1.1 This Supplementary Planning Document (SPD) has been prepared by Broadland District Council to inform applicants for planning permission of the detailed requirement for provision of affordable housing. This SPD supplements the Broadland District Local Plan (Replacement) (BDLP), adopted on 22 May 2006. The purposes of this SPD are to:

- Provide detailed explanation of the Local Plan policies and set a clear framework for developers and others to understand how affordable housing to be provided across the District
- Establish a flexible approach for Broadland to appropriate levels and distribution of affordable housing provision based on the findings from the Housing Needs Survey.
- Set out a flexible approach to commuted sums for affordable housing provision
- Provide information to indicate types of affordable housing which are of greatest need and/or are most appropriate for Broadland
- Outline the procedures and processes which will be used to secure section 106 planning obligations on affordable housing

1.2 This SPD is written directly to supplement policy HOU4 on affordable housing in the Local Plan as a consequence of development; it also supplements policy HOU18 on exception sites and policy HOU10 on design and the range of house types required to reflect needs. These policies are attached in appendix 1. The SPD does not apply to that part of the district outside the area covered by the BDLP; that is the part within the jurisdiction of the Broads Authority. The Broads Authority will however, be asked to refer to the principles of the SPD as a material consideration when it considers relevant development proposals.

1.3 This SPD was drafted under the requirement of the Planning and Compulsory Purchase Act 2004 regulations (as amended by Regulations 2008) and Planning Policy Statement 12 on Development Plans. In accordance with these regulations the SPD was made available for comment for a consultation period of six weeks between 25 July and 5 September 2008. The SPD is now formally adopted by the Council on 2 December 2008 in light of the comments received. This SPD supersedes the Supplementary Planning Guidance (SPG) on Affordable Housing adopted November 2003.

1.4 This SPD will be monitored as part of overall monitoring progress through the Annual Monitoring Report, in which the approval and completion numbers of affordable housing units will be recorded.

2.2 Circular 5/2005 Planning Obligations provides information and guidance when planning obligations are used in granting planning permissions, including those relating to the provision of affordable housing.

2.3 East of England Plan sets out a proposed housing figure for Broadland, Norwich and South Norfolk. It also expects 35% of housing built in the East of England Plan period to be affordable. The housing figure for Broadland and South Norfolk include provision related to the Norwich Policy Area, for which there is a total of 33,000 from 2001 to 2021. (including the target figure for Norwich City) The figure for all the three districts is 37,500.

2.4 The SPD is based on the evidence base which is gathered from various sources. Apart from the principal evidence base which comprises Policies HOU4, HOU10 and HOU18 in the Broadland District Local Plan (BDLP) Replacement, (Adopted in May 2006) national and regional policies produced since that time will also be considered. The evidence base also includes Housing Need and Stock Condition survey completed in December 2006 by Opinion Research Services (ORS) for Greater Norwich Housing Partnership (GNHP), as well as the Housing Market Assessment by GNHP in September 2007.

### Table 1 Summary of 5-year Housing Requirements by Housing Type

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Annualised 5-years Net Requirement</th>
<th>% of Net Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>233</td>
<td>70.5%</td>
</tr>
<tr>
<td>Upper &amp; Middle Intermediate Bands</td>
<td>37</td>
<td>11.1%</td>
</tr>
<tr>
<td>Lower Intermediate Band &amp; Social</td>
<td>61</td>
<td>18.4%</td>
</tr>
<tr>
<td>Total</td>
<td>330</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Housing Need and Stock Condition survey by ORS, 2006

2.5 Evidence from the Housing Need and Stock Condition survey (table 1) indicates a 30% of new housing will need to be affordable over the next 5 years and the breakdown between social rented and intermediate affordable housing. The requirement of affordable housing for Broadland would be 30% of all completions. However, smaller sites which are below the specified threshold will not contribute to the whole affordable housing requirement. Therefore, the actual requirement will be higher to ensure the delivery of the 30% target.
2.6 In addition to the evidence from the ORS survey, if sub-regional need is considered, taking into account the extrapolated newly rising need, the development on qualifying sites, as well as Housing Corporation funded dwellings estimates for, the Greater Norwich Development Partnership (GNDP) suggest that the percentage of affordable houses on qualifying sites needed to meet the level of need fully would be 70%.

2.7 Consequently, taking account of the factors mentioned above, and having regard to potential effects on financial viability of sites, a figure of 40% affordable homes on qualifying sites is considered as appropriate.
3.1 Affordable housing will be negotiated under this SPD and the PPS3 ‘Housing’. This guidance can assist in addressing the problem of meeting affordable housing need.

3.2 As policy HOU4 in the Local Plan states the Council will seek to negotiate with developers for a proportion of affordable housing on sites of 0.4 Ha or more, or containing 15 or more dwellings and on sites in parishes with up to 3,000 people of 0.2 Ha or more, or containing 5 or more dwellings. This threshold applies to the total area of a site and excludes open space and other community uses. Where a planning application relates to only part of a larger site, e.g. a development by one or more developers which, in total, exceeds the thresholds in Policy HOU4, the affordable housing requirement of the whole development will be taken into account in considering each application. When this is the case the developers will be required to sign a legal agreement to set out how the affordable housing requirement for the whole site will be met between them.

3.3 The 40% Affordable Housing requirement will be the starting point for negotiations on qualifying sites, except when a site specific policy in the local plan specifies a different figure.

3.4 Of this 40% sought the council has chosen to include the tenures as listed in Section 5 to provide a balanced mix of tenure types.

3.5 This SPD applies to conversions such as conversion of barns as well as new build developments.
Types of Affordable Housing

4.1 The Council defines affordable housing in paragraph 4.22 in the Local Plan Replacement as, “housing provided to meet the needs of those who cannot afford or are otherwise excluded (e.g. ineligibility for a mortgage) from occupying dwellings on the open market.” This definition includes those people who would be unable to afford to rent on the open market. The general measure of affordability is those whose savings and income is insufficient to secure accommodation to suit their needs, whether this is private rented or to purchase a dwelling on the open market. In accordance with PPS3 Housing, this definition encompasses Intermediate Affordable Housing and Social Rented Affordable Housing.

4.2 Intermediate Affordable Housing is defined as “Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out for affordable housing. These can include shared ownership products (e.g. New Build Homebuy), other low cost homes for sale and intermediate rent.” Intermediate Housing normally comprise Shared Ownership, and sometimes Discounted Market Housing.

4.3 Shared Ownership (New Build Homebuy): Typically, eligible household could buy a share of a property provided by a Housing Association, through either a mortgage or savings. A monthly rent is payable to the Housing Association for the remaining share of the property. As the household’s circumstances or finance change, further shares could be bought up providing the option is available. Eligible households should also have an option to purchase a lower initial stake. The Shared Ownership rent will be capped (currently at 2.75%) on unsold equity, and will be written into the S106 agreement for the site.

4.4 Discounted Market Housing: These types of houses have a simple discount for the purchaser on its market price, so the purchaser buys the whole home at a reduced rate. The discount is to be made in perpetuity to pass to next eligible purchaser. It is expected that the property is sold and resold at no more than 80% of the open market value.

4.5 Social Rented Affordable Housing is defined in PPS3 as: “Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.”

4.6 The affordable housing types listed above do not restrict tenure options. Other types of affordable homes will also be considered to meet specific needs and will be negotiated on a case by case basis.
5.1 The 40% affordable housing target is sought on the basis of 60% of the total affordable housing number being Social Rented and 40% being Intermediate Affordable Housing subject to the specific circumstances of the development. Of the Intermediate Affordable Housing, an appropriate split is likely to be 75% shared ownership and 25% discounted market housing.

5.2 For a site of 100 houses, Table 2 below sets out the breakdown of the overall 40% target in terms of tenures which form the basis for negotiations.

Table 2 Example of possible breakdown of affordable housing

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open market</td>
<td>60</td>
</tr>
<tr>
<td>Discounted market housing</td>
<td>4</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>12</td>
</tr>
<tr>
<td>Social rented</td>
<td>24</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

5.3 **Discounted market housing** is intended to meet a specific need for those that would be able to afford market housing with the aid of a discount, but whose need would otherwise not be met through Home Options (Choice Based Lettings). Please refer to section 8 for mechanisms of delivery and monitoring of such affordable housing type.

5.4 This tenure will account for about 10% of the overall 40% target. For instance, if on a development of a hundred houses, forty of them were affordable then four would be expected to be Discounted Market Housing.

5.5 **Shared Ownership** allows a person who would be unable to purchase a whole house to buy a proportion or share of a property with the remaining part of the property rented from a Registered Social Landlord (RSL), enabling the occupant to have a share in the property. This tenure will be secured via a Section 106 agreement and account for about 30% of the overall 40% target. If on a development of a hundred houses, forty of them were affordable then twelve would be expected to be shared ownership.

5.6 **Social rented** is directly managed by a RSL to offer a subsidised rent. This tenure would be expected to be of 60% of the overall 40% target. In the case of a site of a hundred houses, where forty were affordable, not less than twenty-four would be social rented. This would again be secured via a Section 106 agreement.

5.7 This target for affordable housing will be applied to all planning permissions and renewals that meet the policy threshold, including applications on sites for which permission has expired. This SPD will not be applied retrospectively in respect of extant planning permissions.
5.8 Of the remaining market housing on these sites, under policy HOU10 in the adopted Local Plan the council will seek to negotiate a range of house types, along with the affordable housing provision sought on site, to create more ‘balanced communities.’

5.9 The target will be the starting point for negotiation on windfall sites, unless it can be demonstrated that local circumstances or site characteristics do not justify such a level of affordable housing provision. The District Council does however take its commitment to securing affordable housing through planning policy very seriously, and will apply the affordable housing policies in the Local Plan and this SPD strictly to all relevant applications. If an applicant does not meet the requirement of affordable housing, then this can form grounds for refusal.

5.10 The Council recognises that the need of affordable housing unit’s type (e.g. in terms of bedroom numbers) may be different across the district. Therefore, dwelling type and tenure should be discussed together at early stages of application on a case by case basis.
6.1 On occasion, that there may be particular exceptional site costs associated with developments that may justify a reduction in the number of affordable housing units.

6.2 The Council will in accordance with PPS3 take a flexible approach in negotiating for affordable housing taking into account specific site conditions. One example that may constrain the delivery of on site provision could be, the revenue from the sale of full price market housing may be required to ensure the restoration of a listed building. Another example where provision of affordable housing maybe threatened could be where there is areas of contaminated land that need to be remediated and paid for before any development could take place on the site.

6.3 In these cases the Council will expect to see evidence to substantiate that the sites would be uneconomical to develop if affordable housing is also provided. This will be negotiated under an “Open Book” approach. **The Council will expect the developer to undertake such assessments by using an appropriate toolkit, such as the Economic Appraisal Toolkit (EAT) provided by the Housing Corporation or any future replacement. This will also take into account availability of public subsidy.**

6.4 The Council although not a direct provider of affordable housing does recognise that as an enabler it should help contribute to rural affordable homes to keep schemes viable. The Council recognises the need to provide affordable housing via section 106 agreements, financial contributions from developers towards affordable housing can be used to fund other affordable housing schemes elsewhere in the district.
7.1 Policy HOU18 in the Local Plan provides for housing to meet specific local housing need on sites where housing would not normally be acceptable in planning terms. Where development is approved under this policy, the Council will expect all the dwellings approved to meet local need in perpetuity. In context ‘local need’ means a need arising in the Parish concerned or the neighbouring parishes. Such need to be shown by a Housing Association through the use of the Housing Register and/or district wide or local housing needs survey or another objective assessment. The aim in such cases will be to provide affordable homes for people with a need to live in the locality and therefore eligibility criteria will normally be necessary. These will be incorporated into conditions or obligations, and will limit occupancy to people with close ties to, or employed in, the locality. A cascade approach to gradually widen the area of eligibility to occupy the dwellings will usually be acceptable to the council to ensure that occupants can always be found to fill that property.

7.2 While exception sites by their nature need to comprise affordable housing only it will be possible to have the mix of tenures outlined above, such as discounted market housing, shared ownership as well as social rented, in similar proportions to those outlined in section 5. These proportions will be negotiated to meet the needs in the specific locality subject to property keeping “affordable” in perpetuity.

7.3 In certain circumstances where the Council allows a commuted sum to be made in lieu of on site provision, money received could cross-subsidise exception schemes elsewhere in the parish or district. This will enable planning obligations to fund provision via exception sites in places where there is more priority need, whether this is by conversion or new build. In addition the Council may also be able to use this revenue to assist in the compulsory purchase of houses or non-residential buildings in the countryside to address the housing need in the rural area.

7.4 The Council expects that the need for exception sites is demonstrated, one way of doing this is by carrying out a local housing needs survey, possibly incorporated with work on a Parish Plan. A local housing needs survey should be distributed as widely as possible to reach every home in the village (possibly to incorporate neighbouring parishes where possible) to maximise the response rate. The applicants should inform and seek the support of the Parish Council before carrying out a survey and discuss the results of the survey with the Parish Council after completion. Sufficient time for return of the survey forms should be given, this should be a minimum of six weeks and reply paid envelopes should be distributed with the survey forms.

7.5 The Council can provide on request advice and guidance on how to produce housing needs survey forms and/or how to undertake local housing needs surveys.

7.6 Broadland District Council will need to see a copy of the survey being distributed, results of the survey and will meet with the applicant to discuss the final outcome of the survey i.e. the proposed mix and tenure arising from the analysis of the survey results.
8.1 When an application for residential development is received, which is subject to the affordable housing policies in the Local Plan, the Development Management Case Officer will consult the Policy Unit, for information on the scale and type of affordable housing required on the site, having regard to the detailed findings of the latest Housing Needs Survey or local need survey, taking into account any other relevant information. This advice will form the basis for the District Council’s position in the subsequent negotiation of any conditions or planning obligation under Section 106 of the Town and Country Planning Act 1990, (as amended), or any similar legal agreement.

8.2 Please note that in respect of applications involving planning obligations the planning decision will be subject to the prior completion of the obligation. Planning obligations will vary depending on the individual circumstances of each application. Such an obligation will be drawn up and signed prior to the issue of outline or full planning permission. Issues covered in a planning obligation will include:

- Detailed requirement of affordable housing at the outline and full details stage
- Set out the dwellings that will be transferred to a housing association, including where they are to be located, the specified affordable price, and how they will be made available to qualifying persons
- Ensure appropriate commuted sum in lieu of units on site
- Ensure in perpetuity the affordability of dwellings including when re-sold and control over occupancy

8.3 In a limited range of appropriate circumstances it is possible to use Grampian conditions as a prelude to obligations being entered into, so as to enable the application to be determined, but preventing implementation of the permission until such time that alternative arrangements i.e. s106 obligation has been put in place.

8.4 The District Council aims to ensure that affordable housing is sold or let at prices or rents to address those in most housing need or meet a local need. The method preferred by the District to achieve this would be with the involvement of a Registered Social Landlord (RSL, e.g. a Housing Association). The Council will seek to involve a RSL in negotiations with developers wherever possible. There are a number of ways a RSL can be involved in the development, for instance the RSL and the developer may reach an agreement and the developer build the units themselves and hand them over to the RSL at a reasonable cost as to attract funding to ensure delivery.

8.5 The District Council would expect the Registered Social Landlords (RSLs) to reach an agreement for the land to be transferred to them or for the units to be built to the standards as set out in 10.2 and transferred to the RSLs on completion. Alternatively, the Community Land Trust can be used as a substitute to RSLs. Transfer of units should be at nil land costs and at no cost to the Council. The Council will expect the developer to provide information sufficient to monitor the price of units sold to a RSL.
8.6 In a scheme, the financial arrangement for delivering affordable housing will need to be determined by the RSL and the developer. Normally, grant from the Housing Corporation will not contribute to a scheme, unless it is to provide some term of "added value", such as higher standards of energy efficiency or specific adaptations.

8.7 Specifically for Discounted Market Housing, sale will be registered to the Council in a restrictive covenant (in perpetuity). The restrictive covenant means the owner can only sell the property at a discounted price. This will be established by the owner getting a surveyor’s valuation of the full market value of the property (assuming no restrictive covenant) and then applying the agreed rate of discount to the valuation. The owner must then agree in writing with the Council the discounted valuation. The council will then suggest potential purchasers from its housing register. Should no local purchaser be interested the property can then be offered wider.
9.1 Only in exceptional circumstances, and where there is a robust and evidenced reason will the Council consider the acceptance of provision off-site. Circumstances where the Council may consider the acceptance of a commuted sum include the following:

- Where housing need priorities could be better met in an alternative location
- Where the integrity or viability of the particular form of development might be compromised by the integration of affordable housing for reasons that can be clearly set out and justified

9.2 An example of when circumstances mean provision may be provided via a commuted sum could be if the application is for conversion of a building where the mix of tenures would be difficult to manage. Or alternatively if the application were for one dwelling on a site area meeting the threshold then it would be unreasonable to expect provision to be provided on site. The commuted sum sought will be equivalent to achieving a similar provision within the parish or neighbouring parishes or possibly forming part of provision elsewhere in the district.

9.3 In these circumstances the Council will negotiate for a commuted sum. The contribution or commuted sum will normally be calculated based on a land valuation, including any enhanced value to the site accruing from there being only market housing on the site. The sum will be calculated using the following formula: Value of site (based on all market housing)/Number of units X Number of affordable housing required (i.e. normally 40% of site value). In addition, where there would be a shortfall between the construction costs of affordable units and the achievable contribution from a RSL (based on rental value etc) this should also be paid by the developer. Valuations will normally need to be undertaken by the District Valuer at the developers' expense.

9.4 The payment will be made on commencement of construction and up-dated to reflect actual land values at that time. This requirement including any necessary valuations to be undertaken at the developer’s expense will be incorporated into the planning obligation to be entered into when planning permission is granted.
10.1 Developers are required to take into account affordable housing requirement at early stages of design. This is necessary so that the new affordable housing units will be integrated appropriately to the overall scheme. The design has to take positive community mixture and safety/security into account by applying appropriate layout and design quality.

10.2 Where possible, the design of affordable housing units should comply with the Design and Quality Standards (QDS) of the Housing Corporation or any updated or replaced standards required by the Housing Corporation as appropriate at the time of application. Affordable housing should also meet the 'lifetime homes' standard where possible. Applicants should confirm in the planning and design statement that the design complies with the QDS and meets the 'lifetime homes' standard. High levels of energy efficiency and use of renewable energy are encouraged.

10.3 The Council recognises the need for provision of affordable specialist accommodation for vulnerable groups. Such provision will be discussed on a case by case basis. From time to time, where applicable, the Council will negotiate with the developer on the provision of supported housing for a variety of client groups, including Gypsy & Travellers.
Development Plan Policies to be supplemented:

**POLICY HOU4**

THE COUNCIL WILL SEEK TO NEGOTIATE WITH DEVELOPERS FOR A PROPORTION OF AFFORDABLE HOUSING ON SITES OF 0.4HA OR MORE, OR CONTAINING 15 OR MORE DWELLINGS AND ON SITES IN PARISHES WITH UP TO 3,000 PEOPLE OF 0.2 HA OR MORE, OR CONTAINING 5 OR MORE DWELLINGS. THE AFFORDABLE HOUSING WILL BE IN SMALL GROUPS WITHIN THE DEVELOPMENT. ANY PERMISSION GRANTED WILL BE APPROPRIATELY CONTROLLED, BY CONDITIONS OR LEGAL AGREEMENT, TO ENSURE THAT THE DEVELOPMENT CONTINUES TO MEET THE NEED FOR AFFORDABLE HOUSING IN THE INITIAL AND SUBSEQUENT OCCUPATION. (Objective 3)

**POLICY HOU10**

THE DWELLINGS BUILT DURING THE PLAN PERIOD WILL MEET THE NEEDS OF THE COMMUNITY IN TERMS OF THEIR SIZE AND DESIGN. THE COUNCIL WILL SEEK A RANGE OF HOUSING TO MEET IDENTIFIED NEEDS. (Objective 3)
POLICY HOU18

IN EXCEPTIONAL CASES, DEVELOPMENT FOR AFFORDABLE HOUSING WILL BE PERMITTED ON LAND WHICH WOULD NOT NORMALLY BE CONSIDERED AS SUITABLE FOR HOUSING IN THE LOCAL PLAN, PROVIDED IT CAN BE DEMONSTRATED TO MEET A PARTICULAR LOCAL NEED WHICH CANNOT BE ACCOMMODATED IN ANY OTHER WAY. SUCH DEVELOPMENT WILL ONLY BE PERMITTED WHEN:

(b) THE DEVELOPMENT PROPOSED IS OF A SCALE WHICH RESPECTS THE LEVEL OF NEED IDENTIFIED FOR THE SETTLEMENT;

(c) THE SCHEME IS CAPABLE OF PROPER MANAGEMENT BY, FOR EXAMPLE, A HOUSING ASSOCIATION, VILLAGE TRUST OR SIMILAR LOCAL ORGANISATION WHICH IS ABLE TO CONTROL THE INITIAL AND SUBSEQUENT OCCUPATION IN THE FUTURE, AND A LEGALLY BINDING AGREEMENT TO THIS EFFECT IS ENTERED INTO BY THE DEVELOPER BEFORE PLANNING PERMISSION IS GIVEN;

(d) THE NEED WHICH HAS BEEN DEMONSTRATED ARISES IN THAT PARTICULAR LOCALITY (IE IN THE PARISH CONCERNED OR AN ADJACENT ONE).

(e) THE FLOORSPACE OF ANY DWELLING SHALL RELATE TO THE IDENTIFIED NEED.

PROPOSALS FOR DEVELOPMENTS WHICH COMBINE DWELLINGS FOR LOCAL NEED AFFORDABLE HOUSING WITH GENERAL MARKET HOUSING WILL NOT BE CONSIDERED APPROPRIATE IN THESE LOCATIONS. HOWEVER, IT WOULD BE ACCEPTABLE FOR GENERAL HOUSING SCHEMES WITHIN DESIGNATED RESIDENTIAL AREAS TO BE USED TO CROSS-SUBSIDISE AFFORDABLE HOUSING PROJECTS ELSEWHERE. (Objective 1, 3)