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Glossary

1 Glossary

This Glossary explains the terms and references which are included in this SPD. The terms and references compliment the definitions found in Annex 2 of the National Planning Policy Framework (NPPF). This Glossary does not seek to replace terms described within the NPPF and therefore should be read in conjunction with the NPPF.

Affordable Homes Programme - The Homes and Communities Agency's programme of funding for the 2011-15 period. The programme seeks to increase the supply of affordable homes in England, and the majority of funding will be made available for the Affordable Rent product.

Affordable Housing Viability Study - A study carried out by Adams Integra on behalf of the Council in 2009 that tested the circumstances in which the district's housing market can deliver various levels of affordable housing by examining the influence of a range of affordable housing proportions and thresholds on viability.

Area of Outstanding Natural Beauty (AONB) - Areas which have been specially designated and protected because of their landscape and environmental importance. The District contains two AONB's: Arnside / Silverdale and the Forest of Bowland.

Brownfield - See Previously Developed Land (PDL).

Communities - Groups of social interacting people. Interaction may occur due to the close proximity of where people live (i.e. within neighbourhoods) or groups of people that share the same common interests or values.

Concealed households - Family units or single adults living within 'host' households.

Conservation Area - An area which has been designated for its special architectural and / or historical interest, the character or appearance of which it is desirable to preserve or enhance. It is a recognition of the value of a group of buildings and their surroundings and the need to protect not just individual buildings but the character of the area as a whole.

Core Strategy - The key document within the local planning system, which sets out strategic policy guidance on future development requirements and policy issues. Lancaster City Council adopted their Core Strategy in the summer of 2008.

Development Plan Document (DPD) - Spatial planning documents which are prepared by the local authority. They sit below the Core Strategy in strategic importance but remain subject to public consultation and independent Inquiry. Both the Development Management document and Land Allocations documents are classified as Development Plan Documents.

Discounted sale housing - Homes sold on the open market at a discounted price. The level of discount will differ from scheme to scheme depending on local house prices, and according to eligibility criteria agreed between the Council and the developer.

Extra Care Housing - Housing designed with the needs of older people in mind and with varying levels of care and support available on site. People who live in Extra Care housing have their own self contained homes and benefit from communal facilities being available. Properties can be rented, owned or part owned/ part rented.

Fuel poverty - Fuel poverty occurs when a home cannot be heated to a comfortable level by utilising 10% or less of the household's income. This means that choices must be made between warmth and other essentials. Fuel poverty can contribute to excess winter deaths, cold-related illnesses, high health care costs, and deteriorating housing conditions.

Greenfield - Is land which has not been previously developed on, Greenfield land is often but exclusively characterised by open countryside and agricultural land.

Gypsies 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.

Homes and Communities Agency - The national housing and regeneration agency for England. Provides investment for new affordable housing and to improve existing social housing, as well as for regenerating land.

Houses in Multiple Occupation (HMOs) - For the purpose of this SPD a HMO is defined according to the Use Class Order 2010. A property is an HMO if it is a small shared dwelling house occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen and bathroom.

Housing Needs Survey - The Council's current evidence base on many homes are needed, (market and affordable), and the type and size of homes required. The survey was carried out in 2011 by David Couttie Associates and will be updated throughout the Local Plan period in accordance with relevant Government guidance.

Key Services - For the purpose of this SPD these are post offices, basic shops, primary schools, and bus stops in rural locations.

Lifetime Homes Standard - Ordinary homes designed to provide accessible and convenient homes for a large segment of the population from young children to older people and those with temporary or permanent physical or sensory impairments. Lifetime Homes have 16 design features that ensure the home will be flexible enough to meet the existing and changing needs of most households.

Local housing need - The housing requirements of existing and concealed households living with Lancaster District as evidenced in the 2011 Housing Needs Survey.

Localism Act - The Localism Bill was introduced to Parliament on 13 December 2010, and was given Royal Assent on 15 November 2011, becoming an Act. This legislation will shift power from central government back into the hands of individuals, communities, and councils.

Local Development Documents - The collective term for Development Plan Documents, including the Core Strategy, Development Plan Documents, Area Action Plans, Proposals Maps and Supplementary Planning Documents.

Local Planning Authority - The statutory authority (usually the local council) whose duty it is to carry out the planning function for its area.

Local Services - For the purpose of this SPD these are services (other than Key Services) that can support or enhance the vitality of a rural location. These include healthcare facilities (pharmacy, prescription service); education (nursery / creche, secondary school); local businesses (grocer, butcher, baker, restaurant, café); access to mobility support; community facilities (village hall, meeting house, church hall, public house); and access to sports facilities.

Low cost market housing - Smaller homes or starter homes of a lower build standard and specification available to purchase on the open market. Not classed as affordable housing.

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

National Planning Policy Framework (NPPF) - Published in March 2012 this document is a key part of the current reforms to make the planning system less complex and more accessible, to protect the environment and to promote sustainable growth.

Neighbourhood Planning - This is a new way for communities to have a say on the future of the places where they live and work. Communities can use neighbourhood planning to choose where new homes, shops and offices should be built; say what those new buildings should look like; and grant planning permission for new buildings that fit with a neighbourhood plan.

Planning policy for traveller sites - Published in March 2012, this document sets out the Government's new planning policy for traveller sites and should be read in conjunction with the NPPF.

Previously Developed Land - Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or has been occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures; land in built-up areas such as private 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 in the process of time.

Regional Spatial Strategies (RSSs) - Prepared by the former regional government agencies (in the case of this region 4NW or North West Regional Assembly). Regional Spatial Strategies provided planning guidance at a regional level and set a series of development targets for each local authority area. Following a change in Government in 2010 a decision was taken to abolish regional government agencies (including 4NW) and Regional Spatial Strategies - relying on a more local approach to planning through the local plan system. RSS documents at this time do still have limited validity as the move to abolish them moves through the

courts. This process is now reaching its conclusions. The evidence base work that underpinned the strategy will remain valid until the information it contains becomes out of date.

Registered Provider of social housing (registered providers) - The technical name for social landlords, that are registered with the Tenant Services Authority. Most are housing associations, but some are trusts, co-operatives and companies that own or manage affordable housing. A distinction between this system and the old system of Registered Social Landlords is that a provider of social housing can now be either a non-profit organisation or a profit-making organisation.

Registered Social Landlord - The technical name for independent housing organisations registered with the Housing Corporation under the Housing Act 1996. Most are housing associations, but there are also trusts, co-operatives and companies. The term has now been replaced by Registered Provider of social housing.

Rural settlements - For the purpose of this SPD these are settlements outside of the urban locations (as specified in this Glossary).

Rural Enterprise - Enterprises located in rural parts of the district, including agriculture, horticulture, equine, forestry, and marine.

Rural Enterprise Worker - Workers employed full-time or primarily in a rural enterprise.

Sheltered Housing - Housing specifically for older and/or disabled people. Includes a block or group of houses with resident or visiting warden, and individual houses, bungalows and flats, which receive support from a mobile warden or pendant (emergency) alarm service.

Stakeholders - Groups, individuals or organisations which may be affected by or have a key interest in a development proposal or planning policy. They may often be experts in their field or represent the view of many people.

Sustainable Development - In broad terms this means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. The Government has set out five guiding principles for sustainable development in its strategy "Securing the future - UK Government strategy for sustainable development". The five guiding principles, to be achieved simultaneously, are: Living within Environmental Limits; Ensuring a Strong, Healthy and Just society; Achieve a Sustainable Economy; Promoting good governance; and Using Sound Science Responsibly.

Sustainability Appraisal (SA) - The Planning and Compulsory Purchase Act 2004 requires Local Development Documents to be prepared with a view to contributing to the achievement of sustainable development. Sustainability appraisal is a systematic appraisal process. The purpose of sustainability appraisal is to appraise the social, environmental and economic effects of the strategies and policies in the Local Development Documents from the outset of the preparation process. This will ensure that decisions are made that accord with sustainable principles.

Travelling showpeople - Members of a group organised for the purposes of holding fairs, circuses or shows (whether or not travelling together as such). This includes such persons who on the grounds of their own or their family's or dependants' more localised pattern of trading, educational or health needs or old age have ceased to travel temporarily or permanently, but excludes Gypsies and Travellers as defined above.

Urban locations - For the purpose of this SPD urban locations are defined as Lancaster, Morecambe, Heysham, Carnforth and Bolton-le-Sands. Although Bolton-le-Sands is not classed as an urban location in the adopted Core Strategy it is recognised as being a large sub-urban village by both the adopted the Core Strategy, and the (saved) Policy H10 of the adopted Local Plan.

Executive Summary

2 Executive Summary

2.1 *This section will be completed following the statutory consultation process and approval for adoption anticipated for January 2013.*

Introduction

Chapter 1: Introduction

Introduction

1.1 This Meeting Housing Needs Supplementary Planning Document (SPD) has been prepared by Lancaster City Council to provide additional detail and guidance on how the Local Planning Authority will interpret and apply specific policies in the adopted Core Strategy.

1.2 An SPD cannot include new policies and is not part of the Council's Development Plan. The SPD will however be a material consideration in the determination of planning applications.

Key objectives

1.3 The key objectives of this SPD are:

- To aid effective implementation of specific Core Strategy policies
- To provide clear direction to all parties on how to interpret these policies; and
- To guide all applicants on how to liaise with the Council and the information required so that planning applications are not delayed unnecessarily.

Scope

1.4 This SPD applies to proposals for residential development across the whole of the District of Lancaster. This means proposals for new homes that are for sale on the open market or for use by those in need of affordable housing, or accommodation to meet the needs of older or disabled people in the District. This SPD applies to development proposals in both urban and rural locations.

1.5 This SPD does not provide guidance relating to the development of accommodation or sites for use by gypsies and travellers, or travelling showpeople. This is because the new national planning policy for traveller sites requires the Council to undertake an assessment of need for the purposes of planning, and to work collaboratively with neighbouring local planning authorities so that a fair and effective strategy can be developed to meet the assessed need through the identification of land for sites. This national policy requirement will be progressed through an assessment of the accommodation needs of gypsies and travellers, and of travelling showpeople, and supported through community engagement; and the Local Plan land allocations process. The Local Plan will also include a criteria based development management policy for proposals for establishing Gypsy and Traveller and Travelling Showpeople sites.

Strategic Context

National Guidance

1.6 SPDs were introduced by the Planning and Compulsory Purchase Act 2004 and replaced Supplementary Planning Guidance. Because SPDs are subject to greater consultation they are therefore given greater weight when planning applications are determined. The process for preparing SPDs is set out in the Town and Country Planning (Local Development) (England) Regulations 2004, and is supplemented by updated guidance contained in the 2008 Regulations, and the Town and Country Planning (Local Planning) (England) Regulations 2012.

1.7 The National Planning Policy Framework (NPPF) published in March 2012 defines SPDs as "documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan."

1.8 The NPPF also states that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.

Local Plan

1.9 The Lancaster District Core Strategy (adopted July 2008) stated that an SPD is the appropriate local development document to provide the detailed approach on achieving the delivery of the Core Strategy's affordable housing targets.

1.10 The Meeting Housing Needs SPD relates in the main to Policy SC4 of the Core Strategy, which is concerned with meeting the District's housing requirements. It also relates to other Core Strategy policies including SC1 (sustainable development), SC2 (urban concentration), and SC3 (rural communities).

Explanatory Box 1: Core Strategy policies relevant to this SPD**Policy SC1: Sustainable Development**

To ensure that new development proposals are as sustainable as possible.

Policy SC2: Urban Concentration

To build healthy sustainable communities by focusing development where it will support the vitality of existing settlements, regenerate areas of need, and minimise the need for travel.

Policy SC3: Rural Communities

To build healthy sustainable communities by working with empowered rural communities to develop local vision and identity, meet local needs, and manage change in the rural economy.

Policy SC4: Meeting the District's Housing Requirements

To set out the principles which will ensure that housing needs are met through housing allocations and through determining planning applications in a way which builds sustainable communities.

1.11 The SPD also relates to “saved” Local Plan Policy H10. Although this policy has been partly superseded by the Core Strategy it will continue to be taken into account alongside Core Strategy Policy SC4 until it is entirely superseded by the development management policies in the emerging Local Plan following adoption of this document in 2013.

1.12 The SPD will replace both the Supplementary Planning Guidance 10: Affordable Housing (March 2002) and the Affordable Housing Practice Update (January 2011).

Preparation**New evidence**

1.13 The process for preparing this SPD began during the preparation of the Affordability Housing Viability Study in 2009. This Study provided the Council with new evidence on the ability of the District’s housing market to deliver various levels of affordable housing, achieved by examining the influence of a range of affordable housing targets and thresholds on the viability of sample schemes. The Study led the Council to prepare an Affordable Housing Practice Update which described the process for negotiating affordable housing. The Practice Update was implemented in January 2011 and replaced the previous version published in 2008 following receipt of the 2007 update of the Housing Needs Survey.

1.14 A comprehensive consultation process supported both the preparation of the Affordable Housing Viability Study, and the Affordable Housing Practice Update. A Key Stakeholder Group was established that met three times during the preparation of the Study and the Practice Update. The stakeholder group comprised residential developers, planning agents, land agents, and registered providers of social housing, all of which operate in the district.

Information Gathering

1.15 The preparation of the SPD was underpinned by the earlier consultation work described above. To ensure continuity the Key Stakeholder Group was reconvened and met again in February 2012. Stakeholders were briefed on the aims and objectives of the SPD and were invited to provide their perspectives on a range of issues to help inform the preparation of the SPD. Following this meeting, the Council emailed a survey to a wider range of consultees inviting them to respond to several key questions on the content of the SPD to help inform the draft SPD before the preparation of the document. The survey also included a briefing note to provide more detail on the process.

Statutory Consultation

1.16 *This section will be completed following the statutory consultation process.*

Sustainability appraisal

1.17 This SPD has not been subject sustainability appraisal because the requirement to do so was removed by the Planning Act 2008. The Council is satisfied that the sustainability issues relevant to this SPD have been fully explored and tested during the preparation of the adopted Core Strategy and also the emerging Local Plan. This is on the basis that the SPD links to the higher-level sustainability testing of both documents and therefore the likely affects of the SPD are in-line with those anticipated for both documents. The Core Strategy Sustainability Appraisal reports can be found at: www.lancaster.gov.uk/ldf

Housing Delivery

Chapter 2: Housing Delivery

Context

2.1 The Council seeks to achieve an average annual requirement of 400 dwelling completions per annum as set out in Policy SC4 'Meeting the District's Housing Requirement' of the Core Strategy. This is based upon a requirement for 7,200 new dwellings over the period 2003/04 to 2020/21. Housing supply in the District is monitored against the 2003/04 to 2023/24 time period described in the Core Strategy. However the time period has been extended to 2026/27 to enable a 15 year period to be monitored.

Table 1: Actual dwelling completions since 2003/04.

Year	Total completions	Affordable completions	Running performance
2003/04	556	30	156
2004/05	348	44	-52
2005/06	253	73	-147
2006/07	182	43	-218
2007/08	350	27	-50
2008/09	330	45	-70
2009/10	121	29	-279
2010/11	79	29	-321
2011/12	99	58	-301
Total	2,318	378	-1,282

2.2 Since 2007, the UK housing market has experienced economic crisis rooted in insecurity in the financial markets following the sub-prime mortgage crisis beginning in the American market. This led to a fall in house prices throughout the UK which has left recent marginal buyers, and those with high percentage mortgages in negative equity. Since then there has been rising unemployment, low consumer confidence and the reduced availability of mortgages / credit, all of which remain a serious constraint to the recovery of the housing market.

2.3 As a result of these conditions, housing needs in the District are not being met. In 2011/12 only 99 dwellings were completed and this follows similarly low levels of completions in previous years, with just 79 dwellings completed in 2010/11, the lowest ever recorded completions in the district. Despite these conditions the Council continues to receive and approve planning applications for new residential development. During 2011/12 102 new dwellings were granted approval, and as of the 1st April 2012 the outstanding commitment in the District stood at 3,329 dwellings.

2.4 The District has a total housing stock of 61,570 dwellings (HSSA 2011). The 2004 Housing Stock Condition Survey reported that 78% of this stock was owner-occupied, with 4% owned and managed by registered providers, 6% by the Council, and 12% rented from private landlords.

Understanding housing need

2.5 Housing need is assessed through surveys that identify the shortage of affordable housing in an area. Although there is no statutory requirement for local authorities to conduct surveys, there is a clear expectation from Government that local authorities understand current and future housing needs. This is more important than ever following the abolition of Regional Spatial Strategies by the Localism Act. This legislation places much more emphasis on local planning authorities to have local evidence on which to base their housing requirements.

2.6 The NPPF supports this position by setting out the Government's expectation that local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the NPPF.

2.7 The current Housing Needs Survey was carried out by David Couttie Associates (DCA) in February 2011. The Survey examined the needs of both existing and hidden households, the planned moves of existing households and the results of the Survey and their implications for the district are discussed later in this SPD. The survey data was drawn from:

- A postal household survey sent to over 11,500 households and completed by 3,152 households across the District (200 carried out by face to face interviews);
- An on line survey of employees living outside but working within the District;
- A housing market survey utilising the Land Registry and Halifax databases and an internet survey of estate agents on the cost of access level property and on the supply and cost of private rented housing;
- Secondary data analysis drawing upon Housing Strategy Statistical Appendix (HSSA) and Housing Register data on the flow of affordable stock and need, the 2001 Census, household and population projections and other national research; and
- Balancing Housing Market Stock Analysis (by 5 subareas) detailing demand and supply for all stock by type and size for both the market and affordable sectors.

2.8 The Survey highlighted that over 900 market and affordable homes are required annually over the next 3 years. Whilst this need is high the Council recognises that the Core Strategy average annual requirement of 400 dwellings remains realistic and achievable in current market conditions. The Council has therefore adopted a viability informed approach to delivery planning for 400 dwellings per annum.

2.9 Local housing needs surveys, such as those carried out by parish councils or similar on a smaller scale can also be a valuable source of information on local need providing they are carried out to a robust methodology and the results are statistically valid.

Market Housing Needs

Chapter 3: Market Housing Needs

Background

3.1 Demand for market housing in the District is strong with almost 4,000 households and over 2,000 concealed households looking for market homes. Similarly there is strong demand for private rented accommodation, with over 1,200 households planning to move to this sector. However the supply of new market housing remains constrained by reduced levels of developer finance, and tight lending criteria on mortgages. Despite this, open market housing is technically at a more affordable level than it has been since 2005.

Policy Context

3.2 Core Strategy Policy SC4 sets out the Council's intention to maximise the opportunities offered by new housing development to redress imbalances in the local housing market, and to achieve housing that genuinely addresses identified housing needs.

3.3 The National Planning Policy Framework (NPPF) requires local planning authorities (LPAs) to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.

New market homes

3.4 Those wishing to develop new market housing in the District should seek to address the demand for particular dwelling types and sizes in this sector.

3.5 The small supply of properties on the market and tightening of lending criteria for mortgages at high loan to valuation ratios (LTV) has resulted in a major decline of first time buyers coming into the market. Developers of market housing are therefore encouraged to address the needs of first time buyers, particularly those classed as concealed households.

3.6 The needs of first time buyers, particularly those with income levels just adequate to access the housing market can often be met through the provision of low cost market housing such as discounted sale housing. Low cost market housing does not qualify as affordable housing because these homes are available to purchase on open market.

3.7 Developers of market housing should look to address the district's changing demographic and household formation patterns which have increased the need for smaller units of housing.

3.8 Levels of under-occupation in the District are high with over 40% of households with mortgages, and over 55% of households without mortgages over occupying their homes. The Council will generally be supportive of proposals that actively address the under-occupation of family housing so that existing stock can be better used.

3.9 The 2011 Housing Needs Survey provides evidence of demand for market housing across various sub areas and rural settlements in the District. The following table provides should be used by developers as a guide to demand for different dwelling types and sizes. It is not definitive and does not take account of the supply of market dwellings created from existing households moving.

Table 2: Summary of market housing need by dwelling type and size.

Location	Dwelling type	Dwelling size
Bolton-le-Sands	Predominately bungalows, some detached & semi detached.	Predominately 2 & 4 bed.
Carnforth	Predominately detached & semi-detached.	Predominately 3 bed.
Caton and Brookhouse	Predominately detached & semi-detached, some bungalows.	Predominately 2 & 4 + bed, some 3 bed.
Galgate	Semi detached.	Predominately 2 bed & some 3 and 4 + bed.
Halton	Predominately bungalows, detached & terraced.	Predominately 2 bed & some 4 + bed.
Heysham	Predominately bungalows & semi detached.	Predominately 2 bed, some 3 & 4 + bed.
Hornby	Predominately semi detached & terraced.	Predominately 2 & 3 bed.
Lancaster North	Predominately flats/maisonettes, terraced, semi-detached, & detached.	Predominately 2 & 3 bed.
Lancaster South	Predominately semi-detached, terraced, & flats/maisonettes.	Predominately 2 & 3 bed.
Morecambe	Detached	Predominately 4 + bed.
Other rural	Predominately detached, some semi-detached.	Predominately 4 + bed, some 3 bed.
Silverdale	Predominately detached.	Predominately 4 + bed.
Slyne-with-Hest	Predominately detached, some semi detached & bungalows.	3 bed.
Wray	Semi-detached.	Predominately 2 & 3 bed.

Market need by dwelling type and size

3.10 The Council will encourage new market housing to incorporate Lifetime Homes Standards so that older people and those with accessibility issues can remain in their established community later in life.

3.11 All new dwellings upon commencement of development will be required to meet the following levels in the Code for Sustainable Homes: Code level 3 until 31st December 2012, Code level 4 from 1st January 2013, and Code level 6 from 1st January 2016.

Increasing Supply through the reuse of Existing Buildings

3.12 Developers of market housing are encouraged to reuse existing buildings in the District to increase the supply of market homes for sale or for private rent. In particular the reuse of long term empty homes will help to meet the need for market homes, particularly low cost homes. It is estimated that around 600 homes have been sitting empty for longer than 2 years across the district, so the Council has made this a strategic housing regeneration priority.

Affordable Housing Needs

Chapter 4: Affordable Housing Needs

Background

4.1 The need for affordable housing in Lancaster District is acutely high. The 2011 Housing Needs and Demand Survey indicates an annual shortfall of over 330 affordable homes based on identified needs and adjusted to reflect the turnover of existing affordable homes. In 2010/11 just 29 affordable homes were completed in the District, and a further 50 in 2011/12.

Policy Context

4.2 The Core Strategy Policy SC4 established the principle of ensuring a sufficient supply of affordable homes and set an annual target of 60 new affordable homes.

4.3 The NPPF requires the Council to meet the need for affordable homes from new market housing development, preferably on site, unless off site provision or a financial contribution of broadly equivalent value can be robustly justified.

Defining affordable housing

4.4 Affordable housing can either be social rented, affordable rented or intermediate housing that is provided to eligible households whose needs are not met by the market. The full definition is set out in the Glossary and accords with the NPPF definition. Homes that do not meet this definition are not considered affordable.

4.5 Low cost market housing is not the same as affordable housing. Low cost market homes tend to be small units or starter homes of a lower build standard and specification. Whilst these homes provide a cheaper option for the first occupier, there is no mechanism to guarantee that the units will remain so for subsequent occupiers.

4.6 Similarly, discounted sale housing which is provided at a discount by the developer to the first occupier only does not constitute affordable housing. To be affordable, it would need to be demonstrated that the accommodation would be priced below the current average price for comparable properties in the district, and that the Discount will be retained for subsequent purchasers.

Achieving affordable housing

4.7 Affordable housing contributions are required from all developments that will result in a net increase in the overall number of dwellings. Small schemes up to 4 dwellings are expected to provide a financial contribution and larger schemes of 5 or more dwellings are expected to provide on site affordable housing.

Guidance Box 1: How to calculate a net increase.

The net increase is calculated by deducting the number of dwellings lost from the number of dwellings proposed.

For example: for a proposal to convert a 4 bed house to create 2 x 2 bed flats, the net increase would be 1 dwelling. This would trigger the requirement for affordable housing.

4.8 In some scenarios, the precise number of affordable dwellings will be determined by the location of the proposed development.

4.9 The Council recognises that each potential site for residential development can be affected by certain factors that impact on scheme viability. Therefore a negotiated approach to affordable housing provision will be adopted where appropriate, taking into account site specific circumstances.

On site affordable housing provision

4.10 On site affordable housing is required from developments that result in a net increase of 5 or more dwellings. The Council will round up to the nearest whole number when calculating on site affordable dwellings.

4.11 Up to 20% on site affordable housing provision is required from schemes of 5 to 9 (net) dwellings in a rural location, and from schemes of 5 to 14 (net) in an urban location.

4.12 Up to 30% on site affordable housing provision is required from schemes of 10 plus (net) dwellings in a rural location, and from schemes of 15 plus (net) dwellings in an urban location.

4.13 The opportunities for developing new housing on Greenfield sites will be limited but where this is permitted the Council will require increased affordable housing provision (up to 40%). The precise requirement will be agreed via negotiation and will be influenced by site specific issues.

Scenario Box 1.

8 new build dwellings in Hornby - based on a 20% requirement, up to 2 of these are required to be affordable.

15 new build dwellings in Lancaster - based on a 30% requirement, 5 of these are required to be affordable.

4.14 The Council acknowledges that the on site affordable housing requirement (up to 20%) for smaller schemes (typically 5 or 6 dwellings) may not always result in a whole number. In such cases the Council will accept a financial contribution calculated using the

adopted methodology (see paragraph 6.21). Where the on site requirement is 1 dwelling, the developer may experience difficulties in attracting a registered provider to purchase a single affordable dwelling. In such cases the developer will be asked to provide evidence that they have approached at least 4 registered providers.

Off site affordable housing provision

4.15 There may be scenarios where it is mutually accepted that on site affordable dwellings are not appropriate and should therefore be provided on an alternative site in the vicinity. In such cases, developers must be able to demonstrate that on site affordable dwellings cannot reasonably be secured, and this position will be considered against the risk of undermining the creation of a mixed and balanced community.

4.16 Where this position is mutually accepted, the developer should provide details of a suitable alternative site that is available for development within an appropriate timescale. The affordable dwellings should be completed prior to the effective completion of the facilitating development.

4.17 Where the alternative site would also generate a requirement for affordable housing in its own right then the appropriate number of affordable dwellings would also be required since, in effect, two sites will be developed.

Scenario Box 2.

If the main site has a total of 38 dwellings on it, of which 11 would have been affordable dwellings (based on a 30% requirement), and off site provision is agreed on an alternative site that will also deliver 38 dwellings, then the Council would seek 30% from both sites e.g. 2 x 11 dwellings, totalling 22 affordable dwellings.

Financial contributions (in lieu of on site)

4.18 Off site affordable housing in the form of a financial contribution (a commuted sum) is required from developments that result in a net increase of up to 4 units. The amount payable will be broadly equivalent to the value of providing up to 10% affordable housing on site.

Scenario Box 3.

4 new build units in Carnforth would be required to provide a financial contribution broadly equivalent to the value of providing 0.4 affordable dwellings (10%) on site.

A house converted to create 3 flats (net increase of 2) would be required to provide a financial contribution broadly equivalent to the value of providing up to 0.2 affordable dwellings (up to 10%) on site.

4.19 Proposals for the removal or variation of a restrictive occupancy condition on a dwelling to allow unfettered residential use will also be required to provide a commuted sum broadly equivalent to the value of providing 10% on site affordable dwellings.

Scenario Box 4.

A former office building (B1 use) converted to create 4 dwellings would be required to provide a financial contribution broadly equivalent to the value of providing 0.4 affordable dwellings (10%) on site.

4.20 There is no guidance on or single acceptable approach to calculating affordable housing financial contributions. What is important to all parties is to arrive at a clear figure which does not unduly affect development viability so that site supply is not restricted by the implementation of the approach.

4.21 The Council has adopted an approach to 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.

4.22 The cost to the developer in this on site scenario is therefore the market value of the land for the on site affordable dwellings. The approach looks to identify and secure an amount of money (the commuted sum) that is broadly equivalent to the market value of the land where the affordable units would be built. The monies can therefore be invested elsewhere to support the provision of affordable housing.

4.23 The approach was formally adopted in January 2011 following the recommendations arising from the 2010 Affordable Housing Viability Study. The Council has also considered whether there are alternative approaches that could potentially be applied in circumstances which involve the conversion or change of use of premises (as distinct from new build). Having investigated this, and in the context of paragraph 6.18 of this SPD, this Council is satisfied that the adopted approach should continue to be used 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 approach.

4.24 The adopted approach to calculating financial contributions is as follows:

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 gain in units & the 10% affordable housing requirement

Guidance Box 2: Calculating Financial Contributions.

Step 1: For the purposes of calculating the 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 approach to calculating commuted sums uses an average residual land value (RLV) for the district because the approach 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. This is 18.5% and is a percentage of gross development value (GDV). 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.

Step 4: The net increase is calculated by deducting the number of dwellings lost from the number of dwellings proposed. For example, the conversion of a house to create 3 flat would be a net increase of 2 dwellings ($3 - 1 = 2$). A net increase of 2 units at 10% is expressed as 0.2 ($2 / 10 = 0.2$). Similarly, a net increase of 4 units at 10% is expressed as 0.4 ($4 / 10 = 0.4$).

Scenario Box 5.

How to calculate a financial contribution for a 4 dwelling scheme (net) (all 3 bed):

Step 1: The open market value of is £205,632

Step 2: 18.5% of £205,632 = £38,042

Step 3: 15% of £38,041 = £5,706, added to £38,041 = £43,748

Step 4: £43,748 x 0.4 dwellings (10% of 4 dwellings) = £17,499

4.25 In some scenarios not all dwellings will be equivalent, i.e 3 bed dwellings will have a lower open market value than 4 bed dwellings. Where this is the case, the Council will use the average open market value.

Scenario Box 6.

How to calculate a financial contribution for a 2 dwelling scheme (net) with different dwellings (1 x 3 bed & 1 x 4 bed):

Step 1: £400,000 (3 bed) + £475,000 (4 bed) = £875,000 / 2 = £437,500

Step 2: 18.5% of £437,500 = £80,938

Step 3: 15% of £80,937 = £12,141, added to £80,937 = £93,079

Step 4: £93,078 x 0.2 dwellings (10% of 2 dwellings) = £18,616

Meeting affordable housing need

Tenure

4.26 The Council's starting point for affordable housing provision is set out earlier in this chapter. In addition to this the Council will require affordable dwellings to provide an affordable tenure mix of 50% social rented and 50% intermediate. The increased requirement for intermediate housing from the previous target is a response to the demand for shared ownership from both existing and concealed households.

Guidance Box 3.

The Council is aware that that under the conditions of the Homes and Communities Agency's (HCA) Affordable Homes Programme registered providers are required to use secured grant to purchase affordable rented dwellings rather than social rented dwellings.

However, the Council will continue to require social rented units from market housing schemes in accordance with paragraph 4.25 of this SPD to address the need for this tenure. Affordable rented dwellings will only be considered as an alternative only where this is a specific funding requirement of the HCA. This position will be reviewed annually over the Affordable Homes Programme (2011-15).

Type and Size

4.27 The type and size of new affordable dwellings should reflect local affordable housing need as evidenced by the 2011 Housing Needs Survey, or other more local evidence where appropriate. The Council acknowledges that the type and size of affordable dwellings will to a certain extent be influenced by site characteristics, such as location and related constraints, and that this may influence the negotiation process.

4.28 Data on the affordable housing needs of existing and concealed households who need to move within the District by location, dwelling type and size are set out in the following tables. Whilst this data does not factor in the resupply of affordable housing through re-lets, it should be treated as indicative of the supply of new affordable dwellings required.

Table 3: Social Rented need by dwelling type and size.

Location	Dwelling type	Dwelling size
Bolton-le-Sands	Predominately bungalows & semi detached.	2 bed.
Carnforth	Bungalows.	2 bed.
Caton and Brookhouse	Bungalows.	Predominately 2 bed.
Galgate	Terraced.	3 bed.
Halton	Predominately terraced, some bungalows & semi-detached.	Predominately 3 bed & some 2 bed.
Heysham	Predominately flats/maisonettes & supported housing.	Predominately 2 bed, some 1 bed.
Hornby	Terraced.	2 bed.
Lancaster North	Predominately flats/maisonettes, bungalows & detached.	Predominately 2 bed, some 1 & 4 + beds.
Lancaster South	Predominately terraced, detached, semi-detached, terraced and supported housing.	Predominately 2 & 3 bed.
Morecambe	Predominately flats/maisonettes, some supported housing, semi-detached & terraced.	Predominately 2 bed, some 1 bed.
Other rural	Predominately detached, some semi-detached.	Predominately 4 + bed, some 3 bed.
Silverdale	Flats/maisonettes.	2 bed.
Slyne-with-Hest	Flats/maisonettes & bungalows.	1 & 2 bed.
Wray	Nothing indicated.	Nothing indicated.

Table 4: Shared Ownership need by dwelling type and size.

Location	Dwelling type	Dwelling size
Bolton-le-Sands	Detached.	2 bed.

Location	Dwelling type	Dwelling size
Hornby	Terraced.	2 bed.
Lancaster North	Predominately detached.	2 bed.
Lancaster South	Terraced.	2 bed.
Morecambe	Flats/maisonettes.	2 bed.

Note: In locations where no specific need for shared ownership was identified these locations have been excluded from this table.

Design and Integration

4.29 Good design is a key aspect of ensuring that new residential development is sustainable, and should contribute positively to making places better for people. The design of new affordable housing should not be distinguishable from market housing, especially those homes located on a predominately market housing development.

4.30 The design of affordable housing dwellings must comply with the HCA Design and Quality Standards (2007) or successor documents, regardless of whether the registered provider is in receipt of HCA funding.

4.31 Affordable housing dwellings must meet the following minimum standards as set out in the Code for Sustainable Homes: Level 3 until 31st December 2012, Level 4 from 1st January 2013, and Level 6 from 1st January 2016.

4.32 The design of affordable housing dwellings should fully incorporate all of the 16 Lifetime Homes features into houses and apartments wherever practicable.

4.33 On site affordable housing should be well integrated within the wider development unless there is sufficient justification otherwise, and be delivered throughout the build programme (not at the end).

Viability

4.34 The Council expects applicants to realistically assess the full cost of developing new housing before applying for planning permission. The cost of development should consider the full range of likely costs, including the cost of land acquisition, site remediation, abnormalities, construction, finance, affordable housing provision, and other planning obligations.

4.35 In particular, the cost of purchasing land, buildings or an option on land should be fully considered before planning permission is applied for. These costs will impact on the overall viability of the scheme and therefore its ability to meet the required affordable housing provision. Developers that have paid a disproportionate amount to acquire land or buildings should fully understand the implications this will have on viability.

Guidance Box 4.

Where the affordable housing provision has a negative impact on scheme viability the Council will expect developers to provide detailed and compelling evidence as part of their Affordable Housing Statement. The evidence must include a financial viability appraisal and a summary of what the appraisal concludes in relation to the viability of the scheme. Full details of what should be included in an Affordable Housing Statement is set out in Chapter 7 of this SPD, and Affordable Housing Statements templates can be found in Appendix 3 of this SPD.

4.36 It is essential that applicants enter into meaningful discussions around the potential purchase of on site affordable dwellings with registered providers as part of the pre-application process.

4.37 For larger schemes that will be required to provide on site affordable dwellings, developers should be flexible around the affordable dwelling types and sizes, layout etc so that the affordable housing provision can be secured without viability being compromised.

4.38 The Council acknowledges that financial viability appraisals may contain commercially sensitive information. In such cases, this will be held in confidence by the Council where a justified request is made. In order to be as transparent as possible, developers should also provide a summary of the development appraisal which can be reproduced and reported in the public domain.

Guidance Box 5.

Where the Council does not agree that the affordable housing provision compromises scheme viability the Council will send the Affordable Housing Statement, the development appraisal and any other evidence to an independent chartered surveyor.

The purpose of this will be to determine whether the affordable housing provision compromises scheme viability, and where appropriate to inform an alternative contribution. The applicant is responsible for meeting the cost of this process.

Delivery Issues**Phasing**

4.39 On larger schemes (30 or more dwellings) on site affordable homes in any phase of the wider development should be completed before the first occupation of no more than 40% of the market homes within that same phase.

Service charges

4.40 Some dwellings involve high service charges to provide for improved security, maintenance of communal areas etc. Schemes should therefore be designed to reduce the potential for high service charges in the on site affordable dwellings.

Registered providers of social housing

4.41 The Council expects on site affordable housing to be delivered in partnership with a registered provider.

Guidance Box 6.

Developers should include in their Affordable Housing Statement evidence of discussions with registered providers and of an "in principle" agreement to purchase the affordable dwellings. This will enable all parties to be clear on the implications of providing on site affordable homes.

Where the developer has gained Investment Partner status with the HCA, evidence of this should be included in their Affordable Housing Statement.

4.42 Developers are free to make contact with whichever registered provider they prefer. A list of registered providers that currently manage affordable homes in the District and contact details are provided in Appendix 9 of this SPD.

Funding for new affordable homes

4.43 Funding for new affordable homes comes from the Homes and Communities Agency via the 2011-15 Affordable Homes Programme. This is a £4.5bn investment programme that includes existing commitments from the previous National Affordable Housing Programme. The majority of funding is for affordable rented homes with some for affordable home ownership, supported housing and in some circumstances, social rented homes.

4.44 The Affordable Homes Programme is based on HCA funding to make the development viable as well as other sources such as monies raised by registered providers through the increased borrowing capacity generated from the conversion of social rent properties to Affordable Rent (or other tenures) at re-let, and by the net rental income stream of the new homes. Other sources of funding are free or discounted public land.

4.45 To support this process, the Council prepared an Investment Priorities prospectus to help guide registered providers on how to formulate bids that would address local housing and regeneration priorities in the District. A total of 7 registered providers bid for funding and five have been successful in securing funding subject to all the necessary approvals.

Table 5: Summary of affordable housing schemes funded by the HCA Affordable Homes Programme.

Registered provider	Location	Total dwellings	Affordable tenure	Status	Start on site
Adactus	District-wide.	10	Affordable rent	Awaiting approvals.	To be determined.
	Hornby	10	Shared ownership	Awaiting approval.	2012
	Hornby	10	Affordable rent	Awaiting S106.	2013
	Morecambe West End	15	Affordable rent	Awaiting approval.	To be determined.
Great Places	Lancaster	24	Affordable rent	Awaiting approval.	To be determined.
Guinness Northern Counties	Lancaster	27	Affordable rent	On site.	2013
	Lancaster	16	Affordable rent	Awaiting approval.	To be determined.
	Morecambe	3	Affordable rent	Awaiting approval.	To be determined.
Impact	Lancaster	26	Affordable rent	Pre-application.	2013
Places for People	Lancaster	8	Affordable rent	Approved.	To be determined.
Total		149			

4.46 Although funding bids were finalised in Summer 2012 some funding has been retained for small community led organisations such as community land trusts or small rural groups and others, who were not in a position to bring forward proposals at the outset of the programme.

4.47 The Council manages a ring fenced Affordable Housing Commuted Sums Fund to support registered providers develop new affordable housing in the District. The Fund is supported by financial contributions generated from smaller market housing schemes. The eligibility criteria is set out Appendix 1.

Exemptions

4.48 There are specific circumstances where the affordable housing provision will be waived.

Replacement dwellings

4.49 Proposals for replacement dwellings (where there is no net gain in dwellings) are not required to provide an affordable housing contribution.

Development in central Morecambe and the West End

4.50 Property values are much lower in Central Morecambe and the West End compared to most other parts of the District and this means that viability is often marginal, and in the prevailing investment conditions the affordable housing requirement is likely to be a disincentive to future investment in these distinct parts of Morecambe. Therefore proposals for residential development in the areas defined by the emerging Local Plan proposals map as the Morecambe Area Action Plan (MAAP) area and the West End Masterplan are not required to provide affordable housing.

Guidance Box 7.

The Council will not require affordable housing provision from proposals in the above locations but developers are expected to acknowledge this within their Affordable Housing Statement. Where appropriate to do so, the Council reserves the right to request evidence in support of waiving affordable housing provision.

The type and size of dwellings proposed should meet the housing needs of Morecambe and should not exacerbate the problem of over supply of particular forms of dwellings.

Housing for Rural Enterprise Workers

4.51 Proposals for housing that will enable individuals working full time in rural enterprises to live at, or in the immediate vicinity of, their place of work will provide a form of low cost market housing due the impact of the appropriate occupancy conditions on the value of these dwellings. Therefore such proposals are not required to provide affordable housing. However, such accommodation will only be approved where they meet the necessary financial functions test.

Specific forms of non-self contained residential accommodation

4.52 Non-self contained accommodation such as care homes, nursing homes, and student accommodation are not required to provide affordable housing at all.

Exceptional circumstances

4.53 Ordinarily the Council will require affordable housing provision from all developments that result in a net increase in the number of dwellings. However the Council acknowledges there may be some circumstances where affordable dwellings are more suited to being provided on an alternative site, or a commuted sum needs to be reduced. In each case proposals will be investigated on a case by case basis.

Scenario Box 7.

1. For a change of use from guest house to self contained dwellings, if the guest house in its current use includes self contained owner accommodation, the Council will deduct one unit when calculating the net increase in dwellings. However, this will need to be evidenced in the existing floor plans submitted with the planning application.

Therefore, if a proposal will create 5 self contained dwellings, the existing unit would be deducted so that 4 dwellings would be subject to the affordable housing provision.

2. For a proposal for an extra care scheme or for sheltered accommodation, the on site affordable housing requirement should be changed to a financial contribution because of the management issues related to this form of accommodation.

Rural Housing Needs

Chapter 5: Rural Housing Needs

Background

5.1 The Council needs to address the housing needs of those living in the rural parts of the District, not just the urban parts. Because much of Lancaster district is classed as rural it is important that appropriate and sympathetic residential development helps to maintain the vitality of rural areas so that they can remain vibrant and sustainable places to live and work.

5.2 The 2011 Housing Needs Survey highlighted that rural property values are generally much higher compared to the District wide averages.

Table 6: A comparison of Rural and District wide property values.

Property type	Rural	District wide
1 bed flat	£109,950	£65,000
2 bed flat	£134,950	£89,950
2 bed terrace	£84,995	£89,950
3 bed terrace	£140,000	£100,00

5.3 Often those living in rural areas within concealed households or in unsuitable accommodation cannot continue to live there. Similarly those with connections to particular rural areas cannot afford to live there.

Policy Context

5.4 Core Strategy Policy SC3 seeks to build healthy sustainable rural communities. This will be achieved in rural areas by locating housing where it will enhance or maintain the vitality of rural communities. The Council wants new housing to reflect local housing needs, particularly for affordable housing. The current evidence of housing need highlights the continuing need for affordable housing in the rural areas of the District. Core Strategy Policy SC3 also proposed that new housing development in rural areas should be focused in sustainable locations. These are settlements which retain key services such as basic shopping, schools, access to medical care and public transport and development outside of these settlements is only possible where there is exceptional justification.

5.5 The NPPF requires the Council to be responsive to local circumstances and plan new homes that meet local housing need, particularly for affordable housing; and to promote sustainable development in rural areas where it will enhance or maintain the vitality of rural communities.

Evidence of rural housing need

5.6 The need for different dwelling types and sizes in the 8 rural settlements was identified by the 2011 Housing Needs Survey and has been summarised in the following table. This information is drawn from the need for existing and concealed households to move within the District. This information should guide developers and registered providers in how they can effectively meet rural housing need.

Table 7: Housing needs in the District's rural settlements by tenure.

Location	Market need	Private rented need	Shared Ownership need	Social Rented need
Bolton-le-Sands	-41	0	-62	-36
Caton and Brookhouse	-321	-22	0	-16
Halton	-29	46	-15	-225
Hornby	-18	33	0	-16
Galgate	-39	-33	8	-68
Silverdale	-54	7	0	-14
Slyne-with-Hest	-164	-172	0	-84
Wray	19	-97	0	-28
Rest of rural	126	416	0	-84
Total	Under supply of 540	Over supply of 178	Under supply of 69	Under supply of 571

5.7 Table 7 highlights that overall there is a considerable under supply of both open market housing and social rented housing in rural areas, with a smaller under supply of shared ownership homes.

Guidance Box 7.

The Council will also consider other evidence of local housing need for rural locations. Local housing needs surveys should follow a robust process and the subsequent analysis must be unbiased and carried out by an impartial party. The Council will therefore need to agree the methodology upfront.

In some cases a survey might be initiated by the parish council or an appropriate local community organisation in support of neighbourhood planning or other activities falling out of the Localism Act. Developers may also choose to carry out a local survey in support of their proposal, and this should demonstrate consultation with the parish council and other appropriate community groups.

Addressing rural housing needs**Sustainable rural settlements**

5.8 In recent years the Council has permitted new rural residential development in 8 settlements that retain 5 key services (a GP, Primary School, Food Shop, Post Office and Bus Stop). This is on the basis that these key services can support the communities that live there. There are now very few GPs regularly practising within these 8 settlements and on that basis, other rural settlements that retain 4 key services will also be favoured. In all cases applicants should propose schemes that are proportionate in terms of the number of dwellings to the location.

5.9 Proposals for market housing in all rural settlements are expected to provide affordable housing in accordance with Chapter 3 of this SPD.

5.10 Proposals for new residential development in settlements that retain fewer than 4 key services must be able to demonstrate that:

- They will maintain or enhance the vitality of the local community;
- A high standard of design will be achieved appropriate to the location and the surrounding landscape; and
- They have been developed in consultation with the parish council and other community groups where appropriate.

5.11 Proposals for new residential development in settlements that retain fewer than 4 key services will also have local occupancy conditions placed on the dwellings to ensure that people already living and working in the location are able to access market dwellings housing that meet their needs.

5.12 Affordable housing secured in settlements that retain fewer than 4 key services must also meet the affordable housing needs of people already living and working in the location and this will be secured via a local lettings plan.

Guidance Box 8.

A key test of how well a proposal will maintain or enhance the vitality of the local community is how it will address local housing need.

5.13 One of the ways the Council can deliver housing that addresses rural housing needs is through working with parish councils and other community groups to bring about more community-led planning at a local level. The changes to the planning system brought about by the Localism Act and the National Planning Policy Framework make provision for this so that parish councils or other appropriate community organisations can establish local development priorities, in consultation with the local community, within Neighbourhood Development Plans.

Rural Exception Sites

5.14 The Council acknowledges that in some rural settlements there is available land for new housing but proposals for market housing would be contrary to adopted development management policies. However, proposals for affordable housing on rural exceptions sites would be supported where a genuine need has been demonstrated.

5.15 Proposals for rural exception sites must be able to demonstrate that they will maintain or enhance the vitality of the local community. A key aspect of this is how well a proposed development meets local housing need.

Guidance Box 9.

The Council defines rural exception sites schemes as:

- Schemes on small sites no larger than 0.4 hectares (1 acre);
- Schemes that address genuine local housing need, and provide affordable homes in perpetuity; and
- Schemes that provide affordable homes for local people, i.e. those who are either current residents or have an existing family connection or employment connection.

5.16 Schemes should not result in a significant adverse impact on the character of the settlement, the amenities of residents, the rural landscape, or nature conservation interests, and should not result in the loss of open space with public amenity or recreational importance.

5.17 It may be acceptable for exception sites to include a very small proportion of market homes in order to ensure the scheme's viability. However the Council will seek to ensure all dwellings are subject to a local lettings policy, and all affordable dwellings will be advertised through Ideal Choice Homes (choice based lettings system).

5.18 The value of exception sites should be lower than land where open market development is permitted. This will help keep development costs down and increase the viability of the scheme viability, so that schemes do not become unaffordable.

Housing Needs of Older People & People with Disabilities

Chapter 6: Housing Needs of Older People & People with Disabilities

Background

6.1 The Council, as both an enabler and provider, plays a fundamental role in meeting the needs of vulnerable people that live in the district who are likely to have additional housing needs and will experience poorer outcomes if these needs are not met. This SPD focuses on how the housing needs of older people and people with disabilities can be addressed in terms of current and future requirements across all tenures and related care and support needs.

Policy Context

6.2 Core Strategy Policy SC4 states that the Council will aim to maximise the opportunities offered by new homes to achieve housing that genuinely addresses identified local housing need. Local housing need will often mean accommodation that meets the needs of specific groups.

6.3 The NPPF requires the Council to plan for a mix of housing based on the needs of different groups in the community including older people and people with disabilities.

Older people

6.4 The number of people in the District aged 65 plus is set to increase by 62% between 2008 and 2033, and within that group people aged over 85 will significantly increase by over 138% in the same period. This ageing population poses a significant challenge as these households are more likely to have a need for support services, adaptations or specialist accommodation.

6.5 This means that there needs to be sufficient supply of new specialist and adaptable general needs accommodation as well as ensuring that support and other needs are being met to enable older people to enjoy a good quality of life.

6.6 Over 2,100 additional units of sheltered accommodation are required by 2014 to meet the needs of existing households, and those households who may in-migrate to be closer to family. Developers are therefore encouraged to consider sheltered housing or independent accommodation with visiting support that will help meet these people's needs.

6.7 Over 360 households require extra care accommodation in the District. The future provision of extra care accommodation is being considered by the Council and the County Council so that the most appropriate models of provision can be determined. Developers that wish to develop such accommodation should discuss this with the Strategic Housing Officer as early as possible.

People with physical disabilities

6.8 The 2011 Housing Needs Survey highlights that there is someone with a disability living in almost a quarter of households in the District. This suggests that over 13,000 households are affected in some way.

Table 8: Type of disability by households affected.

Disability	% households
Mobility restriction	47.9
Limiting long-term illness	31.4
Asthmatic / respiratory problem	24.4
Other physical disability	20.5
Learning disability / Mental health problem	19
Visual / hearing impairment	17.3
Wheelchair user	8.3

6.9 This table demonstrates the different disability types that affect people living in the district. Meeting the needs of individuals affected by these disabilities will depend upon the requirements of the individual, their care needs and the household composition. Therefore any proposal to develop accommodation specifically for disabled people should be discussed with the Strategic Housing Officer as early as possible.

Standards

6.10 There is a need for developers to provide new housing to Lifetime Homes standards, so that they are easily adaptable to meet the changing needs of occupants.

6.11 Through the planning process, and during negotiations for affordable housing, the Council will seek to secure some provision of wheelchair properties as part of the on site affordable housing on a site by site basis. Furthermore, any sites which are wholly affordable rented housing will normally include some wheelchair provision.

General Guidance

Chapter 7: General Guidance

Background

7.1 This chapter is designed to guide applicants on how to ensure that proposals for residential development are not delayed.

Pre-application discussion

7.2 Developers and registered providers should discuss proposals for residential development with the Strategic Housing Officer as early on in the process as possible. This will help ensure that proposals reflect affordable housing requirements and local housing need.

7.3 Developers should also refer to the Planning Application Validation Guide for details of what forms, plans and documents are required to accompany planning applications. The latest version of the Planning Application Validation Guide can be downloaded at www.lancaster.gov

Affordable Housing Statements

7.4 The Council requires all proposals for residential development to provide an Affordable Housing Statement. This is an important document that sets out how the proposal will address affordable housing.

Guidance Box 8.

Failure to submit an Affordable Housing Statement will invalidate your application and will ultimately delay the process.

7.5 The information that should be included in an Affordable Housing Statement will vary slightly depending upon what is being proposed. The basic information required for a full planning application is set out below, and several Affordable Housing Statement templates are provided in Appendix 3.

Table 9: Basic information required for a full planning application.

Scenario	Information required
A net increase of 1 to 4 dwellings or a variation / removal of restrictive occupancy conditions triggering a financial contribution.	A brief summary of the proposed development (including confirmation of the net increase in dwellings).
	A detailed description of the proposed development (unit types, unit size, Gross Internal Area (GIA), plot size).

Scenario	Information required
	A brief description of how the proposed development will meet local housing need.
	The anticipated open market value of the proposed development and supporting evidence demonstrating this is based on relevant and comparable information.
	A commitment to payment of a financial contribution calculated according to the Council's adopted methodology, triggered by start on site, and secured by a S106 unilateral undertaking.
A net increase of 5 plus dwellings triggering on site affordable housing.	A brief summary of the proposed development (including confirmation of the net increase in dwellings).
	A detailed description of the proposed development (number, type, size, tenure, phasing, occupancy criteria).
	A description of how the proposed development will meet local housing need (referring to evidence, in particular the district Housing Needs Survey).
	Evidence of discussions with registered providers and of an "in principle" agreement to purchase the affordable dwellings.
	A commitment to the provision of on site affordable units secured by a S106 agreement.

7.6 An Affordable Housing Statement is also required for an outline planning application albeit less information is required compared to a full planning application.

Table 10: Basic information required for an outline planning application.

Scenario	Information required	Additional information required at Reserved Matters stage
A net increase of 1 to 4 dwellings or a variation / removal of restrictive occupancy conditions triggering a financial contribution.	A commitment that subject to the proposal being acceptable in planning terms, outline permission will only be granted when accompanied by a signed legal agreement containing a clause that requires the financial contribution to be agreed at the time of the Reserved Matters application based on an open market valuation(s) at that time.	The anticipated open market valuation of the proposed development, and supporting evidence demonstrating this is based on relevant and comparable information.

Scenario	Information required	Additional information required at Reserved Matters stage
A net increase of 5 plus dwellings triggering on site affordable housing.	A commitment that subject to the proposal being acceptable in planning terms, outline permission will only be granted when accompanied by a signed legal agreement containing clauses that detail the percentage of on site affordable dwellings required from the proposed development, and that the specific number, type, tenure, phasing and occupancy criteria of the affordable dwellings will be agreed at the time of the Reserved Matters application.	All of the above information plus details of <u>all</u> homes created by the proposal (tenure, type, number of bedrooms, GIA and plot size). In addition evidence of discussions with registered providers and of an "in principle" agreement to purchase the affordable dwellings.

7.7 When an outline application reaches Reserved Matters stage, the application should be accompanied by a revised Affordable Housing Statement that includes the additional information detailed above. If the Reserved Matters application is acceptable in planning terms, a Deed of Variation will be required to reflect either the on site provision or the commuted sum agreed between the applicant and the Council.

Additional requirements

7.8 Where the affordable housing provision has a negative impact on scheme viability the Council will expect developers to provide detailed and compelling evidence as part of their Affordable Housing Statement. The evidence must include a development appraisal and a summary of what the appraisal concludes in relation to the viability of the scheme. Full details of what should be included in an Affordable Housing Statement are set out in Appendix 4 of this SPD. The Council expects that all abnormal costs should be quantified by an independent expert.

7.9 The Council acknowledges there may be other scenarios where the required affordable housing provision may need to be altered. Exemptions and exceptional circumstances are dealt with by Chapter 5 of this SPD.

Legal Agreements

7.10 For an outline application the legal agreement will differ depending on the number of dwellings proposed.

Table 11: Legal agreement clauses.

Scenario	Clause(s)
1 to 4 dwellings	A clause that requires the commuted sum to be agreed at the time of the Reserved Matters application based on the open market value(s) at that time.
5 or more dwellings	Clauses detailing the number of on site affordable dwellings required from the proposed development, and that the specific number, size, type, tenure, phasing, and occupancy criteria of the affordable units will be agreed at the time of the Reserved Matters application.

7.11 A full application for a net increase of up to 4 dwellings requires the developer to sign a Section 106 Unilateral Undertaking (UU) (a S106 UU template is provided in Appendix 7 of this SPD). The applicant's appointed legal representatives will be required to complete the UU and return it to the Council's Legal Services team.

7.12 For a full application for 5 or more dwellings the Council will provide a draft template of a S106 Agreement. The finalised Agreement will need to be signed by all parties with a legal interest in the land before a planning permission can formally be issued. This will need to be evidenced by the applicant by providing an up to date Land Registry search(es) for the application site. In some cases, and depending upon site specific circumstances, agreements may also relate to other matters (e.g. contributions for highways improvements).

Payment of financial contributions

7.13 When the financial contribution has been agreed between the Council and the applicant the Council requires the monies to be paid on commencement of the development. The Council's Planning and Regeneration Service will issue an invoice to the applicant.

7.14 Following receipt of the financial contribution, the monies will be held in the Affordable Housing Commuted Sums Fund, a ring fenced account that supports the development of affordable housing in the district. For more information on this please refer to Appendix 2 of this SPD.

7.15 In scenarios where the applicant has gained planning permission but just intends to sell the site with the permission, rather than develop it, then the affordable housing requirement will be registered as a land charge.

Table 12: What happens if the intention is to sell the site with planning permission.

Scenario	What happens?
A financial contribution has been agreed between the Council and the applicant.	Planning permission will result in a Unilateral Undertaking which will automatically register as a charge against the land when a search is carried out. A future purchaser will take the charge into consideration when considering what they are prepared to pay for the site.
On site affordable housing has been	The requirement will be set out in the Section 106 Agreement, and the planning permission will result in an automatic charge against the land . A

Scenario	What happens?
agreed between the Council and the applicant.	future purchaser will take the charge into consideration when considering what they are prepared to pay for the site.

Monitoring

Chapter 8: Monitoring

Annual Monitoring Report

8.1 The Council includes information about its performance on meeting housing needs as part of its Annual Monitoring Report (AMR) which is required of local planning authorities as part of the Local Development Framework (LDF) system. The AMR reports **on the preparation of LDF documents and monitors the effects of implementing planning policy.**

8.2 The AMR will be used to monitor the effectiveness of the SPD on an annual basis. If through this process it is clear that there is a need to review the SPD or other aspects of the Council's strategic housing approach so as to improve the way housing needs are being met, this will be done.

Link to the Core Strategy and Local Plan

8.3 The SPD provides guidance relating to Core Strategy policies and forthcoming development management policies contained within the emerging Local Plan. Therefore reviews of the SPD will link to the monitoring and review of both documents.

Appendices

Appendix 1: Application of Affordable Housing Requirements

1.1 This Appendix should be used by developers as a quick reference guide on how affordable housing provision relates to various development scenarios.

1.2 The following table provides a range of market housing development scenarios, up to 15 dwellings (net). It does not include larger schemes however the affordable housing provision would still apply beyond 15 dwellings (net).

Example Scenario	Requirement	Legal Agreement
1 to 4 new build dwellings.	A commuted sum broadly equivalent to the value of providing up to 10% affordable housing on site.	S106 Unilateral Undertaking.
Conversion of a single dwelling to create 2 to 5 dwellings.	A commuted sum broadly equivalent to the value of providing up to 10% affordable housing on site.	S106 Unilateral Undertaking.
Change of use to residential creating up to 4 dwellings.	A commuted sum broadly equivalent to the value of providing up to 10% affordable housing on site. [case by case basis]	S106 Unilateral Undertaking.
Variation or removal of a restrictive occupancy condition on up to 4 dwellings to allow unfettered residential use.	A commuted sum broadly equivalent to the value of providing up to 10% affordable housing on site.	S106 Unilateral Undertaking.
5 to 9 new build dwellings in a rural location.	Up to 20% affordable housing on site.	S106 agreement.
5 to 14 new build dwellings in an urban location.	Up to 20% affordable housing on site.	S106 agreement.
10 or more new build dwellings in a rural location.	Up to 30% affordable housing on site.	S106 agreement.
15 or more new build dwellings in an urban location.	Up to 30% affordable housing on site.	S106 agreement.

Appendix 2: Affordable Housing Commuted Sums Fund

Introduction

2.1 Financial contributions paid in lieu of on site affordable housing from smaller market housing developments is paid into the Council's Affordable Housing Commuted Sums Fund. This is a ring fenced fund that provides financial support to affordable housing schemes in the District.

Funding criteria

Requests for funding must meet at least one of the following criteria:

1. 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;
2. The funding will enable the delivery of affordable housing on land owned by the Council;
3. The request will contribute towards bringing long term empty properties back into use for affordable housing;
4. 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.

2.2 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 (2011-15); or where the affordable housing does not meet the local affordable housing need.

Process for requesting funding

2.3 If an affordable housing scheme is eligible for funding then the registered provider should email the Strategic Housing Officer and provide the following information:

1. A summary of how the scheme meets the criteria;
2. 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); and
3. An estimate of the amount of funding required.

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

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

2.5 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 Strategic Housing Officer will contact the registered provider to discuss a more realistic funding request.

2.6 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.

2.7 The above information will inform an Individual Cabinet Member report which will incorporate a recommendation from the Housing Strategy Officer on whether to provide funding.

Conditions of funding

1. The scheme will be delivered within a reasonable time scale;
2. The scheme to be subject to a local lettings plan;
3. All units will be affordable in perpetuity;
4. All affordable units will meet the NPPF definition of affordable housing; and
5. All units will be allocated via the Ideal Homes choice based letting system;

Monitoring and Evaluation

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

2.9 Financial management of the funding programme will be supported via regular reporting by the Head of Regeneration and Planning.

2.10 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 3: Affordable Housing Tenures & Products

Introduction

3.1 This Appendix should be used by developers and registered providers as a quick reference guide to the various affordable housing products available. Affordable housing can come in various products depending on the nature of housing need it is designed to meet.

National Planning Policy Framework definition of affordable housing:

"Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision."

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

Social rented housing for general needs

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

3.3 Due to the mismatch between incomes and average house prices in the District, there is a strong need for social rented housing.

Affordable Rent

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

Intermediate

Intermediate housing means homes for sale and rent provided at a cost above social rent, but below market levels. This does not include affordable rented housing.

Shared Ownership

3.5 Shared ownership is a form of low cost home ownership that enables people to buy a percentage of the property for sale with a mortgage and they pay rent to a registered provider on the remaining share (which is owned by the registered provider). The value of the property sold to the purchaser is based on an independent open market valuation.

HomeBuy Direct

3.6 This product allows purchasers to buy a selected newly built property with the assistance of an equity loan.

Rent to HomeBuy

3.7 This is an option being considered by registered providers within the current economic climate. This products means that individuals pay a reduced rent on a new build home for up to five years, to help them save for a deposit and purchase the property.

FirstBuy

3.8 This product allows the applicant to access an equity loan of up to 20% of the purchase price which is split equally between the HCA and the developer. Purchasers are required to raise funding (a mortgage plus deposit) of at least 80% of the purchase price.

Equity Loans

3.9 Some registered providers will offer homes for sale where the purchaser can buy with the assistance of an equity loan, to top up what they can afford on their own.

Appendix 4: Affordable Housing Statement Templates

Affordable Housing Statement template 1

Scenario: A full planning application for a new build development in Lancaster North.

Summary of proposal

The proposed development will provide 10 new dwellings, which is a net increase of 10 dwellings.

Scheme description

The proposed breakdown of units is as follows:

Unit	Type	Tenure	No. bedrooms	GIA (sq. m)
1	House	Market	3	85
2	House	Market	3	85
3	House	Market	3	85
4	House	Affordable	3	85
5	Flat	Affordable	2	67
6	Flat	Market	2	67
7	Flat	Market	2	67
8	Flat	Market	2	67
9	Flat	Market	2	67
10	Flat	Market	2	67

Affordable housing provision

It is fully understood that the proposed scheme is required to provide 20% affordable housing which will mean a total of 2 affordable dwellings will be delivered on site.

The proposed dwellings will address housing needs because there is evidence of an under supply of 3 bed market houses and 2 bed market flats in Lancaster North. The provision of 2 affordable homes (1 x 3 bed house and 1 x 2 bed flat) will contribute towards addressing the under supply of all dwelling types, particularly 3 bed houses in this location.

We have contacted 3 registered providers (include names) to discuss the potential purchase of the affordable units. An "in-principle" agreement has been reached with XX. Full details of this are attached to this Affordable Housing Statement.

Affordable Housing Statement template 2

Scenario: A full planning application for a conversion in Carnforth.

Summary of proposal

The proposed development will convert a four bed terraced house to provide two new dwellings (1 x 2 bed flat on the ground floor and 1 x 2 bed flat on the first floor). This is a net increase of 1 dwelling.

Open Market Valuation

A comparative dwelling (two bed flat in Carnforth) is valued at £130,000. Full details in support of this are attached to this Affordable Housing Statement.

Affordable housing provision

It is fully understood that the proposed scheme is required to provide a financial contribution to the value of providing 10% affordable housing on site.

The commuted sum has been calculated according to the Council's methodology as follows:

Step 1: The open market value of is £130,000

Step 2: 18.5% of £130,000 = £24,050

Step 3: 15% of £24,050 = £3,075, added to £24,050 = £27,658

Step 4: £27,658 x 0.1 dwellings (10% of 1 dwelling) = £2,766

It is understood that the monies will be secured via a S106 Unilateral Undertaking, and £2,766 will be paid on commencement of development.

Affordable Housing Statement template 3

Scenario: An outline planning application for house in Halton.

Summary of proposal

The proposed development will provide 1 dwelling (a net increase of 1 unit).

Affordable housing provision

It is fully understood that the proposed scheme is required to provide a financial contribution equivalent to the value of providing 10% affordable housing on site.

It is fully understood that prior to outline consent being granted (if the proposal is acceptable) I (the applicant) shall enter into a Unilateral Undertaking which will require the payment of a commuted sum towards affordable housing provision in the District. The sum will be based on the valuation of the detailed dwelling(s) (to be calculated at the time of the Reserved Matters application based on evidence of comparable dwelling(s)) calculated according to the adopted approach. At the Reserved Matters stage a letter will need to be appended to the Unilateral Undertaking setting out the actual amount to be paid prior to commencement of the development.

Appendix 5: General Guidance for Financial Viability Appraisals

Background

5.1 The Council expects developers to provide detailed and compelling evidence as part of their Affordable Housing Statement where they express the view that affordable housing provision will have a negative impact on scheme viability. A Financial Viability Appraisal (FVA) is key to this process.

FVA checklist

The FVA should include/state all items on the following checklist:

1. The methodology used in the FVA;
2. Land values (residual land value (RLV) and gross development value (GDV), build costs (per sq m), land purchase price/costs and anticipated profit / profit margins (also as a % of GDV) and minimum profit level assumptions;
3. Details of the costs for the provision of local infrastructure / services, and other planning obligations /agreements;
4. The interest rate / lending costs plus programme and cash flow;
5. Costs for marketing and sales (including legal fees) as a % of the GDV;
6. Costs for other professional fees;
7. If the land is owned by the applicant or whether it is subject of an option or other arrangement;
8. The proposed tenure and size mix of affordable dwellings;
9. The expected sales price for each dwelling proposed on the site;
10. Expected phasing of sales;
11. References to the sources of data used, including those used for evidence of local property market values. To include market evidence for both market and affordable housing and benchmark or refer to BCIS rates for build costs;
12. Whether any grant / other source of income will be available to augment the finance needed for the affordable units;
13. Anticipated price paid for the affordable dwellings by the registered provider;

14. Ground rents and service charges for flats if relevant;
15. Whether there are considered to be abnormal development costs and independent reports which justify them.

Financial Viability Appraisal template for a new build development

Planning Application No.					
Scheme					
Location					
Gross Development Value					
Open Market Units					
Unit type	Floor Area (sq m)	Number of Units	Actual / anticipated Sales Values		
Affordable Units					
Unit type	Tenure	Floor Area (sq m)	Number of Units	Actual / anticipated Sales Values	
Total Gross Development Value (GDV)					
Total Development Costs					
Cost Centre		Rate	Total		
A	Build Costs	£	Per sq m		
B	Externals (i.e. roads, sewers, landscaping)	£	sum		
C	Abnormal costs (specify)	£	sum		
D	Other (specify)	£	sum		
E	A to D sub total			£	
F	Construction Contingency	%	of E		
G	Total Construction Costs			£	
Fees		Rate	Total		
J	Professional fees	%	of G		
K	Marketing & Advertising	£	sum		
L	Legal fees on sales / lettings	%	of GDV		
M	Agents fees on sales / lettings	%	of GDV		
N	Section 106	£	sum		
O	Community Infrastructure Levy	£	Per sq m		
		Total Development Costs			£
Finance and Acquisition Cost					
Interest Rate	%	Actual likely to be paid now			
Development Period		Years			
Total Development Costs					
Legal fees land acquisition		£			
Stamp Duty		£			
Total Interest (cash flow or multiplier)		£			
Other bank fees (e.g. arrangement fee)		£			
Total Finance Costs		£			
Profit on Costs		Total			
Profit on Market Housing	%				
Profit on Affordable Housing	%				
Total Profit		£			

Appendix 6: S106 Unilateral Undertaking Template

S106 Unilateral Undertaking Template.

Dated: _____ 2011

OWNERS

And

MORTGAGEES

TO

LANCASTER CITY COUNCIL

**PLANNING OBLIGATION
(IN THE FORM OF A UNILATERAL UNDERTAKING)**

Pursuant to Section 106 Town & Country Planning Act 1990

Relating to land at _____, Lancashire

Lancaster City Council
Town Hall
Dalton Square
Lancaster LA1 1PJ

Ref: AMP/130/1/

THIS PLANNING OBLIGATION is made the day of 2011

BY:

OWNER **of** (Name and address and company registration if appropriate)
("the Owner")

AND

MORTGAGEES **of** (Names and registered office of Mortgagee)
("the Mortgagee")

IN FAVOUR OF

LANCASTER CITY COUNCIL of Town Hall Dalton Square Lancaster LA1 1PJ (the
"Council")

WHEREAS:

- (1) The Council is the local planning authority for the purposes of the Act for the area within which the land described in the First Schedule ("the Land") is situated and by whom the obligations in this Deed are enforceable;
- (2) The Owner is the owner of the freehold interest in the Land which is registered at H M Land Registry under Title Numberwith Title Absolute;
- (3) The Mortgagee is mortgagee of the Land under a legal charge dated
and made between and
- (4) The Owner has applied to the Council for permission to develop the Land for the purposes and in the manner described in the Planning Application;

- (5) The Owner is willing to give this Unilateral Undertaking to the Council which is a planning obligation under S106 of the Act;
- (6) The Council has resolved that it is minded to approve the Application subject to the creation of Planning Obligations by this Deed.

NOW THIS DEED is made in pursuance of Sections 106 of the Town and Country Planning Act 1990 (as amended) and all other enabling powers and is a planning obligation for the purposes of the said Section 106 and **WITNESSES** as follows:-

DEFINITIONS

In this Deed unless otherwise expressed the following words and expressions shall have the following meanings:

- 'Act' means the Town and Country Planning Act 1990;
- 'Application' means the application for OUTLINE/FULL Planning Permission submitted to the Council for the Development and allocated reference number
- 'the Planning Permission' means Planning Permission granted pursuant to the Planning Application in the terms of the draft Planning Permission at Annex 1 of this Undertaking;
- 'commencement of Development' means the date of implementation of the Development by the carrying out of a material operation as identified in Section 56(4) of the Act other than any work of site or soil investigation, archaeological works, erection of hoardings or fences and the words "Commencement" "Commence" and "Commencement Date" shall be construed accordingly;
- 'the Development' means the Development described in the Second Schedule

hereto;

‘the Plan’	means the Plan at Annex 2 of this Undertaking;
‘Unilateral Undertaking’	means the Deed entered into by the Owner pursuant to Section 106 of the Act;
‘Affordable Housing’	means subsidised housing that will be available to persons who cannot afford to rent or buy housing generally available on the open market
Affordable Housing Contribution’	means the financial contribution of to be paid to the Council towards the provision of affordable housing in the District of Lancaster

1. The Owner gives this Undertaking pursuant to Section 106 of the Act with the intention that the Planning Obligations contained herein are Planning Obligations which may be enforced by the Council against the Owner or any person deriving title from the Owner. The Planning Obligations created by this Deed are planning obligations for the purposes of Section 106 of the Act and shall be binding and enforceable by the Council.
2. The Owner covenants with the Council as set out in the Third Schedule hereto.
3. The Mortgagee hereby consents to the execution of this Deed and acknowledges that subject as herein provided the Land shall be bound by the obligation contained in the Third Schedule hereto

IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

- 4 -

1. This Undertaking is enforceable by way of injunction;
2. The expressions "the Council" "the Owner" and "the Mortgagee" shall include their successors in title and assigns;
3. No person shall be liable for breach of a covenant contained in this Undertaking after he/she/they shall have parted with all interest in the Land or the part in respect of which such breach occurs but without prejudice to liability for any subsisting breach of covenant prior to parting with such interest;
4. The covenants contained in this Undertaking shall take effect only upon the date specified by the Owner in a written Notice served upon the Council as the date upon which the Development is to be commenced or if no such Notice is served the actual date on which the Development was begun within the meaning of Section 56 of the Act and this Undertaking is conditional upon the grant of the Planning Permission in the Second Schedule hereto;
5. If the permission granted pursuant to the Planning Application shall expire before the Development is begun as defined above or shall at any time be revoked this Undertaking shall forthwith determine and cease to have effect
6. Any notice decision direction approval authority permission or consent required to be given or served hereunder shall be sufficiently served on any of the parties hereto if forwarded by registered or recorded delivery post to it at (if a company or corporation) its registered or principal office or (if an individual) at his or her last known place or abode of business of one of them and a notice so sent by post shall be deemed to be given at the time when it ought in due course of post to be delivered at the address to which it is sent;

7. the Owner agrees to pay prior to completion of this Undertaking a contribution towards the Council's legal and administrative costs incurred in processing and monitoring this Undertaking in the sum of £150 (one hundred and fifty pounds);
8. This Undertaking is a Local Land Charge and shall be registered as such.

IN WITNESS whereof the Owner and Mortgagee have caused this Deed to be executed the day and year first before written.

THE FIRST SCHEDULE

(the Land)

THE SECOND SCHEDULE

(the Development)

THE THIRD SCHEDULE

Owners Obligations

The Owner undertakes as follows:

- 3.1 Not to Commence Development or cause or permit the Commencement of Development until the Affordable Housing Contribution has been paid to the Council;

SIGNED AS A DEED BY)
..... In the)
presence of)

SIGNED AS A DEED BY)
..... In the)
presence of)

Appendix 7: Sample Restricted Occupancy Condition

Introduction

7.1 This Appendix provides a sample Restricted Occupancy condition that would be included as part of the planning permission. This sample relates to accommodation for a rural enterprise worker in an isolated part of the District, and should therefore be treated as an indication. The precise details will differ from scheme to scheme.

Sample Condition

"The occupation of the dwelling hereby approved, and the existing farmhouse known as [insert name]; shall be limited to a person solely or mainly working, or last working in the locality in [insert relevant rural enterprise], or a widow or widower of such a person, and to any resident dependants.

Reason: The site is within an area where residential development for purposes other than the essential requirements of a rural enterprise, are not normally permitted."

Appendix 8: Sample Nominations Agreement & Local Connection Criteria

Introduction

8.1 This Appendix provides a sample Nominations Agreement and Local Connection Criteria that would may be included as part of a Section 106 agreement.

THIRD SCHEDULE Form of Nomination Agreement

NOMINATIONS AGREEMENT AND OCCUPANCY CRITERIA

Between Lancaster City Council and.....Registered Provider of Social Housing

1. It is the intention of this agreement to establish a framework by which [name of registered provider] will assess all applicants who apply for an affordable unit and apply the following criteria:-
2. Local need:- Priority will be given to applicants who have a "local connection" to [name of parish], where one of the following criteria applies:-
3. "Local connection is deemed to be current residence or previous residence (6 out of the last 12 months, or 3 out of the last 5 years), immediate family members living within the specified area (parents / grandparents / siblings / children) or employment in the specified area. Military personnel are also to be treated as a priority within this definition.
4. Applicants who may not fall into the above local connection categories but can demonstrate an overriding or justifiable need to live in [name of location] (each case to be determined by the Registered Provider and the Council).
5. In the event that properties cannot be let to those meeting the above local connection criteria, priority will then be given to applicants who have a connection to the [names of appropriate parishes], then any other rural parish within the Lancaster City Council local authority area, then applicants who reside anywhere within the Lancaster City Council local authority area, then any other person.
6. The Registered Provider will agree a specified time with the Council in which the properties will be held available for the specified groups before the cascading system will apply. This agreed time will be no shorter than 2 months for residents of [name of parish] and one month for each of the subsequent selection criteria.
7. *[If shared ownership units are included]* [name of registered provider] will provide the Council with details of when and how they intend to market the shared ownership properties for first occupation.
8. *[If shared ownership units are included]* [name of registered provider] will refer all applicants to Plumlife, the Homebuy Agent appointed by the Homes and Communities Agency (or any subsequent organisation appointed in the future). Upon commencement of the development and upon re-sales, the Registered Provider will ensure that vacancies are well publicised within [name of parish] and [name of parish council], and details included on the Council's Choice Based Lettings Scheme, where required to do so by the Council. The Council will not expect to provide formal nominations for each of the shared ownership units, but will provide relevant information relating to the scheme (which will include type and size of units, eligibility criteria, timescales for applications and estimated practical completion of units) on the Ideal Choice Homes website, and can provide details of any interested parties onto [name of registered provider].

- 9. The Choice Based Lettings Team and the nominee will be kept informed of any delays regarding the availability of property, for example due to extensive repairs, alterations and revised termination dates so that information on the Ideal Choice Homes website can be updated accordingly.
- 10. The Developer will provide Lancaster City Council with regular updates in relation to identifying suitable applicants for the shared ownership units, until all units have been occupied.
- 11. For subsequent vacancies, the same process above will apply.
- 12. The Developer and the Council will maintain and review such records as is necessary to ensure there are no criteria relating to re-housing and nomination process which directly or indirectly discriminate against any applicant on the ground of race, religion, sex, sexuality or disability.
- 13. The Developer and the Council will at all times work in ways which are mutually advantageous. For example, they will advise each other of any internal restructure which may affect the letting of the shared ownership units.
- 14. The Developer and the Council agree to sharing information regarding Homechoice applicants & nominees for monitoring purposes.
- 15. In the event that the Council allows [name of registered provider] to change the tenure to either social or affordable rented units, as set out in Schedule 1 Paragraph 1.7, Adactus agree to let the rented units in accordance with the existing nomination agreement for rented accommodation, whereby 100% nomination rights to the Council applies.

This process has been agreed between:

SIGNATURE

NAME (PRINTED)

DESIGNATION

ON BEHALF OF LANCASTER CITY COUNCIL

And

SIGNATURE

NAME (PRINTED)

DESIGNATION

ON BEHALF OFREGISTERED PROVIDER

Appendix 9: Key Contacts

Introduction

9.1 This appendix provides contact details for key Council officers and representatives of registered providers active in Lancaster District.

Key officers at LancasterCity Council

Area	Name	Position	Telephone	Email
SPD content	David Hayward	Planning Officer - Housing & Communities	01524 582723	dhayward@lancaster.gov.uk
Strategic housing	Kathy Sinclair	Strategic Housing Officer	01524 582724	ksinclair@lancaster.gov.uk
Development management	Andrew Drummond	Development Manager (planning applications)	01524 582351	adrummond@lancaster.gov.uk

Contact details for registered providers active in Lancaster District

Registered provider	Name	Telephone	Email
Adactus	Richard Ingram	01942 267752	richard.ingram@adactushousing.co.uk
Great Places Housing	David Pomfret	01942 267752	david.pomfret@greatplaces.org.uk
Guinness Northern Counties	Ian Kershaw	0161 219 7026	ikershaw@ncha.co.uk
Impact	Anne-Marie Willmott	01900 842151	anne-mariew@impacthousing.org.uk
Places for People	John Wright	01772 897571	john.wright@placesforpeople.co.uk

