SUPPLEMENTARY PLANNING GUIDANCE

AFFORDABLE HOUSING

1. INTRODUCTION

1.1 It is the Council's aim, as expressed in its Best Value Performance Plan (2001/2), to monitor the need for affordable housing in the District and to work with others to address any shortfalls. A high proportion of the existing housing within the District, 90%, is provided by the private sector, with around 87% in owner occupation. The number of dwellings in District Council and Housing Association ownership represents less than 10% of housing stock. The social housing sector has continued to diminish in recent years due to both tenants exercising the "right to buy" and restrictions on public sector capital expenditure. Achieving a mixed and balanced community within the District is a difficult task when the market price of housing outstrips the ability of certain households to pay that price. The planning system is unlikely, by itself, to provide the solution to this problem. However, it has an important role to play in helping to increase the stock of affordable housing to meet identified needs in the District.

Status

1.2 This Supplementary Planning Guidance (SPG) supplements Policy R4 of the adopted Blaby District Local Plan (September 1999), which concerns the provision of affordable housing on sites not specifically proposed for residential development in the Local Plan. It will be a material consideration in the negotiation of affordable housing on all proposals for housing development, including conversions and changes of use, on sites throughout Blaby District which are suitable to accommodate affordable housing and meet the specified criteria. This will include all "specialist" forms of housing development, such as schemes for elderly persons.

2. PLANNING POLICY BACKGROUND

Government Guidance

2.1 This SPG has been prepared taking into consideration Government guidance set out in paragraphs 3.15 to 3.18 of 'Planning Policy Guidance Note 12: Development Plans' (December 1999) (PPG 12)

2.2 'Planning Policy Guidance Note 3: Housing' (March 2000) (PPG 3) makes it clear that a community's need for a mix of housing types, including affordable housing, is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing. PPG 3 confirms that the more detailed guidance on planning and affordable housing set out in 'DETR Circular 6/98: Planning and Affordable Housing' (April 1998) continues to apply.

2.3 Circular 6/98 clarifies that affordable housing policies should be based on a clear and up-to-date assessment of local need for affordable housing. This SPG is intended to supplement the policies of the Local Plan, in light of the reassessment of housing needs within Blaby District undertaken in 2000.

2.4 The DETR White Paper 'Our Countryside: The Future - A Fair Deal for Rural England' (November 2000) (the Rural White Paper) contains planning guidance on affordable homes in rural settlements and market towns.

2.5 The DTLR research report 'Delivering Affordable Housing through Planning Policy' provides information on best practice in using existing policy guidance to best effect to deliver affordable housing and contains advice as to what should be included in supplementary planning guidance.

Regional Planning Guidance

2.6 Regional Planning Guidance for the East Midlands to 2021 (January 2002) (RPG 8) covers the issue of affordability in Policy 26. This policy requires development plans to make provision for an adequate mix and supply of affordable housing where a demonstrable need has been identified from an assessment of needs in the area. The policy also makes reference to monitoring affordable housing throughout the region and sets an indicator of 3,400 dwellings to be provided per year.

Strategic Planning Guidance

2.7 The 'Leicestershire, Leicester and Rutland Structure Plan' (LLRSP) is currently being prepared to replace the adopted Structure Plan (1994). An Examination in Public was held June/July 2001 and the Panel's Report was issued in September 2001.

2.8 Housing Policy 4 of the Deposit Draft LLRSP Proposed Modifications (June 2002) states that provision will be made in Local Plans for affordable housing for households unable to purchase or rent adequate housing on the open market, to a level identified as a result of local needs surveys and assessments.

2.9 The supporting text of Housing Policy 4 refers to 30% affordable housing as a 'broad proportion' of additional housing required over the plan period, in line with the EIP Panel's recommendation.

Blaby District Local Plan

2.10 The adopted 'Blaby District Local Plan' (BDLP) contains two policies relating to affordable housing. BDLP Policy R4 seeks, in certain circumstances, the provision of affordable housing on sites not specifically proposed for development. This is set out in full as Appendix A to this SPG. BDLP Policy R5 deals with affordable housing in rural areas ("exceptions sites").

2.11 BDLP Policies R4 and R5 are based on a housing needs survey undertaken in April 1994, which covered the period to 1999. A new assessment of housing needs was undertaken in January 2000 which forms the basis of this SPG.

2.12 **This SPG will apply to proposals for residential development throughout the District on sites not specifically identified for housing within the BDLP (so called "windfall sites"), therefore this SPG supplements BDLP Policy R4.**

2.13 Policy R5 of the BDLP relates to so called "rural exceptions sites"where open market housing is unacceptable, therefore, it is not intended that the SPG will supplement this policy.

Blaby District Housing Strategy

2.14 The Blaby District Housing Strategy (2003/4) was approved by the Council in July 2002. This Strategy considers, amongst other matters, the need for affordable housing at District level. It contains a target of providing 50 affordable homes per year for people on low incomes.

3. THE DEFINITION OF AFFORDABLE HOUSING

3.1 Circular 6/98 considers the term "affordable housing" to encompass both low-cost market housing and subsidised housing that will be available to people who cannot afford to rent or buy houses generally available on the open market.

3.2 Paragraph 3.36 of the adopted BDLP is consistent with this definition which considers affordable housing to include low-cost home ownership, shared ownership and rented accommodation.

3.3 Paragraph 15 of PPG 3 states that local plan policies for affordable housing should define what the authority considers to be affordable in terms of the relationship between local income levels and house prices or rents for different types of households.

3.4 Consultants Fordham Research Limited were commissioned to undertake an assessment of housing needs in Blaby District on behalf of the Council. Postal and interview surveys were undertaken in January 2000 and the final report was received in September 2000. The results of the assessment formed an integral part of the Blaby District Housing Strategy.

3.5 The Fordham Assessment examines the local relationship between income levels and the price of housing in the District. It concludes that minimum prices of second hand housing are around 35% lower than new-build market housing, which even if substantially discounted, would be more expensive than a minimum priced second hand dwelling. Therefore households on the margins of being able to buy would purchase a second hand dwelling rather than a new one. It concludes that low-cost market housing has no role to play in meeting local affordable housing needs.

3.6 In line with paragraph 15 of PPG 3 and taking into account the recommendation of the Fordham Assessment the Council believes that low-cost market housing has only a minor role to play in meeting the affordable housing needs of Blaby District. **The Council consider that social rented housing and shared ownership housing will more adequately meet the affordable housing needs within Blaby District when considering the relationship of local income to house prices and rents. Whilst low cost market housing could broaden the mix of housing types as part of a range of housing, it will not meet the needs of households with a low income, as identified in the Fordham Assessment.**

3.7 In terms of shared ownership housing the Fordham Assessment assessed household income for those households in need which expressed an interest in shared ownership. It found that around 10% of such households could afford shared ownership housing, although this lacked certainty that shared ownership could prove generally attractive.

3.8 Accordingly, in order to meet the affordable housing needs of the District, it is considered that **on suitable qualifying sites (as specified in BDLP Policy R4) affordable housing should be provided according to the following order of priority;**

(i) Social rented housing; then
(ii) Shared ownership housing; then
(iii) Low cost market housing.

The Council will take a flexible approach in negotiations concerning the tenure of affordable housing, taking into consideration the needs for affordable housing in a particular locality as identified by local housing needs information.

3.9 Low cost market housing will normally be properties which will sell for less than the average market price for a newly constructed property of that type within the district. To ensure that these properties remain available, for as long as there is a need for this type of affordable housing, such development will be restricted by the removal of Permitted Development rights.

4. BLABY DISTRICT - HOUSING NEED AND SUPPLY

Housing Need

4.1 **One of the main recommendations of the Fordham Assessment is that a total of around 843 additional affordable dwellings might be required to meet the need in full by 2005**.

4.2 This figure is a District-wide total and has not been disaggregated to give a level of need for individual settlements. The recommended level of need is at present the Council's best estimate for affordable housing needs in Blaby District. In addition, the Assessment makes a number of other recommendations relating to; the definition of affordable housing, types of housing

required to meet needs, targets for negotiations on suitable qualifying sites, rent ceilings, and commuted sums.

Housing Supply

4.3 The Leicestershire Structure Plan requires the provision of 5,150 dwellings within Blaby District over the period 1991 to 2006. This equates to 343 dwellings per annum.

4.4 The latest residential land availability study (March 2002) shows that 4,965 dwellings have been completed within Blaby District since 1991, and a further 926 have planning permission or are under construction. Taking into account Local Plan allocations (10 dwellings) the Structure Plan requirement is likely to be exceeded by 757 dwellings.

4.5 Accordingly, there are no major greenfield sites within Blaby District without the benefit of planning permission, and no further greenfield sites will be needed to fulfil the District's housing requirements to 2006.

5. THRESHOLDS

5.1 The use of thresholds in assessing the suitability of a site to provide affordable housing is set out in Circular 6/98. This advises that affordable housing should only be applied to housing developments of 25 or more dwellings, or residential sites of 1 hectare or more. In rural areas it considers lower thresholds could be adopted at 15 or more dwellings or sites of 0.5 hectares or more.

5.2 BDLP Policy R4 uses the thresholds contained within Circular 6/98 and states that the local planning authority will seek to negotiate an element of affordable housing in the following circumstances:

(i) In settlements with a population of 3000 or fewer on sites of 0.5 ha (1.24 acres) or more, or where the development is for 15 or more dwellings, and

(ii) In settlements with a population of more than 3000 on sites of 1 ha (2.47 acres) or more, or where the proposed development is for 25 or more dwellings.

5.3 The Rural White Paper considers at paragraph 5.4.1 that in settlements with a population of 3,000 or less no thresholds should apply. Local Authorities can seek a proportion of affordable housing even on the smallest sites.

5.4 The Fordham Assessment made no recommendation on the suitability of revised thresholds, therefore, within Blaby District it is considered appropriate to **continue to apply the site eligibility thresholds set out in BDLP Policy R4**. These will be reassessed when the Local Plan is reviewed.

6. TARGETS

6.1 Circular 6/98 advises that the plan should indicate how many affordable homes need to be provided throughout the plan area and set indicative targets for specific suitable sites, expressed either as a number or a percentage of the homes on the site, and indicate the intention to negotiate with developers for the inclusion of an element of affordable housing on such sites.

6.2 The Rural White Paper states that; "there is no reason why, in small villages if there is evidence of need and subject to financial viability, they [LPAs] should not seek to match every new house with an affordable home". This implies that the Government considers a 50% target may be reasonable on suitable sites in rural areas.

6.3 BDLP Policy R4 states that; "the Local Planning Authority will seek to negotiate an element of affordable housing....."

6.4 The Fordham Assessment considers that a District-wide percentage would offer a meaningful broad target for negotiation on suitable sites, whereas numbers do not easily translate into what is to be negotiated on unidentified sites. It recommends that a target figure of 30% would be sustainable for Blaby District.

6.5 **A target figure of 30% of dwellings will be the starting point for the negotiation of affordable housing on suitable qualifying sites.**

7. TYPE OF DWELLINGS REQUIRED

7.1 The Fordham Assessment identifies the following split for the size of affordable dwellings in the District, by number of bedrooms per dwelling, to meet the requirements of households in need;

Table 1: Number of bedrooms per dwelling required by households in need.

No. of Bedrooms	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Percentage of overall need.	31%	24%	20%	25%

7.2 **The District Council will take into account the indicative need for a mix of dwellings sizes, shown in Table 1 above, along with the suitability of the site to accommodate the mix, when negotiating for the provision of affordable housing.**

7.3 Provision of affordable housing by size will be monitored on annual basis through the residential land availability study.

8. VIABILITY

8.1 Circular 6/98 advises Local Planning Authorities to consider the proximity of local services and facilities, whether there will be particular costs associated with development of the site, and whether the provision of affordable housing would prejudice the realisation of other planning objectives that need to be given priority in development of the site.

8.2 Where the provision of 30% of the total dwellings to be affordable would render the development of a site unviable, for example, on brownfield sites where redevelopment costs maybe unusually high, the Council will adopt a **flexible approach** to the provision of affordable housing. However, abnormal development costs will usually be reflected in the land price paid by the developer. **In cases where it is claimed that development costs are abnormally high, the developer will need to provide justification, in a form that can be independently verified and to the satisfaction of the District Council, that the provision of 30% affordable dwellings on the site would not be viable.**

9. ON-SITE PROVISION / COMMUTED SUMS

9.1 PPG 3 advises that where a Local Planning Authority has decided that an element of affordable housing should be provided in the development of a site, there is a presumption that such housing should be provided as part of that site.

9.2 Circular 6/98 makes it clear that it is acceptable for a Local Planning Authority to consider whether a financial or other contribution could be made towards the costs of providing affordable housing on an alternative site in the Authority's area.

9.3 BDLP Policy R4 states that a financial contribution from a developer which ensures the provision of the element of affordable housing on another site in the District, that would not otherwise be provided, may be an acceptable alternative to on-site provision.

9.4 **The District Council consider that on-site provision of affordable housing is the preferred way to meet affordable housing needs. It will pursue the provision of affordable housing in the following priority order;**

(i) on-site provision,
(ii) off-site provision on a suitable site anywhere within Blaby District, either constructed by the developer or provided through a commuted sum (or other means) to a RSL.

This is in line with the Government's objective set out in PPG 3 to provide a wider choice of housing opportunity and seek to create mixed communities.

9.5 The District Council and the developer may agree that it is more appropriate for the element of affordable housing to be provided on another site elsewhere within Blaby District. This off-site provision may either be built by the developer, or provided through the payment of a commuted sum, in lieu of affordable housing, which would be used to provide affordable housing elsewhere within Blaby District.

9.6 The negotiation of an off-site provision of affordable housing is in accordance with paragraph 3.59 of the BDLP which states that *"..... it may be appropriate for affordable housing to be provided on an alternative site elsewhere in the District (i.e. 'Off-site'). This will involve the developer contributing a sum which will ensure the provision of affordable accommodation without recourse to public subsidy."*

9.7 In addition to the provision of new build affordable housing, commuted sums may also be used for the rehabilitation of empty private sector properties where this would add to the stock of affordable housing.

9.8 **The District Council's preferred method of calculating the level of the financial contribution for off-site provision is set out in Appendix B.**

9.9 Where it is agreed that affordable housing is to be provided off-site, or a commuted sum is to be paid, the District Council will require this to be secured through the use of a planning obligation. In these instances the District Council will be the intermediary between the developer and a Registered Social Landlord (RSL) and act as "banker" for the commuted sum. If the commuted sum is not used for affordable housing provision on a site in Blaby District within a period of five years from when it is paid to the District Council then it will be returned to the developer, with any accumulated interest. The District Council will calculate any interest at the rate of the base rate of the HSBC Bank Plc.

10. OCCUPANCY

10.1 Where occupancy of an affordable dwelling is to be controlled through planning conditions or obligations, Circular 6/98 recommends the use of a cascade approach to ensure that occupants will always be found for the accommodation.

10.2 BDLP Policy R4 sets out a "cascade" approach to the occupancy of affordable dwellings. This is considered to be a suitable approach which does not need to be considered further in this SPG. **The Council will continue to apply the cascade approach set out within BDLP Policy R4 in cases where the occupancy of affordable housing is to be controlled.**

10.3 Where affordable dwellings are provided in partnership with a RSL, the Council will encourage the RSL to make the accommodation available to those persons on the Council's Housing Waiting List who do not have access to general market housing and are seeking

accommodation in the location and of the type provided. In such cases the District Council would wish to discuss nomination rights for the first and subsequent lets.

11. REGISTERED SOCIAL LANDLORDS (RSLs)

11.1 Circular 6/98 states that an effective way of achieving control over future occupancy of affordable housing will be to involve a RSL. Whilst developers may wish to provide affordable housing without the involvement of a RSL, the Council consider their involvement will best secure long-term affordable housing provision in the District.

11.2 Developers are advised to contact the Council's Housing Division to discuss the choice of a partner RSL in developing a particular site.

12. PLANNING OBLIGATIONS / CONDITIONS

12.1 Circular 6/98 advocates the use of conditions and planning obligations as a means of securing the provision of affordable housing.

12.2 The Council will seek to use planning obligations to secure the provision and long-term availability of affordable housing. Such obligations will normally include arrangements to ensure the occupancy of an affordable dwelling is limited to persons who do not have access to general market housing and are a resident of, or have a connection with, Blaby District. Planning obligations should also be used where it is agreed that the most satisfactory method of affordable housing provision is off-site or through a commuted sum.

13. DESIGN

13.1 **In all cases affordable dwellings should meet the development control criteria set out in BDLP Policy R1**. Blaby District Council will not accept lower standards of design for affordable housing than it would require for general market housing. In cases involving an RSL the District Council will expect the affordable housing to be constructed to Housing Corporation Scheme Development Standards.

13.2 Blaby District Council's preference is for affordable dwellings to be dispersed throughout a housing development, rather than concentrated in part of the site, so as to achieve a mix of dwelling types and tenures.

14. MONITORING

14.1 The provision of affordable dwellings will be monitored as part of the Council's annual monitoring of residential development. This is undertaken on 31st March each year and is set out in its Residential Land Availability Study.

15. REVIEW

15.1 The housing needs assessment will need to be kept up to date. The present assessment provides information to January 2005.

16. CONTACTS

16.1	Planning Policy -	Gary Clark	0116 272 7520
		Stuart Sage	0116 272 7692
		Vicky Chapman	0116 272 7693
16.2	Development Control -	East Team (Glen Parva, Narborough, Cosby, Whetstone, Blaby, Countesthorpe, Kilby, Croft, Huncote).	
		Rachel Horsewood	0116 272 7691
		Peter Gibson	0116 272 7697
		West Team (Glenfield, Kirby Muxloe, Leicester Forest East, Braunstone, Enderby, Lubbesthorpe, Thurlaston, Leicester Forest West, Potters Marston, Elmesthorpe, Stoney Stanton, Sapcote, Aston Flamville, Sharnford, Wigston Parva).	
		Jeff Hall	0116 272 7687
		David Lockie	0116 272 7642
16.3	Housing Division -	Steve Pedley	0116 272 7617
		Ruth Earp	0116 272 7616

APPENDIX A **BLABY DISTRICT LOCAL PLAN**
Adopted 2nd September 1999
POLICY R4

Affordable Housing on sites not specifically proposed for development

3.49 New residential development may provide opportunities for affordable housing. The Council recognise, however, that virtually all the housing requirement for the District (as given in the Leicestershire Structure Plan) for the period 1991-2006 is already provided or committed.

3.50 Appendix 8 shows that all the sites which are proposed for residential development in this Local Plan, with the exception of Policy R15 (b), land at School Lane, Narborough, have a Council resolution to grant planning permission subject to the applicants entering into a planning obligation.

3.51 Although the Council will endeavour to persuade individual developers to provide affordable housing in appropriate schemes, it is acknowledged that it is unreasonable to seek to impose such a requirement on those which already have planning permission or are subject to a Council resolution to grant planning permission.

3.52 The land at School Lane, Narborough (Policy R15 (b)) is owned by Blaby District Council, which will ensure that the requirements of Policy R4 are applied to its development for residential purposes.

3.53 Despite the high level of residential commitments the Council expects that it will continue to receive proposals for residential development on sites within the built up areas which are not currently identified in this Local Plan for this use (i.e. windfall sites). It is also possible that a site could become available on land outside the built-up area as a result of an appeal against the refusal of planning permission. Where the proposed development is on a scale which satisfies the site area or dwelling capacity given in Policy R4 the Council will seek to negotiate for the inclusion of an element of affordable housing. The site thresholds are those given in Circular 6/98 "Planning and Affordable Housing" (April 1998).

3.54 The details concerning the number and type of affordable accommodation appropriate on an individual site will be subject to negotiation, taking into consideration survey results and other material considerations.

3.55 It is anticipated that this policy will only provide a relatively small amount of affordable housing. Where appropriate the Council will, therefore, restrict initial and subsequent occupancy of the affordable accommodation to ensure that the benefits are enjoyed by District residents and those having a connection with the District. In

considering the categories of need which will be eligible the Council will be mindful that over 30% of households which may require accommodation are prepared to live anywhere within the District. It is, therefore, appropriate that the term "local needs" in Policy R4 refers to the entire District.

3.56 If a dwelling remains unoccupied after a reasonable period of time then the Council consider that the "local occupancy" criteria set out in sub-paragraph (B) should be widened to allow occupancy by persons that do not live within Blaby District and do not have any local connections due to work or family ties. It is considered that this will ensure affordable housing remains in occupation and safeguards an adequate stream of revenue for those managing the development whilst ensuring people in local housing need take priority. The reasonable period of time in which those in local housing need should be given first priority is influenced by the form of tenure. For rental schemes this period may be 4 - 6 weeks but may be 3 months or more for shared ownership schemes.

3.57 Where dwellings at the lower cost end of the market meet the needs of those just able to afford owner-occupation the Council will not restrict initial and subsequent occupancy. However, to ensure that low-cost market housing remains affordable in perpetuity the Council will consider removing "permitted development" rights for the erection of house extensions, as such development may result in a relative increase in the value of a dwelling to a level where it becomes "general market housing".

3.58 The provision of part of the development site by the developer to a Housing Association or other registered social landlord in order that it may build affordable housing may be considered as the element of the development that contributes towards affordable housing needs, providing that there are good prospects of achieving affordable housing within a reasonable period of time.

3.59 It may be appropriate for affordable housing to be provided on an alternative site elsewhere in the District (i.e. 'off-site'). This will involve the developer contributing a sum which will ensure the provision of affordable accommodation without recourse to public subsidy.

R4 WHERE AN UP TO DATE AND RIGOROUS HOUSING SURVEY SHOWS THAT THERE IS A LACK OF AFFORDABLE HOUSING TO MEET LOCAL NEEDS, PLANNING PERMISSION FOR RESIDENTIAL DEVELOPMENT WILL BE GRANTED WITHIN THE LIMITS TO THE BUILT UP AREA IDENTIFIED ON THE PROPOSALS MAP, PROVIDED THAT THE PROPOSED DEVELOPMENT WOULD NOT CONFLICT WITH THE AIMS OF ANY OF THE SUBCLAUSES OF POLICY R1.

continued

R4(Cont)

THE LOCAL PLANNING AUTHORITY WILL SEEK TO NEGOTIATE AN ELEMENT OF AFFORDABLE HOUSING IN THE FOLLOWING CIRCUMSTANCES:

(i) IN SETTLEMENTS WITH A POPULATION OF 3,000 OR FEWER ON SITES OF 0.5HA (1.24 ACRES) OR MORE, OR WHERE THE DEVELOPMENT IS FOR 15 OR MORE DWELLINGS, AND

(ii) IN SETTLEMENTS WITH A POPULATION OF MORE THAN 3,000 ON SITES OF 1HA (2.47 ACRES) OR MORE, OR WHERE THE PROPOSED DEVELOPMENT IS FOR 25 OR MORE DWELLINGS.

IF AFFORDABLE HOUSING IS TO BE PROVIDED THE LOCAL PLANNING AUTHORITY WILL, WHERE APPROPRIATE, IMPOSE PLANNING CONDITIONS, OR NEGOTIATE FOR SECURE ARRANGEMENTS BY WAY OF A PLANNING OBLIGATION, TO ENSURE THAT THE BENEFITS OF AFFORDABLE HOUSING ARE ENJOYED BY SUBSEQUENT AS WELL AS INITIAL OCCUPIERS. SUCH ARRANGEMENTS SHOULD BE MADE WITH A REGISTERED HOUSING ASSOCIATION OR OTHER APPROPRIATE SOCIAL LANDLORD TO ENSURE THAT THE OCCUPANCY OF AN AFFORDABLE DWELLING WILL BE LIMITED TO A PERSON (OR WIFE, HUSBAND, PARTNER OR DEPENDENT OF SUCH A PERSON) WHO:

(A) DOES NOT HAVE ACCESS TO GENERAL MARKET HOUSING, AND

(B) IS A RESIDENT OF BLABY DISTRICT, OR HAS A LOCAL CONNECTION WITH THE LOCALITY BECAUSE OF FAMILY TIES OR A NEED TO BE NEAR HIS OR HER WORKPLACE.

IF AN OCCUPIER WHO FULFILS CRITERIA (A) AND (B) CANNOT BE FOUND WITHIN A REASONABLE PERIOD OF TIME, THEN OCCUPATION BY A PERSON FULFILLING CRITERION (A) ONLY WILL BE CONSIDERED ACCEPTABLE.

continued

R4(Cont)

A PLANNING CONDITION MAY ALSO BE IMPOSED ON THE PLANNING PERMISSION WHICH REMOVES THE "PERMITTED DEVELOPMENT" RIGHTS TO EXTEND THOSE DWELLINGS WHICH REPRESENT THE ELEMENT OF AFFORDABLE HOUSING.

A LEGAL AGREEMENT WHICH INVOLVES THE PROVISION OF PART OF THE DEVELOPMENT SITE BY THE DEVELOPER TO A NOMINATED REGISTERED HOUSING ASSOCIATION OR OTHER APPROPRIATE SOCIAL LANDLORD TO BUILD ON WHEN ITS CAPITAL PROGRAMME PERMITS MAY BE CONSIDERED AS AN ACCEPTABLE CONTRIBUTION TO AFFORDABLE HOUSING NEEDS.

A FINANCIAL CONTRIBUTION FROM A DEVELOPER WHICH ENSURES THE PROVISION OF THE ELEMENT OF AFFORDABLE HOUSING ON ANOTHER SITE IN THE DISTRICT THAT WOULD NOT OTHERWISE BE PROVIDED MAY BE AN ACCEPTABLE ALTERNATIVE TO THE PROVISION OF ON-SITE AFFORDABLE HOUSING.

APPENDIX B **THE PREFERRED METHOD OF CALCULATING FINANCIAL CONTRIBUTIONS FOR OFF-SITE AFFORDABLE HOUSING PROVISION**

Total number of proposed dwellings

multiplied by

The percentage of affordable housing required

multiplied by

The Total Cost Indicator (TCI)

multiplied by

Social Housing Grant Rate (SHG) rate

gives

Total Commuted Sum payable

Notes : The figure for the TCI will be provided by the Housing Corporation and will vary according to the type of dwelling required. The TCI may be increased in cases where the development of off-site affordable housing would involve abnormal development costs. The TCI may also change over time to reflect changes in building costs. The figure for the SHG rate will also be provided by the Housing Corporation and may change over time.