

**South Gloucestershire Council
Local Plan**



**Affordable Housing
Extra Care Housing**

Draft Supplementary Planning Document



December 2013

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1. PURPOSE

The purpose of this supplementary planning document (SPD) is to support the local authority, developers, housing providers and local communities to deliver a wide range of housing through successful planning applications with particular focus on (a) the provision of affordable housing, and (b) the delivery of exception sites in rural areas and (c) the provision of Extra Care housing, including affordable Extra Care.

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

These policies, and the supplementary advice supporting them, supersede those in the South Gloucestershire Local Plan, published in 2006, and in the Affordable Housing Supplementary Planning Document, published in 2008. The separate South Gloucestershire Council guidance note on Rural Affordable Housing Exception Sites (2013) will also be superseded and will be withdrawn.

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

1.1 Objectives

The specific objectives of the revised SPD are to:

- confirm the revised policy context at national and local level affecting the provision of affordable housing
- set out the means by which the new requirement for 35% affordable housing in new housing developments can be achieved on-site, taking account of viability considerations
- enable the delivery of an appropriate mix of affordable housing suitable in tenure, type, size and location to meet identified housing need, drawing on evidence from the most recent Strategic Housing Market Assessment
- contribute to the achievement of sustainable development, economically, socially and environmentally; for example providing jobs and homes to local communities, enhancing social cohesion, improving living conditions for all households, and ensuring that developments respect the local environment.
- highlight the revised thresholds of sites on which a proportion of affordable housing will be sought and indicate how such sites will be defined
- identify the role of Affordable Rent, as a recently introduced tenure in affordable housing,
- outline the factors which may reduce the amount of the affordable housing contribution and the appraisal mechanisms that will be used to determine this
- set down how more affordable housing might be provided in rural areas for local communities, with the support of some market housing and

- define Extra Care housing and provide guidance for its provision, including when it would be appropriate to seek affordable housing as part of new provision
- address the scope for self-build housing to provide “affordable housing”, distinguishing self build from other low cost market housing which might fall outside the definition of affordable housing.

1.2 Status of Document

The Affordable Housing and Extra Care SPD is one of a suite of documents which will form the Council’s Local Development Framework. Upon adoption by the Council it will be considered a material consideration in the determination of planning decisions by the Council.

2. POLICY BACKGROUND

2.1 National Planning Policy Framework

The NPPF provides the broad policy framework for the South Gloucestershire Core Strategy and the guidance within the SPD applies those national policies and requirements.¹

In particular the NPPF:

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

Requires local authorities to:

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

2.2 Definition of Affordable Housing

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

- Affordable housing is therefore social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

¹ *National Planning Policy Framework –Department for Communities and Local Government March 2012*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf

- Such housing is generally provided below market rent levels by means of a subsidy.
- In order to be considered as affordable for planning purposes it should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- It may include shared ownership and homes for sale at below market levels, but not housing which does not meet the above definition of affordable housing, particularly in respect of its future retention as affordable housing and its restriction to eligible households. “Low cost market housing” is therefore unlikely to be considered as affordable housing for planning purposes.

Eligibility for affordable housing

Eligibility for affordable housing, and hence access to it for households, is determined with regard to local incomes and local house prices, and household circumstances. Because the relationship between incomes and housing costs will vary over time, the numbers requiring affordable housing may vary.

However, given the large unmet need for affordable housing these variations will not be considered as a reason to vary the affordable housing requirement in South Gloucestershire.

The Glossary contains more detailed definitions of the different types of affordable housing.

2.3 Core Strategy Affordable Housing Policies

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

3. AFFORDABLE HOUSING

3.1 CS18 Affordable Housing

Policy CS18 Affordable housing

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

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

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

- developments contribute to a range of housing provision in local areas, with the aim of achieving mixed and balanced communities, and refer to the findings of the Strategic Housing Market Assessment, (and in rural areas, where appropriate, to local housing needs surveys), in providing the specific housing mix required to meet housing needs; and that
- the different types of defined affordable housing are used effectively to maximise appropriate provision in line with the West of England Strategic Housing Market Assessment 2009 or as updated by future housing market assessments; and that

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

3.2 Developments Subject to the Affordable Housing Requirement

The policy requires 35% of housing provided in “all new housing developments” to be affordable and to be provided on-site, normally without public subsidy.

For the purposes of calculating the units of affordable housing required, the total gross number of new dwellings created as part of a development scheme will be the number to which the percentage requirement will be applied. The Council will not permit the discounting, against the gross total, of any existing dwellings i.e. flats or houses, which might be present on a site and which would subsequently be demolished, or be the subject of significant structural alterations, as part of a (re-) development scheme.

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

However, where the subdivision of existing dwellings takes place as part of any refurbishment /upgrade scheme in a wider development scheme, then the net new additional units produced would form part of the total housing numbers to be the subject of affordable housing requirements.

The requirement for affordable housing policy will therefore apply to the conversion of any existing building that would result in new additional housing units being produced where planning permission is required.

If abnormal costs of development arise as a result of conversion or redevelopment schemes, or it can be shown that construction costs are higher, then these should be identified in the viability appraisal for the site. (See para.3.8 below).

3.3 Site Size Thresholds and Site Definition in Urban and Rural areas

Policy CS18 sets out different site size thresholds when the requirement for affordable housing becomes applicable depending on whether a site lies in an urban or rural area. The definition of an urban or rural area is based on the Core Strategy; the urban area includes the North Fringe of Bristol, the East Fringe of Bristol, Yate/Chipping Sodbury and Thornbury and the industrial area of Severnside - these areas are detailed in Appendix 7.

In urban areas the Council will require affordable housing as part of any development of 10 or more dwellings or a residential site with a gross area of at least 0.33 ha, irrespective of the number of dwellings.

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

3.4 Site densities

Core Strategy Policy CS16 requires all housing developments to make an efficient use of land, maximising provision whilst ensuring high quality design and compatibility with the character of the local area.

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

3.5 Artificial Division of Sites

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

Similarly, where recent sub-division has taken place, or where, after an assessment, there is considered to be a reasonable prospect of adjoining land being developed for residential purposes, but it is not the subject of the current application, should any application be submitted within five years of completion of the principal site, the Council will assess both sites as one for the purpose of applying policy CS18.

3.6 Site Definition

The area of land, against which site size thresholds will be measured, will be the 'red line' boundary of the whole of the development site which encompasses any housing scheme, as set out in the planning application, and not simply the footprint of the residential buildings and their immediate curtilage.

Any issues regarding the potential unsuitability of the whole site for development, or planning requirements which may exclude areas from development, will form part of discussions on Section 106 obligations and wider viability issues.

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

3.7 On-Site Provision

The council's intention is that affordable housing should be delivered on-site with off-site provision only being considered in exceptional circumstances, and, in line with the para. 50 of the NPPF, where it can be robustly justified and contributes to the objective of creating mixed and balanced communities.

3.8 Site Viability

Policy CS18 requires developers to achieve 35% on site affordable housing normally without public subsidy if development sites fall within the site size policy thresholds. The Council does not wish to jeopardise the overall delivery of housing in South Gloucestershire and consequently in seeking to negotiate the maximum level of affordable housing, it will have regard to the economic viability of the site and the factors underpinning it. However, the 35% requirement is a robust target, capable of being achieved in an improving housing market in the medium to longer term.

It will be the responsibility of the developer to demonstrate that the economic viability of a particular site is affected by specific factors and that as a result a lower percentage of affordable housing should be provided, without public subsidy. Sections 8.2-8.5 provide further guidance on how viability issues will be dealt with.

4. THE NEED FOR AFFORDABLE HOUSING

4.1 Defining Housing Need

The evidence in the most recent Strategic Housing Market Assessment (SHMA) showed that in the period 2009-2021 there was a projected annual net need for 903 new affordable housing units.² At July 2013 South Gloucestershire's Housing Register had 6,876 households requesting help in meeting their housing needs, whilst average house prices in South Gloucestershire at £176,031 stood well above the £162,080 national average. With the recent upturn in activity, prices will once again begin to rise despite the fact that average prices are nearly 8 times the average salary in South Gloucestershire.

In comparison, 832 affordable housing units were built between April 2010 and March 2013. There is therefore clear evidence that a backlog of housing need exists and that there will be a continuing and demonstrable need for affordable housing in the District.

Meeting these needs and ensuring a sufficient variety of house types and sizes to achieve mixed and balanced communities is a high priority of the council. Based on this evidence Core Strategy Policy CS18 requires developers to achieve 35%

² *West of England Strategic Housing Market Assessment June 2009v2*
Prepared on behalf of Bath and North East Somerset Council; Bristol City Council; North Somerset Council; South Gloucestershire Council; Mendip District Council West Wiltshire District Council with Research commissioned from: Professor Glen Bramley Heriot-Watt University Edinburgh
<http://www.southglos.gov.uk/Pages/Article%20Pages/Community%20Care%20-%20Housing/Housing/Strategic-Housing-Market-Assessment-11083.aspx>

on-site affordable housing on all new housing developments falling within with site size thresholds.

A fully revised SHMA is due in 2014-2015. However, in the interim, further work was undertaken in March 2013 to address the recent introduction of the Affordable Rent tenure. The results of this work have been published in an addendum to the 2009 SHMA.³

The work modelled the proportion of households who could have afforded Affordable Rent at 80% market rent had it been a legitimate form of affordable housing at the time of the 2009 SHMA. The addendum concluded that only 6% of those households in South Gloucestershire who were considered to be in housing need at that time would have been able to afford Affordable Rent at 80% market rent, whilst not being able to access an intermediate affordable housing tenure, for example shared ownership. Taking this into account, the tenure split recommended by in the addendum in respect of South Gloucestershire is as follows:

- i) 78% social rent;
- ii) 6% affordable rent;
- iii) 16% intermediate affordable housing.

The affordable housing dwelling mix for each tenure type is set out in Appendix 2.

4.2 Other Housing Needs

The SHMA also shows an annual need for 49 units of wheelchair accessible accommodation, which equates to 5% of South Gloucestershire's net housing need of 903 units. Therefore the Council will seek a provision of 5% of the total affordable housing provision to be social rented accommodation for wheelchair users, with dwelling type to be determined on a site by site basis according to layout and need.

The Council will consider meeting the housing needs of specific groups such as Black Minority Ethnic (BME) communities and those requiring supported housing and may refer to specific needs evidence to support the provision of suitable accommodation.

In rural settlements local housing need evidenced through a Parish survey can be used to support rural exception site development. Further guidance on rural exception sites is provided in Section 9 and Appendix 8

³ *Addendum to the 2009 Strategic Housing Market Assessment - West of England Authorities March 2013* Research commissioned from: Professor Glen Bramley Heriot-Watt University Edinburgh

<http://www.southglos.gov.uk/Pages/Article%20Pages/Community%20Care%20-%20Housing/Housing/Strategic-Housing-Market-Assessment-11083.aspx>

4.3 Eligibility

Affordable housing delivered under policies CS18, CS19 and CS20 may be occupied only by eligible persons. South Gloucestershire Council operates a Choice Based Lettings system known as HomeChoice and eligibility is set out in the HomeChoice Lettings Policy and Procedure. Intermediate affordable housing is marketed to eligible households by the HomeBuy Agent (SouthWest Homes). Contact the HomeChoice Team for more information (see Appendix 11 Useful contacts).

4.4 Local connection

Rural exception schemes require occupants to be in housing need and have a family, residential or employment connection to the local parish. Priority will be given to households with a local connection to the Parish,(or parishes if rural exception sites are supported by joint parish surveys and joint provision), after which, if the properties remain unallocated, priority will cascade to households from neighbouring parishes and subsequently the District. Other rural schemes may also give priority to those with a local connection where there is evidence of local affordable housing need. Further details of the eligibility criteria and the cascade are set out in Appendix 9.

4.5 Affordability

In order that the affordable housing provided under policy CS18 is accessible to eligible households, providers will need to demonstrate that it is available at a cost the occupiers can afford. The SHMA determines that, to meet local need, affordable housing costs should be set at the following levels:

- Social Rent must be let at no more than target rent as determined by the national rent regime.
- Shared Ownership should be let with equity shares of 40% and rent on the unsold equity of 1% in order to be affordable
- Affordable Rent to include service charges and set at up to 80% of local median market rents; in addition the applicant should demonstrate they have taken local affordability and deliverability into account including the consideration of welfare reform changes (for guidance rents should not be set above the Local Housing Allowance). Dwelling types to be limited to those set out in the tables in Appendix 2. If Affordable Rented dwellings are proposed at rents lower than 80% of market rents, a greater proportion and a wider range of house types may be considered.

5. TYPES OF AFFORDABLE HOUSING

5.1 Categories of Affordable Housing

The council will use the definitions of affordable housing set out in Annex 2 of the NPPF.

Social rented housing is owned by local authorities and Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or Registered Providers to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

5.2 Specialist affordable housing

Affordable housing may be sought under policy CS18 for people with specific accommodation requirements that may otherwise not be met, and where a need has been identified. These include:

- Extra Care housing providing a tenure range of self-contained accommodation which provides flexible care and support arrangements to meet the increasing needs of people as they get older and/or become more disabled whilst enabling them to live independently
- Sheltered or Retirement housing,
- Supported housing, for example for young homeless people or people with Learning Difficulties.

5.3 Exceptions

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

- “Low cost market” housing – housing for sale which may be cheaper than most market housing or at the lower end of the scale ;
- Key worker accommodation - such workers may be considered for affordable housing if they satisfy the same eligibility criteria as any other group ;

- Market housing - private housing for rent or sale where the price is set by the open market ;
- Student accommodation (non-self contained) ;
- Accommodation in care homes, residential and nursing homes within C2 of the Use Classes Order (see also Appendix 10)

5.4 Self-Build

Self-Build, also known as Custom Build, includes housing built or commissioned by individuals or groups of individuals for their own use. There is no single model but a wide range of ways that Self-Build can be procured.

Self-build does not automatically come under the definition of affordable housing; it may be low cost but it is generally considered to be market housing unless it meets the definition of affordable housing. The development of self-build on rural exception sites needs to be supported by housing needs evidence and meet the definition of affordable housing i.e. retained in perpetuity for households in housing need and with a local connection to the area.

Self-build schemes coming within the affordable housing threshold in policy CS18 would normally be required to provide 35% affordable housing although actual provision will be the subject of negotiations in respect of any viability considerations.

6. DEVELOPMENT STANDARDS

6.1 High Quality Design

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

In order to deliver high quality and sustainable affordable housing in inclusive and mixed communities, the Council requires that affordable housing developed in the District meets the design standards set out in Appendix 4.

This includes compliance with the Homes and Communities Agency (HCA) Design and Quality Standards and Housing Quality Indicators (HQIs) and national guidance on sustainable construction.

6.2 Wheelchair Standard

Standards set out in the HCA Design and Quality Standards will be the minimum standard expected by the Council. The Council has developed a wheelchair design guide and specifications which apply a practical blend of Habinteg Wheelchair Housing Design Guide 2nd Edition, Joseph Rowntree Foundation Lifetime Homes

standard, BS8300 and Occupational Therapist advice. Further details can be obtained by contacting the South Gloucestershire Housing Enabling Team.

6.3 Extra Care Design Brief

The South Gloucestershire Extra Care Design Brief provides a range of information to ensure high quality housing accommodation and the delivery of care and support services. Further information on the Design Brief is included at Section 10.5.

6.4 Planning and Distribution of Affordable Housing

On major sites, the master planning approval process will include a requirement for an affordable housing distribution plan and schedule that sets out the proportions of affordable dwelling types and tenure in each phase or parcel of the development. It is essential that a distribution schedule sets out how the agreed mix of affordable housing will be delivered evenly over successive parcels. The plan and schedule must be approved before submission of the first residential Reserved Matters application.

Developers should ensure that the affordable housing is delivered no later than the market housing. This will be achieved through the legal agreement, which will contain provisions to ensure that the developer enters into contract with the Registered Provider (RP) and transfers the affordable housing before the relevant percentages of permitted dwellings have been completed

The affordable housing should be distributed across the development so that it is well integrated and indistinguishable, as far as possible, from neighbouring market housing, to achieve a sustainable, inclusive and mixed community (NPPF para 50).

In order to achieve this distribution, the Council will expect no more than six affordable houses in a cluster, regardless of tenure, and no more than six affordable flats using a common access in a block.

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

Flats sharing an entrance and communal areas will be expected to be the same tenure.

7. DEVELOPMENT PROCEDURES

7.1 Affordable Housing Requirements

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

7.2 Legal Agreements

Applicants should have regard to the council's standard Affordable Housing Heads of Terms which sets out the council's general affordable housing requirements. An Affordable Housing Statement needs to be submitted with the application, clearly setting out how the application meets the affordable housing requirement. The Heads of Terms and the detail required in the Affordable Housing Statement are set out in Appendix 3.

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

The Council's Statement of Community Involvement (SCI) sets out its approach to consultation. Chapter 4 of the document deals specifically with consultation on planning applications.⁴

7.3 The Registered Provider (RP)

The council has entered into a framework agreement with RPs of the West of England Housing Delivery Panel (WoE HDP), which delivers affordable housing within the West of England sub-region. Contact details for the panel members are to be found in Appendix 11.

The council's preference is for affordable housing to be delivered by one of the WoE HDP panel members but the Council will not prescribe which organisation the developer chooses to work with. A developer may wish to work with a RP which is not in partnership with the council. In the event that a developer chooses a provider from outside this panel then this provider would need to demonstrate that it would meet the WoE service standards. Please contact the Strategic Housing Enabling Team for more information (see Appendix 11 Useful contacts).

⁴ *Statement of Community Involvement –Local Development Document –South Gloucestershire Council May 2008*
<http://www.southglos.gov.uk/Documents/PTE080288.pdf>

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

7.4 Enabling fees

The council will levy an Enabling fee for each affordable dwelling negotiated by the Council's Strategic Housing Enabling Team and delivered under the provisions of a Section 106 agreement pursuant to the approval of a planning application. The fee per dwelling is based on £500 as at 1st October 2011 and inflated annually by the Retail Price Index. It is paid by the organisation retaining ownership of the affordable dwellings, e.g. a RP on entering a building contract or at the start on site by the developer. It is a non-qualifying cost in relation to any bids for public subsidy and cannot be paid through Social Housing Grant or from Recycled Capital Grant Fund (RCGF).

8. ENSURING THE DELIVERY OF AFFORDABLE HOUSING

8.1 Delivering Affordable Housing without Public Subsidy

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

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

Developers will be expected to deliver the affordable housing in contract with a RP, or another affordable housing provider, who will purchase the affordable housing units from the developer at a price agreed between themselves.

It is important that the landowner, developer, and RP acknowledge that the price paid for the affordable housing can be supported only by capitalised rents in the case of social and affordable rented units, and the limits of equity and residual rent for intermediate units, as set out in this document. The price to be paid cannot be inflated by any presumptions regarding the availability of public subsidy.

The council can provide guidance on the price that developers might expect RPs to pay for affordable housing units. This is generally between 45% and 65% of open market value. However, this is a broad indicative range which is affected by a number of factors including unit type, tenure and local market conditions. Further advice on this should be sought from the council.

8.2 Viability

Applicants who cite non-viability as the reason for not complying with Policy CS18 must support their case with sufficient evidence when submitting their planning application. It will be the responsibility of the developer to demonstrate that the economic viability of a particular site is affected by specific factors.

At an early stage, for example in pre-application discussions, developers are encouraged to make themselves familiar with all the planning obligations likely to be required in a development, including the requirements for affordable housing, and to identify any viability issues in the preparation of their planning application .

Such factors might relate to :

- the scale of development;
- the density and mix of dwellings;
- the location of the development;
- the condition of the site itself, including whether there are site remedial/ demolition costs;
- other abnormal costs such as moving power lines;
- other Section 106 obligations pertaining at the time of the application , and
- the prevailing economic conditions and particularly the level of real house prices likely to prevail at the point of sale

The council will undertake an assessment of the economic viability issues using its own appointed chartered valuer or surveyor. It will seek a fee quote from its appointed valuer/surveyor and agree with the developer the fee payable to the Council in order to enable an assessment of the full range of viability issues being highlighted by the developer.

In providing the fee quote, the developer will be informed of the range of data that will need to be supplied in respect of the development so that the viability assessment might be completed. This will include the factors to be considered and the costs that are required to be attached.

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

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

8.3 Financial Appraisal Model

A residual valuation model will be used to assess the impact of planning obligations on the viability of the development (see Appendix 5).

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

Appendix 5 lists the main variables that will normally be required from the applicant in order to undertake a viability assessment of a residential scheme and so arrive at a Residual Land Value.

8.4 Offsetting Measures

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

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

8.5 Futureproofing

Where schemes are unviable and the council has agreed to one or more of the mechanisms in 8.4 above to restore viability, a Section 106 agreement will, where appropriate, be drawn up to include 'futureproofing' provisions to capture any increase in development values over the construction period of the development.

Examples of possible futureproofing mechanisms include:

- a) A fixed percentage of affordable housing, which is lower than the policy requirement of 35% but above the level which is viable at the time of the planning application. Funding should also be sought to restore viability. This might be appropriate for large, multi-phased sites which will be developed over several years;
- b) Viability reviews carried out at agreed times or stages of the development to reassess the affordable housing contribution to be delivered on subsequent phases. This is appropriate for large sites phased over several years;
- c) Arrangements whereby, if the development is not completed within a certain timescale, or assumptions made in the viability assessment change significantly, such as sales rates, an agreed proportion of any uplift in net development value would be assessed and transferred to the council as a financial contribution. This is more suitable for small sites developed over two or three years.

8.6 Retention of affordable housing

The council's intention is to provide affordable housing which is retained as such for as long as it is needed. Policy CS18 states, *"All provision will therefore include the expectation that affordable homes provided remain at an affordable price for future generations of eligible households and for the subsidy to be recycled for alternative affordable housing provision within South Gloucestershire where this is not so."*

- **Social rented and affordable rented housing**, which is delivered **without** public subsidy, is exempt from the requirements of the Right to Acquire in order to maintain its future use as affordable housing.
- **Rural affordable housing**. Certain rural areas are protected from the Right to Acquire, through the provisions of Statutory Instrument 2009 No. 2098, which identifies the exempt parishes of South Gloucestershire (Appendix 7). In these areas, under the provisions of the Housing and Regeneration Act 2008, shared ownership intermediate housing may be subject to a staircasing limit, e.g. 80% equity, or provisions must be in place for the social landlord to buy back the equity shares to prevent its loss through outright sale.

The mechanism for recycling the developer subsidy represented by net capital receipts is set out in Appendix 6. Instances in which net capital receipts will be recycled are set out below.

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

8.7 Off-Site Contributions

Affordable housing should be provided on-site unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (NPPF para 50). Off-site provision or a financial contribution will only be considered in certain circumstances, which might include an inappropriate location for affordable housing, a lack of need for affordable housing in a particular area, or a planning consideration that would restrict delivery.

Examples have included:

- a retirement living scheme where highway restrictions did not allow general needs housing, including affordable, and
- an office block conversion to residential where the existing units sizes did not meet the design standards required in affordable housing.

It also may not be appropriate to provide affordable housing in some types of specialist housing, e.g. Extra Care or retirement living where the built form is in large blocks of flats and the site has little or no capacity to provide separate affordable housing, or where insufficient affordable units is likely to make affordable Extra Care provision unviable.

8.8 Calculation of Off-Site Financial Contribution

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

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

The council will require construction costs to be supported by evidence of actual costs or, where these are not available, indicative costs provided by BCIS⁵. An independent valuer, jointly appointed with costs paid by the developer, will determine the financial contribution.

The value of the land will be a matter for the independent valuer and the developer to agree.

The price that would be paid for the units by the RP is equal to the capitalised rent in the case of the required rented units, and the capitalised equity share and capitalised residual rent (if any) in the case of intermediate units.

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

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

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

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

⁵ *Building Cost Information Service of the Royal Institute of Chartered Surveyors*

8.9 100% Affordable Housing Schemes

The following will apply on sites allocated solely for affordable housing, or where only affordable housing is proposed, and where site thresholds bring the development within the ambit of policy CS18.

If it can be demonstrated that the scheme cannot be delivered without grant, there will be no requirement to deliver a percentage of affordable homes without public subsidy. Public subsidy can be sought for all the affordable dwellings.

35% of the affordable housing units will need to meet the standards set by the council in order to comply with Policy CS18 and other guidelines set out in this SPD; this requirement will be secured through a Section 106 legal agreement. The remaining 65% of affordable housing does not need to comply with these requirements although they will need to meet the definitions of affordable housing in Annex 2 of the NPPF and comply with HCA funding requirements and standards.

The legal agreement will ensure that net capital receipts obtained through the disposal or staircasing of the additional 65% affordable housing will be recycled within South Gloucestershire.

9. RURAL HOUSING EXCEPTION SITES

9.1 CS19 Rural Housing Exception Sites

Policy CS19 - Rural housing exception sites

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

Proposals should be:

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

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

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

Outside these processes communities may nevertheless wish to support a small amount of new housing specifically to meet those local housing needs which cannot be met by the market in order to maintain more mixed, inclusive and viable local communities.

Proposals for sites providing affordable housing will therefore be considered as an exception to the policies of development restraint which would normally apply, subject to the considerations in sections 9.2-9.5 below and as amplified in more detail in Appendix 8.

9.2 Local Housing Needs Surveys

All planning proposals for the development of rural exception sites should be supported by a local housing needs survey undertaken within the previous five years.

The Parish Council should be involved in planning the investigation of local housing need in partnership with the council and/or any other housing body. It will be essential to ensure consultation and engagement with the local community throughout the process and particularly at the site selection stage.

9.3 The Selection of Sites

Individual site assessment should be undertaken in a comprehensive and consistent manner and should involve the transparent assessment of alternative sites. Planning applications for such sites will be considered in accordance with other relevant Core Strategy policies, together with the need to provide affordable housing. Relevant factors will include:

- the relationship of the proposals to the settlement and the locality in terms of their physical proximity and design, paying particular attention to the local distinctiveness of the settlement and the surrounding area;
- highway and pedestrian access;
- environmental considerations – including impact of proposals on landscape and heritage matters, ecology, agricultural land quality;
- implications for Green Belt or AONB policies where applicable.

9.4 Market Housing

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

Policy CS19 therefore allows for a small element of market housing to be developed on Rural Exception Sites to facilitate this where sufficient public subsidy is not available. In areas with little affordable housing even small quantities of new affordable units might be significant and proposals will be assessed accordingly.

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

Proposals containing an element of market housing on viability grounds should be supported by an open book viability assessment. This will need to demonstrate that the proposed number of market dwellings is essential for the successful delivery of the development and is based on reasonable land values as an exception site.

As a guide the Council expects exception site land to attract values marginally above agricultural values; the latter are expected to no more than £10,000 per plot (2013 prices).

The Council will commission an independent review of the viability appraisal, for which the developer will bear the cost.

The Council will only permit the minimum number of market homes required to deliver the scheme and generally, it is not expected that this proportion of market housing will exceed 25% of the total number of housing units.

However, individual proposals will be assessed on their merits, taking account of viability considerations. There will be no separate requirement for affordable

housing in respect of the market element. However, any CIL charge which the Council agrees to implement will be levied on the market dwellings element of the scheme.

9.5 Planning Application and Implementation

Following the preliminary survey work and engagement a Housing Provider will normally submit a planning application, with parish council support .

If permission is granted, a Housing Provider will be expected to allocate tenancies according to the council's allocations policy, in line with the local occupancy criteria within the planning agreement (see Appendix 9).

10. EXTRA CARE HOUSING

10.1 CS20 Extra Care Housing

CS20 EXTRA CARE HOUSING

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

Regard will be had to the nature of a scheme to determine whether it comes within category C2 or C3 of the Use Classes Order and is subject to the provisions of Policy CS18 in relation to affordable housing provision. Extra Care schemes should be located so they are accessible to local facilities, proportionate in scale to the locality and provide ancillary facilities as part of the development. These ancillary facilities should complement locally available amenities and be made available to the wider community.

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

In policy CS20 specific provision is made for Extra Care housing as one form of housing to meet the needs of an ageing population. The number of older people in South Gloucestershire aged 65 years and over is projected to increase in the years between 2011 and 2021 by over 11,000 or 25%.⁶

10.2 Definition of Extra Care Housing

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

Extra Care Housing is therefore by definition, “housing”, encompassing self contained dwelling units. Generally, such housing models do not make it an explicit requirement the of the lease or tenancy document to be in receipt of care as a condition of occupation.

In adding detail to the definition of Extra Care the council will have regard to a planning advice note that describes the ethos of Extra Care. This states:

⁶ Source: ONS interim 2011 based projections

“the ethos of extra care is to promote independence, not to foster a culture of dependency. Wherever possible, people are assisted in performing tasks themselves, rather than having them done for them. Most extra care schemes operate on the principle of establishing a community of older people”.⁷

Extra Care is one important component of a continuum of housing designed to meet the needs of an ageing population where care and support needs can be focussed into individual housing developments as required. The continuum includes more traditional sheltered housing schemes, some of which may eventually be converted into Extra Care Schemes, very sheltered schemes, good quality housing for retirement, “assisted living schemes”, as well as the general provision of “lifetime homes”. The term Extra Care has therefore gained prominence as the generic description of housing with care support.

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

10.3 The Wider Benefits of Extra Care Housing

As well as the care and social benefits, improving housing choice for older people will in many cases release under occupied family homes in the rented and owner occupied sector thereby improving its supply. Overall its provision will lead to a better utilisation of the housing stock and can add to housing choice for local communities. Schemes may also contribute to the wider regeneration of an area through the redevelopment of buildings, the better utilisation of land and the creation of new employment opportunities.

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

10.4 Development Criteria and Types of Extra Care Housing Schemes

The generic definition of Extra Care will potentially result in a wide range of different types of housing development with care.

Within South Gloucestershire the vast majority of Extra Care housing to date has been in the public sector, developed by the council in conjunction with housing associations, usually with Government funding. Nationally, most schemes have comprised 30 – 60 dwellings, but a number of extra care villages of 100 – 300 units have been developed.⁸

Extra Care housing is therefore likely to occur in a wide variety of forms of development. For example a single block of accommodation containing perhaps

⁷ RTPI Good Practice Note no. 8 Extra Care Housing Development Planning, Development Control and Management . 2007

⁸ Ibid note 7

50+ dwelling units with on site care and support and well being facilities or units located adjacent to an existing residential/nursing home or sheltered scheme.

On a larger scale Extra Care provision might constitute “village type” developments. In such development the Extra Care accommodation is only likely to be a part of the wider provision.

The Council will apply Core Strategy policies and other adopted development guidelines in considering such schemes. In particular schemes will be required to meet development and location criteria established for other residential developments in particular CS1 relating to high quality design and CS5 relating to location.

Such schemes are therefore likely to be generally unsuitable for a rural setting unless they can be specifically identified as meeting rural needs in that area (particularly for affordable units), are related to the tenure pattern of over 65’s in the local area, meet development criteria, have access to local services, and have links into the local community.

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

10.5 Building Design

Extra Care housing schemes will also be expected to meet design guidelines in the provision and adequacy of space and in access to communal facilities.

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

Developers are encouraged to access the council’s briefing note on Extra Care housing for more information.⁹

10.6 Access to Facilities

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

⁹ *Extra Care Housing in South Gloucestershire-Briefing Guide South Gloucestershire Council 2008*
<http://www.southglos.gov.uk/Pages/Article%20Pages/Community%20Care%20-%20Housing/Housing/ExtraCare-Housing-Delivery-Panel-11054.aspx>

CS20 also requires the provision of ancillary facilities as part of an Extra Care development, with such facilities complementing those locally available, with some access provided to the wider community.

Such facilities might range from small scale provision for example, a restaurant, bar, and hairdresser, to extensive facilities such as library, crafts/woodworking room, gym/leisure facilities and even dedicated transport.

The scale of provision of some of these ancillary facilities, and the degree of any access to them by the local community, will be dependent in part upon economies of scale derived from the scale of the development. This will be taken into account in considering the adequacy of development proposals and ancillary provision.

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

10.7 Future Requirements for Extra Care Housing

With a projected 25% increase in the numbers of people aged 65 years and over between 2011-21 the council envisages a continuing need for Extra Care Housing. Policy CS20 requires Extra Care housing schemes throughout South Gloucestershire.

The council will therefore encourage the development of the market for Extra Care housing so that people understand its benefits and what it can offer in terms of better housing choices.

At April 2013 just under 300 Extra Care units were available in South Gloucestershire. The majority of these were affordable rented units developed by the council in conjunction with partner agencies. The council wishes to achieve a further 400 additional units of leasehold and rented accommodation by 2016 to meet a range of care and support needs and to ensure that existing demand for alternative accommodation is met.

The initial emphasis will be on encouraging additional leasehold accommodation whilst continuing to seek an affordable contribution based on assessed need.

10.8 Location of Further Schemes

Policy CS20 specifically requires the new neighbourhoods identified in Policies CS26, CS27 and CS31 to provide Extra Care housing i.e. Cribbs/Patchway, East of Harry Stoke, and North Yate.

Similar opportunities will be also be taken to secure Extra Care Housing on other major sites outside of the new neighbourhoods in areas currently underprovided for and/ or in locations which would provide attractive environments for such housing as part of a wider integrated development.

The Council will seek to secure Extra Care housing, through negotiation and partnership working, on sites throughout the district, focussing both on the Core Strategy new neighbourhoods and on major sites in other locations, where factors indicate that a demand or need exists.

A local evidence base will be used to give an indication of likely demand and need for Extra Care on a sub district basis in order to input into master plans and /or development briefs so that landowners and developers are aware of the requirements and can identify specific suitable sites at an early stage.

Evidence suggests that stand alone Extra Care schemes must be a minimum size of about 50 + units in order to viably provide the 24 hour on-site care and support services generally found available in such schemes.

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

10.9 Extra Care Housing and Section 106 Obligations including Affordable Housing

As self contained dwelling units Extra Care housing will normally be subject to the provisions of CS 18 in respect of the requirement to achieve 35% on-site affordable housing in new developments, unless the developer demonstrates that the economic viability of a particular site is affected by specific factors and as a result a lower percentage should be provided.

The classification of Extra Care schemes as “dwellings”, and hence falling within the ambit of policy CS18, has generally, to date, depended on them being accepted as being within C3 of the Use Classes Order, as sheltered housing has been, or alternatively as a *sui generis* development, a class on its own.

However there may be similar features in Extra Care schemes to those found in residential care accommodation; the latter would normally fall within Use Class C2 and would not be subject to an affordable housing requirement under policy CS18.

The full definitions of C2 and C3 use classes are set down in Appendix 10.

10.10 Determining a C2 or C3 Use

The Council will regard the following factors as indicating that a development falls within Use Class C3, dwellings and would therefore be subject to the affordable housing requirements of policy CS18:

- Units within a scheme consist of single, self-contained units of occupation being used as a single dwelling house;

- Units are designed, or adapted, for residential purposes - containing the normal facilities for cooking, eating and sleeping associated with use as a dwelling house i.e. they afford the facilities required for day to day private domestic existence;
- Funding/sponsoring agencies define schemes as “dwellings”.

In relation to the schemes themselves:

- Care is made available on an individual basis to residents using a domiciliary care model where care and support staff come to a person in their own self contained dwelling;
- Occupancy of dwelling units is not restricted to people in need of a specified minimum care package and there is there no explicit requirement to be in receipt of such a package;
- Where occupancy is restricted in the lease or tenancy to persons being over a certain age this does not automatically mean everyone needs care, unless the setting of the age bands at a high level means that all residents will need care as part of a tenancy/leasehold arrangement; and
- Dwellings clustered adjacent to such communal facilities as restaurants and leisure uses will not be considered to define a development as a residential accommodation unless use of such facilities is an integral part of day to day living, i.e. an independent domestic life cannot be lived without accessing such facilities.

Consideration will be given to all factors, no one criterion will be the determinant.

Normally Extra Care will seek a balance of users, some older but able bodied and not needing support; others needing care or with mobility issues. At the start of development the precise mix may not be able to be determined but the provider will be expected to confirm written details of the occupancy policy as part of any negotiations on the nature of the development and the provision of affordable housing as part of that development.

The council will accept the existence of an explicit requirement in a lease or tenancy document to be in receipt of care as a condition of occupation to be significant in judging whether a use is C2.

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

Where different categories of use are combined within one building then the “residential” use with the greatest floor area will determine its use category for the purposes of negotiating Section 106 obligations.

10.11 The Affordable Housing Requirement

Where a C3 use is determined, then, as self contained dwelling units, Extra Care housing will be subject to the provisions of CS18 in respect of the requirement to achieve 35% on-site affordable housing in new developments, subject to viability considerations.

This composition of the 35% affordable housing, or any other figure that may be agreed, will be the subject of negotiations and may be Extra Care Housing or General Needs housing or a mixture of both. Factors influencing affordable housing type will include the physical nature of the development, the flexibility of the site in providing for a range of needs, and the assessed housing need in the locality.

The council acknowledges that there are particular factors that may lessen the overall viability of Extra Care housing schemes to deliver affordable housing, in comparison to general market housing. One study has identified such factors as including;

- higher build costs per sq m, for older persons housing than for general needs housing due to higher specifications of individual apartments and buildings, this may not be reflected in a proportionate increase in revenue;
- a higher proportion of communal space, and non-saleable areas (e.g. common rooms, laundries, guest rooms, warden's office, dining room, special activity rooms);
- lack of ability to phase development as with general needs housing as retirement developments are often built as a single block, meaning a development must be completed before any return is possible; this potentially results in a greater financial risk;
- delayed sales until development is fully completed because purchasing decisions are, in part, are likely to be dependent on the quality of facilities incl. communal facilities and the staffing group;
- longer selling periods because of the more specialised dwellings and consequently higher void costs ;
- higher marketing costs to reach this older age group. ¹⁰

Whilst these factors are likely to affect the ability of Extra Care schemes to provide affordable housing there will be other planning obligations which would normally apply to general needs housing that may not apply to Extra Care housing, and which may offset some of these other factors. For example demands on local facilities, such as contributions towards open space or libraries.

Where viability is an issues in Extra Care schemes, in all cases it will be a matter for a developer to provide evidence of viability in relation to specific schemes as a basis for negotiation with the Council on planning obligations and specifically on the requirement for affordable housing.

¹⁰ *Sheltered Housing/Extra Care Developments –Briefing Note on Viability- Prepared for retirement Housing Group by Three Dragons – May 2013*

10.12 Off Site / On-site Provision

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

These relate primarily to the fact that households placed in Extra Care schemes by registered providers, and/or nominated by the council for such provision, will invariably have need for care support packages.

To realise the economic benefits of providing such personal care as part of grouped provision the council may seek a minimum level of affordable housing units in any scheme and where this is not possible off-site provision or alternative financial contributions will be sought.

In addition to the above, the immediate short term need is to encourage the provision of leasehold accommodation in South Gloucestershire, given that most of the developments to date have been the result of the council working with Registered Providers to provide affordable units as an alternative to residential home provision.

10.13 Extra Care Housing and the Community

The particular viability factors affecting the ability of Extra Care schemes to finance Section 106 obligations are also relevant in respect of proposals for a Community Infrastructure Levy (CIL). However, CIL is a fixed charge which, unlike Section 106 obligations, cannot take account of a scheme’s viability and therefore is not subject to individual negotiations.

The Council therefore proposes, subject to the completion of the statutory process required to introduce the CIL, to adopt the following position, i.e. recognising the viability issue the Council does not intend to impose a CIL charge on Extra Care schemes in the short to medium term.

11. MONITORING AND REVIEW

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

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

The council will monitor the management obligations of the Registered Provider members of the West of England Housing Delivery Panel and will, from time to time, review its preferred partners to ensure high standards of service delivery. In particular, the council will require annually, from the RPs or other affordable housing managers, information relating to:

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

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

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

12. GLOSSARY

Affordable housing

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

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). NPPF Annex 2.

Authority's Monitoring Report (AMR)

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

Code for sustainable homes

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

Department for Communities and Local Government (DCLG)

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

Design and Quality Standards (DQS)

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

Dwelling

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

Extra Care

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

HomeBuy agent

An organisation appointed by the HCA for a Housing Market Area to market intermediate housing to eligible households.

HomeChoice

The Council's choice based lettings system. The Council's waiting list of applicants is known as the HomeChoice Register.

(<http://homechoice.southglos.gov.uk/>)

Homes and Communities Agency (HCA)

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

Housing Delivery Panel

A panel of Registered Providers and developers set up to deliver affordable housing across the West of England to local development and management standards. Panel members were selected by an OJEU (Official Journal of the European Union) compliant tendering process.

Housing needs register/Housing waiting list

A register of all households seeking affordable homes in South Gloucestershire.

Housing Quality Indicator (HQI)

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

Housing Strategy 2013-2018

The Council's vision for housing in South Gloucestershire based on the four themes set out in the South Gloucestershire Sustainable Communities Strategy:

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

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

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

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

Intermediate affordable housing

Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Lifetime Homes Standard

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

Local Housing Allowance (LHA)

Local housing allowance (LHA) is the maximum amount of rent that can be used when calculating entitlement to housing benefit, depending on the number of people in a household and where a property is located. South Gloucestershire is

covered by four different Broad Rental Market Areas (BRMA); Bristol, Gloucester, Bath and West Wiltshire. The Council can provide information on the coverage of each BRMA.

Registered Provider (RP)

A not-for-profit organisation, usually a housing association, registered by the HCA to provide affordable housing.

Section 106 agreement

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

Secured by Design (SBD)

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

Service level agreement

An agreement between the Council and Registered Social Landlords (RSLs) developing, or proposing to develop, in South Gloucestershire. It provides a framework for the partnership working between South Gloucestershire Council and RSLs operating in South Gloucestershire, specifically in relation to the operation of a common housing register and the allocation of social rented housing.

Shared ownership

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

Social rented housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Strategic housing market assessment (SHMA)

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

Supplementary planning document (SPD)

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

Sustainability appraisal (SA)

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

Target rents

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

West of England (WoE)

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

APPENDICES

APPENDIX 1: Core strategy policies CS18, CS19 & CS20

Policies CS18, CS19 & CS20: South Gloucestershire Local Plan Core Strategy incorporating Inspector's Draft Main Modifications (October 2012) and Further Main Modifications (March 2013).

Affordable housing

Policy CS18 Affordable housing

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

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

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

- developments contribute to a range of housing provision in local areas, with the aim of achieving mixed and balanced communities, and refer to the findings of the Strategic Housing Market Assessment, (and in rural areas, where appropriate, to

local housing needs surveys) in providing the specific housing mix required to meet housing needs; and that

- **the different types of defined affordable housing are used effectively to maximise appropriate provision in line with the West of England Strategic Housing Market Assessment 2009 or as updated by future housing market assessments;**

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

Evidence of housing need

10.25 The findings of the West of England (WoE) Strategic Housing Market Assessment (SHMA), May 2009, which was undertaken in line with good practice advice published by the government, provide the background to this policy. The study shows that there is a high need for affordable housing in the West of England that is not being met through existing policies.

10.26 In South Gloucestershire there is an estimated average annual need for 903 new affordable housing units over the period 2009 to 2021 compared to a potential average annual housing supply (both market and affordable) of around 1100 units. The proportion of younger households able to buy or rent in the market had fallen from 52.3% in 2002 to 45.3% in 2007. Other key features are the large backlog of need for affordable housing, the projected annual increase of newly forming households continuing to need social rented accommodation, and the relatively small existing stock of affordable housing limiting the ability to meet needs through re-lets.

Percentage of affordable housing

10.27 The main source of new affordable housing is expected to arise through Section 106 agreements on sites for market housing. The council requires 35% of affordable housing on such sites given that a range of market conditions need to be taken into account, a position supported by the SHMA; para.10.34 sets out how the impact of current market conditions will be considered. The expectation is that such affordable provision would normally take place without public subsidy. However, the economic viability of individual site developments would be considered where the developer raised a site viability issue and a site appraisal was undertaken.

10.28 The definition of affordable housing is as set out in national policy and includes social rented housing, affordable rented and intermediate affordable housing. Where affordable rent is provided, flexibility will be sought to provide such affordable rent housing at rent levels best suited to prevailing local levels of income whilst achieving a policy compliant percentage of affordable housing.

- 10.28a Delivery will comply with the provisions of national policy and other published national guidance. All provision will therefore include the expectation that affordable homes provided remain at an affordable price for future generations of eligible households and for the subsidy to be recycled for alternative affordable housing provision within South Gloucestershire where this is not so.
- 10.29 On sites allocated solely for affordable housing, or where only affordable housing is proposed, there will be no requirement to deliver a percentage without public subsidy where the threshold is exceeded, as set out in this policy, providing that the proposed affordable housing meets identified need and complies with the requirements of the Affordable Housing Supplementary Planning Document.
- 10.30 The expectation is that affordable housing will be provided on the application site. However, where it can be robustly justified, off-site provision, or a financial contribution in lieu of on-site provision of broadly equivalent value may be accepted, providing the agreed approach contributes to the creation of mixed communities in South Gloucestershire.

Threshold (size of site)

- 10.31 The size site threshold at which on-site affordable housing should be provided will be set at 10 dwellings or above in urban areas, or 0.33 hectares irrespective of the number of dwellings, and 5 dwellings or above in rural areas, or 0.20 hectares, in order to maximise the provision of affordable housing whilst acknowledging viability issues. Some flexibility will need to be maintained to take account of site specific issues which may have a particular impact on smaller sites. The approach to seeking off-site contributions towards affordable housing will be set out in the Policies, Sites and Places DPD.
- 10.31a In accordance with Policy CS16 Housing Density all housing development will also be expected to make efficient use of land, maximising the amount of housing supplied. Therefore, where a planning application for residential development is made on a site, and the dwelling numbers proposed fall below the thresholds for affordable housing provision set out in Policy CS18, then an assessment of the housing density appropriate to the site will be made with a view to determining whether affordable housing should be required.
- 10.31b Similarly, where it is proposed to phase development, sub-divide sites or where recent sub-division has taken place, or where there is a reasonable prospect of adjoining land being developed for residential purposes in tandem, the council will take the whole site for the purpose of determining whether the scheme falls above or below the site thresholds for the provision of affordable housing.

Site viability

- 10.32 The 35% figure is considered a robust target, capable of being achieved in an improving housing market in the medium to longer term, where a real

increase in housing prices can be anticipated. In some cases, higher percentage targets have been achieved, but these have generally been in areas of higher land value where different viability conditions apply.

- 10.32a In a less favourable national economic climate, and without a real increase in house prices, then for some sites, total reliance cannot be placed on funding through land values alone to deliver this 35% affordable housing figure. A combination of other financial support measures therefore may be required to achieve the 35% target.
- 10.33 In finalising targets it will be important not to jeopardise the overall delivery of housing within South Gloucestershire that is required to meet both market and affordable need; a continuing supply of deliverable and developable residential sites being a requirement of national guidance.
- 10.34 Therefore, in seeking to negotiate the maximum level of affordable housing on each site, the council will have regard to the economic viability of site development, likely costs, market conditions, the availability of public subsidy and the aim of achieving a mixed and balanced community. Developers will be expected to demonstrate the validity of such viability factors, providing supporting evidence. This, the council will seek to verify independently, with the developer being liable for reasonable costs incurred by the council.
- 10.34a Where developers have clearly demonstrated that scheme viability prohibits the full provision of affordable housing, the council may support an application for grant funding, or consider alternative financial support measures, to increase affordable housing provision to the 35% target figure. Alternatively it may negotiate a lower level of affordable housing provision and/or a different housing mix. Where public subsidy has been made available, unrelated to viability, the council will consider seeking additional affordable housing above the targets where viability is not jeopardised.

Rural areas

- 10.35 Local communities will be empowered to shape the future of their own areas, including the provision of affordable housing, through opportunities presented by Neighbourhood Planning. In the absence of an adopted Neighbourhood Plan, Policy CS19 sets out the approach to rural housing exception sites. This policy allows for affordable housing to be developed in locations where market housing would not normally be acceptable, subject to there being an identified local need. Where it can be satisfactorily proved that an element of market housing will facilitate the delivery of affordable housing to meet the identified local affordable housing need this will be allowed subject to the proposals fulfilling other requirements of the policy. A legal obligation will limit occupancy to those with a local connection. Where there are small rural schemes for market housing, an affordable housing element will be sought on sites of five dwellings, or 0.20ha and over.
- 10.36 The particular shortage of affordable housing supply in rural areas, and the need to maintain and sustain rural communities, is recognised by the council. Therefore, in planning agreements related to market housing sites

where affordable housing is provided, consideration will be given to seeking specific provision for those who have both a housing need and a defined local connection to a settlement, or group of settlements, where evidence is available through local needs assessments that such needs exist. The development of a local connections policy will take place during the preparation of a future supplementary planning document.

Improving affordable housing provision

- 10.37 In order to further expand the provision of affordable housing, and recognising that there will be some residential sites that fall below the proposed size thresholds, it is also proposed that in future (a) consideration is given to seeking mixed use provision in suitably located commercial schemes so that a housing element might be provided, and (b) additional investment might be put into bringing more empty homes back into use by registered providers as permanent affordable housing, where these have fallen into disrepair and/or remained vacant for a long period. The use of commuted sums made in lieu of on-site provision will be considered for this purpose.
- 10.38 The SHMA provides guidance on the tenure split, type and mix of affordable housing the council will seek in development schemes and developers will be expected to incorporate this guidance into housing proposals to ensure that affordable housing provision addresses housing need.
- 10.39 Within the wider context of Policy CS20 (Extra Care Housing), the council will seek to deliver an affordable element in Extra Care schemes. These schemes are designed specifically to promote independent living in self-contained flats, predominantly for older people, who are also able to access high quality flexible support and care services on-site to suit their needs, and use a range of on-site communal facilities. In applying the affordable housing policy particular considerations will pertain because of the special nature of this accommodation; it will not normally be appropriate to seek the general size/type mix of housing set out in the SHMA.

Delivery

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

Rural housing exception sites

10.40a Where communities wish to support further housing development which would not normally be acceptable because of planning policy constraints, South Gloucestershire council's preference would be to achieve this by empowering local communities through opportunities presented by Neighbourhood Planning. In the absence of an adopted Neighbourhood Plan the following policy will be applicable.

Policy CS19 - Rural housing exception sites

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

Proposals should be:

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

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

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

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

- 10.42a Proposals must be well related and in sympathy with the scale, form and character of the settlement and the locality and should pay particular attention to the local distinctiveness of the settlement and the surrounding area. Environmental considerations including landscape and heritage matters and other constraints, including the impact on the openness of the Green Belt and AONB policy, may determine the number of dwellings considered to be acceptable. This may result in fewer dwellings than that identified in the local housing need survey (see paragraph 10.45).
- 10.43 Proposals must be well related, in terms of their physical proximity and design, to an existing rural settlement.
- 10.44 The identification of appropriate sites and design principles will be best achieved through an appraisal of the whole rural settlement concerned and should include engagement with the communities/parishes concerned. Where proposals include an element of market housing, the design of the site and individual units should ensure integration with the affordable housing. Development should be supported by the appropriate parish council.
- 10.45 Development proposals should be consistent with the local need identified by a housing need survey carried out in the last 5 years in accordance with national or any superseding council approved guidance covering the rural settlement or parish (or group of rural settlements or parishes) to which the proposal is related. Advice on the preparation of these surveys and their validation can be obtained from the council. The local housing needs survey must demonstrate that there is a genuine local need for affordable housing within the rural settlement /parish (or group of rural settlements or parishes) from people who are or have been closely connected with the rural settlement /parish (or group of rural settlements or parishes) due to family ties, support network, birth or formative years spent in that locality or who have an existing employment connection to the area covered by the survey.
- 10.46 Affordable housing on rural exception sites will be subject to a condition or legal obligation, which limits occupancy to those with the local connection, defined in paragraph 10.45 above. Should dwellings remain unoccupied for a period of time a cascade approach to widen the area of connection will come into effect. The cascade approach will be defined in a legal agreement, together with details of how the dwellings will be reserved as affordable in perpetuity.
- 10.47 Policy CS18 does not apply to Policy CS19.
- 10.48 Rural communities are encouraged to undertake local housing needs surveys and prepare parish plans and/or design statements to set out the future needs and aspirations for their communities, in order to help inform proposals for rural housing exception sites and provide information to assist in determining such applications. The council expects that affordable housing will also be delivered by Neighbourhood Planning.
- 10.49 Should rural affordable housing not be delivered in sufficient numbers through Neighbourhood Planning, the Rural Housing Exceptions (Policy

CS19) and the Affordable Housing (Policy CS18), then consideration will be given to allocating Affordable Housing Only Sites in or adjoining a rural settlement. This will be considered in conjunction with the review of the defined settlement boundary approach to villages outlined in the text to the Rural Areas Policy CS34 and will involve engagement with local communities and other stakeholders/partners. Any such allocations will be identified in the Policies, Sites and Places Development Plan Document and will need to be supported by up to date and validated local housing needs surveys.

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

Delivery

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

Extra Care Housing

POLICY CS20 - EXTRA CARE HOUSING

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

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

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

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

variety of forms which influence whether it is classified as a C2 or C3 use under the relevant Use Classes Order. The Council will consider the nature and type of accommodation to be provided in each scheme in order to determine this and whether the proposal needs to accord with the provisions of Policy CS18 in relation to affordable housing contributions where this is viable and appropriate.

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

Delivery

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

APPENDIX 2: SHMA Guidance

West of England Strategic Housing Market Assessment South Gloucestershire Guidance Note

Purpose and Background

The purpose of a Strategic Housing Market Assessment (SHMA) is to provide evidence on housing need and demand across a housing market area in terms of affordable and market housing and to identify the housing requirements of specific groups and the appropriate mix of housing required.

The West of England SHMA covers the six local authority areas of Bath and North East Somerset, Bristol, North Somerset, South Gloucestershire, Mendip and West Wiltshire. It was prepared by a project team consisting of housing and planning officers of the six authorities with research commissioned from Professor Glen Bramley, of Herriot-Watt University, and was published in June 2009. The SHMA was carried out according to the Strategic Housing Market Assessments Practice Guidance Version 2 issued August 2007. The SHMA was approved for use by South Gloucestershire Council in September 2009.

A revised SHMA is being progressed, initially by the four West of England authorities, with initial outputs anticipated by December 2014.

In the interim, the West of England Authorities commissioned Professor Glen Bramley to carry out further analysis of the SHMA 2009, to take account of the introduction of the Affordable Rent tenure in 2011. This new analysis is contained within an Addendum to the SHMA 2009 which was completed in March 2013 and approved for use by South Gloucestershire Council in September 2013.

This guidance note has been updated to highlight the key findings likely to affect housing developments in South Gloucestershire. Also further analysis has been undertaken on the Addendum, and the housing mix tables below reflect the deliverability of Affordable Rent in regard to specific house types.

For further information and links to the Addendum to the SHMA 2009, SHMA executive summary (40 pages) and full report (256 pages) see [SHMA - SGC website](#)

For the Council's current Affordable Housing Supplementary Planning Document see [Current SPD - SGC website](#) and the Council's main Core Strategy Policy on affordable housing CS18, see www.southglos.gov.uk/corestrategy

Impact of Affordable Rent on Housing Mix

Tenure

The Addendum to the SHMA 2009 found that had Affordable Rent (at 80% median market rent) been available at the time the SHMA 2009 was produced there would have been a large overlap of households in need who could afford both Affordable Rent and Intermediate affordable housing. The revised tenure split showing the numbers who might only be able to access Affordable Rent but not Intermediate housing is set out below:

Housing Need by Tenure (Annual average 2009-2021)

2009-2021	South Glos
Total net need social rent	788
Total net need affordable rent	61
Total net need intermediate	158
Percentage spilt social rent /affordable rent/ Intermediate	78%/6%/16%

Source: Table 1 Addendum to SHMA 2009 report. Note: figures may not sum due to rounding

Housing Mix

The tables below show the unit types sought to meet housing need by tenure. This housing mix is based upon the Addendum to the SHMA 2009, and takes account of Affordable Rent deliverability according to house types, as recommended by the Addendum:

Unit Mix of new housing for Social Rent

Percentage	Type	Min Size m2
24%	1 bed flats	46
7%	2 bed flats	67
41%	2 bed houses	75
18%	3 bed houses	85
11%	4 bed houses	105

Source: Table 2 Addendum to WoE SHMA 2009 report. Note: Difference in figures due to rounding

Unit Mix of new housing for Intermediate Housing

Percentage	Type	Min Size m2
44%	1 bed flats	46
17%	2 bed flats	67
19%	2 bed houses	75
19%	3 bed houses	85
1%	4 bed houses	105

Source: Table3 Addendum to WoE SHMA 2009 report. Note: Difference in figures due to rounding

Unit Mix of new housing for Affordable Rent

Percentage	Type	Min Size m2
0%	1 bed flats	46
18%	2 bed flats	67
35%	2 bed houses	75
47%	3 bed houses	85
0%	4 bed houses	105

The Affordable Rent unit mix table above is based upon the Addendum to the SHMA 2009, and includes a revised unit mix which reflects that 1 bed flats and 4 bed houses are either not affordable or are undeliverable by Registered providers in South Gloucestershire. This assessment has meant that Affordable Rent will be sought as 2 and 3 bed accommodation only. For further information please see the Addendum to the SHMA 2009

Affordable Rent is currently only deliverable by Registered Providers under an Investment Contract with the Homes and Communities Agency (HCA).

If Affordable Rent cannot be delivered by a Registered Provider then the housing mix sought will revert to the SHMA 2009 see below.

Wheelchair Accommodation

Net need for Wheelchair Accommodation each year

	South Glos
Total annual need	69
Annual supply	20
Net Need	49

Source: Table 10.13 Main report

The table above shows an annual need for 49 units of wheelchair accessible accommodation, which equates to 5% of South Gloucestershire's net housing need of 903 units. Therefore the Council will seek a provision of 5% of all affordable housing to be for wheelchair users, with unit mix determined on a site by site basis according to layout and need. For further details of the standard please see Appendix 4.

SHMA 2009 Tenure Split

The tables below are taken from the SHMA 2009, and these tables will be referred to if Affordable Rent cannot be provided as 2 and 3 bedroom accommodation.

Housing Need by Tenure (Annual average 2009-2021)

2009-2021	South Glos
Total net need social rent	727
Total net need intermediate	176
Percentage split social rent / Intermediate	80/20%
Total net housing need	903

Source: Table 4.11 Main report and Fig 20 Executive Summary. Note: figures may not sum due to rounding

SHMA 2009 Housing Mix

Figure 1: Required Unit Mix of new housing for Social Rent

2009-2021	South Glos
1 bed	23%
2 bed flat	7%
2 bed house	38%
3 bed house	22%
4 + bed house	10%

Source: Table 4.13 Main report and Fig 15 Executive Summary. Note: Difference in figures due to rounding

Figure 2: Required Unit Mix of Intermediate Housing

2009-2021	South Glos
1 bed flat	44%
2 bed flat	17%
2 bed house	19%
3 bed house	19%
4 bed house	1%

Source: Table 4.14 Main report and Fig 16 Executive Summary. Note: Difference in figures due to rounding

APPENDIX 3: Affordable Housing Requirements

Affordable Housing Statement

Planning applications for residential development must include an Affordable Housing Statement which contains:

- A site plan showing the layout of all the proposed housing dwellings, with each affordable housing unit highlighted. A key should indicate the type, tenure and size of the affordable housing units.;
- The total number of dwellings proposed ;
- The number of affordable dwellings proposed;
- The tenure split (rent or intermediate) of the affordable dwellings (with an explanation if the split does not meet the Council's preferred terms);
- The type and number of bedrooms of the market dwellings;
- An affordable housing schedule detailing - ■ plot number ■ unit type ■ number of bedrooms ■ size per m2 ■ tenure;
- Information of the build standards the dwellings are being built to e.g. Level 3 of Code for Sustainable Homes;
- Floor plans of each of the affordable units to illustrate how Lifetime Homes elements are being incorporated ;
- Delivery method e.g. through a Registered Provider from the Housing Delivery Panel;
- Information on the affordability of any intermediate affordable housing, including type of product, level of equity share sold, any interest charged on remaining share, open market value;
- Details of any phasing plans if the site is to be built out over more than 1 phase;
- Any service charges which would be charged (landscaping, unadopted roads, communal areas, management and maintenance).

Affordable Housing Heads of Terms

In accordance with policy CS18 and guidance in the affordable housing SPD, the following requirements are sought:

- 35% of dwellings to be delivered as affordable housing, as defined by the NPPF.
- Tenure split of 78% social rent, 6% affordable rent and 16% intermediate housing, as identified by the West of England Strategic Housing Market Assessment (SHMA) 2009 and Addendum to SHMA 2009.
- A range of affordable unit types to meet housing need based upon the findings from the SHMA 2009 and Addendum to SHMA 2009 see tables in Appendix 2.

The affordable rent unit mix table in Appendix 2 is based upon the Addendum to the SHMA 2009, and includes a revised unit mix which reflects that 1 bed flats and 4 bed houses are either not affordable and/or are undeliverable by Registered Providers in South Gloucestershire. This assessment has meant that affordable rent will be sought as 2 and 3 bed accommodation only.

Affordable rent is currently only deliverable by Registered Providers under an Investment Contract with the HCA and currently new homes must be completed by the end of March 2015. Provision of affordable rented homes is further dependant on the development capacity of Registered Providers. The Section 106 Agreement will contain a cascade mechanism on the tenure of the affordable rent units to social rent to ensure overall affordable housing delivery is not lost through non-delivery of affordable rented homes.

If affordable rented homes cannot be delivered by a Registered Provider then the housing mix sought will revert to that shown in the SHMA 2009.

- 5% of the affordable housing to meet the wheelchair accommodation standards as set out at Appendix 4 of the Council's Affordable Housing Supplementary Planning Document.
- The affordable housing is to be delivered without any public subsidy.
- The Council to refer potential occupants to all first lettings and 75% of subsequent lettings.
- The affordable housing should be distributed across the site in clusters of no more than 6 units regardless of tenure; this may be increased to 12 units on sites with more than a total of 100 dwellings. No more than 6 affordable flats using a common entrance will be accepted.
- Design and specification criteria: All units to be built in line with the same standards as the market units (if higher) and to fully comply with the latest Homes and Communities Agency (HCA) standards applicable at the time the Section 106 agreement will be signed, to include at least Level 3 of the Code for Sustainable Homes, Lifetime Homes standard, Secured by Design, and compliance of Registered Provider design brief.
- Delivery is preferred through a Housing Delivery Panel (HDP) Registered Provider. The HDP is set up to deliver affordable housing across the West of England (WoE) to local development and management standards. The Council encourages the developer to work with a member of the HDP, and in the event of the developer choosing an Affordable Housing Provider from outside this panel then the same WoE standards will need to be adhered to.
- Phasing: Affordable housing to be built at the same time as the rest of the housing on site in line with agreed triggers as per Section 106 agreement, with a detailed assessment on a site by site basis. Where the development will proceed over more than one phase, the location, amount, type and tenure of the affordable housing in each phase will need to be set out in an Affordable Housing Masterplan and Schedule. This is to be submitted for approval by the

- The Council will define affordability outputs in the Section 106 agreement, without any further information regarding sales values the affordability standards are as follows:
 - social rents to be set at target rents;
 - shared ownership: no more than 40% of the market value will be payable by the purchaser The annual rent on the equity retained by the Registered Provider should be no more than 1% of the unsold equity;
 - affordable rents to include service charges in line with NPPF definition and set at up to 80% local median market rents; in addition the applicant should demonstrate they have taken local affordability and deliverability into account including the consideration of welfare reform changes and local market information;
 - service charges will be capped at an appropriate level to ensure that the affordable housing is affordable.

- Social rented and affordable rented accommodation to be retained as affordable housing in perpetuity. Right to Acquire does not apply where no public subsidy is provided.

- Any capital receipts on intermediate housing to be recycled as capital expenditure on approved affordable housing schemes in South Gloucestershire, on the basis that the subsidy increases by any capital appreciation on that subsidy.

- For South Gloucestershire Council's Guidance Note on SHMA 2009 and Addendum to SHMA 2009 see [SHMA - SGC website](#)

- For further information see the council's *Affordable Housing and Extra Care Supplementary Planning Document* and associated Appendices

APPENDIX 4: Development Standards

The Council's development Standards will comply with national guidance and policies, which may be updated from time to time. The development standard for affordable housing currently required is set out below;

Design and Quality Standard

The Homes and Communities Agency standard for affordable housing will be sought on all affordable housing, whether delivered with or without public subsidy. The standard is based on Housing Quality Indicators (HQI) and each house type will be expected to achieve the relevant minimum HQI score.

Code for Sustainable Homes

Level 3 will be sought on all new affordable housing. The Code is contained within the Design and Quality Standard.

Secured by Design

All new affordable housing will be expected to achieve part 2 of the standard and affordable housing schemes will be expected to achieve parts 1 and 2 of the standard. The Crime Prevention Design Advisor (see useful contacts Appendix 11) should be consulted on planning residential applications to assess whether a scheme complies with the Secured by Design Standard.

Lifetime Homes

The standard developed by The Joseph Rowntree Foundation and Habinteg Housing Association will be expected on all new affordable housing.

Fixtures and Fittings

A minimum provision of fixtures and fittings will be expected in all new affordable housing to ensure a consistent standard across the District.

Building for Life

Building for Life is the industry standard, endorsed by Government, for well-designed homes and neighbourhoods. All new affordable homes are expected to achieve a score of 12/20 in urban areas and 10/20 in rural areas (see policy CS21).

Wheelchair Standard Units

A proportion of wheelchair accessible dwellings to meet identified need will be sought on sites which the Council's Occupational Therapist assesses as suitable for wheelchair users. The Council's draft wheelchair standard is available via the link, [Wheelchair Unit Design Specification](#), or contact the Occupational Therapist or Strategic Housing Enabling Team - see useful contacts Appendix 11.

Unit sizes

The minimum sizes contained in the table below will ensure that the affordable housing units comply with HCA Design and Quality Standards and meet the Council's development standards. * Size refers to internal area, wall finish to wall finish. For flats, the central lobby area and passages are excluded.

Dwelling Type	Minimum Size sq m*
1 bed 2 person flat	46
2 bed 3 person flat	62
2 bed 4 person flat	67
2 bed 4 person house	75
3 bed 5 person house 2 storey	85
3 bed 6 person house 2 storey	95
3 bed 6 person house 3 storey	100
4 bed 6 person house 2 storey	100
4 bed 6 person house 3 storey	105
4 bed 7 person house 2 storey	108
4 bed 7 person house 3 storey	115
Anything larger	115 + 10 sq m per person/bedspace

APPENDIX 5: The Financial Appraisal Model

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

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

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

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

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

- Construction costs
 - base build costs assessed using standard guidance (eg Building Cost Information Service [BCIS]) in a Quantity Surveyor's report
 - additions required by local requirements/standards
- Abnormal costs due to site conditions including demolition of existing structures on redevelopment sites, site decontamination, land remediation costs, abnormal foundations, site clearance
- External costs including estate roads, landscaping, services to properties, sustainable urban drainage systems
- Major Infrastructure costs i.e. major new services and highways
- Professional and planning fees including those to architects, quantity surveyors, planning consultants, engineers, project managers, and the local authority
- Planning obligations –Section 106 contributions required by the local authority
- Community Infrastructure Levy – any CIL charges levied by the local authority
- Land acquisition costs including agent fees, legal fees and Stamp Duty Land Tax.

- Finance costs- fees charged by a bank or other financial institution for borrowing money to undertake the development; to be calculated as a cash flow with a programme included showing build and sales periods
- Developers profit- the required return to the developer for taking the development risk and delivering the scheme expressed as a percentage of the GDV
- Marketing costs including promotion, show houses, letting agents and legal fees

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

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

APPENDIX 6: Recycling of capital receipts

In accordance with the definitions of affordable housing in Annex 2 of the NPPF, any capital receipts will be recycled for alternative affordable housing provision in the District.

The proposed mechanism for this is as follows:

Definitions

“Actual Market Value” means the market value of an Affordable Dwelling assessed in accordance with the provisions of the Homes and Communities Agency’s Shared Ownership Lease in a Staircasing Event

“Additional Affordable Housing” means any new, replacement or additional Affordable Housing provided within the Council area in a scheme that shall first have been the subject of consultation with the Director of Environment and Communities (such agreement not be unreasonably withheld or delayed) to meet identified housing need at the time of the provision which for the avoidance of doubt excludes any Affordable Housing provided pursuant to this Agreement or any other Affordable Housing brought forward as part of the Council’s prevailing adopted development plan Affordable Housing requirement in pursuance of Section 106 of the Town and Country Planning Act 1990 (as amended) or subsequent legislation.

“Affordable Dwelling” means an individual unit of Affordable Housing identified as such in accordance with this Schedule

"Affordable Housing" means affordable housing as described and defined in Annex 2 of National Planning Policy Framework (March 2012) consisting of social rented housing affordable rented housing and intermediate housing or any of the types so referred to in that document

“Affordable Rented Unit” shall mean rented housing provided by registered providers of Affordable Housing let at Affordable Rent and which complies with the definition in Annex 2 of the NPPF

"Dwelling" shall mean any unit of self-contained residential accommodation constructed pursuant to the Planning Permission

“On costs” means any costs incurred by an RP in relation to any transaction regarding Staircasing Receipts as described in the Homes and Communities Agency Shared Ownership Lease which are not to be reimbursed by any other person

“Market Dwelling” means any dwelling other than an Affordable Dwelling

“Market Value” means (in relation to the initial calculation of the Subsidy only) the market value as assessed by a Valuer of a Dwelling as confirmed to the Council by the relevant RP (such value being calculated in accordance with the RICS Appraisal and Valuation Standards (5th Edition)) and being the estimated amount

for which in the absence of this Agreement residential units of equivalent location specification size state of repair and condition and which are not restricted to use as affordable housing should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion and on the following assumptions:-

- (a) no discount is to be allowed for bulk sales or on the basis that more than one property is being sold to the same purchaser;
- (b) it is sold with vacant possession and with good and marketable title;
- (c) the title is free from encumbrances;
- (d) the valuation is for the unrestricted freehold or as appropriate leasehold (of an initial minimum 99 year term) with vacant possession which, for the avoidance of doubt, ignores any use as Affordable Housing;
- (e) that the property is newly built, decorated, full equipped for sale and serviced and fit for immediate occupation;
- (f) that the valuation is for sale of an individual unit and not part of a larger sale;
- (g) all roads footpaths landscaping and open space have been laid out and completed and all other Individual Units have been built, sold and occupied;
- (h) assuming the Application Land is free from contamination;

“RP” shall mean a Registered Provider being a social landlord registered with the HCA as defined in the Housing and Regeneration Act 2008 and shall include any other affordable housing provider approved by the Council

“Shared Ownership Lease” means a lease or sub-lease under which an Affordable Dwelling may be disposed of under which that unit shall be disposed of by way of shared ownership or shared equity sale and/or lease granted at a premium to be paid by the tenant or sub-tenant upon completion or raised by way of mortgage or charge and under which the provisions of the lease or sub-lease enable the tenant or sub-tenant to acquire the balance of the legal or equitable interest in the relevant Dwelling AND whereby the initial purchaser or lessee acquires an initial share of up to and including 40% of the equity in that unit at the equivalent percentage of the full market value of that Dwelling at the time of its initial disposal by Shared Ownership Lease and the annual rental element of the shared ownership / Shared Ownership Lease shall be up to and including 1% of the market value of the unsold equity as at the grant of the lease (with any increases in rent being index linked to the increase (if any) in the RPI as per the Homes and Communities Agency model form of shared ownership lease

“Social Rented Unit” shall mean an Affordable Dwelling which is to be reserved and set aside for initial and future letting on an assured tenancy at Target Rent to people in housing need who cannot afford to meet that need in the open market

“Staircasing Event” means any occasion on which a shared ownership lessee acquires additional equity in a Dwelling pursuant to a Shared Ownership Lease or tenant of a Social Rented Unit or Affordable Rented Unit acquires a share or the whole equity in their property under any current or future legislation that applies to non publicly funded Affordable Housing granting tenants the right to acquire the property or where the property is sold for any other reason

“Staircasing Receipts” means payments made to the RP (less On Costs) as a result of a Staircasing Event by a shared ownership lessee tenant or any other person for the acquisition of equity in a Dwelling pursuant to a Staircasing Event

“Subsidy” means the amount expressed in pounds of the difference between;

- a) the price (including land) attributable to the disposal of Affordable Dwelling to an RP (being for the avoidance of doubt the price to be received from the RP pursuant to an Affordable Housing Contract by an Owner or Developer in respect of the disposal of that Dwelling being the price (including land) as agreed between the Owner or Developer as at the date of exchange of contracts of the Affordable Housing Contract and notified to the Council in writing) and the relevant RP; and
- b) the Market Value attributable to that Affordable Dwelling (including land) as at the date of exchange of contracts for the sale and purchase of that Affordable Dwelling to an RP as agreed between the relevant owner and the relevant RP pursuant to an Affordable Housing Contract to whom the Affordable Dwelling is to be disposed assuming it to have been completed and ready for residential occupation as at that date and notified to the Council in writing (such Market Valuation to have been certified by a Valuer)

“Valuer” shall mean a Member or Fellow or the Royal Institution of Chartered Surveyors being a chartered valuation surveyor of at least 10 years post qualification experience and appointed by the RP and acting in an independent capacity

Application Of Staircasing Receipts

- a) On the occurrence of any Staircasing Event relating to an Affordable Dwelling and subject always to the application of paragraphs (b) (c) and (d) below the RP (as successor in title to the Owners and Developers) shall (having first deducted an amount equal to X% of the initial outstanding net loan debt attributable to that Affordable Dwelling at the point of first disposal as assessed by the RP) (where X equals the additional proportion of the equity in the Affordable Dwelling acquired as a percentage of the unsold equity immediately prior to the Staircasing Event) reserve and set aside the remaining balance of any Staircasing Receipts received in relation to that Affordable Dwelling for the provision of Additional Affordable Housing until an aggregate amount equal to the Subsidy relating to that Affordable Dwelling (as notionally recalculated and carried forward from time to time under paragraph (c) (i) below) shall have been reserved and set aside for such purposes
- (b) The provisions of paragraph (a) above shall not apply where there is a statutory or regulatory requirement to account for Staircasing Receipts to any other body;
- (c) On the occasion of the first and any subsequent Staircasing Event the Subsidy shall be notionally recalculated (but only for the purposes of identifying the amount of any Staircasing Receipt to be reserved and set aside for the provision of Additional Affordable Housing) as follows:-

- (i) On the date of the first Staircasing Event the notional Subsidy shall be notionally increased by the percentage increase (if any) in the Market Value of the relevant Affordable Dwelling from the date as originally notified to the Council by comparing the Market Value so notified by the RP at the point of calculating the Subsidy with its Actual Market Value as notified to the Council by the RP at the date of the Staircasing Event

(AND for the avoidance of doubt the Subsidy as notionally increased under this Sub-Paragraph (i) shall be the result of the following calculation in respect of any relevant Affordable Dwelling.

$$\frac{AMV \times S}{MV}$$

Where:

AMV equals the Actual Market Value of the Affordable Dwelling at the date of the first Staircasing Event.

MV equals the Market Value of the Affordable Dwelling as originally notified to the Council at the point of calculating the Subsidy.

S equals the Subsidy attributed to that Affordable Dwelling as originally notified to the Council at the point of calculating the Subsidy.)

- (ii) The Subsidy (as notionally increased) shall then be notionally reduced by the amount of any Staircasing Receipts and the balance carried forward
- (iii) On the date of any subsequent Staircasing Event relating to an Affordable Dwelling the Subsidy balance carried forward under (ii) above shall be notionally increased by the percentage increase in the Actual Market Value of the relevant Dwelling from the date of the previous Staircasing Event in (i) and its Actual Market Value as notified to the Council by the RP at the date of the subsequent Staircasing Event and the provisions of paras (a) to (c)(ii) shall be applied (mutatis mutandis) to such balances and any remaining notional Subsidy balance carried forward.
- (d) Once:
- (i) an amount equal to the notional Subsidy as re calculated and carried forward from time to time in accordance with paragraph (c) above shall have been set aside for the provision of Additional Affordable Housing as set out on (a)above; or
- (ii) the final Staircasing Event (leaving the Shared Ownership Lease lessee or Tenant purchaser owning a 100% freehold or leasehold share) has occurred and the Subsidy is recalculated in accordance with the provisions above in (a) and (c) if the final Subsidy balance as recalculated in accordance with Sub-Paragraphs (c) (i) to (c) (iii) is greater than the balance of the Staircasing Receipt to be used reserved and set aside for Additional Affordable Housing identified in a) there will be no requirement to carry forward the Subsidy balances following this final Staircasing Event.

Then in either such case this paragraph shall be deemed satisfied and there shall be no requirement to reserve and set aside any further Staircasing Receipts (or part thereof) under paragraph (a) and (c) above

e) the Owners shall procure that :

all Staircasing Receipts are paid into an interest bearing account (including any interest accrued thereon) and shall procure an annual audited account to the Council demonstrating details of all receipts from the sale of any interest in Affordable Housing (including the dates upon which the Staircasing Receipts were received;

a record of all Staircasing Receipts are kept;

that record is made available to the Council on demand;

any Staircasing Receipts (including accrued interest) shall only be used for the provision of Additional Affordable Housing; and

the RP shall use reasonable endeavours to ensure the Staircasing Receipts are committed on the provision of Additional Affordable Housing within 3 years unless otherwise agreed in writing with the Council. In the event of any dispute then Independent Arbitration will be entered into by both parties.

APPENDIX 7: Urban, Rural and Protected Areas

Defining urban and rural areas in South Gloucestershire -

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

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

A map showing the areas can be accessed via this web link [here](#). Essentially the rural areas are those on the map not shown within the areas described in 1-5 above

Protected Areas

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

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

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

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

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

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

APPENDIX 8: Rural Affordable Housing Exception Sites

Principles and processes

Rural exception sites provide for affordable housing development in rural locations where residential development would not normally be acceptable because of planning policy constraints.

Homes can be brought forward on these sites only if there is a proven unmet local need for affordable housing. Affordable homes provided must meet the Council's definition of affordable housing.

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

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

- promote partnership working with key stakeholders, and in particular with local communities and their Parish Councils in order to
- provide strategic advice on affordable housing and numbers of local people on the waiting list and
- encourage Parish Councils to consider an investigation of local housing need where appropriate.

Exceptions site proposals should be supported by the appropriate Parish Council.

Housing Needs Survey and the Role of South Gloucestershire Council

Normally a local Housing Needs Survey will need to be conducted to determine the level of affordable housing need in the Parish, or a group of parishes should they agree to work jointly on a survey.

The Parish Council should be involved in planning the investigation of local housing need in partnership with the council, and/or any other housing body, and should share the responsibility for distributing and/or publicising the Housing Needs Survey form to all households in the survey area.

South Gloucestershire Council will

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

There are limited council resources to directly carry out surveys; nevertheless the council would wish to ensure a standard approach to such surveys and a

consistency between them. Where a developer or landowner wish to resource a survey, council approval should be sought for the consultant, form of survey, and methodology.

If an affordable housing need is identified, the report should give an indication of the number, type and tenure of affordable homes that are needed by households with a local connection to the parish (as defined by criteria set out in Appendix 9). The analysis will consider information on the incomes and savings of respondents in relation to their needs and to local housing costs. Individual responses to surveys should be kept confidential.

In partnership with the council, and any interested housing provider, or other body, the Parish Council should explore options for meeting that need.

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

Selection of a Housing Provider

Selection of a Housing Provider can happen at various stages of the process. The Parish Council should be involved in the selection of the Provider, and should work closely with them. However, occasionally a Provider may have initiated the process to meet local affordable housing need and sought the involvement of the Parish Council. Ideally a Housing Provider should be involved from an early stage and be a member of the West of England Rural Housing Delivery Panel so advice and expertise can be offered.

Site Selection

All partners should work together to find a suitable site for development. This will require a logical, transparent, and comparative assessment of potential sites in relation to planning policies and constraints.

Only sites which are well related to settlements should be considered. Para. 10.42a of the Core Strategy sets out considerations of site and scale in more detail.

The assessment should cover potential sites around “the clock face” of the settlement. Consideration should also be given to the use of previously developed land.

Factors which should be considered in the assessment of potential housing sites should include:

- Relationship of the proposals to the settlement and the locality -proposals should be well related in terms of their physical proximity and design to the existing rural settlement and in sympathy with the scale, form and character of the settlement and the locality in general and should pay particular attention to the local distinctiveness of the settlement and the surrounding area.
- highway and pedestrian access, including the safety of such accesses

- Environmental considerations – including impact of proposals on landscape and heritage matters, ecology, agricultural land quality,
- Implications for any relevant planning policies in respect of the Green Belt or an AONB,

Each site should be assessed against all the matters and the conclusions clearly set out in a transparent manner. However if there is an overriding reason for not investigating a site further this should be clearly documented and the assessment of the other matters will not be necessary.

The assessment may conclude that because of site constraints or other policy considerations that no site(s) can meet in full the total identified local need with the result that fewer dwellings may be proposed than the need identified in the local housing survey.

The council will help to identify and appraise potential sites from a planning perspective. Further advice on site selection assessment procedures is available from the council's planning and transportation officers. The council holds a significant amount of environmental evidence much of which can be accessed directly from the Council's web site.

The willingness of the landowner to provide a site on acceptable terms and development costs will be key factors in deciding deliverability and feasibility.

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

Engagement and Consultation

It will be essential to ensure consultation and engagement with the local community throughout the process, and particularly at the site selection stage, providing the community with both information and opportunities to input into the process. Consultation and engagement guidance and requirements are set out in South Gloucestershire Council's Statement of Community Involvement.

Once a preferred site has been identified further consultation should be undertaken to assist in the preparation of a detailed design for the site.

Market housing

In accord with the NPPF requiring local authorities to consider whether "allowing some market housing would facilitate the provision of significant additional affordable housing", Policy CS19 allows for a small element of market housing to be developed on Rural Exception Sites to facilitate this where, alternatively, sufficient public subsidy is not available.

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

Proposals containing an element of market housing on viability grounds should be supported by an open book viability assessment. This will need to demonstrate that the proposed number of market dwellings is essential for the successful delivery of the development and is based on reasonable land values as an exception site. As a guide the council expects exception site land to attract values marginally above agricultural value which are expected to be up to £10,000 per plot.

The council will commission an independent review of the viability appraisal, for which the developer will bear the cost.

The council will only permit the minimum number of market homes required to deliver the scheme. Generally, it is not expected that the proportion of market housing will exceed 25%, however each proposal will be assessed individually on its merits, taking account of viability considerations. There will be no separate requirement for affordable housing in respect of the market element. However, any CIL charge which the council agrees to implement will be levied on the market dwellings element of the scheme

Planning application and implementation

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

The planning application should confirm the evidence on local need, based on a housing needs survey undertaken within the previous five years, and will be considered in accord with other relevant Core Strategy policies. Whilst there can be no presumption that planning consent will be granted, early engagement and support from all interested parties from the start of the process will do much to ensure a successful application.

If planning permission is granted and the homes are built the council will administer the choice-based housing allocation system (HomeChoice). The Housing Association will then receive a shortlist of housing register applicants who have bid for the properties and will allocate tenancies according to council's allocations policy, in line with the local occupancy criteria within the planning agreement.

APPENDIX 9: Local Connection

Local connection criteria

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

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

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

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

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

Employment – sufficient evidence to cover the relevant local connection period

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

Rural Exception sites

A Parish housing needs survey will be carried out to identify those people living in the Parish who are in housing need and eligible for affordable housing. This provides the evidence to justify the departure from the planning restrictions on

residential development outside settlement boundaries to deliver a Rural Exception site.

All lets on a Rural Exception site will be subject to a requirement to demonstrate a local connection to the Parish. Lets will be made on the basis of a sequential priority, or cascade, so that those with a local connection to the Parish will have first priority but if there are no applicants who meet that criterion, priority will be given to applicants with a local connection to neighbouring Parishes and thereafter to the whole of the District of South Gloucestershire.

All applicants must be registered on the council's Housing Register and all properties will be advertised through the Choice Based Lettings system (HomeChoice) or for intermediate affordable housing via the HomeBuy agent.

Other rural development

In relation to other development of rural affordable housing (not on exceptions sites) a priority will be given to applicants with a local connection to the Parish, where there is evidence of local affordable housing need.

In the assessment of bids through HomeChoice for tenancies on such affordable housing a local connection bid will take priority where **all other criteria are equal, provided that** applicants with a **priority card** as defined in the Council's HomeChoice Lettings Policy and Procedure shall be given preference over all other applicants who have bid.

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

APPENDIX 10 EXTRA CARE

Characteristics of Extra Care Housing

The Department of Health's Housing Learning and Information Network (HLIN) has described Extra Care as a concept that covers a range of specialist housing models incorporating particular design features and guiding principles. It has identified the key features which include:

- self-contained accommodation, usually flats or bungalows
- tenants have a legal right to occupy the property
- the provision of individualised packages of care which are flexible and adapt to changing needs
- catering facilities providing meals
- care staff and support available round the clock communal facilities including, for example, lounge(s), restaurant, bar, communal kitchen, and hairdresser.¹¹

Generally it will be for residents to decide if they wish to take advantage of personal care support packages or other facilities such as the restaurant.

Some of these facilities are dependent upon economies of scale and facilities such as an IT room, trolley/electric scooter parking area, library, crafts/woodworking room, gardening area, gym/leisure facilities and dedicated transport may only be found in larger developments, e.g. 100+ units.

Extra Care housing is therefore designed:

- to promote independence, allowing individuals to live independently within the community;
- to be empowering and enabling with easy access to flexible, person-centred care and support services which enable individuals to maximise their independence and promote health and well being; and
- to promote social inclusion within the development and avoid social isolation.

People in Extra Care housing may therefore

- have no care needs, but may anticipate that this will change in the future, or may even have made a lifestyle choice to take advantage of the communal aspects of a scheme;
- have low care needs, recognising that these may grow in the future, or where current accommodation does not help any current incapacity
- have high care needs where ExtraCare is a preferable alternative to living in residential care.

Overall, ExtraCare can be a home for life given the flexibilities in its provision, have a beneficial impact on health and well being, and provide economies in scale in delivering on-site health and home care packages.

¹¹ *The Department of Health's Housing Learning and Information Network (HLIN)*

Use Classes Order

The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. The original 1987 Use Classes order has been modified over the years but still contains no specific category where accommodation referred to as Extra Care clearly sits. Because of this Extra Care schemes have been classified as both C2 and C3 whilst some believe schemes may be 'Sui Generis' i.e. in a unique class of its own, not comparable to other residential provision. Descriptions of these categories are set out below.

- **C2 Residential institutions** - Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.
- **C3 Dwellinghouses** - this class is formed of 3 parts:
 - C3(a) covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant), a carer and the person receiving the care and a foster parent and foster child.
 - C3(b): up to six people living together as a single household and receiving care e.g. supported housing schemes such as those for people with learning disabilities or mental health problems.
 - C3(c) allows for groups of people (up to six) living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for i.e. a small religious community may fall into this section as could a homeowner who is living with a lodger.

Sui Generis - Certain uses do not fall within any use class and are considered 'sui generis'. Such uses include: theatres, houses in multiple occupation, hostels providing no significant element of care, scrap yards. Petrol filling, stations and shops selling and/or displaying motor vehicles. Retail warehouse clubs, nightclubs, launderettes, taxi businesses, amusement centres and casinos ¹².

In the original 1987 Order, "care" means personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care of children and medical care and treatment;

¹² *The Planning Portal website 2013*

APPENDIX 11: Useful contacts

South Gloucestershire Council

Strategic Planning Policy and Specialist Advice Team

planningLDF@southglos.gov.uk

Tel no 01454 863469

Strategic Housing Enabling Team

HousingEnabling@southglos.gov.uk

01454 865599

HomeChoice

HomeChoiceTeam@southglos.gov.uk

01454 868005

Occupational Therapist: Private Sector Housing Team

01454 868007

Other Bodies

HomeBuy Agent – South West Homes

0300 100 0021

info@southwesthomes.org.uk

<https://www.southwesthomes.org.uk>

Homes and Communities Agency

0300 1234 500

mail@homesandcommunities.co.uk

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

Crime Prevention Design Advisor

PC Peter Wozniak Crime Reduction

01454 864402

peter.wozniak@avonandsomerset.pnn.police.uk

West of England Housing Delivery Panel

Lot 1 – Development Only

Company	Contact
Arc Developments South West Limited	01934 732659
Aster Group Limited	01749 832084
Linden Homes Limited	01626 956789
Leadbitter Group	01454 774794

Lot 2 – Development & Management

Company	Contact
Curo Group	01225 366029
Sovereign Housing Group	0117 317 0722
Knightstone Housing Association	0117 984 8113
Affinity Sutton Group	0207 378 5527
Merlin Housing Society	01454 821429
Guinness Trust	01275 395755
Jephson Homes Housing Association Ltd	01454 204015
Bromford Housing Group Ltd	01285 885011
L-IND Consortium: Aster Homes	01749 832084
United Communities	0117 947 0501
Elim Housing Association Ltd.	01454 411 172
Solon SW Housing Association Ltd.	0117 924 4071
Sanctuary Housing Association	01905 334060

Lot 3 – Management Only

Company	Contact
Elim Housing Association Ltd.	01454 411172
Bristol Community Housing Foundation/ United Housing Association	0117 947 0501
Solon SW Housing Association Ltd.	0117 924 4071
Alliance Homes	01275 398182

Lot 4 – Extra Care Housing

Company	Contact
Leadbitter Group	01454 774794
Knightstone Housing Association	0117 984 8113
Brunel Care	0117 914 4221

Curo Housing Group	01225 366 008 / 07974 983 019
Housing 21	0370 192 4518
Alliance Homes	01275 398182

Lot 5 – Rural Housing

Company	Contact
English Rural Housing Association	020 7820 7930 / 07770 437122
Curo Housing Group	01225 366 008 / 07974 983 019
Guinness Trust	01275 395755
Merlin Housing Society	01454 821429
Jephson Homes Housing Association Ltd	01454 204015
Knightstone Housing Association	0117 984 8113
South Western Housing Society	01934 750780