

Gedling Borough Council

Affordable Housing Supplementary Planning

Document

December 2009



Introduction - Purpose and Status

1 Introduction and Purpose	3
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2 Policy Background	6
----------------------------	----------

3 Evidence Base	10
------------------------	-----------

4 Requirement for Affordable Housing	13
---	-----------

5 Delivery of Affordable Housing	17
---	-----------

6 Conclusions	25
----------------------	-----------

7 Further Information	27
------------------------------	-----------

Appendices

Appendix 1 Glossary	29
----------------------------	-----------

Appendix 2 Registered Providers of Affordable Housing	34
--	-----------

Appendix 3 Consultation Statement	36
--	-----------

Appendix 4 Map showing requirement for Affordable Housing	39
--	-----------

1 Introduction and Purpose

1.1 This Supplementary Planning Document on Affordable Housing has been prepared by Gedling Borough Council to help the Council secure affordable housing through the planning system.

1.2 The role of this document is to provide land owners, developers and Registered Providers of Affordable Housing with new, clear, detailed advice on the Council's criteria for the provision of affordable housing. The document offers a revised framework that can be used in negotiations with developers on planning applications and Section 106 agreements.

1.3 The main objectives of the Supplementary Planning Document are to:-

- Provide a clear framework for all to understand how affordable housing is to be provided in the District;
- Summarise national, regional and local policies and strategies relating to affordable housing;
- Outline the findings of the Strategic Housing Market Area Assessment and the Affordable Housing Viability Study;
- Ensure an appropriate mix of size and type of affordable housing is integrated throughout built areas to help create sustainable communities;
- Outline the procedures that will be used to secure Section 106 agreements relating to affordable housing.

Definition of Affordable Housing

1.4 **Planning Policy Statement 3: Housing, 2006 (PPS3) defines Affordable Housing as:**

Social Rented and Intermediate housing, provided to specified eligible households whose needs are not met by the market. Meeting 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.

Including 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, (i.e. the housing provision must remain 'affordable' in perpetuity).

Social Rented Housing is defined as:

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. 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 (now the Homes and Communities Agency) as a condition of grant.

1 . Introduction and Purpose

Intermediate Affordable Housing is defined as:

Housing at prices and rents above those of social rent, but below market price or rental, and which meet the criteria set out above. Can include shared equity/ownership products (e.g. Homebuy). or other low cost homes for sale and intermediate rent.

The above definitions do not exclude homes provided by the private sector or which do not include grant funding. Where such homes meet the above definitions they can be considered affordable housing for planning purposes. Low cost market housing is not considered to be 'affordable housing' in terms of planning purposes, although it can play an important role in meeting demand and achieving a mix of housing.

2 . Policy Background

2 Policy Background

2.1 This section details the policy context for this guidance.

National Policy

2.2 Planning Policy Statement 3: Housing is the Government's main national document on planning for housing. Since April 2007, the policies in PPS3 have been a material consideration when making decisions on planning applications and may supersede the policies in existing Development Plans. The key aspects of PPS3 include:

Thresholds

- A reduction in the national indicative minimum site threshold at which affordable housing may be required from 25 to 15 dwellings, with no site area threshold;
- Different proportions of affordable housing can be sought for a series of site-size thresholds over the plan area;
- Lower minimum thresholds can be set by local authorities where this can be proven to be viable and practicable;

Definition

- 'Low cost market' housing is no longer considered to be 'affordable' housing;
- 'Affordable housing' now has to remain affordable 'in perpetuity';

Requirement

- Local authorities should specify the type and size of affordable dwellings that will be required in particular locations and, where appropriate, on specific sites. This will include considering the findings of the Strategic Housing Market Assessment and any specific requirements;
- Local authorities should set out the range of circumstances in which affordable housing should be required, with an overall target for the amount of affordable housing to be provided. Separate targets should be set for social-rented and intermediate housing. All targets should reflect an assessment of the likely economic viability of land for housing within the area.
- Where a specific need is demonstrated and delivery is viable and practical, local authorities can consider allocating and releasing sites purely for affordable housing, including using a 'Rural Exceptions' policy;

Mechanism

- Local authorities should set out their approach to seeking developer contributions to facilitate the provision of affordable housing. In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area.

Regional Policy

2.3 The East Midlands Regional Plan was published in March 2009. It has identified that 8,000 dwellings should be provided in Gedling Borough for the period 2006 to 2026, giving an annual figure of 400 dwellings per annum for this period. Policy 14 of the Regional Plan requires 17,100 (which equates to 30%) affordable dwellings to be provided in the Nottingham Core Housing Market Area. If the same ratio is applied in Gedling Borough, this would equate to 120 affordable homes per annum throughout the plan period. The figure of 17,100 is provided for monitoring purposes and does not represent a maximum. Policy 14 further states that 'as part of their Local Development Frameworks, local planning authorities should adopt affordable housing targets in line with the conclusions of the most up to date Housing Market Area Assessments for their area'.

2.4 Policy 14 (Regional Priorities for Affordable Housing) - Local Development Frameworks, housing strategies and investment plans should have regard to the priorities identified in the Regional Housing Strategy, and include policies seeking the provision of a mix of dwellings in terms of size, type, affordability and location, having regard to the existing local stock, in order to help create inclusive communities which provide wider housing opportunity and choice.

2.5 Policy 15 (Regional Priorities for Affordable Housing in Rural Areas) - New housing in rural areas should contribute to addressing affordability issues by providing appropriate levels of housing in suitable locations and creating sustainable rural communities through a choice of well designed homes. Local authorities and housing providers should use all available policy mechanisms to provide affordable homes in rural areas.

Sub-Regional Policy

2.6 There is no Sub-Regional policy (i.e. specific to the 'Three Cities' sub area) within the East Midlands Regional Plan in relation to the provision of affordable housing.

Gedling Borough Policy

2.7 Policy H18 of the Gedling Borough Replacement Local Plan (Certain Policies Saved July 2008) states that planning permission for residential development on large sites of 1 hectare or more will be granted subject to negotiation to seek to secure 20% of the dwellings on the site.

2.8 Interim Planning Guidance on Affordable Housing was adopted in April 2005 and was produced to clarify Policy H18 of the Local Plan.

2.9 The Borough Council is currently progressing an aligned Core Strategy with the other Greater Nottingham authorities (the Hucknall part of Ashfield, Broxtowe, Erewash, Nottingham City and Rushcliffe). The Issues and Options stage of the Core Strategy was available for consultation between 15th June and 31st July 2009 and it is anticipated that the Core Strategy will be adopted in December 2011. It is intended that this process will ultimately result in a revised affordable housing policy which will supersede this Supplementary Planning Document.

2 . Policy Background

Reasons for Revising the Interim Guidance

2.10 Since the adoption of the Replacement Local Plan and the production of the Interim Planning Guidance, the Government has revised its planning policy on housing by issuing Planning Policy Statement 3: Housing (November 2006). As set out above, this guidance has clarified the definition of affordable housing and revised the Government's approach to affordable housing and how local authorities express its requirement through Local Development Frameworks. Similarly, the publication of the East Midlands Regional Plan in March 2009 alters the context in which affordable housing policy should be considered.

2.11 To accord with guidance of PPS3 and the East Midlands Regional Plan, a number of evidence based documents have been commissioned in order to inform policy preparation both for this Supplementary Planning Document and the emerging aligned Core Strategy. More detail on these evidence documents is set out in the next section.

2.12 This Supplementary Planning Document brings all of the evidence together to provide options on targets for affordable housing, as well as the manner in which negotiations and subsequent provision will be sought.

3 . Evidence Base

3 Evidence Base

3.1 There are a number of regional, sub-regional and local studies which look at the need for affordable housing within Gedling Borough and the wider housing market.

South Nottinghamshire Affordable Housing Study

3.2 A study entitled 'The Need for Affordable Housing in South Nottinghamshire 1996-2011' was carried out jointly by the local authorities of Nottingham City, Broxtowe, Gedling, Rushcliffe and the Hucknall part of Ashfield in 1998. It has since been updated, most recently in 2005. The document is available from the Council's website [http://www.gedling.gov.uk/s_notts_affordable_housing_study_report_\(2004\)_linkchk.pdf](http://www.gedling.gov.uk/s_notts_affordable_housing_study_report_(2004)_linkchk.pdf)

3.3 The Study defines affordable housing differently from PPS3 as 'Dwellings developed specifically for those whose incomes generally deny them the opportunity to purchase or rent houses on the open market'. The methodology for assessing the need for affordable housing relies on identifying two main components: (i) the base need, representing the existing situation, and (ii) the estimate of future need that will arise by the year 2011.

3.4 The Study calculated that, across South Nottinghamshire, 24% of new dwellings in the Structure Plan period to 2011 would need to be in the affordable category. The Study did not determine how much of that need should be met within Gedling Borough. This Study has now been superseded, given that the Joint Structure Plan has now been replaced by the Regional Plan.

Nottingham Core Strategic Housing Market Assessment

3.5 This Assessment was prepared in response to changes to the Government's advice on how Councils should assess the *need and demand* for housing in their areas to help inform their long-term housing and planning strategies. The Assessment covers the Greater Nottingham area which includes Broxtowe, Erewash, Gedling, Nottingham City, Rushcliffe and the Hucknall wards that form part of Ashfield. The document is available from the City Council's website <http://www.nottinghamcity.gov.uk/index.aspx?articleid=701>

3.6 The Nottingham Core Strategic Housing Market Assessment (May 2007) concludes that throughout the Housing Market Area overall, affordable housing levels of up to 47% of planned new supply could be justified. This varies between local authorities and by sub-market and the total recommended for Gedling Borough is 46%. The Nottingham Core Strategic Housing Market Assessment also indicates that 70% of the affordable housing provided in Gedling Borough should be for social rented and 30% for intermediate housing.

3.7 The latest update to the Strategic Housing Market Assessment (April 2009) concluded that 396 affordable homes every year would be required in the Borough over the next ten years to meet emerging need and to clear the backlog of households in housing need. However, following a thorough review of the housing register, this can be revised to 139 per year (i.e. 45%). This equates to nearly 34% of our remaining annual housing requirement.

Nottingham Core Affordable Housing Viability Study

3.8 This study was commissioned by the Nottingham Core authorities to meet the requirement of PPS3 that an assessment of viability should be undertaken before making major policy changes. The draft final report for this study was published in April 2009 and builds on the findings of the Strategic Housing Market Assessment. The document is available from the Council's website <http://www.gedling.gov.uk/index/pe-home/pe-lp-home/pe-lp-localdevel/pe-lp-suppguidance.htm>

3.9 The study concludes that developments will be viable (i.e. profitable) with different levels of affordable housing in different parts of the Borough. Developments in areas with higher house prices and land values could potentially support more than 20% affordable housing, whereas the status quo of 20% is likely to make sites unviable in some areas with lower house prices and land values. The study suggests that there are two main approaches open to the Council for setting affordable housing percentages.

- Retain the 2005 Local Plan target of 20% affordable housing across the Borough; or
- Adopt differential targets for different parts of the district, to reflect the spread of market values

Housing Register Information

3.10 The Council is required to maintain a register of those in housing need, and will use information drawn from this to support negotiations for affordable housing, by analysing the expressed need for different property types and sizes in different areas.

Current Supply of Social Housing

3.11 In order to ensure tenure is mixed in communities, current supply will be analysed alongside need in negotiations. The percentage of affordable homes delivered in the Borough in recent years is as follows:

Year	2005/06	2006/07	2007/08	2008/09
Number of homes delivered	244	296	447	204
Number of affordable homes	44	41	95	43
Percentage affordable	18%	14%	21%	21%

Table 3.1

Empty Homes

3.12 As at 31st March 2009, there were 1700 unoccupied dwellings in the Borough of which 567 were unoccupied for more than 6 months. This is a considerable reduction on previous years.

4 Requirement for Affordable Housing

4.1 This section outlines the Council's affordable housing policy, in terms of the site size threshold at which affordable housing contributions are triggered, the principle of commuted sums provided through section 106 agreements and the proportion of affordable housing sought.

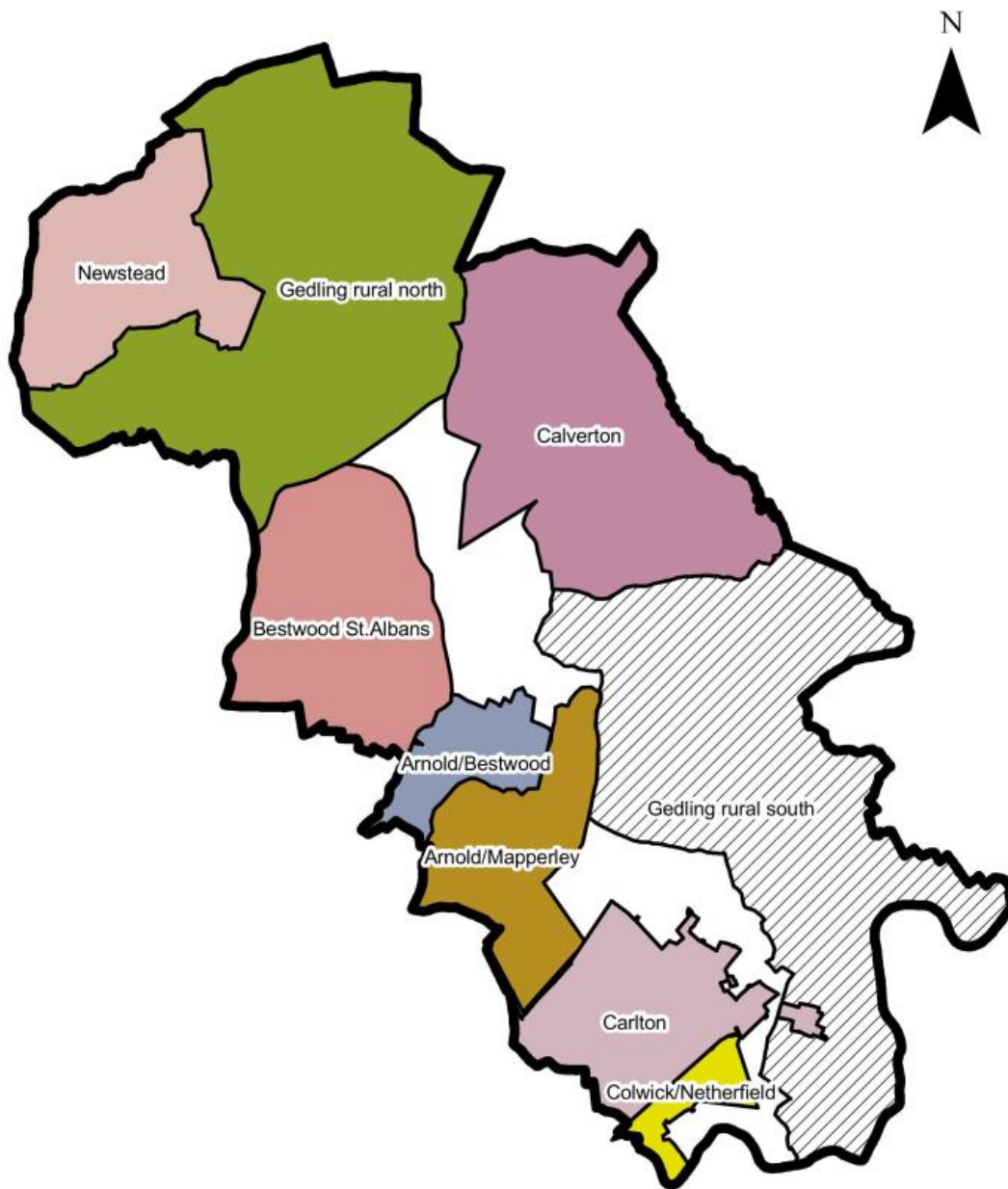
4.2 In light of the indicative site size threshold contained within PPS3, the Council will negotiate an element of affordable housing on all sites of 15 dwellings or more. The Nottingham Core Affordable Housing Viability Study confirms that the reduction of the threshold to this level will not make development unviable.

4.3 The Viability Study also explores the possibility of lowering the threshold below 15 units (particularly in the rural areas). However, this matter will be explored more thoroughly in the Local Development Framework.

Proportion of Affordable Housing to be Sought

4.4 The Viability Study assesses the viability of providing affordable housing in different parts of the borough and concludes that it would be appropriate to adopt different targets for different parts of the Borough, based on housing sub-markets. The map below illustrates the sub-markets that were identified and agreed by both the Council and the consultant, based on market value areas using HM Land Registry data. It should be noted that the sub-markets reflect those used for the Nottingham Core Strategic Housing Market Assessment.

4 . Requirement for Affordable Housing



Viability Sub Markets in Gedling Borough

 Carlton	 Arnold/Bestwood	 Bestwood St. Albans
 Colwick/Netherfield	 Calverton	 Gedling rural north
 Newstead	 Arnold/Mapperley	 Gedling rural south

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Viability Sub Markets in Gedling Borough

4 . Requirement for Affordable Housing

4.5 The Council will require the proportion of all new dwellings on qualifying sites to be as follows:

10% affordable housing in the Newstead and Colwick/Netherfield sub-markets

20% affordable housing in the Arnold/Bestwood, Calverton and Carlton sub-markets

30% affordable housing in the Arnold/Mapperley, Bestwood St Albans, Gedling rural north and Gedling rural south sub-markets.

4.6 The Map attached as **Appendix 4** refers.

4.7 This approach is supported by the Affordable Housing Viability Study (2009) and the use of three percentages reflects the wide range of land prices and affordability in the Borough.

New Housing Markets

4.8 Where new strategic large housing sites come forward for development (comprising several hundred new houses), these sites will have the potential to create their own viability sub-market, which may differ from the existing viability sub-markets adjoining the site.

4.9 The testing of such sites was beyond the scope of the Nottingham Core Affordable Housing Viability Study. This is because market values, specific infrastructure and abnormal costs need to be established for each new strategic site.

4.10 Each strategic site will need to be tested separately and an affordable housing target set by the Council independently of the findings of the Viability Study.

Homes and Communities Agency Funding

4.11 Where it is identified that a greater proportion of affordable housing is required than is viable, the Council will support applications for Homes and Communities Agency funding. This will be decided on a site by site basis and early discussion with the Strategic Housing Team is advised.

Monitoring the Delivery of Affordable Housing

4.12 The delivery of affordable housing is monitored and reported annually in the Council's Annual Monitoring Report, which is available on the Council's website. http://www.gedling.gov.uk/index/pe-home/pe-lp-home/pe-lp-localdevel.htm#gedbor_ann_mon_rep This monitoring will help to identify any future changes required to the policy, taking account of national, regional or sub-regional initiatives or any review of the Borough's housing needs or strategy.

5 Delivery of Affordable Housing

Delivery of Affordable Housing

Section 106 Process in Gedling

5.1 On all sites that require affordable housing, Gedling Borough Council will negotiate a Section 106 agreement.

5.2 This agreement will include, as a minimum:

- The number of affordable and open market units
- Tenure of the affordable housing
- Phasing; and safeguarding of affordability to meet long term needs
- Plans identifying the location of affordable units by type and size

5.3 Negotiation on the content of the Section 106 agreement should be commenced at the pre-application stage, with input from the Development Control, Legal and Housing Strategy sections of the Council. It is at the pre-application stage that developers should provide details of any abnormal costs, which may reduce ability to provide affordable housing. As part of the application submission, heads of terms should be provided based on the discussions held at the pre-application stage. These discussions and heads of terms are needed to ensure that the application is dealt with as effectively and efficiently as possible and that agreement on the precise wording of any obligation required to be made under section 106 of the 1990 Act can be formalised quickly after a resolution has been made by Planning Committee and the decision issued.

5.4 The Council will identify what affordable housing is appropriate at the time of negotiating the Section 106 agreement using:

- House prices in the borough (to ward level)
- Local average earnings
- Mortgage multipliers

5.5 This information will be used to inform the relevant tenure split between social rented and intermediate products.

5.6 Developers will be required to pay reasonable legal costs incurred by the Council in preparing the Section 106 agreement.

Commuted Sums

5.7 It is normally Gedling Borough Council's policy that affordable housing will be delivered on site, as it will contribute to the Council's aim of creating more mixed and inclusive communities. However, under certain circumstances and where robustly justified by evidence, the Council may consider waiving this in favour of receiving a commuted sum, the methodology for which is set out below.

5.8 Commuted sums will be considered under certain circumstances, for example:-

5 . Delivery of Affordable Housing

- Where the Council considers there is less evidence of need in the immediate locality and the sums would be better used towards the provision of affordable housing elsewhere within the Borough where a need has been identified.
- Where the Council accepts that no Registered Provider of Affordable Housing is willing to acquire the affordable housing already built on site.

5.9 In considering whether or not there is a requirement for on-site affordable housing provision, the Council will take into account the reasonable development potential of any adjoining land that is likely to come forward for development, to discourage sites coming forward in phases with the intention of avoiding the requirement of affordable housing provision.

5.10 Where the Council considers taking a commuted sum in lieu of the on-site provision of affordable housing, the following methodology will be used:

Step 1 - Calculate the residual land value of the site as if the scheme were being built for 100% market housing i.e. 'Valuation 1'

Step 2 - Calculate the residual land value of the site at the affordable housing policy target (i.e. a mixed tenure development) - i.e. 'Valuation 2'

Step 3 - Calculate commuted sum: this is the difference between Valuation 1 and Valuation 2.

5.11 The provision of a commuted sum may be used in a number of ways. It may be given as a grant to a Registered Provider of Affordable Housing to enable a development to break even financially, to refurbish existing affordable housing (to reduce the need for new building), or help a Registered Provider of Affordable Housing achieve better quality homes. In all cases, commuted sums will be used to 'add value' ie to deliver projects or outcomes that would not have happened otherwise, rather than to simply replace other sources of available funding.

5.12 For a particular site, how and where the commuted sum may be used to contribute to affordable housing will be agreed with the applicant through the negotiation process on the Section 106 Agreement. In each case, it will accord with the requirements of Circular 05/2005 on planning obligations which states, among other things, that a planning obligation (such as the provision of affordable housing or a commuted sum in lieu) must be 'directly related to the proposed development'.

5.13 It is the Council's aim to assist in the creation of mixed and balanced communities which provide opportunities for all. The Council will look for opportunities to use commuted sums on projects in the area where the development is situated, but sometimes sums from a development in one area may be employed elsewhere, in order to deliver projects where they are most required. In deciding how to use commuted sums, consideration will also be given to strategic priorities and value for money. This approach is justified on the basis that the whole Borough falls within the Nottingham Core Housing Market Area and the submarkets in different parts of the Borough fundamentally affect each other.

5 . Delivery of Affordable Housing

5.14 Any commuted sums received from developers in lieu of affordable housing will be ring fenced in a budget controlled by the Strategic Housing Manager, who will decide on their disposition, having regard to government guidance and any constraints in the relevant Section 106 Agreement.

Phasing

5.15 Construction and occupation of the affordable units will be controlled in relation to the construction and release of the rest of the site. The general approach that will be taken to the phasing of affordable housing is set out below. However, it will be open to developers to present evidence to justify why the phasing requirement should differ given the specific circumstances of the site and anticipated completion rates.

5.16 Normally, not more than 40% of the open market dwellings may be occupied before all of the affordable housing is commenced.

5.17 Normally, not more than 60% of the open market dwellings may be occupied before all of the affordable housing is completed, and available for occupation.

5.18 In order to monitor progress on the provision of affordable housing, the developer will be required as part of the Section 106 agreement to notify the Council at various stages of the development.

Negotiating in Phases

5.19 Under certain circumstances, the Council may consider dividing the Section 106 negotiations into phases, especially where phasing is likely to be spread over longer periods of time or there are other extenuating circumstances. However, the Council may re-negotiate thresholds and the percentage of affordable housing required depending on the housing market at the time.

Subsidy and Viability

5.20 Developers should be aware that Gedling Borough Council has no capital to support affordable housing development.

5.21 Developers should ensure, in the first instance, that the need to provide affordable housing is reflected in the price they pay for the land. The requirement to provide affordable housing will not normally be waived.

5.22 Negotiation over the level and type of affordable housing requirement will take account of the economics of site development, any abnormal costs and other planning policies which affect the viability of the proposal. However, the Council considers that costs incurred in delivering a workable, high quality development are to be expected, should be reflected in the price paid for the land and will not normally reduce the ability of the site to contribute towards affordable housing provision. Such expected costs may include:

- Site demolition and clearance
- Good quality design measures
- Landscaping

5 . Delivery of Affordable Housing

- Noise and other environmental attenuation (such as flood prevention measures)
- Appropriate infrastructure provision which may include highway and public transport measures and
- Other Section 106 obligations (open space, sport, and recreation provision, health provision and education)

5.23 For further detail on the threshold for Section 106 contributions required by the Council, please see policies C2 and H2 (including the supporting text) of the Gedling Replacement Local Plan <http://www.gedling.gov.uk/index/pe-home/pe-lp-home/pe-lp-local-plan.htm>

5.24 Developers will need to demonstrate any abnormal costs at the earliest stage in order that their impact on viability may be assessed. The Affordable Housing Viability Toolkit provided by the Three Dragons as part of the Viability Study will be used by the Council to assess the implications for affordable housing provision on the site. The purpose of the Toolkit is to provide the Council with an assessment of the economics of residential development and allow the economic implications of different types and amounts of planning obligation to be tested (in particular, the amount and mix of affordable housing). More information on the Toolkit is provided at Appendix 2 of the Viability Study http://http://www.gedling.gov.uk/gedling_bc_viability_study_-_draft_final_report.pdf

5.25 However, where the developer is disputing the methodology of the Viability Study, they must provide a full financial appraisal of the scheme and allow the appraisal to be verified, at their expense, by an independent agent chosen by the Council. If pre-application discussions between the Council and Applicant indicate a dispute in relation to viability, the Council would encourage the undertaking of the appraisal prior to the formal submission of any planning application. The application would need to be submitted with all evidence in terms of viability. However, if the Applicant considers that such information is commercially sensitive, any such documents should be clearly referenced to indicate this and the Council will not make such documents routinely publicly available as part of the planning application process.

5.26 The Council may negotiate a higher percentage of affordable housing than indicated in this policy in areas of the Borough where there are problems with high demand or market imbalance. Where this may make the scheme unviable, the Council will support a grant application to the Homes and Communities Agency in order to secure the higher percentage of affordable housing. The Council may also support the scheme with commuted sum monies, if and when these have been accrued.

5.27 Further information on the Homes and Communities Agency grant for affordable housing on Section 106 sites is available on www.homesandcommunities.co.uk. This will be updated by the Homes and Communities Agency as necessary.

Design

5.28 The Council will negotiate the size and mix of affordable dwellings in the development on a site by site basis.

5 . Delivery of Affordable Housing

5.29 The Council's Strategic Housing Team encourage developers to contact them at an early stage to discuss requirements. The affordable housing need in the area may be for a different type than which the developer intends to provide commercially.

5.30 If the need is for supported housing this will be identified and negotiated on a site by site basis.

Housing Mix

5.31 The Council expects the affordable housing to be integrated with the market housing on site. In larger schemes, the expectation will be that the affordable housing is provided in a number of small clusters, rather than one large grouping.

5.32 The affordable housing should not stand out from the open market housing in terms of either layout or design, to assist in creating balanced communities.

Housing Design

5.33 The Council has assisted in the production of the Nottinghamshire Sustainable Developer Guide. This guide applies to both affordable and market housing. The document is available from <http://www.sdg-nottinghamshire.org.uk/>

5.34 Developers will be required to have written approval from the Council of the design of the affordable housing within the scheme before the development begins. Any schemes where it is evident that the affordable housing proposed is of a lesser quality of design or layout will not secure this approval until agreement is reached.

5.35 The Council expects all housing development within the Borough to meet high standards of design, layout and landscaping. The affordable housing must:

- Be in accordance with the Homes and Communities Agency's Scheme Development Standards current at the time of the submission for approval
- Aim to meet Secured by Design criteria and
- Achieve Code for Sustainable Homes level 3 or better, level 4 in 2013 and level 6 in 2016.

5.36 Developers are encouraged to work towards lifetime homes standards. This matter will be explored more fully in the Core Strategy.

5.37 As they are published over time the Council may also require additional good practice design and build quality standards to be met. Should the Council require further good practice standards to be met in the future, it will consult and circulate details widely.

5 . Delivery of Affordable Housing

Occupancy and management

Registered Social Landlords

5.38 The Council requires that the affordable housing (except homes that are offered at a discount off the open market value, which fall within the Council's Affordable Ownership Scheme) is transferred to and/or managed by a Registered Provider of Affordable Housing which has been agreed by the Council. The Council will not unreasonably withhold agreement.

5.39 The Council does not have preferred partners and cannot recommend particular Registered Providers of Affordable Housing. A list of Registered Providers with a local presence is attached as **Appendix 2** for information.

5.40 In the interests of securing a quality service for tenants, the Council will normally oppose the use of any Registered Providers of Affordable Housing who:

- cannot demonstrate a local management service
- has not received four 'green traffic lights' in the most recent Homes and Communities Agency assessment (or equivalent)

Eligibility

5.41 The Council will use conditions or obligations to ensure that the affordable housing is occupied by people who have a demonstrated housing need that they cannot meet through the private sector. This may be determined by their presence on the Gedling housing register, or by the submission of financial information to show that they cannot afford market housing of an appropriate size and type or location.

5.42 Where the affordable housing is in the form of social rented housing, the Council will seek rights to nominate the first tenant(s) of each property to the Registered Provider of Affordable Housing. After the first letting, the properties will be allocated according to the Registered Providers established allocations/lettings policy or criteria. However, the Council will seek a nomination agreement with the Registered Provider for a proportion of the turnover, usually at least 50%. Any such nomination agreement will be negotiated separately from the Section 106 agreement.

5.43 Where the affordable housing is in the form of low cost home ownership units, such as shared ownership or discounted for sale, the owner must provide details of their prospective purchaser and their household to the Council's Housing Strategy and Development Officer who will consider income, savings, capital and – at their discretion – any special circumstances. They will determine whether they are in need of affordable housing and whether they have a local connection to the Borough.

5.44 A cascade of local connection will be agreed for the first disposal of each low cost home ownership property such that:

- preference will be given to people in need of affordable housing who are ordinarily resident or working in the Borough
- eligibility will then widen to people in need of affordable housing who are ordinarily resident or working in the rest of the South Nottinghamshire housing market area (that

5 . Delivery of Affordable Housing

is, the Boroughs of Broxtowe and Rushcliffe, City of Nottingham, or Hucknall in the south of Ashfield District)

- the criteria will then widen to anybody else in need of affordable housing

5.45 Should the Council fail to provide a written determination of eligibility and local connection within 20 working days of receipt of all necessary information, the owner may certify that in their reasonable opinion the applicant household is in affordable housing need. Subsequent disposals of shared ownership or discounted for sale properties must be to households in need of affordable housing, as determined by the Council, but there will be no local connection requirement.

5.46 Where a unit of affordable housing is lost due to re-possession, there will be a requirement for a “Windfall Sum” to be re-paid to the Council by the mortgagee, which will be recycled back into affordable housing within the Borough.

5.47 The Council will ensure that the eligibility criteria have sufficient flexibility that occupants can be found for the affordable housing.

6 Conclusions

6.1 This Supplementary Planning Document contains three key elements which affect the delivery of affordable housing within Gedling Borough:

Threshold

In line with the guidance contained within PPS3, the Borough Council will seek the provision of affordable housing on sites of 15 dwellings or greater (with no site area threshold).

Percentage of affordable housing required

The Borough Council will require the provision of 10% affordable housing in the Newstead and Colwick/ Netherfield sub-markets; 20% affordable housing in the Arnold/ Bestwood, Calverton and Carlton sub-markets; and 30% affordable housing in the Arnold/Mapperley, Bestwood St Albans, Gedling rural north and Gedling rural south sub-markets. The map at **Appendix 4** refers.

Commuted sums

Affordable housing will normally be delivered on site. However, under certain circumstance, this may be waived in favour of a commuted sum.

7 Further Information

Further information on the operation of the Council's affordable housing policy can be obtained from:-

Development Control , Gedling Borough Council, Civic Centre, Arnot Hill Park, Arnold, Nottingham NG5 6LU

Tel 0115 901 3971

E-mail developmentcontrol@gedling.gov.uk.

Planning Policy, Gedling Borough Council, Civic Centre, Arnot Hill Park, Arnold, Nottingham NG5 6LU

Tel 0115 901 3733

E-mail planningpolicy@gedling.gov.uk

Housing Strategy, Gedling Borough Council, Civic Centre, Arnot Hill Park, Arnold, Nottingham NG5 6LU

Tel 0115 901 3696

E-mail housingstrategyteam@gedling.gov.uk

Appendix 1 Glossary

Affordable housing

PPS3 defines affordable housing as:

- Social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market
- Meeting 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
- Including 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.

Commuted Sums

Financial contribution provided by developer in lieu of providing affordable housing on that development site.

Code for Sustainable Homes

The Code measures the sustainability of a new home against nine categories of sustainable design, rating the 'whole home' as a complete package. The Code uses a 1 to 6 star rating system. The Code sets minimum standards for energy and water use at each level and, within England, replaces the EcoHomes scheme, developed by the Building Research Establishment (BRE).

Core Strategy

The key Development Plan document, setting out the long term spatial vision for the area, the spatial objectives and strategic policies to deliver that vision. As such, it implements the spatial aspects of the Sustainable Community Strategy.

Homes and Communities Agency

The Homes and Communities Agency (HCA) is the national housing and regeneration agency for England. The HCA was formed on 1 December 2008 when the old Housing Corporation's functions were divided between it and the Tenant Services Authority (see below). The HCA has wide ranging powers to deliver new homes and regeneration by managing land supply and grant funding of schemes. Funding from the HCA is very important for new development of affordable housing. See www.homesandcommunitites.co.uk.

Housing Association (H.A.)

The main providers of new social housing. Most are Registered Social Landlords (see below).

Lifetime homes standard

Design standard for flexible, adaptable and accessible housing which can be modified in response to changing individual needs as the occupant gets older. Includes standards on accessing the property, space and layout within the property and the positioning of windows, light switches etc.

Local connection

Whether a potential occupant has an association with Gedling Borough. This may be through living or working in the Borough now or previously, or through family or personal ties. We will apply the same test of 'local connection' as is used in homelessness legislation. There is no requirement to have a 'local connection' to any specific part of the Borough to be eligible for schemes in that area.

Local Development Framework

A portfolio of Local Development Documents which set out the spatial strategy for the development of the local authority area.

Nominations agreement

Agreement between the Council and RSLs for the Council to propose people from the Borough housing register for vacant RSL dwellings. Over half of RSL lettings in Gedling are by nominations. RSL can reject nominees if they do not meet their letting criteria.

Planning Policy Statement

Published by the Department for Communities and Local Government to provide concise and practical guidance. These are produced for a variety of specific topics and can be found at www.communities.gov.uk.

Regional Spatial Strategy or Regional Plan (RSS)

Strategic planning guidance for the region. Gedling's Development Plan Documents have to be in general conformity with the East Midlands Regional Plan (which is the Regional Spatial Strategy). This was issued in March 2009, and is undergoing a Partial Review.

Registered Social Landlord (RSL)

A not-for-profit social landlord, registered with the Tenant Services Authority. Most are housing associations, but there are also trusts, co-operatives and companies. RSLs manage around 1.7 million properties across England.

Replacement Local Plan

The Gedling Borough Replacement Local Plan was adopted in July 2005 under the previous development plan system and comprises a Written Statement and a Proposals Map. The Written Statement includes the Authority's detailed policies and proposals for the development and use of land together with reasoned justification for these proposals. On 9th July 2008,

the Secretary of State confirmed which of the Local Plan policies should be 'saved' (and which deleted). In due course, the saved policies will be replaced by new policies in Development Plan Documents prepared under the Local Development Framework.

Secured by Design standard

Police initiative to encourage developers to adopt crime prevention measures in the design of new housing schemes. The standards are concerned with environmental quality, natural surveillance, access and footpaths, lighting and open space.

Section 106 agreement (s. 106)

Section 106 of the Town and Country Planning Act 1990 allows a Local Planning Authority to enter into a legally binding agreement or planning obligation with a landowner in association with the grant of planning permission. This agreement is a way of addressing matters that are necessary to make a development acceptable in planning terms and are used to support the provision of services and infrastructure, such as highways, recreational facilities, education, health and affordable housing. The developer is normally asked to make financial contributions or to provide these facilities on the site or elsewhere.

Shared ownership

A type of low cost home ownership (LCHO), in which the occupant buys a portion of a property from an RSL (e. g. 50% share) and pays rent for the remaining share. The occupant can buy further shares and eventually own their home outright. A well established means of helping people get onto the property ladder, especially in high priced areas.

Strategic Housing Market Assessment

A large scale research project that provides information on the level of need and demand for housing and the opportunities that exist to meet it at housing market area level.

Social renting

Housing which is provided at below market price, by a Registered Social Landlord or Local Authority. Tenants have better security than private sector tenants, and rents are set in accordance with a national formula so that they stay affordable.

Supplementary Planning Document

A document providing supplementary information in respect of the policies in Development Plan Documents. They do not form part of the Development Plan and are not subject to independent examination.

Supported housing

Housing where an individual holds a tenancy at the same time as receiving support to live there, e. g. older people, people with disabilities or health problems, or people with substance abuse problems. This may be housing which is specially designed for the purpose of its client group, or it may be indistinguishable from general needs stock.

Tenant Services Authority

The new regulator for social housing, formed on 1 December 2008 when the old Housing Corporation's functions were split between it and the Homes and Communities Agency (see above). The TSA regulates the work of housing associations to ensure they are well run, financially stable and provide high quality services to tenants.

Windfall Sum

Money paid back to the Council if a Discount for Sale home is repossessed and hence lost as affordable housing. This is the difference between (1) the greater of the mortgage debt at the time of disposal by the mortgagee and the Discount Price, and (2) the open market value at the time of disposal.

Appendix 2 Registered Providers of Affordable Housing

Abbeyfield Nottingham Society

ACIS Group

Advance Housing

Anchor Trust

Derwent Living

East Midlands Housing Association

Family First Ltd

Framework Housing Association

Gedling Homes

Guinness Northern Counties

Home Housing Association

Housing 21

Leicester Housing Association

Longhurst Housing Association

Metropolitan Housing Partnership/Spirita

Nottingham Community Housing Association

Places for People

TunTum Housing Association

Appendix 3 Consultation Statement

3.1 Under the Planning and Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Development) (England) Regulations 2004 (Regulation 17), it is a requirement to prepare and publish a Consultation Statement for Supplementary Planning Documents. This Consultation Statement has been prepared to describe the involvement of the community and of stakeholder organisations in the preparation of the Affordable Housing Supplementary Planning Document.

Draft Supplementary Planning Document

3.2 The Supplementary Planning Document was made available for consultation for a six-week period between 7th August and 18th September 2009.

3.3 Copies of the document were made available through our website (<http://www.gedling.gov.uk/index/pe-home/pe-lp-home/pe-lp-localdevel/pe-lp-suppguidance.htm>) and paper copies were also available at the following locations:

- Civic Centre, Arnot Hill Park, Arnold
- St Georges Centre, Netherfield
- Bestwood Miners Welfare
- Local libraries including Arnold; Burton Joyce; Calverton; Carlton; Carlton Hill; Gedling; Hucknall; Mapperley; Ravenshead and Woodthorpe.

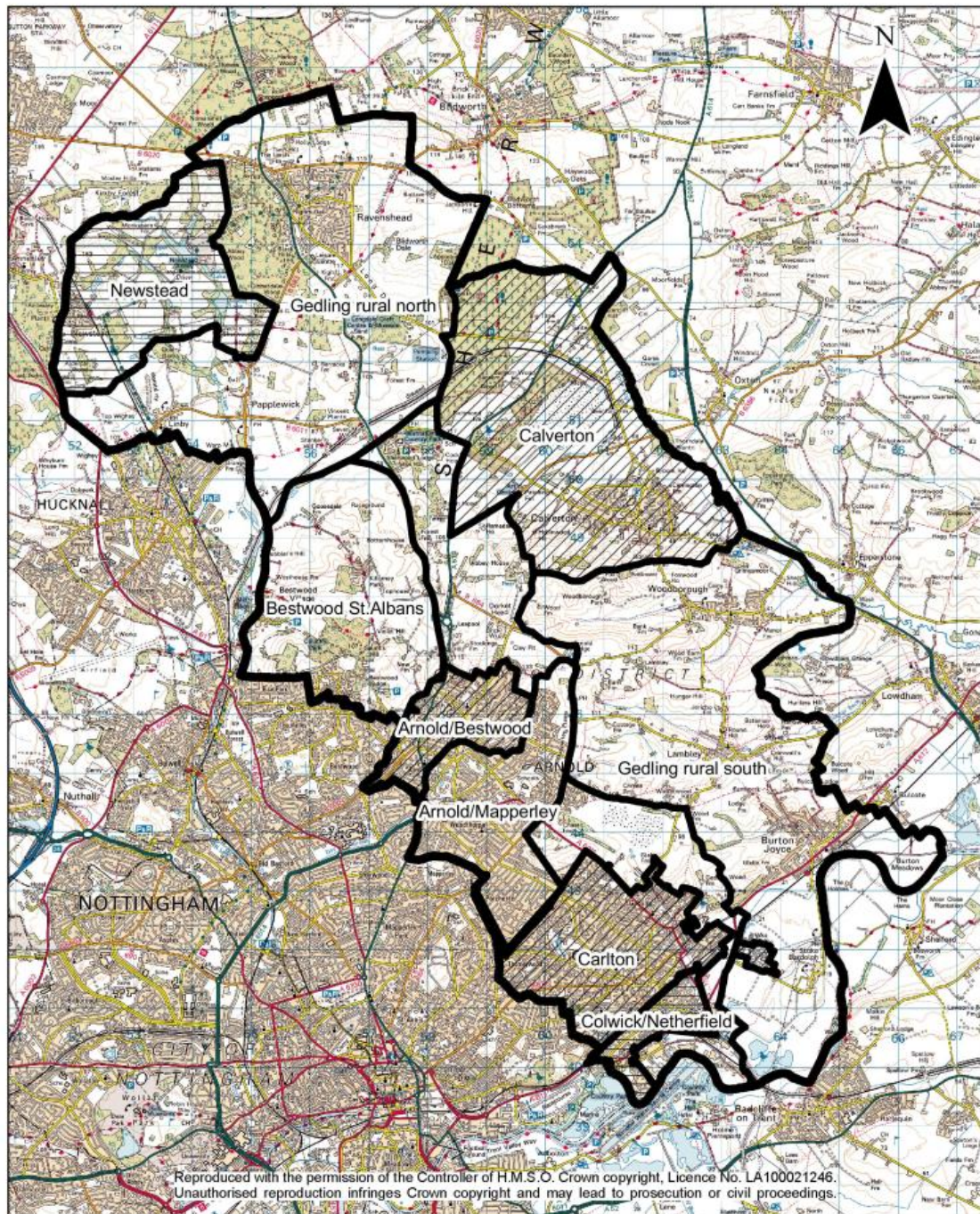
3.4 The list of organisations and individuals that were directly consulted on the draft Supplementary Planning Document included:-

- Parish Councils
- East Midlands Development Agency
- BT
- Central Networks
- East Midlands Development Agency
- East Midlands Regional Assembly
- East Midlands Regional Local Government Association
- English Heritage
- Environment Agency
- Government Office for the East Midlands
- Highways Agency
- Mansfield District Council
- Mobile Operators Association
- National Grid
- Natural England
- Network Rail
- Newark and Sherwood District Council
- NHS Nottinghamshire County
- Nottingham City Council
- Nottinghamshire County Council

- Royal Mail
- Rushcliffe Borough Council
- Severn Trent Water
- The Planning Inspectorate
- Transco
- Developers and key landowners
- Registered Social Landlords active within Gedling Borough

3.5 A total of 55 comments were made on the draft Supplementary Planning Document from 15 separate respondents. Following the consultation exercise, the comments received were considered and the document amended as appropriate. It was then reported to the Local Development Framework Steering Group on November 17th 2009. The Supplementary Planning Document was formally adopted by the Council on 3rd December 2009 and has been made available on the Council's website.

Appendix 4 Map showing requirement for Affordable Housing



 Colwick/Netherfield 10%	 Arnold/Bestwood 20%	 Bestwood St. Albans 30%
 Newstead 10%	 Calverton 20%	 Gedling rural north 30%
 Carlton 20%	 Arnold/Mapperley 30%	 Gedling rural south 30%

Requirements for Affordable Housing Provision

Map 4.1 Requirements for Affordable Housing Provision