

Affordable Housing

Supplementary Planning Document

(Babergh Local Plan: 2011- 2031, Core Strategy & Policies)



February 2014



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Introduction and Purpose of this (SPD) document

- 1 Following the publication of the National Planning Policy Framework (NPPF) in March 2012 and Core Strategy Policy CS19 that will replace Policies HS08 and HS09 of the Local Plan (2006), it was necessary to update and replace the previous (2009) Affordable Housing Supplementary Planning Document (SPD). This updated SPD also provides guidance regarding Rural Exception Sites (Core Strategy Policy CS20) and the approach towards Commuted Sums on small sites (aspects not covered in the 2009 SPD).
- 2 The purpose of this SPD on Affordable Housing is to help facilitate the delivery of affordable housing to meet housing needs and to assist in the creation and maintenance of sustainable, inclusive and mixed communities. It is also aimed to help applicants make successful applications with regards to the implementation of Core Strategy Policies CS19 and CS20.
- 3 When adopted this document will have the status of a material consideration in the determination of planning applications, alongside other documents in the Babergh Local Plan (with the Core Strategy as part 1 of the new Local Plan). This SPD supports the Babergh Local Plan (Core Strategy) and does not set policy in its own right.

Status of this SPD

- 4 The draft SPD document was published for a four-week consultation period during June 2013 - July 2013. Representations were then considered and some changes proposed to the Draft SPD. Babergh District Council adopted the final SPD on the 13th of February 2014.

Policy Context

National Planning Policy

- 5 The National Planning Policy Framework indicates that where there is an objectively assessed need for affordable housing in a market area Local Planning Authorities should set policies to meet this need. It refers to the size, type, tenure and range of housing that should reflect local demand. In rural areas planning authorities should “plan housing development to reflect local needs, particularly for affordable housing, including through rural exceptions site where appropriate”. Affordable Housing and rural exception sites are defined in the NPPF and these definitions are repeated in this SPD.

Babergh Local Plan 2011 - 2031 (Core Strategy & Policies)

- 6 The Babergh Core Strategy was submitted to the Secretary of State on the 7th of November 2012 and it is recommended for adoption on the 25th of February 2014.

- 7 This SPD supports Core Strategy Policies CS19 (affordable housing requirements for market housing) and CS20 (rural exception policy). The previous Local Plan (2006) policies HS08 and HS09 applied different site size thresholds for affordable housing in urban and rural areas. Core Strategy Policy CS19 applies the same site size thresholds for both urban and rural sites and requires all residential development (where there is a net gain) to contribute towards affordable housing in the district. Policy CS19 requires 35% of the dwellings to be affordable and indicates that for development for one or two dwellings this SPD will set out the contributions required. For ease of reference please find Policy CS19 below (*Note: the version below is the Policy as recommended for adoption by Council*).

Policy CS19: Affordable Homes

In order to promote inclusive and mixed communities all residential development* will be required to provide 35% affordable housing. Individual targets may be set for the Strategic Broad Location for Growth and in Core / Hinterland Villages (Note 4) in Area Action Plan and Site Allocation DPDs.

Where the proposed development is for only one or two dwellings¹, and where affordable homes cannot be provided on site, a commuted sum will be required². The tenure types, mixes and sizes of affordable homes will reflect established needs in the District³. The onus is on developers to provide documentary evidence to support cases where development viability is a proven issue, and where such cases are accepted the local planning authority will determine an appropriate proportion of affordable homes, tenure mix and/or appropriate levels of commuted sums on a site-by-site basis.

Note 1: Only where a net gain of dwelling(s) is involved

Note 2: Supplementary guidance will be produced for the time of the policy's introduction to make clear the contributions to be required and will be regularly updated

Note 3: As reflected in the most up to date Strategic Housing Market Assessment and Tenancy Strategy or other relevant evidence

Note 4: Where this is justified and supported by up-to-date viability evidence

- 8 Core Strategy Policy CS20 applies to rural exception sites and allows for a more flexible approach to rural exception sites in the district where these sites are well related to or abuts settlement boundaries, provided the criteria in the policy are met. Please find below Policy CS20 (*Note: the version below is the Policy as recommended for adoption by Council*).

Policy CS20: Rural Exception Sites

The Council will take a flexible approach to the location of rural exception sites in the district, and will allow proposals adjacent, or well related, to the settlement development boundaries of Core and Hinterland Villages where:

- the development complies with other relevant policies in the Core Strategy and Policies document, particularly Policy CS10;**
- the proposed development by virtue of its size, scale and type will not exceed the identified local need (including need identified in other settlements within the same or adjacent / adjoining functional cluster(s));**
- the type of dwellings to be provided are consistent with the needs identified**

by the housing needs survey and agreed in advance by the District Council; and where

- **the proposed development is appropriate to the size / scale and character of the village, and is acceptable in terms of other detailed considerations such as site location and circumstances, design, layout, materials, landscaping, biodiversity, impacts on the countryside, amenity, and access, etc.**

Note: The following criteria will be used to assess whether a proposal is well related to the host village:

- physical distance / degree of separation - a sequential approach to site selection will be used (that is, sites adjacent to the boundary need to be explored first, with sites at increasing distance being sequentially less preferable in principle);
- the location of the site in relation to the facilities, services and other such sustainability assets (such as recreation provision, employment opportunities, etc.) of that village;
- accessibility to the village (primarily by non car transport modes) and ability to improve it; and
- visual impacts and ability to integrate the development into the landscape

Definition of Affordable Housing

- 9 The Housing and Regeneration Act 2008 defined Affordable Housing and the definition has recently been updated in the National Planning Policy Framework (NPPF). The NPPF defines affordable housing as “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 any public subsidy to be recycled for alternative affordable housing provision” in the district. It also provides definitions for social rented, affordable rented and intermediate housing (these are repeated in the glossary of this document). The framework states “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.” Rural exception sites are defined later on in this document.

Affordable Housing Need in Babergh

- 10 Affordable Housing remains a priority in the Babergh District as indicated in the latest evidence documents such as the Housing Needs Survey and the Strategic Housing Market Assessment. In an attempt to address the need for new affordable housing, every opportunity must be taken to ensure the delivery of this type of housing wherever it is required. Due to the competition for land within this district, in particular within the larger centres of population including Sudbury, Great Cornard and Hadleigh, Registered Providers (RP’s) are rarely able to compete with speculative developers for sites available on the open market. Equally, land availability within the smaller villages is becoming scarce. Accordingly, it is essential that affordable housing is provided, where required, other than in exceptional circumstances.
- 11 The Babergh District Council Housing Needs Survey of 2008 was completed on behalf of the Council by David Couttie Associates (DCA). The purpose of the study was to examine the housing requirements (needs, aspirations and demands) of the communities and households of the District. An update to the Housing Needs Survey is planned for early

2014 for both Babergh and Mid Suffolk District Councils. The Housing Needs Survey will be linked to the Tenancy Strategy for the Council, which will be updated regularly.

- 12 Key recommendations of the Housing Needs Survey of 2008 are to:
 - Enable the provision of an appropriate mix of dwelling types but mainly small units of accommodation to meet the needs of the growing number of smaller households. Seek to achieve an affordable mix of 50% one and two bedroom units, 35% 3-bedroom units and 15% 4 bedroom units;
 - Set affordable housing targets at 40% for all suitable sites in Development Plan Documents to replace the adopted Local Plan; and
 - Negotiate a general apportionment of 75% RP rented units and 25% intermediate affordable housing in meeting the overall targets for affordable housing. In view of market conditions and availability of funding to prospective applicants, intermediate housing should not be provided in the form of flatted accommodation.
- 13 The first Strategic Housing Market Assessment (SHMA) was carried out in partnership with Ipswich Borough Council, Mid Suffolk District Council and Suffolk Coastal District Council, and was completed in November 2008. According to the 2008 SHMA the levels of need for affordable housing within the Babergh District were greater than existing total annual housing targets set for the district in the RSS between 2001 and 2021. The 2008 viability assessment (SHMA) suggested that the affordable housing requirement of up to 35% was reasonable in Babergh and it also suggested that there was scope to increase it to 40%. The study generally provided support for low size thresholds in rural areas. The 2012 SHMA findings suggested that the annual requirement for affordable housing in Babergh should be 45%; in comparison to this the 2012 Viability Study suggested that a requirement for 35% affordable housing would be an appropriate target in the Babergh District (The Core Strategy sets an affordable housing requirement of 35% as stated on page 5 under the Amount of Affordable Housing heading).
- 14 It is essential that all new affordable housing wherever possible must be provided in perpetuity. Affordable housing units for shared ownership shall be subject to staircasing restrictions at 80% unless a social housing grant is paid (in which case staircasing will be allowed to 100% and the subsidy should be recycled). In circumstances where staircasing is allowed up to 100% it is required that the sale receipts (Recycled Capital Grant Fund) will be recycled back into new affordable housing within the district. Affordable housing should be managed by a Registered Provider or other provider compliant with the requirements of and definitions in the NPPF and be regulated by the Homes and Communities Agency.

Sites that should provide for Affordable Housing (Site size Thresholds)

- 15 Affordable housing will be required for all sites where there is a net gain of dwelling(s) involved (in accordance with Policy CS19 of the Core Strategy).

Amount of Affordable Housing

- 16 The Council will require a provision of 35% affordable housing. For development of one or two dwellings this SPD will set out the contributions required (see Appendix B and please note that this Appendix will be updated as and when the values are reviewed).
- 17 Applicants who cite non-viability as the reason for not providing the required affordable housing in terms of Core Strategy Policy CS19 must support their case with financial evidence (open book accounting will be required since viability and financial information will be specific to a developer. Site costs are related to the land but each developer will have different costs in relation to their funding conditions, workforce and procurement practices, etc), which they should submit with the application. Judgments about viability can only be made on the basis of full and robust development appraisals. Developers are responsible for presenting robust and detailed information in relation to site viability in a format approved by the Council. The evidence will be open to public scrutiny, and where necessary to be audited by external experts, at the cost of the applicant. If the data is commercially sensitive then a way forward in terms of the viability appraisal will have to be agreed with the Council (for example, that the information should be provided to the Council's chosen agent or consultant). Where sites are being brought forward on previously developed land, developers will be required to provide two independent 'Existing Use' valuations of the site as part of any viability review (the reason for the two valuations is that the Council has found that the Existing Use Values have varied considerably for the same site with both Valuers claiming they have used the Red Book valuation method). Any external viability assessment analysis or valuation costs must be met by the applicant. The accepted method of establishing Existing Use Values is using the RCIS red book valuation method.
- 18 Babergh District Council expects developers to have considered the financial implications of the affordable housing policy requirements and other planning obligations when purchasing land for development as part of their 'due diligence' considerations.

Mix of Affordable Housing

- 19 The tenures of affordable housing to be provided should reflect housing needs and demands within the district as set out in the most recent Strategic Housing Market Assessment, Housing Needs Survey and the Tenancy Strategy (once available and adopted) or any other relevant documents reflecting established needs in the district. The Council may consider a variation of this mix, but it must be justified in terms of housing need, location and other factors such as sustainability and viability. A general distribution of 75% affordable rented units and 25% intermediate affordable housing reflect established needs in the district at present. Babergh District Council will not accept Intermediate Rent instead of Affordable Rent. Consultations with the Council's Strategic Housing Team would be advisable at an early stage so that tenure and mix preferences can be established as part of the pre-application process. Assistance with securing a Registered Provider for the affordable units can also be provided by this team.

Artificial Subdivision of Sites

- 20 Babergh District Council will be alert to, and not permit any benefit to be gained from, the artificial or contrived subdivision of a site to circumvent the affordable housing policies. If the Council believes there is a reasonable expectation of adjoining land coming forward for housing development, it will take account of the whole site area when calculating what affordable housing is required. Affordable housing will also be sought where a site is capable in the Council's opinion of accommodating the stated thresholds. If three or more dwellings can be accommodated on site then a developer/ applicant will be expected to do so and if this is not the case a justification should be provided by the developer/ applicant to support their case.

Design, Integration, Size and Space Standards of Affordable Housing

- 21 Affordable housing should be visually 'tenure blind' and operationally integrated with market housing (pepper potting), including in terms of location, build quality, materials, details, access to amenity space, landscaping and privacy; subject to input from the relevant RP and the ongoing affordability of the units.
- 22 Affordable housing will be required to comply with national and local design and landscaping guidance and policies, including those in the adopted Local Plan. The same design and landscaping considerations will be applied to affordable housing as to market housing. The Council expects layouts of developments to integrate affordable and supported housing with open market housing in ways that foster social mix and inclusion.
- 23 Affordable housing is often on the edges of built-up areas or even in countryside locations and can have an adverse impact on landscape character if it is not designed to a suitable standard. Design, materials and landscaping would be considered particularly important in these cases.
- 24 The Homes and Communities Agency (HCA) requires that all affordable housing should comply with the Design and Building Standards of the Agency and for ease of reference this is attached in Appendix A (this will be updated as and when these standards are updated). This appendix also shows the Housing Quality Indicator (HQI) standards that relates to acceptable property sizes. Specific requirements for Babergh District Council will be shown in the table where appropriate. It is a stipulation of the District Council that affordable housing should comply with the Homes and Communities Agency's Design and Building Standards (*see link below*) including the current minimum Code for Sustainable Homes' rating. Where the affordable homes will form part of any contracted development programme with an RP and the HCA, the homes must comply with these standards. Where it is practically possible to do, all affordable units should be built to Lifetime Homes standards.
- (<http://www.homesandcommunities.co.uk/ourwork/design-and-sustainability-standards>),
- 25 Developers are required to avoid designs that would result in high maintenance and service charges affecting the affordable housing element of the development. Where a

developer is proposing flatted developments, any affordable units must be independently serviced blocks and be made available as a freehold transfer to an RP.

- 26 The 2008 Babergh Housing Needs Survey identified a requirement to develop a more balanced housing stock across the district. The survey identified a need for small units across the district including one and two bedroom units. This need was also identified in the Strategic Housing Market Assessment 2008 (SHMA). The mix of affordable housing types and sizes across the district will be sought in accordance with local needs. Changes to housing benefit thresholds may also impact on the tenure and property mix specified by the Council.

Site Suitability for Affordable Housing Provision

- 27 The suitability of the site for residential development including affordable housing will be considered against all relevant national and local legislation, guidance and policies as well as any material considerations to determine the outcome of an application. It should therefore not be assumed that if the application submitted is acceptable in terms of affordable housing alone that the application would be approved.

Financial Contributions (Commutated Sums)

- 28 Babergh District Council and Mid Suffolk District Council are currently in the process of preparing a joint Community Infrastructure Levy (CIL) to help support the delivery of their respective Local Plans and to ensure that the impact of new development on infrastructure is minimized. CIL levels will have to be set to take into account the viability of the Council's Affordable Housing requirements.
- 29 In accordance with the Community Infrastructure Levy Regulations, 2010, the financial contributions/ obligations recommended to be secured by way of a planning obligation deed should be (a) necessary to make the development acceptable in planning terms, (b) directly related to the development, and (c) fairly and reasonably relate in scale and kind to the development.

Financial Contributions for development of one or two dwellings (Commutated Sums)

- 30 Babergh has a local context of a high need for affordable housing and limited development opportunities to meet this need. Past trends have shown us that in this district a significant proportion of planning applications and completions were for dwellings falling below the three dwellings threshold and that requiring affordable housing for low site thresholds would significantly increase affordable housing provision in the district. As a result of this evidence, Core Strategy CS19 requires an affordable housing contribution for one or two dwellings (if there is a net gain) and in all of these cases a financial contribution or otherwise known as a commuted sum will be required.
- 31 Research has shown that the viability dynamics on small sites in Babergh are different than larger sites and therefore a specific and what is considered an appropriate method (in viability terms) of calculating financial contributions/ commuted sums for these sites

has been devised. In devising this method provision was made for current open space requirements (financial contributions) on small sites (to view open space contributions please click on the following link: <http://www.babergh.gov.uk/planning-and-building/planning/planning-obligations/>.) The method for calculating affordable housing commuted sums for small sites (1-2 dwellings) is based on applying a charge in £ per net square metre per dwelling (i.e. excluding areas such as porches, basements, loft rooms, outbuildings, garages (attached and integral, etc)) depending whether a site falls within a low, medium, medium-high or high value area. The different areas are shown at Appendix B.

- 32 The current values that will be charged are shown at Appendix B. Checks will be completed at regular intervals to determine whether these values are still appropriate or whether the values need to be updated. The checks will be based on looking at suitable indices such as the BCIS Index and the Halifax House Price Index. Any reviews to Table 3 and Table 4 in Appendix B will be published as an update to the appendix.

Financial Contributions for Larger Sites (3 or more dwellings) where Agreed as Appropriate with Council (Commuted Sums)

- 33 Affordable housing should be provided on development sites for three or more dwellings apart from where the Council is satisfied that it is not possible to achieve appropriate affordable housing on site given the particular circumstances. The justification and practical benefits of off-site provision should be clearly made by applicants, for example a lack of RP interest or capacity. The onus will be placed on the applicant to demonstrate why it will not be possible to provide the affordable housing on site. In these cases, if it is agreed by Babergh District Council that affordable housing should not be provided on site, then the Council will consider looking at cascading mechanisms. Cascade mechanisms will be determined dependent upon site specific issues and overall deliverability of the proposed development. The Council's Strategic Housing Team will be able to provide advice on available options being considered. Possible mechanisms are shown at Appendix C.
- 34 Since commuted sums will be used to provide affordable housing on alternative sites it is appropriate that the level of the payment in lieu should relate to how much it will cost an affordable housing provider to buy land on the open market. The Council's method for calculating Commuted Sums is available on the Council's website (currently this is done by using a viability modeling tool). The Strategic Housing Team can provide advice and assistance.

Delivery of Affordable Housing

Use of Commuted Sums

- 35 The Council will use financial commuted sums in a number of ways and will require the flexibility to do so to be reflected in its approach and in the S106 agreement. The strategy will be to provide an additional affordable housing enabling tool, which could be important in terms of the current uncertain HCA investment climate. Commuted sums will be

earmarked to enable the provision of affordable housing within the different functional or surrounding clusters in the district. This could be done through a variety of means e.g.:

- To support the new build development of affordable housing or create additional, larger or a different tenure mix within the existing stock
- To provide 'top up' subsidy on schemes in order to make it possible for a higher proportion of affordable homes for social or affordable rent
- To fund extra units of affordable housing on alternative sites
- To contribute to forward funding / kick-starting of schemes or to reducing funding gaps within pipeline / current affordable housing schemes and other similar initiatives
- To provide funding for specialist forms of affordable housing to meet specific housing needs.

- 36 The principles applied in the collection and use of these payments are very similar to those for other planning obligations – they will generally be dealt with through a legal agreement (under Section 106) related to the land, which triggers obligations once the specific planning permission is implemented.

Registered Providers and Appropriate Providers of Affordable Housing

- 37 The Council encourages all affordable housing to be owned and managed by one of the Council's Registered Providers (RP) partners. Transfer to an appropriate RP will be secured by a Planning Obligation. The Council's Strategic Housing Team would be able to advise and assist developers / landowners / applicants in terms of contacting appropriate RPs. It is advised that early contact is made with an appropriate RP. A list of the Council's partner Registered Providers (RP) is provided in Appendix D. However the Council will consider other providers who comply with the NPPF and have attained Homes and Communities Agency's Accreditation for managing affordable housing. The Council is itself a Registered Provider and may elect to enter into an agreement to take over the ownership and management of homes provided through planning obligations directly or in partnership with another Registered Provider.

Planning Obligations

- 38 Appropriate mechanisms should be in place to ensure that affordable housing remains affordable and available to those in local housing need before planning permission is granted for an application. This is done by a Planning Obligation. The Council aims to start discussions on legal agreements relating to affordable housing at an early stage in the process. The legal agreement should normally cover the following headings, however more information regarding this is provided in Appendix E:
- Registered Provider (RP) or other appropriate provider;
 - Location of affordable units on site;
 - Timing of the provision of affordable housing units;
 - Number, tenure and size of the affordable housing units, and
 - Minimum standards that the affordable housing units are to meet.

Funding

- 39 Affordable housing on planning obligation sites (sought in terms of Policy CS19) must be provided without a Social Housing Grant if viable. This means that developers should consider the costs of providing affordable housing in the format detailed above, together with other appropriate planning obligations such as open space requirements, when negotiating the purchase price of land within the district as part of their “due diligence” process.
- 40 Only in very exceptional circumstances will an application for Social Housing Grant (SHG), be supported for planning obligation developments if viable (subject to its’ availability). Such requests will be considered where ‘Additionality’ is demonstrated. This means that the SHG required will deliver additional elements to the affordable housing; for example an increase in the total number of affordable units, or a higher number of rented units than the usual, or an improvement in the Design and Quality standards of the units, or their Code for Sustainable Homes rating.
- 41 If a developer / applicant argue that a Social Housing Grant (SHG) is required to make the development viable, a viability assessment should confirm that the development is not able to support the required affordable housing without a SHG. Full open book accounts must be provided to the Council for an assessment to be undertaken. The developer will be asked to fund the necessary viability assessment and this will be completed by an independent assessor, who is acceptable to both the Council and the Developer. The Council reserves the right to use an appropriate viability toolkit to review development costs and make a charge for this service. If the data is commercially sensitive then a way forward in terms of the viability appraisal will have to be agreed with the Council.

Planning Application Process

Pre-Application Advice

- 42 Affordable housing advice and officer contact details can be obtained from the Council’s website via: <http://www.babergh.gov.uk/housing-and-homelessness>. Information regarding Neighbourhood Plans, Parish Plans and Local Design Statements are available from Parish Councils. In addition the Council encourages pre-application discussions in terms of affordable housing to ensure that proposals are appropriate to particular sites. Advice can be obtained regarding the following aspects during pre-application discussions, including:
- Amount, tenure and mix of affordable housing;
 - Exceptions to normal requirements;
 - Planning Obligations;
 - RP partnership working;
 - Management and maintenance arrangements;
 - Retaining the housing as affordable housing; and
 - Other development management matters.

Submitting a Planning Application

- 43 Planning applications should contain sufficient information to satisfy the Council that the affordable housing provision proposed will be appropriate to meet needs within the district. As part of the Local Validations List, a planning application normally has to be supported by an affordable housing statement. For more information about the Local Validations List please view the following link: <http://www.babergh.gov.uk/planning-and-building/planning/how-to-apply-for-permission/submitting-a-valid-application/local-validation-requirements>. Before planning permission is granted affordable housing contributions should be secured through a Planning Obligation.

Rural Exception Sites (RES)

Definition of Rural Exception Sites

- 44 The National Planning Policy Framework (NPPF) defines Rural Exception Sites as “Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection”. This would apply to Babergh. It is important to note that RES sites should remain affordable housing in perpetuity as indicated in the above definition. Normally these sites tend to be outside the defined settlement development boundaries of villages in the District.
- 45 Current (saved Local Plan policies) and emerging (Core Strategy) Local Plan policies do not make provision for a proportion of market housing as part of rural exception sites. This will have to be considered in more detail in subsequent documents such as the Development Management DPD.

Local Needs

- 46 Rural exception sites should address the needs of local communities, accommodating households that are current residents or have an existing family or employment connection as specified in the NPPF. The local needs will have to be evidenced from the Council’s Housing Register or through housing needs surveys and will have to be agreed in advance by the District Council. The Council works in partnership with the Rural Enabling team at Community Action Suffolk (CAS) and Parish Councils in determining local housing needs. If a developer has acquired land in, or in most cases outside of a village and a local need has been established it does not automatically mean the site is suitable or acceptable to the planning authority.

Location and Site Selection Process

- 47 Rural exception sites that are located outside settlement development boundaries should be adjacent to or well related to the settlement development boundaries of Core and

Hinterland villages as set out in Core Strategy Policy CS20. The following considerations will apply to assess whether a proposal is well related to the host village or not:

- Physical distance / degree of separation with an increasing distance and separation less preferable in principle;
- The location of the site in relation to facilities, services and other sustainability assets (such as recreation provision, employment opportunities, etc.) of that village;
- Accessibility to the village (primarily by non-car transport modes) and ability to improve on it; and
- Visual impacts and ability to integrate the development into the landscape and townscape.

- 48 A sequential approach will be followed to site selection of a RES i.e. that is, sites adjacent to the settlement boundary need to be explored first, with sites at increasing distance being sequentially less preferable in principle. Other factors that will be considered in the sequential approach include location of the site, visual impacts, heritage impacts (including impacts on the settings of heritage assets), countryside impacts, highway impacts, amenity, etc. A balanced judgement will be made regarding the suitability of a site as a RES.

Type, Scale and Size

- 49 The proposed development by virtue of its size, scale and type should not exceed the identified local need (including need identified in other settlements within the same or adjacent / adjoining functional cluster(s)). Size would refer to the number of affordable units proposed in the scheme. Type would refer to the number of bedrooms for example and whether this would satisfy local needs (for example the need for small dwellings, etc). The type of dwellings to be provided should be consistent with the needs identified by the housing needs survey and should be agreed in advance by the District Council. Scale would refer to appearance of the proposed development and whether this relates back to the identified needs. It has to be emphasised that the NPPF refers to rural exception sites as small sites.

Visual Impact, Integration and Policy

- 50 When judging Rural Exception Schemes consideration will also be given to:
- Whether the development complies with other relevant policies in the Core Strategy in particular CS15, the adopted Local Plan, the NPPF and other national guidance/legislation
 - Management of the site as a RES
 - Whether the proposed development is appropriate in terms of its size, scale and character to the village, its surroundings and the location. This would refer to aspects such as appearance of the proposal in the landscape and townscape; in the countryside; and at the edge of a village and the appearance/ design of the dwellings and its relationship to the village. Proposals will be expected not to be overly

- intrusive into the open countryside. The design, materials and landscaping should be of a standard appropriate to the character and traditions of the area.
- Integration of the development with the remainder of the village and ensuring that mixed and balanced communities are created.
 - Detailed considerations such as site location and circumstances, design, layout, materials, landscaping, biodiversity, amenity, access, heritage interests, etc.

Monitoring

- 51 Babergh District Council will monitor the delivery of affordable housing in the district to ensure that local needs are met. The monitoring information will inform the preparation of future planning policy in the district. In particular monitoring information to be considered will include:
- Affordable dwelling completions;
 - Social and affordable rented affordable housing;
 - Intermediate affordable housing
 - Number of affordable dwellings lost
 - Rural exception sites;
 - Supported housing completions; and
 - Financial contributions due, received and spent.
- 52 The Council will continue to monitor housing delivery in the district to ensure that the Core Strategy policies are implemented.

Glossary

Affordable Housing (NPPF): 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 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).

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

Commuted Sum is the financial contribution paid to Council instead of providing the affordable housing on site.

Core Strategy sets out the key elements of the planning framework for an area. It contains the spatial vision and objectives for development in an area and set out the strategic policies to achieve this.

Equity Share is where more than one party has an interest in the value of the home e.g. an equity loan arrangements or a shared ownership lease. There may be a charge on the loan, and restrictions on price, access and resale.

Gateway to Homechoice is the way of allocating Council and Housing Association properties for rent in Babergh.

Homes and Communities Agency is a non-departmental body that is the national housing and regeneration agency for England is responsible for funding of affordable housing and infrastructure in England.

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 (see above). These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but no affordable rented housing.

Lifetime Homes: for the purposes of this document the definition used is that recommended by the Joseph Rowntree Trust. The standard may be adjusted on individual schemes where the external design prevents achievement but only with the prior agreement with the Council.

Local Connection Criteria (affordable housing need) shows only those applicants who have a connection by residence, immediate family or employment to this particular ward. This is useful when considering rural exception sites.

Local Development Document (LDD) is the generic name for both Development Plan Documents and Supplementary Planning Documents to be produced under planning legislation.

Local Development Framework (LDF) is a portfolio of planning documents, which will collectively deliver the spatial planning strategy for an area.

Local Development Scheme (LDS) sets out an authority's intentions regarding the preparation of documents within its LDF over a three-year minimum period.

Local Housing Need is the affordable housing need as defined in sources of information such as the Housing Needs Survey, the Housing Market Assessment, the Housing Register and local surveys carried out by the Council and partner organisations such as Parish Councils.

In Perpetuity means the affordable housing should remain affordable for an indefinite period of time.

Planning Policy Guidance (PPG) and Planning Policy Statements (PPS) these guidance and statements set out the Government's national policies on aspects of planning in England. Planning Policy Statements are updates of Planning Policy Guidance and replaces these. In particular PPG3 related to and PPS 3 relates to planning and housing.

Recycled Capital Grant Funding (RCGF) is the funding held by housing associations following sale of their housing, principally from 'stair-casing', i.e. where a resident of a shared ownership property elects to purchase a greater stake in their home. Associations must seek to use RCGF within the Council area where it was generated.

Regional Spatial Strategy (RSS) the strategic tier of the development plan prepared by the East of England Regional Assembly and approved by the First Secretary of State (May 2008).

Registered Provider (RP) refers to a housing landlord registered with the Homes and Community Agency to provide social housing. RPs run as businesses but does not trade for profit. Their continuing interest in the property ensures control over subsequent changes of ownership and occupation.

Sustainability Appraisal (SA) is an approach followed to identify and evaluate the likely effects of a plan on the social, economic and environmental conditions in a plan area.

Section 106 Agreement is a legal agreement that the developer / applicant of a planning application enters into as part of the planning permission for a particular site.

Secured by Design is the official UK Police flagship initiative supporting principles of 'designing out crime'. The objective is to reduce burglary and crime in the UK by designing out crime through physical security and processes.

Shared Ownership is a form of shared equity under which the purchaser buys an initial share in a home from a housing provider, who retains the remainder and may charge a rent. The purchaser may buy additional shares ('staircasing'), and this payment should be 'recycled' for

more affordable housing. In most cases, a purchaser may buy the final share ('staircase out') and own the whole home, though this may be restricted in some rural areas.

Social Housing Grant (SHG) is the capital grant that the Homes and Community Agency or local authority provides as a subsidy to fully or partially fund RPs when developing social housing. SHG is paid under Section 18 of the Housing Act of 1996.

Strategic Housing Market Assessment (SHMA) will form part of the evidence base for the Local Development Framework and will provide information regarding the level of need and demand for housing and the opportunities that exist to meet it. The study will look at strategic housing services and will identify housing drivers that influence the housing markets within the study area.

Supplementary Planning Document (SPD) expands upon policy or provides further detail to policies in Development Plan Documents, but do not have development plan status and is not subject to an independent examination. Whilst not having development plan status, they exist within the Local Development Framework. The SPD is subject to a sustainability appraisal and community involvement.

Threshold is the number of units that triggers certain requirements in terms of policy such as affordable housing on residential developments.

Appendix A: HCA Design, build standards, HQI size standards and welfare standards for Affordable Housing

Table 1: HQI Size Standards

Unit Type	HQI recommended range square metre requirements
1 bed 2 person flat	45 -50
2 bed 3 person flat	57 - 67
2 bed 4 person flat	67 - 75
2 bed 3 person house	57 - 67
2 bed 4 person house	67 - 75
3 bed 5 person house	82 - 85
4 bed 6 person house	95 - 105

Please note that locally Babergh District Council seeks to secure affordable housing to the standards shown in Table 2 below.

Table 2: Babergh District Council Size Standards

Unit Type	Babergh recommended square metre minimum requirements
1 bed 2 person flat	48
2 bed 3 person flat	63
2 bed 4 person flat	71
2 bed 3 person house	70
2 bed 4 person house	76
3 bed 5 person house	85
4 bed 6 person house	98

To reflect changes to the Housing benefit eligibility thresholds affordable housing mix developers should note that all two bedrooomed units should be large enough to meet the space standards for four person households.

Appendix B: Financial Contributions for Developments of One or Two Dwellings (Commuted Sums)

Table 3: Value Bands of Housing by Ward in Babergh

Value Band	Ward	Parishes
Low	Alton	Brantham, Stutton, Tattingstone
Low	Boxford	Boxford, Edwardstone, Groton, Lindsey, Milden
Low	Brett Vale	Bildeston, Brettenham, Hitcham, Wattisham
Low	Brook	Belstead, Burstall, Chattisham, Copdock & Washbrook, Hintlesham, Sproughton, Wherstead
Low	Glemsford & Stanstead	Glemsford, Stanstead
Low	Great Cornard (North)	Great Cornard (North)
Low	North Cosford	Brent Eleigh, Chelsworth, Cockfield, Kettlebaston, Monks Eleigh, Preston St Mary, Thorpe Morieux
Medium	Berners	Chelmondiston, Erwarton, Freston, Shotley, Woolverstone
Medium	Bures St Mary	Bures St Mary, Little Cornard, Newton
Medium	Chadacre	Boxted, Hartest, Lawshall, Somerton, Shimpling
Medium	Dodnash	Bentley, East Bergholt
Medium	Great Cornard (South)	Great Cornard (South)
Medium	Hadleigh North	Hadleigh (North)
Medium	Hadleigh South	Hadleigh (South)
Medium	Holbrook	Harkstead, Holbrook
Medium	Leavenheath	Leavenheath, Assington
Medium	Long Melford	Alpheton, Long Melford
Medium	Lower Brett	Higham, Layham, Polstead, Raydon, Shelley
Medium	Mid Samford	Capel St Mary, Holton St Mary, Stratford St Mary, Wenham Magma, Wenham Parva
Medium	Pinewood	Pinewood
Medium	South Cosford	Aldham, Elmsett, Kersey, Nedging with Naughton, Semer, Whatfield
Medium	Sudbury North	Sudbury (North)
Medium	Sudbury East	Sudbury (East)
Medium	Sudbury South	Sudbury (South)
Medium	Waldingfield	Acton, Chilton, Great Waldingfield, Little Waldingfield
Medium High	Lavenham	Lavenham
High	Nayland	Nayland with Wissington, Stoke by Nayland

Table 4: Current (2013) Affordable Housing Charges for Development of One and Two Dwellings in £ per square meter per dwelling

Residential Sales Value Band	Financial Contributions / Commuted Sum Required
Low Value – One – Two unit(s)	None
Medium – One – Two unit(s)	£54 per square metres
Medium High – One – Two unit(s)	£75 per square metres
High – One – Two unit(s)	£118 per square metres

For more information please find an indication of average dwellings sizes in Babergh

2 bedroom property	3 bedroom property	4+ bedroom property
85 sqm	120 sqm	145 sqm

Please note the commuted sum calculations will be based on the actual size of a dwelling or dwellings proposed by the applicant and not these average sizes provided above

Appendix C: Possible cascading mechanisms

Current possible cascading mechanisms in order of preference include:

- (1) Provision on site
- (2) The developer will be expected to identify and acquire a fully serviced alternative site within that particular cluster , on which the affordable housing must be provided
- (3) The developer will be expected to identify and acquire a fully serviced site in surrounding clusters
- (4) Commuted sum

Appendix D: List of Partner Registered Providers

<p>Flagship Housing / Suffolk Heritage Housing Association Flagship Housing 1st Floor, The Chapel Keswick Hall Norwich NR4 6TJ</p> <p>Tel: 01603 255434 Web: http://www.flagship-housing.co.uk</p>	<p>Iceni Homes / Suffolk Housing Society Unit 13 Forbes Business Centre Kempson Way Bury St Edmunds Suffolk IP32 7AR</p> <p>Tel: 01284 723834 Fax: 01284 725478 Web: http://www.icenihomes.co.uk E-mail: info@icenihomes.com</p>
<p>Hastoe Housing Association Rectory Farm Barns Little Chesterford Saffron Walden Essex CB10 1UD</p> <p>Tel: 01799 533490 Web: http://www.hastoe.com E-mail: EastRegion@hastoe.com</p>	<p>Orbit Housing Association 14 St Matthews Road Norwich NR1 1SP</p> <p>Tel: 01603 285 441 Web: www.orbithomes.org.uk/</p>
<p>Havebury Housing Partnership Havebury House Western Way Bury St Edmunds Suffolk IP33 3SP</p> <p>Tel: 0300 3300 900 Fax: 01284 722156 Web: http://www.havebury.com Email: office@havebury.com</p>	<p>Orwell Housing Association Crane Hill Lodge 325 London Road Ipswich IP2 0BE</p> <p>Tel: 01473 218818 Fax: 01473 286818 Web: http://www.orwell-housing.co.uk E-mail: www.orwell-housing.co.uk</p>

Appendix E: Standard Heads of Terms for Section 106 Planning Obligation

1. The owner of the land the subject of the planning application shall enter into the agreement with the Council so as to bind that land. All persons who have an interest in the land shall also be a party to the agreement and give their consent to the planning obligations.
2. The agreement to contain a warranty that the owner has full power to enter into the agreement and that there is no person having a charge over or any other interest in the land (other than any party joining in the agreement) whose consent is necessary to make the agreement binding on the land and all estates and interests in the land.
3. The agreement to be a local land charge and registered as such.
4. The affordable housing to be owned or managed by a housing provider (“the Housing Provider”) who is;
 - an RP, the Council or
 - an organisation in receipt of Homes and Community Agency Grant; or
 - an organisation registered by the Homes and Community Agency under the Homes and Community Agency’s accreditation scheme the affordable housing having been constructed to Homes and Community Agency minimum standards or equivalent.
5. The agreement to provide for phasing of the development and reference to appropriate triggers for;
 - the conclusion of an agreement with the Housing Provider for the construction and subsequent transfer to, or management agreement with the Housing Provider of the affordable housing units; and
 - the transfer to or conclusion of a management agreement with the Housing Provider in respect of the affordable housing units.
6. The location, type, size of affordable housing units either to be specified in the agreement or provision made for a restriction on the commencement of the development until the details have been agreed.
7. Depending on whether an outline or full planning application has been submitted, the agreement to specify numbers or percentages of affordable housing units and also the split between tenures either in numbers or percentages.
8. Affordable housing units for rent to be let at a weekly rent which does not exceed the Homes and Community Agency rent cap levels for the time being or such other rent level limits as may be set by the Homes and Community Agency.
9. Affordable housing units for rent to be constructed in accordance with the scheme development standards of the Homes and Community Agency.

10. Affordable housing units for shared ownership shall be subject to staircasing restrictions at 80% unless social housing grant is paid (in which case staircasing will be allowed to 100%).
11. All affordable housing units to be allocated to persons who are included on the Choice – Based Lettings system (known as Gateway to Homechoice) as may be adopted by the Housing Provider or such other system as shall be approved by the Council.
12. If any affordable housing unit is sold to a tenant exercising a Right to Acquire or a shared owner staircases to full ownership any subsidy realised from the sale after deduction of outstanding loans and costs of sale and transfer shall be used for the provision of additional housing within the Council’s administrative area.
13. The owner shall supply to the Council information in order that the Council may determine whether the terms and conditions of the agreement are being observed.
14. Exclusion of the operation of the Contracts (Rights of Third Parties) Act 1999.
15. No compensation shall be payable by the Council as a result of the planning obligations.
16. Payment of the Council’s legal costs by the owner.
17. No person to be liable for breach of the planning obligations after parting with all interest in the land.
18. Planning obligations to take effect on commencement of the development.
19. Waiver of breach not to constitute a continuing breach or prevent enforcement of the planning obligations.
20. The agreement to determine on expiry of planning permission before the development is commenced or on revocation of planning permission.
21. Mortgagee exclusion clause.
22. All references to the Council, Registered Provider’s and Homes and Community Agency shall include their respective successors in function.

Appendix F: Local Allocation Criteria

1. A nominee must be:

1.1 A person on the Council's Choice Based Lettings Register; who cannot afford to buy a dwelling; is in housing need according to the Council's current housing allocations policy, and who is either:

- living in, or
- undertakes paid employment in, or
- is a Key Volunteer* in, or
- who has a Family Member** living in, or who has previously lived in the parish in which the property is situated.

* A Key Volunteer is a person who provides essential or valued voluntary services in a parish community e.g. volunteer play leader, Lay Preacher, Parish Councillor or First Responder

** A Family Member means the mother or father, or a brother, sister, son or daughter of the nominee

2. The following must be taken into account:

2.1 This list is not in any order of priority.

- Accommodation must be allocated in accordance with the Council's current housing allocation policy.
- Residents must have lived in the parish for a minimum of 2 years
- Employees and Key Volunteers must have worked in the parish for a minimum of 2 years
- Family members must have resided in the parish for a minimum of 2 years
- Previous residence should have been for either (i) six months out of the preceding 12 months or (ii) for a minimum period of 3 years within the last 5 years.

2.2 Properties may be under occupied by one bedroom in order to accommodate local people in housing need, provided both the Council and the partner Registered Social Landlord are in agreement that the allocation is appropriate in the circumstances.

2.3 Bungalow accommodation developed on exceptions or local needs sites will be for flexible letting to people of all age groups unless specified otherwise within the Registered Social landlord's property portfolio.

2.4 Where there are two or more applicants seeking accommodation, who are assessed as having the same housing need and where all of the applicants meet the local allocations criteria as detailed above, preference must be given to the applicant/s that have been on the housing register for the longest time.

2.5 When all applicants from the core parish have been considered, according to the above criteria, applicants from abutting parishes, as detailed in the Section 106 Agreement, will be considered under the same criteria as detailed above.

Appendix G: Examples of good affordable housing schemes in Babergh

Example 1: Land west of Telephone Exchange, Wiston Road, Nayland with Wissington (B/09/00583/FUL)

The reason for citing this scheme as a good example is because it is well designed with high quality and appropriate materials and design that respond to the location of the site in Area of Outstanding Natural Beauty (AONB) and countryside.



Background Information

This is a Rural Exceptions Site scheme for five affordable dwellings, one terrace of three dwellings and a pair of semi-detached dwellings. It also includes an access and parking area.

The issues and how it was addressed

The site is prominent within the Dedham Vale AONB and the landscape is of exceptional quality and is of national importance. This area represents a transition between the village and the A134 and the countryside. The site was the only deliverable site abutting the BUAB of Nayland. For the scheme to be acceptable, it was imperative that the design and layout of the scheme were to be of a high quality and appropriate given the sensitivity of developing in the countryside and the landscape quality of the Dedham Vale.



A summary of key principles that were established and how these were addressed:

- The development should not continue the ribbon development of Wiston Road.
- The development should not be hidden.
- The design should have significant regard to the cultural heritage / landscape quality for the AONB; therefore it should integrate with the landscape and follow a vernacular / traditional approach with high quality materials.
- The design should have integrity - it should not be a mix of different styles and detailing. There should be subtle differences and add interest.
- The rural character of the site should dominate the housing and material; the housing should be subservient to the landscape. The development should not have a suburban form or character.
- Parking should be obscured from view.
- The design needs to be specific to the site.

[Note: Additional examples of good affordable housing schemes coming forward in Babergh district will be added to this appendix as a helpful resource in future iterations of this SPD.]

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Addendum

CALCULATION OF THE FLOOR AREA OF A DWELLING WHEN A COMMUTED SUM FOR ONE OR TWO DWELLINGS APPLIES (PARAGRAPH 31 OF THE SPD)

This addendum provides clarity in terms of how the floor area of a dwelling will be calculated when a commuted sum for one or two dwellings applies as set out in paragraph 31 the Affordable Housing SPD.

The floor area of a dwelling will be calculated by measuring the entire floor area of the dwelling (including internal walls, halls, larders/stores, utility rooms, bathrooms) and then subtracting porches, basements, lofts and integral garages.