or more dwellings or to sites of 0.5 or more hectares; and
- iii. the site is close to local services and facilities; and
- iv. there is access to public transport; and
- v. the site is suitable in terms of market conditions taking into account the economics of provision set out in paragraph 10 of DETR Circular 6/98.

Planning applications which include proposals for affordable housing will be assessed against the following criteria:-

- i. the affordable housing is provided to cater for the housing need in the District;
- ii. there are secure and practical arrangements to retain the benefits of affordability for initial and subsequent owners and occupiers, such as the involvement of a registered social landlord and where appropriate by the use of conditions or planning obligations;
- iii. there are adequate means of controlling the phasing of construction of the affordable housing element of mixed development schemes, either by use of conditions or planning obligations;
- iv. the development creates no unacceptable environmental, amenity, traffic, safety, or other problems;
- v. the proposals are consistent with other UDP policies.

Supplementary Planning Guidance Note 1 provides further guidance on the provision of affordable housing in private development schemes.

5.55 Annex B to PPG3 enables planning authorities to have policies which support the release of small sites for affordable housing which development plans would not otherwise allocate for housing within or adjoining villages, and on which housing would not normally be permitted. This advice is aimed particularly at the more rural parts of the country and is not generally applicable in metropolitan districts such as Calderdale where most small settlements lie within the Green Belt and are close to the main urban areas. No such policy was included in the previous UDP (1997) and insufficient justification exists to add such a policy in the Replacement Plan.

1 revised to 15 dwellings or more in PPS3 - see para. 5.1 of this SPD

The Annual Statements of Housing Needs

Statements of Housing Needs are available for the 12 sub areas of the district upon which the Housing Requirements Study was based. These will be published annually. Each statement provides background to the area covering matters such as the existing housing stock, demographics, house building trends and the level of existing affordable housing in the area. Reference is also made to changes in incomes and housing costs. They provide information the affordable housing required having regard to the Housing Requirements Study and the Housing Register. Affordability in the area is the examined leading to a conclusion regarding the quantity, type, size and tenure of the affordable housing need in the area.

Flowchart showing summary of process Council will follow in dealing with development proposals which include affordable housing (to be read in conjunction with protocol on major applications found in 'Major Planning Application Pack' available from Planning Services).

Table 1 Flow Chart

