

Affordable Housing Supplementary Planning Document

Adopted **DATE** 2012

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Exeter City Council

www.exeter.gov.uk

Exeter Local Development Framework

1.0 INTRODUCTION

Purpose of the Supplementary Planning Document

- 1.1 It is important that everyone living in Exeter has the opportunity of a decent and affordable home. One of the nine themes of the Sustainable Community Strategy¹ is 'a *City with homes for everyone*', reflecting the Council's commitment to helping local people who cannot afford to buy or rent a home on the open market in Exeter.
- 1.2 Where there is an assessed need for affordable housing, the Government allows local authorities to deliver affordable homes by requiring developers to provide them within new housing schemes. Policy CP7 of the *Core Strategy*² sets out the Council's approach towards achieving this.
- 1.3 This Draft SPD provides more detailed guidance on how Policy CP7 will be implemented. Once adopted, it will form part of the Exeter Local Development Framework and will be a material consideration in the determination of planning applications. Its contents will need to be taken into consideration from the earliest stages of the development process, including in the purchase of sites and the negotiation and preparation of residential schemes.

The Policy Context

- 1.4 Government policy on planning for affordable housing is set out in paragraphs 47 and 50 of the *National Planning Policy Framework (NPPF)*³. Annex 2 of the *NPPF* defines affordable housing as comprising social rented, affordable rented and intermediate housing (see Appendix 1 of this SPD for more detail). For the purposes of planning policy, the *Core Strategy* and this SPD use the *NPPF*'s definition of affordable housing.
- 1.5 Policy CP7 of the *Core Strategy* reflects the provisions of the *NPPF* at a local level and is set out below:

Policy CP7: On sites capable of providing 3 or more additional dwellings (irrespective of the number of dwellings proposed) 35% of the total housing provision should be made available as affordable housing for households whose housing needs are not met by the market. At least 70% of the affordable housing should be provided as social rented housing. The overall percentage of affordable housing and the tenure split will be subject to considerations of viability and feasibility. Where it is not possible for viability reasons to provide the full requirement of social rented housing, affordable rent provision would be considered, let as far as possible at social rented levels. The remaining balance of the affordable housing should be delivered as intermediate affordable housing.

¹ *Exeter Vision*, Exeter Vision Partnership. www.exeter.gov.uk/visionstrategy

² *Core Strategy (adopted February 2012)*, Exeter City Council (2012). www.exeter.gov.uk/corestrategy

³ *National Planning Policy Framework (2012)*, Department for Communities and Local Government. <http://www.communities.gov.uk/publications/planningandbuilding/nppf>

2.0 AFFORDABLE HOUSING NEED IN EXETER

Strategic Housing Market Assessment

- 2.1 In 2007, Exeter City Council and neighbouring authorities⁴ commissioned a *Strategic Housing Market Assessment (SHMA)*⁵ to assess the need for both market and affordable housing across the Exeter and Torbay Strategic Housing Market Area. An update to the *SHMA* was produced in 2010, specifically for Exeter (*2010 SHMA*)⁶.
- 2.2 To meet housing needs in Exeter between 2010 and 2015, the *2010 SHMA* identifies a requirement for 5,294 additional dwellings to be provided, of which 3,165 dwellings (nearly 60%) should be affordable. This demonstrates a significant need for affordable housing in the City. Of the 3,165 affordable dwellings, the *2010 SHMA* concludes that around 70% need to be provided as social rented housing.

Housing Register

- 2.3 The Council's Housing Register provides more detail about the level of affordable housing need experienced by households in Exeter. The Housing Register currently shows a high overall requirement for smaller affordable dwellings and a reduced requirement for larger dwellings. However, the Register also shows that larger households tend to have a more acute degree of affordable housing need. In addition, the supply of larger dwellings from Exeter's existing affordable housing stock is very small, leading to extended waiting times (for example, it currently takes around 3 years to address the needs of a household requiring a 1-bed property, but around 14 years to address the needs of one requiring a 4-bed home and longer still for one requiring a 5-bed home).

⁴ Devon County Council, East Devon District Council, Mid Devon District Council, Teignbridge District Council, Torbay Council and Dartmoor National Park Authority.

⁵ *Exeter & Torbay Strategic Housing Market Assessment (2007)*, ORS.

⁶ *Exeter Strategic Housing Market Assessment (2010)*, ORS.

3.0 AFFORDABLE HOUSING PLANNING POLICY

Applying the policy

3.1 The requirement to provide affordable housing will apply to all proposals for residential development, including:

- new build, conversions and mixed use schemes;
- phased developments where the threshold of 3 dwellings will be exceeded by cumulative totals;
- developments by Registered Providers (RPs);
- schemes providing housing for people receiving care or support, including supported housing developments;
- schemes involving non-self contained dwellings and the sharing of amenities, including houses in multiple occupation.

3.2 Proposals for purpose built student accommodation will not be subject to affordable housing requirements.

Amount of affordable housing

3.3 Policy CP7 sets out the Council's intention to negotiate 35% affordable housing on all sites capable of providing 3 or more new dwellings (net), subject to considerations of viability and feasibility. In light of these considerations and informed by the Council's Community Infrastructure Levy (CIL) evidence base and other market indicators, for the present the Council will:

- not seek an affordable housing contribution from schemes of between 3 and 14 dwellings; and
- accept the provision of 25% (or more) affordable housing without having recourse to a development appraisal.

3.4 In these cases, the commencement period for planning permission will usually be restricted to 2 years.

3.5 This approach will only be taken for a period of three years from adoption of the Community Infrastructure Levy.

3.6 Under the approach set out in paragraphs 3.3 to 3.5 above, a lower percentage of affordable housing will be negotiated where the applicant can soundly demonstrate that 25% is not financially viable, having explored all possible forms of residential development that would be suitable in terms of amenity and design. This will require the submission of a development appraisal at the pre-application stage (see paragraph 5.1 below). Further details of the development appraisal process are provided in paragraphs 3.27-3.30 below.

3.7 In some cases, the percentage of affordable housing negotiated will not equate to a whole number of dwellings⁷. In order to make up the balance, the Council will seek to negotiate a financial contribution to provide 'part' of an affordable home. The formula in Appendix 2 will be used as the basis to calculate the financial contribution.

3.8 Where the Council considers that the number of new dwellings proposed is inappropriate for the site area or the building to be converted, a revised scheme will be negotiated at the

⁷ For example, 25% of a 90 dwelling scheme equates to 22.5 affordable homes. In addition to 22 affordable homes, the Council would seek a financial contribution equivalent to half (0.5) of an affordable home.

more appropriate density. This may alter the affordable housing requirement under Policy CP7.

Tenure Mix

- 3.9 As set out in paragraph 2.2 above, the *2010 SHMA* shows that around 70% of households in need of affordable homes can only afford social rented housing provided by RPs or the Council. On each qualifying site the Council will therefore seek to negotiate, during pre-application discussions, at least 70% of the affordable housing to be provided as social rented housing. Where the applicant is able to demonstrate by means of a development appraisal that this is not viable, the Council may accept the provision of affordable rent units let, as near as possible, to social rent levels. The remaining balance of the affordable housing should be provided as intermediate affordable housing.

Size Mix

- 3.10 In order to meet identified needs, the Council will seek to deliver the following mix of new affordable housing across the City. The mix is based on the findings of the *2010 SHMA* and has been weighted to take into account the more acute need for affordable housing amongst larger households, as demonstrated by the Housing Register:

| | |
|---------|-----|
| 1 bed : | 15% |
| 2 bed : | 59% |
| 3 bed : | 14% |
| 4 bed : | 7% |
| 5 bed : | 5% |

- 3.11 The actual mix of affordable housing will be negotiated scheme-by-scheme, also taking into account the characteristics of the site and surrounding area, but the above mix will form a starting point for negotiation. On smaller schemes, the Council may be willing to negotiate an amount of affordable housing based on floor space rather than number of units. In all cases during the negotiation process, the Council will be mindful of waiting times and turnover of occupancy in the existing affordable housing stock.

Supported and Wheelchair Accessible Housing

- 3.12 The supporting text to Policy CP7 states that the affordable housing mix should include specialist housing, where there is an evidenced need. The Council's Older Person's Housing Strategy identifies a need for affordable supported housing in the City. The Council may therefore seek an element of affordable supported housing in its negotiations under Policy CP7.
- 3.13 The Council's Housing Register demonstrates that there is also a clear need in the City for affordable housing that is wheelchair accessible. Under Policy H7 of the Exeter Local Plan First Review, on sites capable of yielding 15 or more dwellings, or measuring 0.5 hectares, the Council will seek to negotiate 5% of the total dwelling provision as wheelchair accessible housing⁸. Of this, up to 10% of the affordable housing element should be provided as wheelchair accessible housing.
- 3.14 The Council will require the wheelchair accessible bedroom to be located on the same floor as other bedrooms and it is essential that private amenity space is provided. These requirements will ideally be met in the form of bungalows, but the exact type and size of wheelchair accessible housing will be negotiated in more detail during pre-application

⁸ The Council is preparing a *Site Allocations and Development Management DPD*, which will, it is proposed, include a policy to replace H7.

discussions. Wheelchair accessible housing should be built in accordance with the Council's Wheelchair Accessible Housing Design Standards 2011⁹.

Distribution and Design

- 3.15 The design and appearance of affordable housing will be expected to comply with Policy CP17 of the *Core Strategy*, which sets out strategic design principles for all development; and design/conservation policies in the forthcoming *Site Allocations and Development Management Development Plan Document*.
- 3.16 Developers should also have regard to the Council's *Residential Design Guide SPD*¹⁰, which provides more detail about the standard of design required for all new residential development. The Council expects new housing to have sufficient space to cater for a variety of household needs, with the aims of promoting high standards of liveability, accessibility and comfort and of producing adaptable and flexible homes to meet long term needs. All housing should be designed to meet Lifetime Homes Standards where feasible and practical.
- 3.17 Within the broader constraints of these policies, affordable housing should conform to the design standards normally required by funding bodies (e.g. the Homes and Communities Agency (HCA)) in order to qualify for grant. These standards may be higher than those applicable to market housing, reflecting the needs of the occupants and the implications of the difference in tenure.
- 3.18 The Council supports the principle of tenure blindness and, as far as is reasonably practical, it should not be possible to ascertain the difference between market and affordable housing in any one scheme. Innovative design of affordable homes and their environment will be encouraged, within the context of overall planning policies. To aid the promotion of inclusive and sustainable communities, the affordable housing should integrate seamlessly into the layout of the development and be distributed amongst the market housing in clusters of no more than 10 units.
- 3.19 On any one development site, the Council will require at least half of the 2 bed affordable homes provided to be in the form of houses with gardens.

Timing of provision

- 3.20 The timing of the delivery of affordable housing is a key issue in securing mixed and balanced communities. This is particularly important on larger schemes, where poor timing can result in isolated pockets of development and cause problems with infrastructure delivery, leading in the short term to a poor living environment for new residents. Wherever possible, affordable housing should be provided in tandem with market housing. In all cases, the Council will require the affordable housing to be completed before a certain percentage of the market housing is completed.

Commuted provision

- 3.21 The Council considers it important to integrate different tenures throughout housing schemes, in order to promote mixed and well balanced communities and create more varied patterns of house types and ownership. Where affordable housing is required under Policy CP7, the Council will therefore expect it to be provided on the development site.

⁹ *Exeter Wheelchair Accessible Housing Design Standards 2011*, (2011), Exeter City Council.
www.exeter.gov.uk/index.aspx?articleid=12340

¹⁰ *Residential Design Guide SPD (2010)*, Exeter City Council.
<http://www.exeter.gov.uk/index.aspx?articleid=12730>

- 3.22 Commuted provision in one of the following ways will only be agreed in exceptional circumstances and at the Council's discretion, where it is satisfied that:
- the affordable housing cannot be managed effectively on the site; or
 - the affordable housing cannot be provided on site for design reasons, as agreed with the Council's Urban Design Team; or
 - providing the affordable housing elsewhere in the City would significantly widen housing choice and encourage a better social mix, or help to make more effective use of the existing housing stock.

Off-site provision

- 3.23 The first priority will be to seek provision on an alternative site in the locality of the application site, in the interests of delivering mixed and sustainable communities. The 35% affordable housing target will be applied across both sites to ensure a pro-rata contribution since, in effect, two sites will be developed for housing. However, it is unlikely that the Council will accept a proposal that results in an inappropriate mix of tenures or excessive dominance of affordable housing within a particular location.
- 3.24 In the case of off-site provision, the Council must also be satisfied that there is a suitable and available alternative site to accommodate the affordable housing. The site should be identified by the applicant during pre-application discussions and either:
- already have planning permission for housing, in which case the Council will need to be satisfied that the site can, in principle, accommodate the off-site provision; or
 - be acceptable to the Council for housing in principle. In this case, the site will need to be the subject of a concurrent planning application.

Off-site purchase

- 3.25 Alternatively, the applicant may buy equivalent dwellings on the open market for use as affordable housing. The dwellings should be of a type and in a location agreed by the Council at the pre-application stage and have the potential to meet all required standards. The applicant will be required to sell each dwelling to the Council for £1.

Financial contribution

- 3.26 Should the Council agree to the provision of affordable housing by way of a financial contribution, this will be calculated using the formula set out in Appendix 2 of this SPD. For the duration of the approach referred to in paragraph 3.5 above, the contribution will be calculated on the basis that dwellings on the subject site represent 75% and the financial contribution represents 25% of the total dwelling provision. The contribution will be spent at the discretion of the Council for the provision of affordable housing in the City. The Council will periodically review the values in the formula, to ensure that they remain up to date.

Development Appraisal

- 3.27 Applicants are expected to consider the overall cost of development, including affordable housing provision, prior to negotiating the purchase of land or an option. Applicants will be required to submit a development appraisal to the Council at the earliest opportunity, in order to justify the amount of affordable housing they propose to provide if it is below the 25% target.
- 3.28 The Council will adopt an 'open book' approach to the development appraisal. The applicant will be required to provide all relevant financial and other information sufficient to enable the Council, or an independent consultant, to assess the nature, extent and impact of the constraints upon the viability of the scheme. Commercial confidentiality will be

protected. It is a condition of undertaking a development appraisal that the applicant agrees to pay the Council's costs of reviewing the information submitted.

- 3.29 The Council wishes to avoid situations where developers purchase land without taking the requirement to provide affordable housing into account. Developers should not expect that the requirement will be waived where this has not been accounted for in the land purchase price.
- 3.30 If the Council concludes that it is in fact economically viable to meet the requirements of Policy CP7 then, in the absence of appropriate affordable housing provision, planning permission may be refused. However, if the Council is satisfied that there are genuine economic constraints for not meeting the requirements, it will seek to negotiate and fully explore all available options to achieve as much affordable housing as is possible within the constraints of economic viability. Guidance on what should be included in a development appraisal is set out in Appendix 3.

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4.0 MANAGEMENT AND OCCUPANCY

Management

- 4.1 The Council's preference is for affordable housing to be transferred to either the Council's Housing Department or an RP, once it has been built. It will then be managed as affordable housing in accordance with HCA guidelines. A list of the Council's preferred RPs is provided at Appendix 4.
- 4.2 In certain circumstances, developers may choose to retain ownership of the affordable housing and manage it directly. In such cases, the Council will ensure that appropriate management arrangements are in place.

Control of occupancy

- 4.3 The Council will ensure that occupancy of affordable housing provided under Policy CP7 is restricted to eligible households in housing need. The eligibility of any household will be based firstly on its ability to afford suitable market housing and secondly on its level of housing need relative to other households. To assess this and to fulfil its statutory obligations, the Council jointly operates the Devon Home Choice (DHC) choice-based letting system, which not only allows for the registration of need and waiting time, but also gives applicants greater opportunity to choose which home they live in when they reach the front of the waiting list.
- 4.4 All RPs in Exeter contribute to the costs of running Devon Home Choice. If an applicant wishes to let or sell affordable homes without involving an RP, the Council will ensure that they are available to successive occupiers nominated by the Council through DHC. The applicant will be required to bear a fair share of the running costs of the DHC scheme.

Affordability

- 4.5 Before granting planning permission, the Council will need to be satisfied that rental levels, service charges and shared ownership costs will be affordable both initially and in the long term to occupants.
- 4.6 For social rented housing, rents should be in line with the HCA calculation for 'target rents', as set out in the HCA's latest Capital Funding Guide¹¹. Increases should be limited annually according to the HCA's requirements on annual rent and service charge increases.
- 4.7 Affordable rented housing is not subject to the national rent regime, but requires a rent no greater than 80% of the local market rent. This figure will be net of service charges and based on the Royal Institute of Chartered Surveyors' approved valuation methods. A guidance note can be found on the Tenant Service Authority website¹².
- 4.8 Outgoings on intermediate low cost home ownership should in no case exceed the average market rent for comparable properties. The mortgage element of the outgoings should be assessed on the basis that there is a 30 year repayment mortgage at standard variable rates (i.e. ignoring any introductory discounts). Any rents payable on low cost home ownership homes will be dependent upon the viability of an individual site, but should not

¹¹ E.g. *Affordable Housing capital funding guide 2012-13 (2012)*, Homes and Communities Agency. http://www.homesandcommunities.co.uk/cfg?page_id=&page=1

¹² *Rents, rent differentials and service charges for private registered providers 2012-13 (2011)*, Tenant Services Authority. <http://www.tenantservicesauthority.org/server/show/ConWebDoc.21665>. The Tenant Services Authority is no longer functional, but the guidance note is still relevant.

exceed 2.75% of the retained equity. This is to ensure that as much income as possible is available to occupants to pay off mortgage costs.

- 4.9 For intermediate rented housing, rents should be set at 80% of Local Housing Allowance Rates. In every case, rents must fall within any relevant ceiling set within the Housing Benefit system (e.g. Local Reference Rents or Local Housing Allowance).
- 4.10 Schemes should be designed to ensure that service charges applicable to any affordable housing are kept as low as reasonably possible. Failure to take affordability issues into account within the scheme design could be grounds for refusing planning permission. In any event, service charges should not exceed the maximum amount an eligible household would be entitled to claim under the housing benefit regulations in force at the time.

Perpetuity

- 4.11 In accordance with the *NPPF* definition of affordable housing, the Council will ensure that affordable homes delivered under Policy CP7 either remain available at affordable rents/prices in perpetuity, or their value is recycled to provide other forms of affordable housing to meet an identified local need.
- 4.12 All money received as a result of occupants purchasing either their property (e.g. through the 'right to acquire') or a further equity share (e.g. through 'staircasing') will, subject to any statutory restrictions, be used to provide affordable housing within the City. If dwellings that have benefitted from City Council housing grant are purchased, the grant should be paid back to the Council's Housing Department. Recovered HCA grant must either be paid back to the Agency or recycled to provide affordable housing in the same market area, in accordance with the HCA's guidance on recycled capital grant funding¹³.

¹³ *Affordable Housing Capital Funding Guide 2012-13 (2012)*, Homes and Communities Agency. http://www.homesandcommunities.co.uk/cfg?page_id=&page=1

5.0 PLANNING PROCEDURES

Pre-application discussions

- 5.1 Pre-application discussions with the Council are encouraged. These help to identify any potential issues before detailed plans are drawn up and submitted, often saving considerable time and money. In terms of affordable housing, the Development Management and Housing Development Teams (see Appendix 5 for contact details) will seek to agree with the applicant the amount, type and nature of the requirement. Applicants are encouraged to involve their partner RPs in these discussions.

Outline applications

- 5.2 In the case of outline applications, the delivery of affordable housing must be agreed in principle. The Council will require details of the number and types of affordable homes to be provided and, once agreed, this will be set out in a Section 106 Agreement (see below).

Full / reserved matters applications

- 5.3 It is essential that applications for full planning permission and approval of reserved matters include full details of the affordable housing proposed, following agreement at the pre-application stage. The location, tenure and size of affordable units / plots should be specified on layout plans.

Section 106 Agreement

- 5.4 Before a planning application is determined, the Council will require completion of a Section 106 Agreement to secure the negotiated affordable housing. The Planning Solicitor (see Appendix 5 for contact details) will be pleased to supply a draft agreement to the applicant once the relevant details have been provisionally agreed. A specimen agreement and sample clauses are displayed on the Council website at www.exeter.gov.uk/planningobligations, but note that these are liable to change from time to time. Further details of the matters likely to be covered by the Agreement are also contained in Appendix 6.

APPENDIX 1

WHAT IS AFFORDABLE HOUSING?

The following text is extracted from Annex 2 of the *NPPF*.

Affordable housing: *Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing 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*

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.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are not 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.

Homes that do not meet the above definition of affordable housing, such as 'low cost market housing', may not be considered as affordable housing for planning purposes.

APPENDIX 2

FORMULA FOR CALCULATING FINANCIAL CONTRIBUTIONS

The Formula and Values

| | Average Size m2 | Typical Build Costs m2 | Sub Total | Average Plot Value | Commuted Sum Payment |
|-------------|--------------------|---------------------------|-----------|-----------------------|-------------------------|
| 1 Bed Flat | 55 | £1,247 | £68,585 | £22,217 | £90,802 |
| 2 Bed Flat | 72 | £1,247 | £89,784 | £22,217 | £112,001 |
| 2 Bed House | 83 | £1,247 | £103,501 | £22,217 | £125,718 |
| 3 Bed House | 91 | £1,247 | £113,447 | £22,217 | £135,694 |
| 4 Bed House | 103 | £1,247 | £128,441 | £22,217 | £150,658 |
| 5 Bed House | 114 | £1,247 | £142,158 | £22,217 | £164,375 |

The Breakdown

Average Size – These are average sizes (+10% for communal space for flats) taken from the *Residential Design Guide SPD*, page 60.

Typical Build Costs – Analysis of a number of schemes taken from BCIS online and co-ordinated by a local Chartered Quantity Surveyors practice. The schemes are typical estate type housing schemes in similar city locations to Exeter. The figure of £1,247 per m2 is an average of the schemes investigated and includes building works, external works, preliminaries and design fees.

Plot Value – An average per acre figure derived from recent land sales in and around Exeter during 2011-2012 as investigated by an external development consultant. This per acre figures is then divided by an average density figure taken as the mid point between the per acre densities as listed in the Strategic Housing Land Availability Assessment Methodology (September 2010)¹⁴. – 12 to 41 = mid point of 26.5. Detail in table below.

Exeter City Council will carry out a periodic review of the values in the formula.

¹⁴ *Methodology for Strategy Housing Land Availability Assessments, Exeter Housing Market Area (September 2010)*, East Devon District Council, Exeter City Council, Mid Devon District Council, Teignbridge District Council, Dartmoor National Park Authority and Devon County Council.

APPENDIX 3

INFORMATION REQUIRED for AFFORDABLE HOUSING VIABILITY APPRAISALS

1. List of **open market dwelling types**, specifying for each one:
 - number of bedrooms;
 - number of habitable rooms;
 - gross/net internal floor areas;
 - estimated open market value (selling price, freehold) with supporting evidence / professional advice;
 - total number of each dwelling type within the proposed development.
2. List of **affordable dwelling types**, specifying for each one:
 - number of bedrooms;
 - number of habitable rooms;
 - gross/net internal floor areas;
 - estimated open market value (unrestricted freehold selling price);
 - details of any offer(s) received from Registered Providers, or an estimate of likely offers;
 - total number of each dwelling type within the proposed development.
3. Site layout plan for the development (outline, or detailed if available) with net developable areas and dwelling numbers for each element/phase of the proposed development.
4. Estimated construction and sales programmes for the development.
5. Details of current land ownership and, if not already owned by the developer, details of the contractual terms for its acquisition by the developer. Where applicable, this should include the land price paid (or, if estimated and not yet paid, the basis for that estimate) and allowance made for acquisition fees & SDLT.
6. Estimated planning costs, and period allowed (in months) after land acquisition, before commencement of development.
7. Housing construction costs (“plot costs”), as a total sum or £/m², noting any allowance made for achieving compliance with the Code for Sustainable Homes and/or Building Regulations.
8. Physical infrastructure costs, broken down between:
 - off-site drainage and/or highway works, with detailed analysis/justification;
 - normal on-site costs for providing road access and services to individual plots (including “externals” such as detached garaging and landscaping);
 - abnormal site costs (if any) with detailed analysis/justification.
9. Allowance made for professional fees in connection with (a) housing construction costs and (b) physical infrastructure works.
10. Estimated sum (or percentage allowance) for contingencies.
11. Community infrastructure (e.g. CIL, s.106 obligations / contributions).
12. Sale & marketing costs for open market dwellings.
13. Finance Costs, and basis of their calculation, including interest rate(s) applied.
14. Details of any proposed non-residential uses (C3 Use Class), together with estimated costs and revenues associated with those parts of the development.

APPENDIX 4

CONTACT DETAILS

Planning Policy Team

TEL: 01392 265283

FAX: 01392 265431

ldf@exeter.gov.uk

Development Management Team

TEL: 01392 265223

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Planning Solicitor

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FAX: 01392 265431

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APPENDIX 5

LIST OF PREFERRED REGISTERED PROVIDERS (RPs)

- Affinity Sutton
- Cornerstone
- Magna
- Aster
- Devon and Cornwall Housing
- Home Group
- YMCA
- Sovereign
- Guinness
- Sanctuary
- Spectrum

The above RPs and Exeter City Council form the Exeter Homes Housing Partnership. The partnership works together to maximise the delivery of good quality affordable homes, deliver innovative development opportunities that meet local housing priorities and create sustainable communities in the City of Exeter.

APPENDIX 6

SECTION 106 AGREEMENT – MODEL HEADS OF TERMS

- A The Section 106 Agreement will contain some or all of these terms, subject to site by site negotiations:
- define the amount of affordable housing or, in the case of full permission, specify specific units and detail the breakdown between different tenures and amount of wheelchair accessible housing, all in accordance with Policy CP7;
 - require the affordable housing to comprise a mixture of dwelling types in accordance with the latest SHMA and housing register data, to be integrated with and indistinguishable from market housing;
 - set a timescale for the affordable housing to be provided, usually that it shall be available for occupation by the time a percentage of the market housing is available;
 - include a mechanism for selecting an RP, unless another approach has been agreed;
 - limit the rent and outgoings which can be charged to occupants and the price at which an initial share can be sold under a shared ownership arrangement;
 - include a mechanism for limiting and selecting the occupants of the affordable housing, which will require supplementary agreements to be entered into as follows:
 - where the Council provides grant aid, the RP or other provider will be required to enter into a nomination agreement;
 - in the case of a provider that is not an RP, or in other special cases (e.g. an unusually large grant payment), the Council will require additional security for repayment of grant on disposal of the land;
 - where the provider is not an RP, the S106 Agreement will include provisions governing letting and management arrangements.
 - provide for the housing to remain affordable in perpetuity, subject to:
 - any statutory right to acquire, buy or 'staircase';
 - a mortgagee in possession clause, where the affordable housing is transferred to an RP.
- B The applicant will be required to pay the Council's reasonable legal costs in connection with the Agreement. The Council's costs in connection with any related Agreement (e.g. a nomination agreement) shall be paid by the applicant, RP or other provider, depending upon which of those parties is involved in negotiating the terms of that Agreement.
- C Where the Council has refused an application which, if allowed, would have been subject to a requirement for affordable housing, it will endeavour to negotiate a Section 106 Agreement on a 'without prejudice' basis, to take effect in the event that an appeal is allowed.
- D In the case of an outline application, the Section 106 Agreement will require the applicant to agree with the Assistant Director of Housing and Contracts (in practice, delegated to the Housing Development Manager), prior to the commencement of development, the physical locations, type, layout and tenure of the affordable dwellings.
- E The agreement will require the applicant to notify the Assistant Director of Housing and Contracts of the anticipated date(s) when the affordable housing will be available for occupation, a specified period(s) in advance.
- F Section 106 Agreements will include mechanisms to record when key stages are reached in the development and requirements are triggered.
- G The Council will use its enforcement powers if a Section 106 Agreement is not complied with. In addition, the fact that a development is taking place despite non-compliance with a

Section 106 Agreement will be included as a standard response to searches from prospective purchasers.

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GLOSSARY

Affordability

A measure of whether housing may be afforded by certain groups of households.

Affordable Rent

This refers to rented housing let by RPs of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime, but is subject to other rent controls that require rent of no more than 80 per cent of the local market rent.

Affordable housing

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

Homes and Communities Agency (HCA)

The non-departmental public body that funds new affordable housing in England.

Intermediate affordable housing

Housing at prices and rents above those of social rent, but below market prices or rents. It can include shared equity products (e.g. New Build HomeBuy), other low cost homes and intermediate rent, but does not include affordable rented housing.

Local Development Framework

The name for the portfolio of Local Development Documents (LDDs) that provide the planning policy framework for a local authority area. It comprises of the Core Strategy, Development Plan Documents (DPDs), Supplementary Planning Documents (SPDs), a Statement of Community Involvement (SCI), the Local Development Scheme (LDS) and Monitoring Reports.

Market housing

Private housing for rent or for sale, where the price is set in the open market.

National Planning Policy Framework (NPPF)

Sets out the Government's planning policies for England and how these are expected to be applied.

Registered Provider (RP)

An independent, registered, non-profit making organisation to build, improve and manage affordable housing for sale or rent. An RP must be registered with and regulated by the current government regulating authority.

Section 106 Agreement

Planning obligations are agreements entered into between the Council and developers, usually in conjunction with the granting of planning permission. Planning obligations apply to land, binding it and whoever owns it. They are made using powers under section 106 of the Town and Country Planning Act 1990, which is why they are also called "section 106 agreements".

Social Rented Housing

Rented housing owned and managed by local authorities and RPs, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under the same rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

Strategic Housing Land Availability Assessment (SHLAA)

An assessment of sites across a local authority area, to determine whether or not they have the potential to be developed for housing. Production of a SHLAA by the local authority is a requirement of the NPPF.

Strategic Housing Market Assessment (SHMA)

A cross-boundary study of the operation of a Housing Market Area. Planning Policy Guidance Note 3: Housing, which has been superseded by the NPPF, required local authorities to prepare SHMA as part of the evidence base to inform LDFs and the development of planning and housing policy.

Supplementary Planning Documents (SPD)

These provide amplification in respect of policies in the LDF Core Strategy and other DPDs. They are not subject to independent examination.

Sustainable Communities Strategy

A document prepared by a Local Strategic Partnership - a collection of organisations and representatives working voluntarily to represent key interests in an area's economy, society and environment. The Strategy should set out a sustainable 'vision' for an area and highlight measures to achieve it.

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