

A Local Plan for Lancaster District

2011-2031

Draft Meeting Housing Need Supplementary Planning Document

January 2020



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Executive Summary

Everyone living in the district should have the opportunity to live in a decent, safe and affordable home. The policies within the Local Plan seek to provide the opportunities for new housing to meet the needs of local people while balancing the physical constraints around the district such as the North Lancashire greenbelt, two AONBs, areas at risk of flooding and areas protected for biodiversity. As the number of houses which can be provided, especially affordable housing, is constrained, it is important to ensure that those which are built, are of an appropriate size, tenure and quality. By ensuring that the homes built meet the needs of people in the district, we will deliver on the Council's priority to "developing housing to ensure people of all incomes are comfortable, warm and able to maintain".¹

This Meeting Housing Need Supplementary Planning Document (SPD) does not propose new policies, it explains how the policies in the Local Plan will be interpreted and provides guidance on the detail and criteria within policies. Not all policies are addressed in this SPD, as some aspects are self-explanatory and need no further guidance. The SPD must be read in conjunction with the specific housing policies and the relevant policies within the Local Plan as a whole. The SPD provides general guidance but is no substitute for site specific advice which can be obtained through the Councils pre-application advice procedure.

The SPD is structured and provides advice as follows:

Section 2 Policy Context

Section 2 outlines the policy context. It sets out the Local Plan documents and highlights the relevant national and local planning policies which should be considered when submitting a planning application.

Section 3 Housing Delivery

Section 3 briefly explains the evidence used to understand housing need in the district, it highlights elements of the Lancaster Independent Housing Requirements Study 2015 (October 2015 and the Strategic Housing Market Assessment (Part II) 2018 (SMHA). It also identifies the delivery of housing which will be facilitated by the Local Plan.

Section 4 Open Market Housing

Section 4 addresses open market housing provision, highlighting the need for schemes to provide mixed communities and the housing mix expected to be delivered on sites.

Section 5 Affordable Housing

Section 5 provides guidance about the provision of affordable housing. It sets out the definition of affordable housing, the amount of affordable housing to be delivered on sites as required by policies DM3 and DM6 of the Development Management Development Plan Document (DMDPD) and policy ASO3 of the Arnsdale & Silverdale AONB Development Plan Document and how the commuted sums in the Forest of Bowland AONB and Vacant Building Credit are calculated. It also provides the criteria which will be used when determining whether a site qualifies for Vacant Building Credit. Viability is briefly touched upon, but this is dealt with in more detail in the Viability Protocol SPD.

¹ Lancaster City Council Priorities Update 2020

Section 5 explains the tenure mix, dwelling sizes and types required to meet the identified affordable housing need. It also provides a set of principles for the delivery of affordable housing, how they should be designed and integrated or 'peppercotted' throughout sites to ensure the provision of mixed communities. Finally, it explains the requirements for the completion of Affordable Housing Statements.

Section 6 Housing in the Arnside & Silverdale AONB

Section 6 provides guidance on the sequential approach to the location of new housing in the AONB and the requirement for housing to meet an identified local need.

Section 7 Rural Housing

Section 7 address the requirements for rural housing. It explains how the requirement for rural housing is to meet 'evidenced local needs only' and 'an identified and specific local housing need' (policy SP2 of the Strategic Policies and Land Allocations Development Plan Document and policy DM4 of the DMDPD respectively) is expected to be evidenced. It also explains the requirements for rural and entry level exception sites.

Section 8 Housing for Rural Workers

Section 8 provides additional guidance about the provision of housing to meet the needs of rural workers and the evidence required to support applications.

Section 9 Housing for Older People and Those with Specific Needs

Section 9 explains how proposals for housing to meet older people and those with specific housing needs will be considered. It briefly outlines the identified need for such accommodation, the housing mix and standards required to meet that need. It also provides criteria for assessing whether accommodation falls within Class C2 (Residential Institutions) or Class C3 (Dwellinghouses) of the Town and Country (Use Classes) Order 1987 (as amended).

Section 10 Gypsy and Traveller Sites

Section 10 identifies the need for Gypsy and Traveller accommodation and how this is intended to be addressed. It also provides guidance upon the design and layout standards that new sites are expected to meet.

Section 11 Houses in Multiple Occupation

Section 12 Housing Standards

Sections 11 and 12 briefly mention Houses in Multiple Occupation and Housing Standards respectively. Section 12 outlines the information expected to be provided with a planning application to show how the housing proposed meets the Nationally Described Space Standards and how 20% meet the M4(2) Building Regulations requirement, as set out in policy DM2 of the DMDPD. Further guidance on these topics is provided in the Residential Conversions and Houses in Multiple Occupation SPD and the Housing Standards Planning Advice Note.

1.0 Introduction

Background

- 1.1 This Supplementary Planning Document (SPD) has been prepared by Lancaster City Council to provide additional detail and guidance upon housing and affordable housing policies set out in the Local Plan for Lancaster 2011-2031. It addresses the principles and processes that will ensure the delivery of a wide range of market and affordable housing to meet local need and demand; and to ensure that future residential development contributes to mixed sustainable communities.
- 1.2 The Local Plan for Lancaster District consists of the Strategic Policies & Land Allocations Development Plan Document (SPLADPD), the Development Management Development Plan Document (DMDDPD), the Arnsdale & Silverdale Area of Outstanding Natural Beauty Development Plan Document (for the Lancaster City Council area) (Arnsdale & Silverdale AONBDPD) and the Morecambe Area Action Plan². There are also several Neighbourhood Plans which form part of the development plan. It is also intended to produce an Area Action Plan to allocate land and to provide planning policies and guidance for development within the broad location for growth at South Lancaster. Once adopted the Lancaster South Area Action Plan will form part of the Local Plan.
- 1.3 This SPD does not propose new policies, it explains how the policies in the Local Plan will be interpreted and provides guidance on the detail and criteria within policies. Not all policies are addressed in this SPD, as some aspects are self-explanatory and need no further guidance. The SPD must be read in conjunction with the specific housing policies and the policies within the Local Plan as a whole when considering the submission of a planning application.
- 1.4 The SPD has been prepared in accordance with Local Plan Regulations and will be consulted upon in accordance with the statutorily defined consultation process set out in the Town and Country Planning (Local Development) (England) Regulations 2012, Regulation 12 Public Participation. On adoption, the SPD will be a material consideration in the determination of planning applications.

Objectives of the SPD

- 1.5 The objectives of this SPD are:
 - To aid effective implementation of the housing related policies in the Lancaster Local Plan.
 - To provide a clear direction to applicants on how to interpret these policies.
 - To bring together the relevant council guidance and practice on the delivery of residential development.
 - To guide all applicants on liaising with the council and on what information is required so that planning applications are not delayed unnecessarily.

² Throughout this document the DPDs and AAP are referred to collectively as the Local Plan

2.0 Policy Context

National Policy

- 2.1 The National Planning Policy Framework (NPPF) sets out government policy on housing. Chapter 5 concerns the delivery of a sufficient supply of homes for different demographic groups and the provision of affordable housing. Paragraph 61 is particularly relevant to housing needs and states:

“... the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.”

- 2.2 Paragraph 62 relates to affordable housing and states:

“Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on site unless:

- a) Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
- b) The agreed approach contributes to the objective of creating mixed and balanced communities.”*

- 2.3 In respect of housing in rural areas paragraph 77 states:

“... planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs. Local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.”

- 2.4 Additional guidance to support the NPPF is provided within the national Planning Practice Guidance (PPG). The PPG is updated whenever necessary. Guidance is provided on housing needs in relation to older people, people with disabilities, private rented sector, self-build and custom build housing, student housing and affordable needs.

Local Policy

- 2.5 The Lancaster City Council Corporate Plan identifies four key ambitions between 2018 and 2022, three of these are directly influenced by the quality of housing within the district:

- A Thriving and Prosperous Economy
- Clean, Green and Safe Neighbourhoods
- Healthy and Happy Communities

- 2.6 The policies in the Local Plan and the guidance in this SPD are based on evidence from the Lancaster Independent Housing Requirements Study 2015, the OAN Verification Study February 2018 by Turley Economics and the Strategic Housing Market Assessment (Part II) February 2018 by arc4 (SMHA). These documents provide evidence and recommendations about the amount of housing needed and the types and tenures required to meet a wide range of needs.

- 2.7 The Local Plan Viability Assessments (Stage One and Two) and the Arnside & Silverdale AONB Viability Assessment provide the evidence about the level of housing standards and the amount of affordable housing that can be provided on housing sites.

Strategic Policies and Land Allocation DPD

2.8 Key points within the vision for the Local Plan are:

“That the district will comprise sustainable, distinctive, healthy and cohesive communities where residents enjoy the advantages of a level of self-containment that supports growth and diversity in distinctive local businesses whilst minimising the need to commute. New development will promote positive urban design to create a distinctive sense of place.”

2.9 The vision is supplemented by a number of spatial objectives, those relevant to housing include: SO2: Provision of a sufficient supply, quality and mix of housing to meet the changing needs of the population and support growth and investment. This will be delivered by:

- Delivering housing in the district to support economic growth and meet housing needs in the most sustainable locations including Lancaster, Morecambe, Heysham, Carnforth and other identified Sustainable Settlements;
- Building a range of housing types, sizes and tenures to meet the needs of all members of the community;
- Ensuring that new development is well designed, sustainable and energy efficient;
- Developing high quality housing that is appropriate and affordable for current and future residents particularly within rural areas of the district, contributing to the creation of a balanced housing market;
- Securing the long-term sustainability of rural communities by supporting well designed and located rural housing of appropriate tenure to meet local needs;
- Seeking to bring back into use residential properties which have suffered from long-term vacancy in order to make a contribution towards meeting housing needs;
- The preparation, implementation and on-going maintenance of a Brownfield Register to ensure that there is a full understanding of available brownfield land and that where appropriate to do so development proposals for such sites can come forward in a positive and proactive manner; and
- To address the specific needs of the Gypsy, Traveller and Travelling Showpeople communities to ensure their needs can be met through the course of the plan period.

2.10 The Local Plan has several policies which concern housing needs within the SPLADPD. Policies SP2 and SP3 provide the development strategy and a settlement hierarchy which identifies the locations where new housing is appropriate. As the largest settlement with regional importance, Lancaster is the focus for housing provision. Morecambe, Heysham and Carnforth provide a supporting role to provide housing for more localised catchments.

2.11 The policy identifies sustainable rural settlements where smaller scale housing is appropriate. Outside these settlements, housing will only be permitted where it accommodates an evidenced local need.

2.12 Policies H1 and H2 identify the allocated housing sites in the urban and rural areas. These policies also identify, where appropriate, the site-specific policies for these sites. The site-specific policies include criteria to ensure the development of each site is appropriate to its location and that the necessary infrastructure is provided. These criteria will be used when determining planning applications.

Development Management DPD

2.13 The DMDPD where policies, DM1 to DM13 all concern the delivery of suitable housing in the district. These policies include:

- DM2: Housing Standards
- DM3: The Delivery of Affordable Housing
- DM4: Residential Development Outside the Main Urban Areas
- DM5: Rural Exception Sites
- DM6: Housing Provision in the Forest of Bowland
- DM7: Purpose Built Student Accommodation
- DM8: Accommodation for Older People and Vulnerable Communities
- DM9: Accommodation for Gypsy and Travellers, and Travelling Showpeople
- DM10: Accommodation for Rural workers
- DM11: Residential Moorings on Lancaster Canal
- DM12: Self Build, Custom Build and Community-Led Housing
- DM13: Residential Conversion

2.14 The DMDPD also contains a suite of policies addressing a wide range of issues which will influence the detail of a scheme and the outcome of a planning application. These include policies in respect of the design and sustainability of development (DM29 & DM30), site specific issues such as contamination (DM32), flood risk (DM33 & DM34), heritage (DM37-DM42) and the natural environment (DM43-DM46), infrastructure (DM58 & DM59), transport, accessibility and connectivity (DM60-DM64). This list is not exhaustive and further advice about the policies relevant to a specific scheme will be given through the Pre-Application Advice Procedure.

Arnside & Silverdale Area of Outstanding Natural Beauty (AONB) DPD

2.15 The Arnside & Silverdale AONB DPD provides a suite of policies specific to this part of the district. A landscape capacity-led approach will be taken in the AONB. Great weight will be given to the principle of conserving landscape and natural beauty, wildlife and cultural heritage in the AONB. Policies which relate directly to housing include:

- AS01 – Development Strategy
- AS03 – Housing Provision
- AS15 – Housing Allocations
- AS16 – Mixed –Use Allocations.
- AS21 – Land North West of Sand Lane, Warton
- AS22 – Land North of 17 Main Street, Warton
- AS24 – Railway Goods Yard, Silverdale

2.16 The Arnside & Silverdale AONB DPD also includes policies in respect of the design of new houses and their impact on the landscape.

Neighbourhood Plans

- 2.17 Neighbourhood Plans form part of the development plan and decisions will be made in accordance with these plans. These plans are processed by neighbourhood groups, in most cases, Parish Councils. There are adopted Neighbourhood Plans which contain policies which effect where new housing can be located and contain detail and requirements specific to the neighbourhood area.
- 2.18 The Local Plan documents, including the adopted Neighbourhood Plans, can be found on the Council website:
<http://www.lancaster.gov.uk/planning/planning-policy/about-local-plan>

3.0 Housing Delivery

Understanding Housing Need

- 3.1 The Lancaster Independent Housing Requirements Study 2015 (October 2015) by Turley Economic recommended an objectively assessed housing need of between 650 and 700 dwellings per annum and a total of between 13,500 and 14,000 over the plan period. This would meet demographic needs in full, represent a positive response to market signals, including a recognition of the potential impact of historic under-provision of housing in relation to plan targets, and also allows for an uplift to this implied level of need in response to employment growth opportunities whilst allowing for some flexibility regarding the role of future changes in economic participation rates amongst older people. The Verification Study (February 2018) by Turley Economics, concluded that the figure remained reasonable.
- 3.2 The Strategic Housing Market Assessment (Part II) 2018 (SMHA) methodology was carried out in accordance with the PPG in place at the time. The methodology included a Household Survey sent to 27,462 households (2017), consideration of stakeholder consultation and interviews, a review of secondary data and analysis of housing need and affordable housing requirements.
- 3.3 The SMHA identifies an affordable housing requirement and makes recommendations about the need for a mix of homes of different types, sizes and tenures across the district. Securing a mix of homes will enable the district to, “promote social interaction, including opportunities for meetings between people who might not otherwise come into contact with each other ...” (Paragraph 91a of the NPPF). Communities which contain a good mix of homes have the greater potential to support a range of local services and facilities, provide opportunities for interaction and community support for vulnerable groups, such as the elderly.
- 3.4 According to the SHMA household survey, some 6,185³ households are in housing need (10.2% of all households). Reasons for housing need are mostly overcrowding, people having special needs and properties being too difficult to maintain. The SHMA identifies an annual shortfall of 376⁴ affordable homes each year. This has risen by around 50 a year since the previous Housing Needs Survey in 2011. The delivery of affordable housing is therefore an important priority of the Council.

³ Table 5.2 of the SHMA

⁴ Table 5.5 of the SHMA

- 3.5 The Council also recognises that there may be other evidence available on housing needs. This includes local surveys carried out by Parish Councils and in connection with Neighbourhood Plans, which focus on the needs of households within a defined area, such as a rural settlement or parish. Such surveys can be a valuable source of information on local housing need providing they are carried out to a robust methodology and the results are statistically valid.

Housing Delivery Over the Plan Period

- 3.6 The Council has sought to maximise opportunities to meet the OAN. However, the physical and infrastructure constraints within the district limit the ability to meet this OAN. Physical constraints include the landscape designations of the North Lancashire Green Belt, Forest of Bowland and Arnsdale and Silverdale AONBs, protected habitats found in Morecambe Bay and along the Lune Valley and areas prone to flooding. Infrastructure constraints include the highway network. Further information can be found at the beginning of Chapter 9 of the SPLADPD and background evidence is available on the Council website:
<http://www.lancaster.gov.uk/planning/planning-policy/evidence-monitoring-information>
- 3.7 The identified constraints have resulted in the adoption, through policy SP6 of the SPLADPD, of a housing requirement of 10,440 over the plan period. This will be delivered through the following stepped approach:
- 2011/12 to 2018/19 – 400 dwellings per annum
 - 2019/20 to 2023/24 – 485 dwellings per annum
 - 2024/25 to 2028/29 – 685 dwellings per annum
 - 2029/30 to 2030/31 – 695 dwellings per annum
- 3.8 Beyond the Plan period the annualised average rate of 522 dwellings has been rolled forward to cover a longer trajectory period of 23 years.
- 3.9 The housing supply and delivery is monitored annually, and the results are published in the Housing Land Monitoring Report which can be found on the Council website:
<http://planningdocs.lancaster.gov.uk/AniteIM.Websearch/Results.aspx>

4.0 Open Market Housing

Housing Mix

- 4.1 The NPPF requires local planning authorities to plan for a mix of housing, based upon current and future demographic trends, including identifying the size, type, tenure and range of housing needed for different groups.
- 4.2 Policy DM1 of the DMDPD reflects this and requires the provision of a broad range of homes to meet housing need. The Joseph Rowntree Foundation carried out research into, 'Mixed Communities: Success and Sustainability' in 2006 and found:
- *“mixed income communities studies were overwhelmingly successful”;*
 - *“mixed tenure and mixed income were non-issues” [and]*
 - *“developers engaged in mixing tenures had no major problems. There was no evidence that mixed communities lowered the prices of houses for sale or put off potential purchaser”.*

- 4.3 Including a mix of house sizes, types and tenures can help meet the needs of a wide range of residents over their lifetime. A mixture allows:
- Adaption to meet changing life circumstances.
 - People to adapt or move locally as needs change.
 - Families to remain close following divorce or separation.
 - Young adults to stay in the area when they wish to have a home of their own.
 - Families to support each other as needs change.
 - People to move locally as they age and their needs change.
 - Helps to minimise the impacts arising from the affordability of housing upon school place choices.
- 4.4 It is important to ensure that an appropriate mix is included from the outset to limit the need for amendments once a design and layout has been drafted. It will also limit any delays and expenditure which may arise from failing to include an appropriate mix.
- 4.5 The size, timing and mix within phases of a larger development affect how residents are distributed and how social relations develop across the whole site. A series of phases can act like a series of separate developments and create distinct group identities amongst residents and non-residents, despite the design and layout across the whole development site. Different house sizes and affordable housing should be mixed throughout each phase.
- 4.6 Evidence in the SHMA highlights that there is a demand for a mix of new homes, with a particular demand for the delivery of three-bedroom open market houses⁵. There is also a desire for bungalows. Table 5.8 of the SHMA recommends a mix for the type and size of open market and affordable housing in the district. This recommended mix is based on an analysis of existing provision and need throughout the whole district. The table at paragraph 4.12 of the DMDPD (Table 1 below) provides a guide to the house types and sizes which will be encouraged on all sites across the district. Where a development contributes to meeting the strategic need for housing on allocated sites, or in or adjacent to regional centres, key service centres, market towns or sustainable rural settlements (outside the AONBs), schemes will be expected to meet the recommended district wide mix.

Property Type	Market (%)
House (2 bedrooms)	20
House (3 bedrooms)	35
House 4+ bedrooms	25
Bungalow	10
Flat/apartment (may include 1 bedroom houses)	10

Table 1: Recommended district wide mix for open market housing

⁵ Tables 4.4 to 4.8 of the SHMA

- 4.7 There may be other factors which will affect the appropriate mix, such as area specific needs identified in a Parish or Town specific Housing Needs Assessment (based upon local needs surveys) and Neighbourhood Plan policies which may identify a specific housing mix or type for development in their area. These assessments will be particularly important when determining the appropriate housing mix for windfall sites later in the plan period, and for rural exception and community housing schemes. The table reflects a snapshot in time, as evidenced by the 2017 Household Survey. As development takes place and identified needs for a dwelling type or size are met, the mix may change. These local surveys and assessment of need will be particularly important in the AONBs and rural villages.
- 4.8 Policy DM1 sets out circumstances where it may not be appropriate to provide a mix of dwelling types to meet the full range of housing need identified in the SHMA. These include for example:
- Small schemes of fewer than 10 units where delivering a broad range of housing may be limited by physical constraints;
 - Sites in or close to town centres within the district where lower densities or larger homes may not be appropriate;
 - Sites where the need to sustain or enhance the setting of a heritage asset may be of particular importance and requires a bespoke approach to housing mix; and
 - Sites in rural locations, where there is an up-to-date village or parish housing needs assessment that is a more appropriate indication of housing need.
- 4.9 A scheme which falls into one of the examples provided will not be automatically exempt from the requirement to meet a full range of housing needs. Schemes should seek to meet the identified needs, unless evidence is provided to support an alternative mix.
- 4.10 Where a scheme deviates significantly from the indicative mix identified in the Local Plan, justification and evidence to support the alternative mix should be provided with the application. A developer's preference for a house type or size, their sales model or previous developments will not be considered enough justification. The argument that providing a limited range will address part of the identified need will also not suffice. Meeting a limited range will place greater pressure upon other developments to provide a shortfall in other housing sizes.

5.0 Affordable Housing

Definition of Affordable Housing

- 5.1 To be considered as affordable housing, the criteria within Annex 2 of the NPPF must be met. The full definition is included in the Glossary of this SPD. Homes that do not meet the definition in Annex 2, such as "low cost market" housing, will not be considered as affordable housing for planning purposes.
- 5.2 The discounted market sales housing model offers a fixed level of discount only. Local circumstances indicate that the discount would need to be significant to make homes affordable. This tenure also only caters for a limited group of people in affordable housing need. As a result of this, the Council will not accept discounted market housing.

- 5.3 The Council expects intermediate affordable housing for sale to be provided as shared ownership and managed by a Register Provider (RP). This form of home ownership allows people who are not normally able to buy a property outright, to buy a percentage share depending on what they can afford and pay rent to an RP for the remainder. Rent to Homebuy may be acceptable in some cases. There are some eligibility criteria that apply, and a financial assessment is undertaken.
- 5.4 The enactment of the Housing and Planning Act 2016 on 24 May 2016 and the revised NPPF introduce a wider definition of affordable housing to include the provision of Starter Homes. The Act legislates that Local Authorities have a duty to promote the supply of Starter Homes. Nevertheless, whilst primary legislation now exists through the Act, there remains no secondary legislation in place which provides detail on the implementation of Starter Homes.
- 5.5 The Government consulted on the First Homes Policy in February 2020 and August 2020. First Homes are similar in form to shared ownership and would have a discount of around 30%. The discount would be passed onto future purchasers. First Homes are intended to help first time buyers who have local connections to an area. However, the consultation included a range of eligibility criteria options and potential percentage discounts. No further detail has yet been provided.
- 5.6 Until such time as legislation is introduced, the Council does not intend to require or accept Starter Homes or First Homes to be delivered as part of new development proposals. This will be kept under review as legislation emerges.

Policy Requirements for Delivery of Affordable Housing

- 5.7 The amount of affordable housing required to be delivered as part of residential development is contained within policies DM3 and DM6 of the DMDPD and policy ASO3 of the Arnside & Silverdale AONB DPD. Affordable housing is usually delivered as a proportion of the number of houses on a development site. A developer builds the houses and then they are transferred to an RP which either rents the homes to tenants or sells them as shared ownership properties. RPs deliver 100% affordable housing schemes, however, in some cases RP schemes may include an element of open market housing to improve viability.
- 5.8 The proportion of affordable housing required on sites varies across the district. These variations have been determined by the Local Plan Viability Assessments⁶, the evidenced need for affordable housing and the aims of the policies in the AONBs which seek to conserve and enhance the natural beauty of the area by adopting a landscape capacity-led approach.

⁶ Local Plan Viability Assessment Stage One and Two (2018) and the Arnside & Silverdale AONB DPD Viability Assessment

5.9 The affordable housing requirements, within policies DM3 and DM6 of the DMDPD and AS03 of the Arnsdale & Silverdale AONB DPD are outlined in the tables below:

Lancaster, Carnforth and Rural West (Rural West includes the wards of Ellel [except any part of the Forest of Bowland AONB] and Bolton-with-Slyne)			
Land Classification	Number of Homes Proposed	Delivery Method	% of Homes Required to be Affordable
Greenfield	15 Units and Over	On Site	30%
Greenfield	10-14 Units	On Site	20%
Brownfield ⁷	10 Units and Over	On Site	20%
Morecambe, Heysham and Overton			
Land Classification	Number of homes proposed	Delivery Method	% of Homes Required to be Affordable
Greenfield	10 Units and Over	On Site	15%
Brownfield	N/A		Nil
Rural East (Halton-with-Aughton, Kellet, Lower Lune Valley and Upper Lune Valley except any part of the Forest of Bowland AONB)			
Land Classification	Number of homes proposed	Delivery Method	% of Homes Required to be Affordable
Greenfield	10 Units and Over	On Site	40%
Brownfield	10 Units and Over	On Site	30%
No affordable housing will be required for development which comprises solely apartment-led development in Lancaster, Carnforth, Rural West, Morecambe, Heysham, Overton or Rural East.			

Table 2: Provision of affordable housing as required by policy DM3

⁷ 'Brownfield Land' has the same meaning as 'Previously developed land' defined in the NPPF as, "Land which is or was occupied by a permanent structure, including the curtilage of the development land (although it should not be assumed that the whole curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agriculture or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape".

Forest of Bowland AONB		
Number of homes proposed	Delivery Method	Affordable Housing Contribution
2 to 5 units	Financial Contribution	Equivalent to 50% of on-site provision
6 units and Over	On Site	No less than 50% of homes to be provided as affordable

Table 3: Provision of affordable housing as required by policy DM6

Arnside & Silverdale AONB (includes the Parishes of Silverdale, Warton, Yealand Conyers & Yealand Redmayne)		
Number of homes proposed	Delivery Method	% of homes required to be affordable
2 units and over	On Site	No less than 50%

Table 4: Provision of affordable housing as required by policy AS03

- 5.10 The map at figure 4.1 of the DMDPD shows the wards included within each area. A copy of the map is attached at Appendix A.
- 5.11 Where the requirement results in an odd number, the affordable provision should be rounded up to ensure that at least the required percentage is provided on site.
- 5.12 The affordable housing requirements apply to all homes within the C3 use class. This includes conversions, sub-division, sheltered and extra care provision where each unit provides an individual home⁸. Vacant Building Credit may apply where a vacant building is converted or demolished as part of a redevelopment. See paragraphs 5.19 onwards for further guidance.
- 5.13 Where the affordable housing scheme has a negative impact upon the viability of a development, the onus is upon the developer to provide compelling evidence to support a reduction in the provision required. Further details on how to provide this evidence can be found in the Viability Protocol Supplementary Planning Document.

Commuted Sums in the Forest of Bowland AONB

- 5.14 Policy DM6 requires a financial contribution towards affordable housing for schemes of 2-5 homes in the Forest of Bowland AONB equivalent to an on-site contribution of 50%.
- 5.15 If in the AONBs, a suitable RP cannot be found to accept small numbers of affordable homes (1 or 2 homes), then this must be clearly demonstrated to the planning authority. The applicant must set out why the development cannot be amended to attract an RP. If there is no willing RP, then a commuted sum may be considered to be appropriate in lieu of on-site provision.

⁸ Rectory Homes Limited and Secretary of State for Housing and Communities and Local Government and South Oxfordshire District Council [2020] EWHC 2098 (Admin)

- 5.16 In calculating a commuted sum, the Council will apply the same mechanism that has been previously applied for financial contributions, as set out in the Meeting Housing Needs SPD (2013). This is a tried and tested mechanism which agents and developers have had the benefit of experience. The percentages used were based upon average land values as a percentage of gross development value (18.5%) and a with an allowance for fees and site preparation (15%). The calculation roughly equates to a contribution of 20% of open market value per affordable dwelling required. See Appendix B for further information about to the methodology.

Step 1: Establish the open market value of the proposed development

Step 2: Calculate 18.5% of the open market value

Step 3: Add 15% to the result of Step 2

Step 4: Apply the result of Step 3 to the net increase in units and the relevant affordable housing requirement.

Example: A scheme for 4 x three-bedroom dwellings on a greenfield site is proposed in the Forest of Bowland AONB. The following calculation would be carried out to determine the financial contribution:

Step 1: The OMV of each unit averages £350,000. 4 units at £350,000 gives an overall Open Market Value for the scheme of £1,400,000.

Step 2: 18.5% of £1,400,000 = £259,000

Step 3: add 15% to Step 2 = £297,850

Step 4: There is a net increase of 4 units. The affordable housing contribution for schemes of 2-5 units in the Forest of Bowland is 50% Therefore 50% of £297,850 equals an affordable housing contribution of **£148,925**.

Table 5: Affordable Housing Contribution Calculation

The figures have been used to show the process of the calculation only and do not indicate current or acceptable values. This calculation only applies to contributions in the Forest of Bowland AONB.

- 5.17 The agreed financial contribution must be paid on commencement of the development, unless evidence to support a delayed payment is submitted with the application.
- 5.18 Following receipt of the financial contribution, the monies will be held in the Affordable Housing Fund, a ring-fenced account that supports the development of affordable housing in the district. For more information on this please refer to Appendix C.

Vacant Building Credit

- 5.19 Vacant Building Credit (VBC) is an incentive for the development of brownfield sites containing vacant buildings and will be applied to schemes which reuse or redevelop a vacant building in accordance with paragraph 63 of the NPPF. It applies where a vacant building is brought back into a lawful use or is demolished to be replaced by a new building. In such cases the developer will be offered a financial credit (equivalent to the existing gross floorspace of relevant vacant buildings) which is then deducted from the affordable housing contributions required by policies within the local plan (see table 6 for details of the calculation).

5.20 There is no statutory definition of a 'vacant building'. Each case will be determined on its own merits. The Council will consider the following matters and criteria:

The length of time a building has been vacant

- To qualify for VBC a building must not have been in continuous use over the previous three years prior to the date of the decision.
- A building will not be considered vacant if it has been in in continuous use for any six-month period during the three years prior to the decision.
- The whole of building must have been vacant for the three years prior to the decision. Occupied or partly occupied buildings do not count, neither do occupied buildings that are expected to become vacant.

Whether the building has been made vacant for the sole purpose of redevelopment

VBC will not apply if a building has been made vacant for the purposes of redevelopment. The Council will consider:

- The length of time the building has not been in use,
- The reason the building became vacant and remains vacant,
- The owner's intentions.

For example, if a lease has been terminated by the owner or the building has not been adequately marketed at a reasonable value for a period of at least one year, it will be considered that the building has been made vacant for the purposes of re-development.

Whether the building has been abandoned

Factors the Council will take into account include:

- The physical condition of the building,
- The length of time that the building has not been used,
- Whether it had been used for other purposes; and
- The owner's intentions.

The planning history of a building

VBC will not be applied:

- Where the building has an extant planning permission for the same or substantially the same development.
- Where the building was in use at the time of the submission.
- To a building which has a temporary planning permission.
- To buildings that people do not normally go into or go into only intermittently to maintain or inspect machinery (e.g. an electricity sub-station).
- Temporary buildings.
- Portable buildings, portal frame buildings or those which are not fully enclosed with walls, such as open or partially open sided agricultural buildings.

To qualify for VBC:

- There must be a building in existence at the time of the decision is made on the application. Buildings already demolished do not count.
- The building must be brought back into use or demolished as part of the development. Vacant buildings on a site that do not form part of the development proposal do not count.

- 5.21 The onus is on the developer to demonstrate that the building is vacant. Evidence to support a claim that a building is vacant will be required.
- 5.22 In order to calculate the credit, the Council will need applicant to submit accurate figures and plans of existing and proposed floorspace.
- 5.23 Where there is an overall increase in floorspace in the proposed development, the affordable housing contribution will be calculated based upon the development as a whole and as set out in Tables 1-3. A credit will then be applied which is equivalent of the gross floorspace of any relevant vacant building being brought back in to use or demolished as part of the scheme and deducted from the overall affordable housing contribution. This will apply to either the number of affordable homes to be provided or a financial contribution⁹
- 5.24 If the total floorspace of existing buildings to be demolished is equal to or exceeds the total floorspace created, then no affordable housing would be provided.

Example A twenty-four-dwelling scheme in Lancaster with a gross floor space of 1950sqm. The site contains a building which was formerly used a vehicle repair garage which has an existing gross floorspace of 400sqm. Policy DM3 requires 30% of the dwellings to be provided as affordable.		
Step 1	Calculate the affordable housing contribution based on the total number of dwellings and the affordable housing percentage required by the Local Plan policy	Usual affordable housing contribution $24 \times 30\% = 7.2$ dwellings
Step 2	Calculate the amount of existing floorspace, as a percentage of the floorspace provided by the development. Existing floor space divided by proposed floorspace	$400\text{sqm} / 1950 \text{ sqm} = 21\%$
Step 3	Calculate the affordable houses credited (the number of affordable houses to be deducted from the requirement) Step 1 x Step 2	$7.2 \times 21\% = 1.51$ dwellings

⁹ Planning Practice Guidance - Paragraph: 027 Reference ID: 23b-027-20190315

Step 4	Deduct the affordable credit from the policy compliant affordable housing contribution Step1 – Step 3	$7.2 - 1.51 = 5.69$ dwellings
Affordable housing contribution required	6 affordable dwellings are required to be provided on site The number of affordable houses required will be rounded up to the nearest whole number	

Example	<p>A mixed-use development of 100 dwellings with a gross floor space of 8,600sqm and 5,000 sqm office space in Lancaster.</p> <p>Part of the site contains three buildings which were formerly used for a mixture of businesses, with 15,000 sqm of gross floor space.</p> <p>One of the buildings is still in use and one has recently had the tenancy revoked to allow for redevelopment. The third measuring 7,000sqm has been vacant for over three years and has been marketed.</p> <p>Policy DM3 requires 30% of the dwellings to be provided as affordable.</p>	
Step 1	Calculate the affordable housing contribution based on the total number of dwellings and the affordable housing percentage required by the Local Plan policy	Usual affordable housing contribution $100 \times 30\% = 30$ dwellings
Step 2	Calculate the amount of existing floorspace, as a percentage of the floorspace provided by the development. Existing floor space divided by proposed floorspace	Only the building third building qualifies for VBC. $7,000 \text{ sqm} / 13,600 \text{ sqm} \times 100 = 51.47\%$
Step 3	Calculate the affordable houses credited (the number of affordable houses to be deducted from the requirement) Step 1 x Step 2	$30 \times 51.47\% = 15.44$ dwellings
Step 4	Deduct the affordable credit from the policy compliant affordable housing contribution. Step1 – Step 3	$30 - 15.44 = 14.56$ dwellings
Affordable housing contribution required	15 affordable dwellings are required to be provided on site The number of affordable houses required will be rounded up to the nearest whole number	

Table 6: Vacant Building Credit Calculation

Viability

- 5.25 It is recognised that there may be exceptional circumstances where the delivery of affordable housing required by planning policies, would adversely affect viability and hinder the delivery of housing. In these exceptional circumstances, the Council will require an applicant to submit a Viability Assessment with an application. Further information about the Councils approach to viability is available in the Viability Protocol Supplementary Planning Document.

Tenure, Size and Type of Affordable Housing

- 5.26 Paragraph 5.6 of the 2018 SHMA suggests that a tenure split of around 55% rented (social or affordable) and 45% intermediate tenure (shared ownership) would be appropriate across the district. Bullet point 3 of policy DM3 requires:

“Where affordable housing is being delivered, the Council will seek to ensure an appropriate tenure mix using the following percentages as a guide (sizes and types as set out in Policy DM1 of this DPD)

- *60% affordable / social rent and 40% intermediate tenure; or*
- *50% affordable or social rent and 50% intermediate tenure.*

The exception may be 100% affordable housing schemes by RPs.”

- 5.27 Table 5.8 of the 2018 SHMA suggests a mix for the type and size of open market and affordable housing in the district. This is based on an analysis of existing provision and need within the district.
- 5.28 Table 4.1 of the DMDPD provides an indicative mixture of dwelling types and sizes considered appropriate to meet identified affordable housing need across the district (Table 4.1 of the DMDPD is copied at Table 6 below). This mix aims to meet the identified affordable housing need and create mixed and balanced communities. Schemes which contribute to meeting the strategic need for affordable housing on allocated sites, or in or adjacent to regional centres, key service centres, market towns or sustainable rural settlements (outside the AONBs), schemes will be expected to meet the recommended district wide mix.
- 5.29 There may be circumstances where the exact mix required may differ depending on the site, the location and the timing within the plan period. Table 5.5 of the SHMA provides more detail about size and types of affordable homes needed at sub-area level. Other evidence such as local surveys carried out by parish councils may also suggest alternative mixes. These documents will be particularly important when determining the appropriate mix for rural, exception and community housing schemes, and windfall sites towards the end of the plan period. Developers are encouraged to carry out early engagement with the Council Strategic Housing Scheme and RPs to determine the appropriate mix for each site.

Property Type	Affordable (%)
House (2 bedrooms)	30
House (3 bedrooms)	20
House (4+ bedrooms)	5
Bungalow	10
Flat/apartment (may include 1-bedroom houses)	35
Total	100

Table 7: Affordable housing mix by type and size as indicated at Table 4.1 of the DMDPD

5.30 Affordable homes are expected to be provided as follows:

Size	Tenure	House Type
1 bed	Shared Ownership Social/Affordable Rented	Houses or 'cottage style flats' with its own front door and access to garden space
2 bed and above	Social/Affordable Rented	Family houses with garden space
	Shared Ownership	

Table 8: Acceptable types and sizes of affordable homes

- 5.31 All shared ownership and social/affordable rented units (2 bed and above) should be provided as family houses. This is due to an over-supply of 2 bedroom plus flats for rent, the needs of occupants and benefit restrictions. Blocks of flats are also not acceptable due to the service charges associated with flatted development which often results in the units becoming less affordable. In some cases, flats/apartments may be suitable for one bedroom homes, but these should be provided as 'cottage style flats', each their own external front door and access to garden areas.
- 5.32 Applicants interested in submitting proposals for new residential development should contact the Council's Housing Strategy team to discuss the individual needs of particular sites early in the schemes development, prior to the layout being drafted.

Delivery of Affordable Housing

- 5.33 Affordable housing must be delivered by or transferred to an RP. Developers are encouraged to involve an RP at the earliest opportunity and take advantage of their experience in the delivery of housing and securing funding. There may be exceptions where development is progressed by a Community Group meeting a specific identified local need.
- 5.34 Engaging at an early stage will ensure that the design of housing will meet identified need and the requirements of RPs, in terms of house types, sizes and accommodation provision. Failing to engage at an early stage may result in housing that does not meet their requirements resulting in difficulties transferring stock and complying with a S106 agreement. In such cases, schemes must be amended to address the deficiencies and ensure that the affordable housing within a S106 agreement can be provided.
- 5.35 The Council has worked closely with the RPs that operate in Lancaster. While it will not impose the choice of RP on a developer, the Council's Housing Strategy team will be able to provide advice on which RP may be most suitable for a particular project. A list of RPs that have stock in the district and work with the Council is attached at Appendix D.
- 5.36 It is recognised that in some cases, where small numbers of affordable homes are involved, an applicant may experience difficulties in attracting an RP. The RPs which have expressed an interest in accepting small numbers, especially in the AONBs are highlighted in Appendix D. If an applicant still faces difficulties the Council will approach the RPs in order to seek a resolution.
- 5.37 The Council is considering introducing a fixed transfer value and an RP allocations process. If introduced, the process would fix a transfer value for affordable housing, blending the rates for rented and affordable sale products. An allocation process would be implemented to ensure that affordable housing is distributed between RPs. Further information will be provided on the Council's website when this is available.
- 5.38 The Council expects the delivery of affordable housing to adhere to the following principles and criteria:
- All tenures of affordable housing must be provided in partnership with an RP, unless delivered by a Community Group meeting a specific identified need.
 - RPs will be required to provide 50% of new properties and re-let vacancies to the Council for nomination.
 - Affordable housing should be reserved for households identified as being in housing need and registered on one of the Council's housing register or a register approved by them, such as the Choice Based Lettings Scheme and Help to Buy.
 - The occupation of rented units in rural areas will be subject to a cascade provision. The cascade will start with a local connection to the parish, then surrounding parishes, other rural areas and then district wide.
 - Properties will be expected to be available to those in housing need, both initially and in the long term.
 - Shared ownership receipts should be recycled for the provision of affordable homes within Lancaster District.
 - In rural areas, shared ownership properties will be subject to a maximum level of staircasing of 80%.
 - A variety of affordable dwelling types and sizes should be provided to meet the wide range of identified housing needs.

- Affordable housing should be free from service charges. Service charges can add a significant expense resulting in them not being affordable for people in housing need.
- Affordable housing will be secured through a S106 Agreement – a planning obligation.
- The Council will consider the inclusion of Mortgagee in Possession Clauses in a S106 agreement when an RP is involved with the application. The Council will be guided in its judgment on this by the needs of the RP and the practicality of securing successful delivery of the affordable housing units. The wording of any mortgagee in possession clause should ensure that if an RP is unable to repay its private loan, the Council or another RP has the opportunity to take over the affordable housing units (and financial liability) before the units could be sold on the open market.

Design and Integration of Affordable Housing

5.39 Paragraph 91 of the NPPF requires that planning policies,

“promote social interaction, including opportunities for meeting between people who might not otherwise come into contact.”

5.40 To ensure that new development achieves this, and provides mixed and balanced communities, bullet point V of policy DM3 requires that:

“Housing must be well integrated into the design of an overall scheme and be consistent with market housing in quality of materials, design and open spaces.”

5.41 While in some cases, the house sizes may differ, the design and materials used for affordable homes should be indistinguishable from those used for open market homes. Design principles include:

- The exterior should be finished using the same pallet of materials and design details as open market properties.
- Car parking should be arranged in such a way that attention is not drawn to different tenures.
- Parking, amenity space and privacy standard should be applied equally to open market and affordable homes.
- The interior should meet the Nationally Described Space Standards and at least 20% of the affordable homes on a site should be provided to meet the M4(2) of the Building Regulations (as required by Policy DM2 of the DMDPD).

5.42 Grouping affordable homes often highlights the differences due to their size and the concentration of cars within parking courts or at the front of properties. They should therefore be spread evenly or ‘pepperpotted’ throughout a development. Pairs of semi-detached houses or short terraces of 3 or 4 homes, can often be exchanged for open market homes without adversely affecting the overall layout. The inclusion of a range of open market homes, including smaller 2 and 3 bedroom semi-detached and terraced houses, can also help to ensure the affordable homes are indistinguishable. Principles for the design of layout of sites which include affordable housing are:

- Affordable housing should not be clustered in cul-de-sacs or groups opposite each other.
- Affordable housing should be ‘pepperpotted’ evenly throughout a site.
- Car parking should not dominate frontages.
- They should not be located predominantly in the less desirable parts or at the extremities of a site.

- A range of house types and tenure should be mixed together to provide a varied layout and appearance.
- Functional requirements such as the provision of communal spaces for flats and parking should be designed to integrate with the overall design of a site.

5.43 RPs with an interest in the district, have advised that affordable homes do not need to be grouped together within a development. They prefer affordable housing to be provided as semi-detached houses or small terraces of 3 or 4 and mixed evenly with open market housing throughout a site.

5.44 There is no evidence to suggest that the integration of affordable housing throughout a scheme adversely affects viability. Proposals which seek to use viability or management issues to justify the concentration of affordable housing will not be accepted.

Planning Applications

5.45 Applications must include the information outlined in the Planning Application Validation Guide. An Affordable Housing Statement must be submitted for applications where affordable housing is required by policies DM3, DM6 or AOS2. The Affordable Housing Statement should contain:

- The overall number of proposed residential units.
- The total number of affordable units in the development and/or each phase.
- The affordable housing provision as a percentage of the overall number.
- A schedule showing the plot number, house/flat type, no. of bedroom and tenure of the affordable units.
- A site layout plan showing the location of the units.
- Details of any RPs acting as development partners and evidence of these discussions and of an "in principle" agreement to purchase the affordable dwellings.
- Confirmation that the affordable rented units will be allocated in accordance with the nomination agreement 50% for the Council or through the Home Buy Agent.
- Confirmation affordable houses will not be subject to a service charge.

5.46 For full and reserved matters applications, a schedule of the affordable homes should be provided. This should identify the plot numbers and the unit type and size for each plot. An example schedule is provided at Appendix E.

6.0 Housing in the Arnside & Silverdale Area of Outstanding Natural Beauty

6.1 The policy framework within the Arnside and Silverdale AONB DPD reflects the approach set out in NPPF Paragraph 172 which states:

“Great weight should be given to conserving and enhancing landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and natural beauty...”

6.2 The approach within the plan is to address local affordable housing need by requiring a high level of affordable housing on all housing proposals, and so reduce the need to consider more sensitive sites in order to meet unmet need. Policy ASO3 requires that 50% of new dwellings on all sites for 2 or more units are provided as affordable homes.

6.3 Policy ASO1 sets out the development strategy for the Arnside & Silverdale AONB. In the first instance, new housing should be directed to allocated sites identified in the DPD. The policy allows for small scale development within the identified ‘Local Service Centres’ and for development on previously developed land¹⁰ or buildings within ‘Small Villages’. All development must reflect identified local need within the AONB and conserve or enhance local landscape and settlement character.

6.4 A sequential test will be applied to applications to ensure that they are located in the most sustainable location in accordance with the strategy in policy ASO1. Applicants must demonstrate that:

- The development cannot be located on an allocated site.
- The development cannot be located within a Local Service Centre.
- The development cannot be located on previously developed land or buildings within an identified ‘small village’.

6.5 Policy ASO1 sets out that applications on the edge of or outside settlements/hamlets will be treated as exception sites. Proposals should not have an adverse impact on the settlement or landscape character and must meet a proven and essential housing need in that location. This may include where the home will help sustain an existing business.

6.6 Further information about determining the ‘identified local need’ can be found at paragraphs 7.5 and 7.6 of this SPD and information about exception sites can be found at paragraphs 7.12 to 7.22. Section 8 provides guidance on the information required to support applications for homes to sustain existing businesses.

¹⁰ In accordance with the definition in the NPPF, ‘previously developed land’ does not include residential gardens in the built-up areas of the Local Service Centres and Villages.

7.0 Rural Housing

Planning Policy

- 7.1 Policies in the Local Plan seek to meet the strategic housing needs of the district within settlements designated in Policy SP2 of the SPLADPD. These consists of Lancaster, Morecambe and Heysham, Carnforth and the following sustainable rural settlements:

Sustainable Settlements			
Cockerham	Galgate	Overton	Sustainable Rural Settlements Outside of Areas of Outstanding Natural Beauty
Bolton-le-Sands	Halton	Over Kellet	
Nether Kellet	Hest Bank	Slyne-with-Hest	
Warton	Silverdale	Brookhouse	Sustainable Rural Settlements Within Areas of Outstanding Natural Beauty
Caton	Hornby	Wray	

Table 9: Sustainable Settlements designated by Policy SP2 of the SPLADPD

- 7.2 The strategic housing needs for the district will be met through a series of large-scale allocations at Lancaster and Carnforth and smaller sites within sustainable settlements. The sites are allocated within policies H1 to H6 of the SPLADPD.
- 7.3 Development outside Lancaster, Morecambe, Heysham, Carnforth and the sustainable settlements identified in Policy SP2 (table 8 above), is not expected to meet the strategic need but the needs of the specific village or parish in which the proposal will be located. Policy SP3 states,

“Development in other rural villages will only be supported where it is clearly demonstrated that it is meeting proven local needs.”

- 7.4 Policy DM4 of the DMDPD expand on this and states,

“Proposals for new housing in other settlements which have not been identified as sustainable settlements will only be supported if it can be demonstrated that the development will enhance the vitality of the local community and meet an identified and specific local housing need. Proposals lacking sufficient justification will be considered using the Rural Exceptions Sites criteria set out in Policy DM5 of this DPD.”

Identifying Local Housing Need

- 7.5 Applications for development in rural villages must demonstrate how the proposal will meet locally identified housing need (specific to the village or parish where the site is located) for market housing, affordable housing and community needs. The proposals must demonstrate how the number, type, size and tenure of housing (taking account of existing planning permissions and allocations) will:

- Meet the needs identified in a village or parish level Housing Needs Assessment (including Housing Needs Survey); or
- Meet a proven local need, such as affordable housing or targeted market housing identified in an adopted Neighbourhood Plan.

- 7.6 Where a Housing Needs Assessment for the village or parish is not available, the supporting evidence must include:
- A village or parish housing need survey and an appraisal of the results, the scope of which must first be agreed with the Council.
 - Analysis of the of the number and type of dwellings in the village and the identification of gaps in provision.
 - An assessment of supply and need for the village/parish, the assessment must take account of:
 - allocations or permissions in the settlement, parish or nearby settlements/parishes.
 - people on the housing register in housing need.
 - The population from the latest census, mid-year ONS estimates and population growth.
 - Age and household structure.
 - A minimum of the percentage of affordable housing required by the Local Plan.
- 7.7 Villages do not exist in isolation and what is happening within other villages within the same area may also be important. The role of the villages forming a community may go beyond parish or other boundaries. It may therefore be appropriate in some cases for a Housing Needs Assessment, Housing Needs Survey or assessment referred to in paragraph 6.6, to look beyond the specific village or parish. In such cases, the assessment should clearly justify the area chosen, including the links (footpath/cycle paths) between settlements and the services which housing in each settlement may support (e.g. school, shop). The scope should be agreed as part of the pre-application process.
- 7.8 The supporting evidence will need to demonstrate that the housing cannot be delivered elsewhere in a more sustainable location, such as on an allocated site or within a sustainable settlement. It will also be required to demonstrate that the housing will be located in the most sustainable location within the parish or search area. When determining sustainability accessibility to public transport, cycle and footpath links and services will be considered.
- 7.9 Housing which seeks to meet the needs of a specific parish, village or rural community, should be located within or on the edge of a recognisable rural settlement, which has a form, shape and clearly definable boundaries, and not a low density straggle of development. Development must be well related to the built form of the settlement, generally in the form either infilling¹¹ or rounding off¹² development. The policy does not allow sporadic development outside the built form of existing settlements.
- 7.10 Open countryside is beyond the physical boundaries of existing settlements. Open countryside may include areas containing groups of dwellings which might not constitute a settlement, due to the lack of a clear form or shape. Development in these locations will be considered under policy DM5: Rural Exception Sites.
- 7.11 In all cases, new housing development, both individually and cumulatively over the plan period, must be of a scale appropriate to the settlement. Policies SP2 and DM4 do not allow for unfettered incremental development beyond the needs of the settlement. Proposals should be

¹¹ Infilling – development of land between other buildings in an already built-up area

¹² Rounding off – development which provide a symmetry or completion of a settlement. This does not include incremental growth.

of a scale and nature appropriate to the character, role and needs of the community. Larger development will be considered strategic and is expected to be plan led and allocated through the SPLADPD or a Neighborhood Plan.

Rural and Entry Level Exception Sites

- 7.12 Policy DM5 of the DMDPD concerns Rural Exception Sites. Rural Exception Sites are small sites suitable for up to 10 homes, located in places that would not normally be suitable for housing, but where exceptions may be made for affordable housing to meet identified local needs. These sites should be well related to the existing built form and proportionate to the settlement.
- 7.13 A rural exception site is land which would not usually be released for housing development but where affordable housing to meet a specific affordable housing need in an individual parish, village or the local area it serves may be acceptable. Such schemes would be expected to deliver 100% affordable housing and be delivered by the RP or a Community Group with the support of the Parish Council. To establish that such a need exists, evidence in the form of a recent Parish level housing needs survey (carried out no more than 3 years prior to submission of an application) will be required. In some cases, the survey may include adjacent parishes where communities and services coincide. The extent of the survey should be agreed with the Council prior to being carried out. The Parishes of Halton with Aughton and Caton, Slyne, Quernmore and Skerton Housing Needs Survey for the Lune Valley Community Land Trust provides a good example¹³. Speculative schemes without supporting evidence of need will not be considered acceptable.
- 7.14 The supporting evidence will need to demonstrate that the affordable housing cannot be delivered elsewhere in a more sustainable location, such as on an allocated site or within a sustainable settlement.
- 7.15 Paragraph 77 of the NPPF advises local authorities to consider whether allowing some market housing on these sites would help facilitate bringing forward exception sites for affordable housing. In exceptional circumstances a small proportion of open market housing may be acceptable where the site constraints result in significant abnormal costs and an RP or Community Group can justify that open market housing is essential to the delivery of the affordable housing. Viability evidence will be required to support the inclusion of market housing and the least amount necessary to bring forward a viable, predominantly affordable housing scheme will be permitted.
- 7.16 The value of exception sites should be significantly lower than land where open market housing is permitted. This reflects the planning policy constraints and the requirement that exception sites provide 100% affordable housing. Where the planning policy requirements have not been adequately considered resulting in the inclusion of open market homes, the applicant would be expected to renegotiate the land value to ensure policy compliance.
- 7.17 The PPG¹⁴ states that restrictions on planning contributions, which includes the provision of affordable housing will not apply to development on rural exception sites. Rural exception sites will be therefore be controlled by a S106 and are expected to meet the same affordable housing principles and criteria outlined at paragraph 5.38.

¹³ <http://lunevalleyclt.org/wp-content/uploads/2020/01/LV-HNS-Final-Report-24.11.19.pdf>

¹⁴ Planning Practice Guidance Paragraph: 024 Reference ID: 23b-024-20190315

- 7.18 The NPPF¹⁵ expects local authorities to support entry level exception sites for people looking to buy or rent their first home. Such sites should provide affordable housing as defined in Appendix 2 of the NPPF (a copy is included in the Glossary). As the government policy on entry level exception sites was introduced after the Local Plan was examined, it is silent on the Council's approach to their consideration. The NPPF does however give clear guidance in respect of site of such sites and where they may be acceptable:
- Entry level exception sites should not be larger than one hectare in size or exceed 5% of the size of the settlement.
 - Entry level exception sites will not be acceptable in the Green Belt, the Forest of Bowland or Arnsdale and Silverdale AONBs, SSSIs, irreplaceable habitats, designated heritage assets or areas at risk of flooding or coastal change.¹⁶
 - Entry level exception sites should be adjacent to existing settlements.
- 7.19 The Council interprets bullet point 1 as the smaller of either one hectare or 5% of the number of existing dwellings in the settlement. However, not all sites of this size will be acceptable. The appropriate size of a site will depend upon the site circumstances, including how it relates to the surrounding buildings, the landscape and constraints such as trees, hedgerows, access arrangements and biodiversity. The scale and appropriateness of such development will also depend upon the cumulative impact of extensions to the settlement. Areas at risk of flooding include all sites in Flood Zone 2 and 3 and those sites identified at risk of flooding from ground water or surface water on the Environment Agency mapping.¹⁷
- 7.20 The assessment process undertaken to determine an appropriate location will be the same as for rural exception sites determined under policy DM5, with the additional restrictions referred to in paragraph 71 of the NPPF (paragraph 7.18 above).
- 7.21 Homes provided on entry-levels exception sites must be suitable for first time buyers and applicants must demonstrate that the type and size of housing is suitable to meet those needs and that they are genuinely affordable to buy or rent for first time buyers. The Councils preferred affordable housing tenures of shared ownership and affordable rented, together with the smaller sized homes usually provided as affordable homes are considered to fulfil the criteria for entry-level exception sites.
- 7.22 Sites granted as entry-level exception sites will be subject to the same S106 controls as those for all other affordable housing and rural exception sites. The Council will also include a clause which limits staircasing in rural areas up to a maximum of 80%, to ensure that the new homes remain affordable in perpetuity.

¹⁵ NPPF Paragraph 71

¹⁶ The areas are defined in footnote 6 of the NPPF

¹⁷ The maps can be found here: <https://flood-warning-information.service.gov.uk/long-term-flood-risk/postcode>

8.0 Housing for Rural Workers

- 8.1 NPPF seeks to avoid new isolated homes in the countryside and policy DM4 advises that outside identified sustainable settlements or other rural villages new dwellings are unacceptable. There are exceptional circumstances, and these are detailed at paragraph 79 of the NPPF. One such exception is housing for rural workers, which is dealt with in more detail by policy DM10 and Appendix F of the DMDPD. Policy DM10 provides a set of criteria which will need to be satisfied.

What is a Rural Workers Dwelling?

- 8.2 The Town and Country Planning Act 1990, Section 336 defines agriculture as,

“horticulture, fruit growing, seed growing, dairy farming, the breeding and keeping of livestock (including any creature kept for the production of food, wool, skins or fur, or for the purpose of its use in the farming of land), the use of land as grazing land, meadow land, osier land, market gardens and nursery grounds, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes, and ‘agricultural’ shall be construed accordingly”.

- 8.3 The NPPF and PPG extend the exception to other rural workers. It is, however, less likely that other rural workers would always need to reside on site. The PPG provides an example of where on-site presence may be warranted,

“for instance, where farm animals or agricultural processes require on-site attention 24-hours a day and where otherwise there would be a risk to human or animal health or from crime, or to deal quickly with emergencies that could cause serious loss of crops or products”.

- 8.4 The PPG also states,

“Employment on an assembly or food packing line, or the need to accommodate seasonal workers, will generally not be sufficient to justify building isolated rural dwellings.”¹⁸

Supporting Information Required

- 8.5 Before submitting an application for a new rural workers dwelling, the following options first need to be considered,

- Can the need be met by an existing house on or near to the rural business?
- Can the need be met by reorganizing labour, ensuring that workers already on site or nearby provide the nighttime cover?
- Can an existing house be subdivided or extended to provide the necessary accommodation?
- Can an existing underused or redundant building be converted into a dwelling? In the case of a conversion, this should not result in the requirement for other new or larger buildings.

If the need cannot be met by one of these options, evidence will be required to show how the options have been considered.

¹⁸ Planning Practice Guidance: Paragraph 010 Reference ID: 67-010-20190722

- 8.6 Where the need cannot be met by one of the options in paragraph 8.5, a planning application must be accompanied by sufficient information for the Council to determine if there is a justified functional need for the dwelling. An 'essential need' will need to be justified by a functional requirement for at least one full time worker to be readily available to attend the needs of the business and respond to emergencies for most of the year, during the day and the night. The assessment does not take into account convenience or personal preference but is based on an evaluation of risk should a worker not be available to attend to the business and emergencies. A checklist of requirements is provided at Appendix F of this SPD.
- 8.7 Financial information will also be required to show that the rural enterprise concerned is economically viable and has been established for at least three years. The financial data should be in the form of detailed and audited accounts which clearly identify the full income and expenditure associated with the business. Any additional income the prospective occupier or business earns from other sources should be identified and presented separately. It will be necessary to demonstrate that the activities on site, which give rise the functional need, provide a viable concern. Only where a functional need is proven, and the business is financially viable will a new dwelling be considered essential for the operation of the rural business.
- 8.8 The Council will not support applications where the need has arisen due to accommodation being recently sold off or due to the fragmentation of the land ownership, unless this creates a separate functional and financially viable business.

Size of Dwellings

- 8.9 The maximum gross internal floor space for the main or first dwelling for a rural business, should be no more than 100m². This should include all living accommodation such as a boot room, shower room, utility room and an office where necessary. This size allows for a generous three-bedroom house with office space or a four bed-roomed house. The restriction on floor area seeks to ensure that dwellings are generally of a scale which may remain affordable for rural workers. Where permission for a second dwelling is sought, this should be of a smaller scale to reflect the secondary nature and provision of office accommodation in the main dwelling.

Location of Dwellings

- 8.10 The proposed new home should be well-related to existing buildings, be sited to ensure that the functional need is met, reflect the character of any existing houses or traditional buildings and sit well within the surrounding landscape. The proposal will also need to comply with all other relevant policies within the Local Plan e.g. those relating to heritage, biodiversity, trees and access arrangements.
- 8.11 Appendix F of the DMDPD provides further information about how applications to remove occupancy conditions will be dealt with.

9.0 Housing for Older People and Vulnerable Communities

9.1 The Local Plan contains policies which seek to meet the housing needs of older people and people with specific needs, within Lancaster, specifically policies DM1, DM2 and DM8 are important. Policy DM1 requires a mix of dwelling types to meet the needs of a wide range of people, policy DM2 sets requirements for space and accessibility and adaptability in new dwellings and policy DM8 sets criteria for housing to meet the needs of older persons and vulnerable communities.

Housing Need for Older People and Adaptable Homes

9.2 There are a significant number of older people (over 65) within the district and the proportion is expected to 24.2% of the population by 2033¹⁹. It is therefore important that housing needs of older people are a priority in designing both proposals for specialist housing but also in the design of mainstream housing.

9.3 Evidence from the Strategic Housing Market Assessment (Part II) identifies that approximately a third of households have someone with a disability or illness. Findings suggest that up to 15% of households will require adaptations within the next 5 years. However, as the population ages over the lifetime of the Local Plan this is a figure that is likely to increase.

Housing Mix to Meet Older Peoples Needs

9.4 The accompanying text to policy DM1 includes table 4.1²⁰, which identifies an indicative housing mix to meet a variety of housing needs, including new homes for older people. The SHMA evidence supports the provision of 20% of new homes being designed as suitable for older people. Bungalows are a popular choice and, in some cases, 'cottage style' flats, where one flat is provided at ground floor level and the other at first floor each with their own private garden area, can contribute to meeting the need.

Property Type	Market Housing %	Affordable Housing %
Bungalow	10	10
Flat/apartment (ground floor or accessible by lift)	10	10
Total	20%	20%

9.5 The majority of older people wish to stay in their own home. It is therefore important to ensure new homes, provide accommodation which can adapt to their changing needs as they grow older. Well-designed housing which avoids the need for people to enter care has the potential to provide significant savings to the public purse. BRE states, "It is estimated that the cost to the NHS, in first year treatment costs, of the poorest housing among older households is £624m (Table 1). The total cost of remedial is around £4.3 billion, a huge sum, but one which would pay for itself in around seven years."²¹ To help people stay in their homes for longer, policy DM2 which requires at least 20% of open market and affordable new properties to be built to meet the Building Regulations Standard M4(2) (accessible and adaptable dwellings).

¹⁹ SHMA

²⁰ Table 4.1 of the Development Management DPD.

²¹ Briefing Paper, Homes and ageing in England, BRE for Public Health England

9.6 Further detail about the housing standards required by policy DM2 is available in the Housing Standards Planning Practice Note.

Purpose Built Accommodation for Older People

9.7 Policy DM8 provides criteria for residential development which to meet the needs of older people. Please consult the policy for the detailed criteria.

9.8 The planning Use Class of accommodation is often raised during discussions about providing affordable housing and meeting the housing standards in required by policy DM2.

9.9 The Town and Country (Use Classes) Order 1987 (as amended) defines Class C2 - Residential Institutions as:

- Use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)).
- Use as a hospital or nursing home.
- Use as a residential school, college or training centre.

9.10 The reference to 'people in need of care' is of paramount importance when determining whether accommodation falls within Use Class C2 of C3. To be classified as C2, a range of commitments to ensure that accommodation and care is provided and required by occupants will be expected. Such commitments must include the provision of a minimum level of care as a condition of occupation and the design of the building/dwellings being suitable to meet the needs of the people who will occupy the accommodation. This approach has been supported by the courts²²

²² Rectory Homes Limited and Secretary of State for Housing and Communities and Local Government and South Oxfordshire District Council [2020] EWHC 2098 (Admin)

9.11 The Council will consider the Use Class of older persons accommodation as follows:

Type of accommodation and Use Class ²³	Description
Sheltered housing (Use Class C3)	Including some form of scheme manager (warden) service but no registered personal care. Will usually include shared facilities such as a residents' lounge, laundry and garden.
Enhanced sheltered housing (Use Class C3)	Typically include 24/7 staffing cover and there are additional shared facilities to those in sheltered housing.
Extra care housing or assisted living (Use Class C3)	Self-contained accommodation designated for older or people with specific needs, in a setting where care and support can be provided as required from a care provider.
Extra care housing or assisted living (Use Class C2)	Self-contained accommodation designated for older or people with specific needs, in a setting where a minimum level of care and support is provided on entry by an on-site care provider and the accommodation is designed to meet the needs of the occupiers.
Residential care (Use Class C2)	Rooms within a care facility. All residents will receive domestic care and some degree of personal care.
Nursing Care (Use Class C2)	All residents will receive domestic, personal and nursing care.

9.12 Where accommodation falls within Class C2, a S106 Agreement will be required to ensure that it is occupied by people in need of care, that the necessary care is made available to occupants and the facility is operated as a C2 Residential Institution.

9.13 Where accommodation falls within Use Class C3, schemes will need to meet the housing standards required by policy DM2 and the affordable housing requirements within policy DM3. Purely apartment led development is however, exempt from providing affordable housing.

9.14 Policy DM8 requires that accommodation genuinely meets the needs of older people. In order to do this the internal and external design and layout should address accessibility, reflect dementia friendly design principles, provide space for communal activities, storage and care facilities and provide external garden areas. Ensuring that all accommodation meets the Building Regulation requirement M4(2) accessible and adaptable homes, would usually address part of this requirement. Housing LIN, Housing our Ageing Population Panel for Innovation (HAPPI) guidance²⁴ provides design principles to support older people to maintain independent lives.

²³ Town and Country Planning (Use Classes) Order 1987 (as amended)

²⁴ Housing LIN Housing our Ageing Population Panel for Innovation (HAPPI) - [HAPPI - Design - Topics - Resources - Housing LIN](#)

- 9.15 Planning applications for specialist accommodation must be accompanied by written support from the relevant commissioning lead. Speculative applications for older people or vulnerable groups will not be supported.
- 9.16 Specialist housing will generally be supported as part of larger schemes that enable balanced communities. Where schemes are located on strategic sites there is an expectation that they will be located within close proximity of new local centres, in all locations they should be close to facilities and public transport links.

10.0 Gypsy and Traveller Sites

- 10.1 The Lancaster Gypsy and Traveller and Travelling Showperson Accommodation Assessment (September 2017), identifies a cultural need for 24 pitches and a PPTS need for 8 pitches over the plan period (2011/12 to 2030/31). It states,
- “It is also recommended that the Council also considers future applications for the expansion of existing sites, the sub-division of existing pitches or small sites to meet the needs of families who may emerge over the plan period.”*
- 10.2 The Council has considered bringing forward a Gypsy and Traveller Accommodation DPD to allocate sites to meet district needs. However, the ongoing call for sites process has resulted in only three sites being put forward for allocation. The location of all these sites are unsuitable for allocation, due to either being isolated and remote from services, within an industrial area or within Flood Zone 3. Alternative sites will continue to be explored. In the meantime, applications will be considered on their merits.
- 10.3 Policy DM9 sets out general principles, locational requirements and design principles for new Gypsy and Traveller sites. The ‘Designing Gypsy and Traveller Sites, Good Practice Guide’²⁵ provides additional guidance for the design of sites and the Council will consider these when determining planning applications. Sites should provide the following:
- Perimeter boundaries should be clearly demarked with fencing, walls or hedging (the boundary type should be sympathetic to the characteristics of the surroundings).
 - Communal areas and pitches should be demarked with low fencing, walls or hedging, to make clear the space available to each household (the boundary type should be sympathetic to the characteristics of the surroundings).
 - A communal play area for all ages should be provided where one is not available within walking distance. The size and equipment necessary will depend upon the overall size of the site.
 - The site layout should be arranged to ensure existing and new residents do not overlook each other’s living quarters.
 - Site layout should maximize natural surveillance enabling residents to oversee all areas of the site.

²⁵ Department for Communities and Local Government Designing Gypsy and Traveller Sites, Good Practice Guide May 2008

- A range of pitch sizes should be provided, unless the site is being designed to meet the specific needs of the applicant family or families. Account needs to be taken of a more recent tendency for members of the Gypsy and Traveller communities to favour the use of a large static caravan or mobile home in place of the traditional caravan, and some mobile homes could be up to around 25 metres in length.
- Parking should be provided on individual pitches with separate communal provision for visitors.
- Hardstanding areas must be provided in each pitch. The area must be of sufficient size to accommodate the living accommodation and parking. This must be balanced with soft landscaping area to provide attractive sites.
- Homes must be at least 6 metres apart. Only structures of non-combustible material will be allowed within the separation distance.
- Amenity buildings should be provided for permanent pitches. These should include secure storage space. Amenity buildings should also include hot and cold-water supply; electricity supply; a separate toilet and hand wash basin; a bath/ shower room.
- Where a site managers office is provided, this should be situated near the front entrance to the site.
- Where there is a need for commercial activity or grazing, these areas should be delineated and provided separately from accommodation to protect amenity for site residents.
- Access roads and the site design itself should be capable of providing sufficient space for the maneuverability of average size trailers of up to 15 meters in length, with capacity for larger mobile homes on a limited number of pitches.
- Space must be provided to allow for easy maneuvering of caravans both to the site and onto the pitch. Caravans should be no more than 50m from a road. Roads should be no less than 3.7m wide, unless they are one way and the width may be reduced to 3m.
- Lighting should be provided to ensure safe movement through the site at night. Lighting should be designed to minimize light pollution.

11.0 Residential Conversions and Houses in Multiple Occupation

- 11.1 Policy DM13: Residential conversion provides criteria for the conversion of buildings, not currently in residential use into homes and the sub-division of existing properties into flats. It also controls the concentration and distribution of Houses in Multiple Occupation (HMO) by ensuring:

“Proposals which would lead to a concentration of more than 10% of houses being classed as HMOs of the total housing stock within a 100m radius will not be considered acceptable. This includes proposals for changes of use to HMOs, or extensions to existing HMOs.”

- 11.2 Further information about to how the percentage and radius will be calculated and measured, plus standards for HMOs is available in the Residential Conversions and Houses in Multiple Occupation Supplementary Planning Document on the Council website.

11.3 Point IV. of Policy DM13: Residential Conversion, refers to the internal standard requirements within Appendix H of the DMDPD. However, the PPG is clear that where local authorities wish to require internal space standards,

'they should only do so by reference in their Local Plan to the nationally described space standard'.²⁶

All new dwellings, including flats and conversions must therefore accord with the Nationally Described Space Standards, not those within Appendix H of the DMDPD.

12.0 Housing Standards

12.1 The Council has adopted the Nationally Described Space Standards (NDSS) and the optional Building Regulation Requirement M4(2): Category 2 (Accessible and Adaptable Homes), through policy DM2 of the DMDPD. The space standards and the Building Regulations requirement came into effect on the adoption of the Local Plan on 30th July 2020.

12.2 Policy DM2: Housing Standards requires:

I. All new dwellings (market and affordable) meet the Nationally Described Space Standard (or any future successor)

II. At least 20% of new affordable housing and market housing on schemes of more than ten dwellings will be expected to meet Building Regulations Requirement M4(2) Category (accessible and adaptable dwellings).

Applicants must submit appropriate supporting documentation alongside the planning application to ensure that compliance with the standards can be verified, including completion of an internal space compliance statement.

12.3 As a minimum, planning applications for all new housing must include the overall floor space (m²), bedroom floor spaces (m²), the width of bedrooms and the height of internal areas, for each house type. For schemes containing 10 or more dwellings, confirmation that the interior and external spaces of at least 20% of the dwellings (including plot numbers of dwellings meeting the requirement) will meet the Building Regulations M4(2) requirement should also be submitted. An example Housing Standards Schedule is included at Appendix G.

12.4 Further information about the standards, checklists to support applicants ensure new homes meet the standards and the documentation required when submitting a planning application is available in the Housing Standards Planning Advisory Note on the Council website.

12.5 Point IV. of Policy DM13: Residential Conversion, refers to the internal standard requirements within Appendix H of the DMDPD. However, the PPG is clear that where local authorities wish to require internal space standards,

'they should only do so by reference in their Local Plan to the nationally described space standard'.²⁷

All new dwellings, including flats and conversions must therefore accord with the Nationally Described Space Standards, not those within Appendix H of the DMDPD.

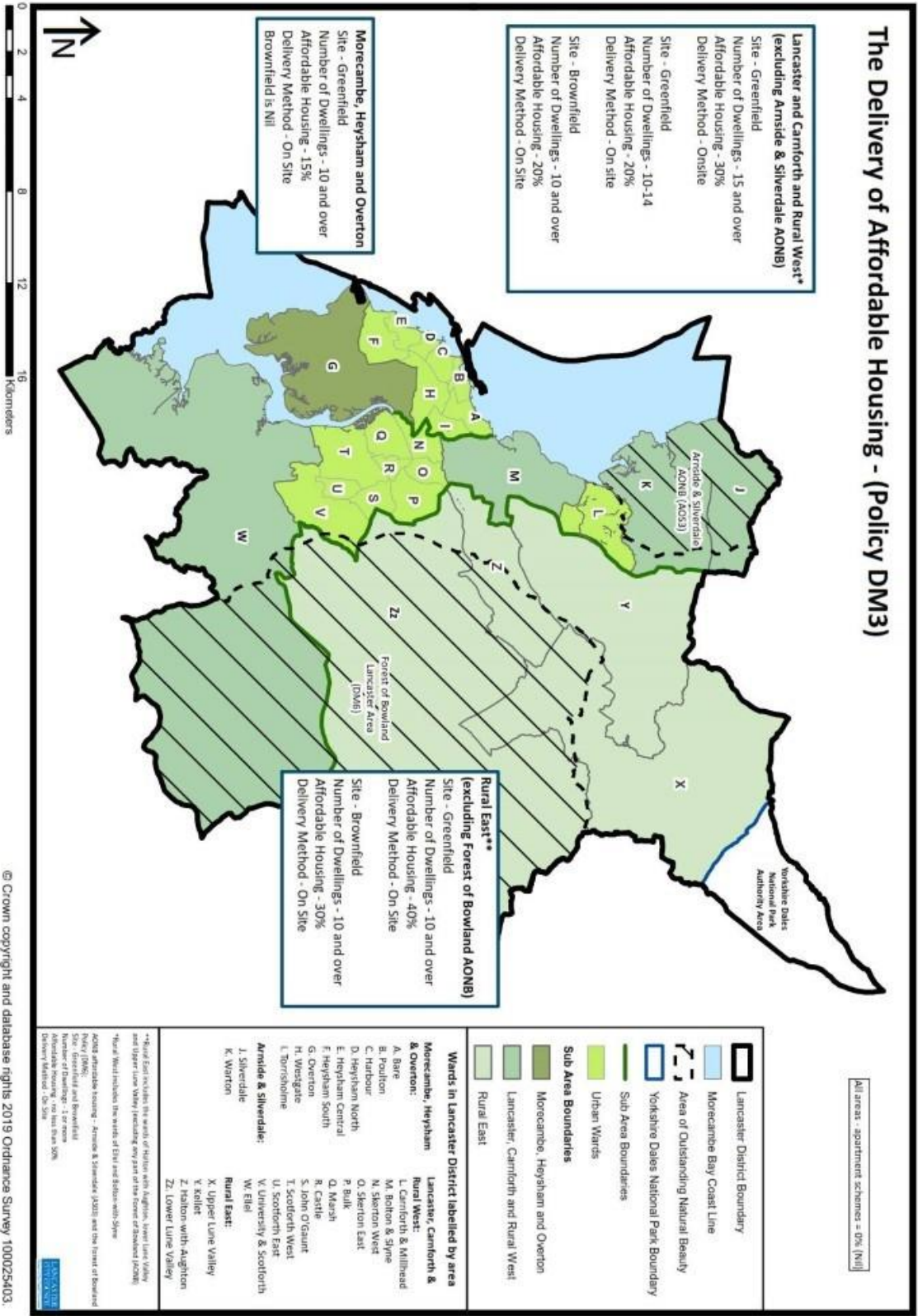
²⁶ Planning Practice Guidance Paragraph: 018 Reference ID: 56-018-20150327

²⁷ Planning Practice Guidance Paragraph: 018 Reference ID: 56-018-20150327

13.0 Monitoring and Review

- 13.1 The Council includes information about its performance on meeting housing need in the Annual Monitoring Report (AMR). The AMR will be used to monitor the effectiveness of the housing policies in the Local Plan and in this SPD on an annual basis. If through this process, the need to review the SPD is identified, this will be carried out. A review and any necessary amendment will also take place, should national planning policy significantly change.

Appendix A - Affordable Housing Area Map



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Appendix B - Contribution Methodology

The council has adopted a methodology for calculating financial contributions based on estimating the market value of the land that would be provided by the developer in an on-site affordable housing scenario, i.e. one where the build costs for the affordable dwellings would be reimbursed to the developer by a registered provider.

The cost to the developer in this on-site scenario is therefore the value of the land for the on-site affordable dwellings. The methodology seeks to identify and secure an amount of money (the financial contribution) that is broadly equivalent to the market value of the land where the affordable dwellings would be built.

The methodology was formally adopted in January 2011 following recommendations arising from the 2010 Affordable Housing Viability Study. The council has also investigated alternative methodologies that could potentially be applied in conversion or change of use scenarios (as distinct from new build). However, the council is satisfied that the adopted methodology is fit for purpose because it provides a clear figure that does not unduly impact on viability and has been effectively applied to all development scenarios since January 2011. The council, agents and developers alike all have the benefit of experience gained to date of the adopted methodology.

Step 1: For the purposes of calculating a financial contribution, the open market value refers to the value of the proposed development should it be for sale on the open market. This can be easily obtained by researching relevant or comparative properties. Step 2: The adopted methodology for calculating financial contribution uses an average residual land value (RLV) (18.5%) for the district because the methodology seeks to replace the land (plot) value. RLV is expressed as a percentage of Gross Development Value, and the average for the district is 18.5% which is derived from the appraisals of smaller sites without affordable housing carried out as part of the 2010 Affordable Housing Viability Study. Using a district average means that an RLV appraisal is not required each time. Step 3: By adding 15% an appropriate amount to reflect the likely cost of acquisition, fees, basic servicing and site preparation works is built into the calculation

Appendix C - Affordable Housing Fund

Introduction

The process of allocated S106 commuted sums was approved by Cabinet in November 2009, and subsequently amended in July 2020. Financial contributions will be paid into the Lancaster City Council's Affordable Housing Fund. This is a ring-fenced fund to provide financial support to affordable housing schemes in the district. The spending of monies from this fund may be ring fenced to specific parts of the district depending individual Section 106 agreements.

Funding Criteria

Requests for funding may be submitted by Registered Providers or Community Groups and must meet at least one of the following criteria:

- The funding will unlock the delivery of affordable housing on a stalled site, or where there is a shortfall in funding that makes the scheme unviable.
- The funding will enable the delivery of affordable housing on land owned by the council.
- The request will contribute towards bringing long term empty properties back into use for affordable housing.
- The request will enable the delivery of affordable housing in a rural location where there is an identified need for affordable housing.

In order to meet future affordable housing needs, the Council may consider requests for funding that do not meet the above criteria.

Requests for funding will not be eligible where the scheme does not provide any affordable housing; is not eligible for funding under the HCA Affordable Homes Programme or where the affordable housing does not meet the local affordable housing need.

Process for Requesting Funding

If an affordable housing scheme is eligible for funding then the Registered Provider (RP) or Community Group should contact the Housing Strategy team and provide the following information:

- A summary of how the scheme meets the criteria.
- A summary of the scheme, including the total number of units, affordable tenure mix, dwelling sizes and types, and details of other funding (these should enable comparison between what has been secured and what is applied for).
- An estimate of the amount of funding required.

Following receipt of this information the Housing Strategy team will confirm whether the Council can give "in principle" support to the scheme, and will request the following information:

- A full financial viability appraisal and supporting information to enable the scheme to be evaluated by the Council;
- Evidence the RP has unsuccessfully pursued other funding before making the request for funding; and
- Evidence that the funding request will not jeopardise the availability and / or amount of funding from other sources.

Applications for funding are assessed on an "open book" basis. Where requests for funding are considered too great on a per unit basis or where there is inadequate funding available the Housing Strategy team will contact the RP to discuss a more realistic funding request.

Should there be a number of applications meeting the criteria, priority will be given to the application providing best value and bringing the highest benefit to the district. The Council will also consider the overall performance of RPs and the extent to which they support the Council in its enabling role and in meeting its statutory duties, i.e. through nomination arrangements and percentages.

Funding awards will be subject to Individual Cabinet Member Decision by the Cabinet Member for Housing.

Conditions of Funding

The conditions of funding are as follows:

- The scheme will be delivered within a reasonable time scale.
- The scheme to be subject to a local lettings plan.
- All units will be affordable in perpetuity (save any statutory or regulatory provisions that may apply).
- All affordable units will meet the NPPF definition of affordable housing.
- All units will be allocated via the Ideal Homes choice based letting system.

Monitoring and Evaluation

The Affordable Housing Fund is included in the Council's Capital Programme. When funding is allocated the Council's Head of Financial Services will be notified so that the Capital Programme reflects this expenditure.

Financial management of the funding programme will be supported via regular reporting by the Principle Housing Strategy Officer.

The process for allocating monies will be conducted with reference to the Council's corporate appraisal arrangements and will address identified corporate targets and be subject to regular corporate reporting arrangements.

Appendix D - Registered Provider Partners

Great Places Housing
Guinness Northern *
Home Group *
Heylo Housing
Impact Housing / Riverside Group
Jigsaw Homes
Lune Valley Rural Housing Association (Managing Agents – Jigsaw Homes) *
Places for People
Progress Group
South Lakes Housing *

The RPs marked with * have confirmed that they will consider accepting small numbers of affordable homes in the AONBs.

Please contact the Housing Strategy team for contact details.

Appendix E - Example Affordable Housing Schedule

Plot number	House/Flat Type	No. of Bedrooms	Tenure
4	Lancastrian – Cottage Style Flat	1	Affordable Rent
5	Lancastrian – Cottage Style Flat	1	Affordable Rent
6	Lancastrian – Cottage Style Flat	1	Affordable Rent
7	Lancastrian – Cottage Style Flat	1	Affordable Rent
18	Carnforth - Terrace	2	Shared Ownership
19	Morecambe - Terrace	3	Shared Ownership
20	Carnforth - Terrace	2	Shared Ownership

This table provides an example of a partial schedule only and does not suggest the appropriate mix of houses.

Appendix F - Check List for Rural Workers Housing Supporting Information

The following information will be required in support

- Evidence to show that there is no suitable alternative accommodation (see paragraph 8.5)
- Location of current accommodation of all workers in the business and whether the accommodation is within the ownership and/or occupation of the business, applicant or worker.
- Details of any dwellings or buildings owned or sold by the applicant or business within the last 5 years and within a 5 mile radius of any part of the land holding or business.
- Details of the landholding/business:
 - OS maps showing location of land/buildings utilized within the holding/business (differing tenancies highlighted and annotated)
 - Size of overall land holding in hectares
 - Break down the overall landholding into each tenure, length of tenure and how each parcel is used
 - RPA maps from current year
- A business appraisal:
 - Justification of why a full-time worker is required on site, including the explanation of the need for a worker onsite overnight (e.g. explanation of need/care for animals)
 - Justification for the location, siting, size and design of the new dwelling
 - Description of current/proposed activities carried out
 - The scale of each activity (e.g. numbers and types of livestock, crops and area used, crop rotation and number of sowing/harvest in year)
 - Details of all available buildings - their construction, their uses and an OS map showing the locations;
 - Details of investment in machinery
 - Details of the labour force and any proposed changes, including any contractors, hours worked in the business and responsibilities
 - Details of any work undertaken by the business owners/applicants outside the business
 - Business plan to show how the business is intended to develop
 - Additional background information as necessary
- Audited accounts for a least 3 years together with an explanatory letter from the chartered Accountant
 - The source of all income (from the business and alternative sources) should be identified, any income arising from activities outside the business should be presented separately
- Signed declaration to confirm the information provided is accurate and true

Appendix G - Example Housing Standards Schedule

House Type		Morecambe	
Plot Number with House Type		e.g. 7, 14, 21, 46, 57	
No. of Bed Spaces (Persons)		e.g. 3 Bedroom – 5 persons	
Area	Room Type	Floor Area (m²)	Width (m)
Gross Internal Area	-	103	-
Built in Storage	-	3	-
Bedroom 1	Two Person	15	3
Bedroom 2	Two Person	13	2.8
Bedroom 3	One Person	9	2.5
Headroom	Gross Internal Area Above 1.5m High	100	-
	Area above 2.3m High	90	-
	% Above 2.3m High	83%	-
Will the Internal Spaces meet the Building Regulations M4(2) requirements		YES/NO	-

Glossary

Affordable Housing

Annex 2 of the National Planning Policy Framework defines affordable housing as that stated below:

“Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
- b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*
- c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*
- d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.”*

Building Regulations M4(2) Requirement

Optional accessibility standard that a local planning authority may adopt in their Local Plan. The Building Regulations 2010, 2015 edition incorporating 2016 amendments for use in England. Access to and use of buildings, Approved Document M.

Choice Based Lettings System

A system for advertising vacant rental properties where applicants can bid for homes they are eligible for. At the end of the advertising period, the person in the greatest housing of those who bid will be offered the property and invited to view it. Ideal Choice Homes is the choice based lettings system used in Lancaster district.

Gross Internal Area (GIA)

The whole enclosed area of a building within the external walls taking each floor into account and excluding the thickness of the external walls. GIA will include: areas occupied by internal walls (whether structural or not) and partitions; service accommodation such as WCs, showers, changing rooms and the like; columns, piers, whether free standing or projecting inwards from an external wall, chimney breasts, lift wells, stairwells etc; lift rooms, plant rooms, tank rooms, fuel stores, whether or not above roof level; open-sided covered areas.

Gypsy and Travellers

Persons of nomadic habit of life whatever their race or origin, including such persons who on grounds only of their own or their family's or dependants' educational or health needs or old age have ceased to travel temporarily or permanently, but excluding members of an organised group of travelling showpeople or circus people travelling together as such.

Housing Register

Household requiring affordable housing in the district can apply for properties by joining the council's Housing Register. Anyone aged 16 years or over may apply to join the Housing Register, and once accepted they are allocated an application number so they can start bidding for available properties on the Ideal Choice Homes system.

Houses in Multiple Occupation (HMOs)

A dwelling house is deemed an HMO if it is occupied by three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen and bathroom.

Nationally Described Space Standards

National internal space standards that a local planning authority may adopt in their Local Plan. Technical housing standards – nationally described space standard – March 2015 Department for Communities and Local Government

Older People

A definition of older people is provided within the Glossary at Annex 2 and for planning purposes defines this demographic as:

“People over or approaching retirement age, including the active, newly retired through to the very frail elderly; and whose housing needs can encompass accessible, adaptable general needs housing through to the full range of retirement and specialised housing for those with support or care needs.”

People with Disabilities

The Glossary at Annex 2 also provides a planning definition of people with disabilities as,

“people have a disability if they have a physical or mental impairment, and that impairment has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. These persons include, but are not limited to, people with ambulatory difficulties, blindness, learning difficulties, autism and mental health needs.”

Planning Application Validation Guide

This document provides details on the information that must be submitted for specific planning applications.

Registered Provider

Landlords that are registered with the Regulator of Social Housing. Most are housing associations, but some are trusts, co-operatives and companies that own or manage affordable housing. An RP can now be either a non-profit organisation or a profit-making organisation.

S106 Agreement or Planning Obligation

A legally enforceable obligation entered into under Section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal in which the landowner covenants to agree to meet various obligations, such as the provision of affordable housing, education or open space contributions.