

AFFORDABLE HOUSING SPD: SCHEDULE OF AMENDMENTS

(Note: Deleted text is ~~crossed-out~~ and new text is in *italics*)

Para	Amendment	Reason
Various	Delete all consultation questions	To reflect the adoption of the SPD
1.5	Amend first sentence to read: “This SPD will form <i>forms</i> a material consideration in the determination of planning applications and will be <i>is</i> considered alongside Policy SP3..”	To reflect the adoption of the SPD
1.6-1.7	Delete this section which deals with consultation arrangements and replace with new para 1.6: <i>“The SPD was adopted by the Council on 15 September 2011”</i>	To reflect the intended adoption of the SPD at Cabinet on 15 September.
2.1	Delete second sentence and replace with: <i>“PPS3 includes a definition of affordable housing which was updated in June 2011 (see para 3.1). This is the definition used by the Council.”</i>	To take account of the updating of PPS3
2.2	Add footnote at the end of the first sentence: <i>“At the time of adoption of the SPD the Government was consulting on the draft National Planning Policy Framework which includes a proposal to remove the national minimum site size threshold.”</i>	To take account of a potential change to national policy that is currently subject to consultation
2.6	Amend third sentence to read: “The need for specialist housing is regularly reviewed and updated <i>assessed in conjunction with KCC Social Services and Supporting People.</i> ”	To set out the position more clearly
3.1	Add new sentence at end: <i>“This definition includes the new “affordable rent” product which was added in June 2011, after the adoption of the Core Strategy. In applying Core Strategy policy references to social rented should be taken as including affordable rent.”</i>	To clarify how Core Strategy policy should be applied in the light of the amendment to the affordable housing definition.
Table 5.1	Amend heading of third column to read: “Number of Social Rented/ <i>Affordable Rent</i> Units	To include affordable rented units
5.9	Add new text after first sentence: <i>“The price to be paid by the Registered Provider or other private sector body to the developer will therefore need to be at a level that delivers the housing as affordable housing without input of social housing grant. Through the S106 Obligation, the Council can require details of all negotiations</i>	To clarify the Council’s approach

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	<i>between the developer and RP on this matter.</i>	
5.10	Amend start of second sentence to read: “Developers will be required to enter into obligations securing the future appropriate <i>ownership and</i> management of schemes”	To clarify the Council’s approach
6.2	Delete and replace with: <i>The way in which financial contributions will be used is set out in para 6.11</i>	To avoid repetition
6.3	Amend to read: Planning permission will be refused for development that makes no contribution or inadequate contribution to affordable housing, where provision could reasonably be made under the terms of the policy <i>without making the development non viable. The policy is not intended to operate in a way that renders development non-viable and thereby reduces development coming forward. Section 8 explains how viability issues will be considered so that where it is demonstrated that development would not be viable with contributions required under the policy, the level of contribution can be reduced or waived to ensure that development remains viable.</i>	To clarify the intention of policy
6.5	Amend to read <i>The Council’s approach to assessing the off site financial contribution is to base the calculation on the cost of providing affordable housing on another site of equivalent value. This is taken as the cost of making serviced land available within an equivalent development to construct affordable housing. The financial contribution required from the development is then the relevant proportion sought under the policy, which will generally be 10% of the cost of making the serviced land available. This approach is the one that was found to be viable through the Affordable Housing Viability Assessment.</i>	To clarify the Council’s approach
6.7	Amend second sentence to read: “It is recommended <i>expected</i> ...that advice is taken from a suitably qualified independent valuer.”	To clarify the advice to applicants
6.10	Amend to read: <i>“Step 4: Apply the percentage requirement under the affordable housing policy to give the final contribution.</i> In order to calculate the appropriate financial contribution, the affordable housing policy percentage for the number of dwellings to be developed (<i>normally 10%</i>) is applied to the estimated cost of providing the equivalent serviced land to the proposed development, <i>which means the final contribution will normally be 10% of the cost of the serviced land.</i>	To clarify the advice to applicants and to set out the processes including the worked example more clearly

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	<p>Replace the Summary of Overall Methodology and Worked Example with:</p> <p>Summary of Overall Methodology Through a Worked Example</p> <p>Assume that you are proposing to carry out a development of four units, with an anticipated sale price of £250,000 per unit.</p> <p>Step 1: Calculate the Open Market Value (OMV) of the development.</p> <p>The open market value is $4 \times £250K = £1m$</p> <p>Step 2: Find the residual land value of the development by applying the residual land value percentage (38.8%).</p> <p>$£1m \times 0.388 = £388,000$</p> <p>Step 3: Calculate 15% of the residual land value figure to establish the site preparation/servicing costs.</p> <p>$(£388,000 \times 0.15 = £58,200)$</p> <p>Add the 15% figure to the residual land value to include site preparation/servicing costs.</p> <p>$£388,000 + £58,200 = £446,200$</p> <p>Step 4: Apply the percentage contribution required under the affordable housing policy (normally 10%) to the resulting sum (i.e. step 3 total $\times 0.1$)</p> <p>$£446,200 \times 0.1 =$ A contribution of £44,620 (or £11,155 per unit)</p>	
6.11	<p>Replace the list of bullet points for how money will be used with:</p> <ul style="list-style-type: none"> • <i>Provision of new affordable housing in the District via a Registered Provider of social housing (including adding to provision on development sites, new stand alone schemes and existing property purchase)</i> • <i>Initiatives to make better use of the existing stock (including tackling under occupation and fuel poverty where it enables better use to be made of the stock)</i> • <i>Supporting the development of rural exception sites to meet rural housing needs (for fully or partially exempted Parishes only as set out in Section 17 Housing Act 1996, Housing (Right to Acquire or Enfranchise)(Designated Rural Areas in the South East) 1997 Order</i> 	To provide greater clarity of the Council's intentions on the use of off-site contributions

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Para	Amendment	Reason
	Then add new sentence: <i>Apart from the provision of rural housing funds will be used to meet affordable housing in a flexible way where it can be used most effectively across the District.</i>	
6.12	Amend to read: <i>Monitoring will be on a site-by-site basis. Funds collected will be used within ten years and after this time any unspent money will be refunded with interest.</i>	To improve clarity
6.13	Amend to read: “The Council will record where funds have been allocated and spent and . This information will be made available on request and will be published on an annual basis.”	To confirm that information will be published
7.1	Amend fourth bullet point to read: <i>Enable early consideration of funding implications, including the likely price to be secured from the Registered Provider for the affordable housing</i> Amend last bullet point to read: “Preferably agree the arrangements for the future ownership and management of the affordable housing with the RP...”	To clarify the Council's approach
7.2	Add after first sentence: “Where the RP has been selected, it is expected that developers will involve them in any pre application discussions”	To clarify the Council's approach
App 2	Delete Orbit and Circle Anglia from the list of Preferred Development Partners	To bring the list up to date
App 4	Amend first sentence to read: Details of purchase price of the land <i>existing use value of the land</i>	Existing use value is the appropriate starting point for the appraisal
App 5	Definition of Intermediate Housing – Amend second sentence to read: “These can include shared equity products (e.g. Homebuy and shared ownership) and shared ownership products (e.g. <i>Homebuy</i>) other low cost homes for sale and intermediate rent but does not include affordable rented housing. <i>Home ownership products delivered through the HCA and their local Zone Agent, and intermediate rented housing. It does not include low cost market housing.</i> ” Definition of Nomination Agreement – Amend second line to read:	To bring the definitions up to date

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Para	Amendment	Reason
	<p>“...the Council's ability to access accommodation for <i>Eligible Persons including</i> applicants of the Council's Housing Register”</p> <p>Definition of PPS3 – Add new sentence:</p> <p><i>“The definition of affordable housing in the PPS was updated in 2011.”</i></p> <p>Definition of Preferred Partners – Delete and replace with:</p> <p><i>“Registered Providers of social housing who are subject to regulation by the Tenant Services Authority. Appendix 2 to this document shows those RPs who are the preferred partners of the Council.”</i></p>	

