# LOCAL DEVELOPMENT FRAMEWORK SUPPLEMENTARY PLANNING DOCUMENT

# **Affordable Housing**

Adopted 9 March 2006



"We aim to work towards decent and affordable homes for everyone, with a balance of private and social housing, which meets the needs of local communities and the economy."

Bexley's Community Strategy
Our Vision for Bexley 2003 - 2013



LOCAL DEVELOPMENT FRAMEWORK Supplementary Planning Document

## **Affordable Housing**

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### **Status of this Document**

'Affordable Housing' is a Supplementary Planning Document (SPD) within Bexley's Local Development Framework. It has been prepared to supplement the policies and proposals of the adopted Bexley Unitary Development Plan (UDP) 2004 and the London Plan (2004), which together form the development plan for the area. More detailed advice on how the policies are to be applied in individual planning applications is provided in this document. The guidance contained in this document is a material planning consideration when the Council considers planning applications.

This document has been prepared in line with the legislative requirements of the Planning and Compulsory Purchase Act 2004 and associated regulations and guidance, and has been subject to a Sustainability Appraisal.

Local Development Framework documents are available for purchase from the Planning Reception at Wyncham House, or can be ordered by telephone on 020 8308 8869. They can be viewed at the Council's Wyncham House office, Sidcup, the Civic Offices, Bexleyheath, all borough public libraries and online via the council website:

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### **National Guidance**

The policies relating to affordable housing in Bexley's Unitary Development Plan (UDP) 2004 have been prepared in accordance with current national planning guidance contained in Planning Policy Guidance 3 - Housing (PPG3) and Circular 6/98 - Planning and Affordable Housing. PPG3 states that:

UDP policies for affordable housing should define what the authority considers to be affordable in the UDP area in terms of the relationship between local income levels and house prices or rent for different types of households.

- 1.2 The important elements of PPG3 include:
  - Meeting the housing needs of the whole community by providing everyone with the opportunity of a decent home.
  - Providing a wide mix of housing to create mixed and balanced communities, including affordable housing.
  - Identifying both unmet and future needs by undertaking up to date, robust and continuous assessments of housing need. Policies should reflect local needs and circumstances.
  - Defining what is affordable in the local context and indicating how many affordable homes are needed.
  - Identifying sufficient sites to meet needs.
- 1.3 Circular 6/98, Planning and Affordable Housing, supplements PPG3 and includes the following:
  - A community's need for affordable housing is a material planning consideration. UDP's should ensure sufficient land is available for affordable housing.
  - Policies on affordable housing should be based on up to date assessments of need.
  - Councils should seek to involve Registered Social Landlords (RSLs) in the management of affordable housing. Where an RSL is involved in the development of a site, this can provide an effective way of achieving control over future occupancy;
  - Where exceptional local constraints can be demonstrated it may be appropriate to set threshold levels below 25 units.
- 1.4 In December 2005, the government published a draft Planning Policy Statement 3 -Housing (PPS3) for consultation purposes, as a proposed replacement for PPG3 and Circular 06/98. The 2005 consultation includes the following advice:

Local Development Documents (LDDs) should set out:

- an affordable housing provision target as a number or proportion of the overall level of housing provision;
- targets for social-rented and intermediate housing;
- the amount of affordable housing that will be sought on sites above the relevant threshold (the indicative national minimum threshold being 15 dwellings); and
- the size and type of affordable housing required.
- 1.5 It should be noted that the draft PPS3 does not include low cost market housing within the definition of affordable housing. This is at variance with the London Plan and Bexley's UDP. On publication of the final PPS3, the Council will review the position in relation to low cost market housing and determine whether it falls within the definition of affordable housing.

#### The London Plan

The London Plan was published by the Greater London Authority (GLA) in February 1.6 2004. It includes policies on affordable housing. Policy 3A.7 states that:

Boroughs should set an overall target for the amount of affordable housing provision in their area based on regional and local assessments of need and the Mayor's Londonwide target of 50% affordable housing as a proportion of all provision. Affordable housing provision should take account of the Londonwide objective of 70% social-rented housing and 30% intermediate provision. In setting the overall target, the following sources of affordable housing should be included:

- estate renewals:
- RSL developments;
- low cost market housing, where it can be shown to be affordable;
- private residential development negotiations secured through planning agreements or conditions:
- vacant properties brought back into use;
- provision from non-self-contained accommodation.
- 1.7 Affordable Housing is defined in the London Plan (Policy 3A.6) as:

Housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in their borough. Affordable housing comprises social housing, intermediate housing and in some cases, low-cost market housing.

- For the purposes of the London Plan (para 3.26) social housing and intermediate housing are defined as:
  - **Social housing** Housing provided by a landlord where access is on the basis of housing need, and rents are no higher than target rents set by the government for housing association and local authority rents.
  - Intermediate housing Sub-market housing which is above target rents, but is substantially below open market levels and is affordable by households on incomes of less than £40,000 (updated to a range of £16,400-£49,000 in the Mayor's Housing Supplementary Planning Guidance). The pan-London figure will be kept under review through the SPG both in terms of its quantum and distribution across boroughs. This category can include shared ownership, sub-market rent provision and key worker housing which meets this criterion. It may also include some low cost market housing where its price is equivalent to other forms of intermediate housing.
- 1.9 In negotiating affordable housing in individual private residential and mixed use schemes, Policy 3A.8 states that:
  - Boroughs should seek the maximum amount of affordable housing having regard to their affordable housing targets, the need to encourage rather than restrain residential development and the individual circumstances of the site.
  - Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other scheme requirements.

### **Bexley's Adopted Unitary Development Plan (UDP)**

- **1.10** Bexley Council completed its preparation of UDP policies prior to the publication of the London Plan. The UDP (2004) sets an indicative target of 35% affordable housing on private development sites above the threshold of 15 units. This was consistent with the Draft London Plan and the findings of the Three Dragons and Nottingham Trent University Study which recommended a target of 35% affordable housing for Bexley on private development sites based on its economic modelling.
- 1.11 The UDP does not set an overall target for the amount of affordable housing to be provided. The Council will seek to work towards the Mayor of London's strategic target of 50% affordable housing through the other forms of provision identified in the London Plan (Policy 3A.7), in particular, through 100% affordable housing schemes by Registered Social Landlords. In the year ending March 2005, 49% of housing completions were provided as affordable housing. The impact of the Council's policy on the achievement of affordable housing will continue to be monitored and the information used to review the policy as part of Bexley's Local Development Framework.

**1.12** The UDP sets out the following polices that are related to affordable housing:

Policy G3: Where appropriate, the Council will, by way of planning obligations or other legal agreements or otherwise as part of a scheme, seek appropriate benefits and/or commitments from a developer for affordable housing.

Policy G6: The Council will ensure that sufficient land is available to increase the Borough's housing stock by 5,320 dwellings in the period 1997-2016. A proportion of this should be housing to meet the needs of key workers and those people whose incomes are insufficient to enable them to afford adequate housing locally on the open market or who have special housing needs.

Policy G35: The Council will keep under review matters which may effect the development of the Borough or the planning of its development.

Paragraph 4.69 further states that one of the issues to be monitored will be: 'the need for and provision of affordable housing, by type of affordable housing, number of units, size and as a percentage of total number of units built.'

Policy H14: The Council will seek to secure the provision of affordable housing in suitable residential developments of 15 dwellings or more. Affordable housing is housing designed to meet the needs of households whose incomes are not sufficient to allow them decent and appropriate housing in the Borough. Affordable housing comprises social housing, intermediate housing and low cost market housing. Where the provision of affordable housing is for rent, it should be secured by a Registered Social Landlord and/or through legal agreements and integrated with general housing development in terms of access and design.

Supporting paragraph 6.29 states that: 'Having regard to local circumstances, under this policy, some 35% of homes on each site should normally be affordable housing. This target is indicative. It will be applied flexibly. It will be assessed using the GLA's Development Control Toolkit. The amount of affordable housing sought will depend on local constraints and the development costs that apply to a particular site. The amount of affordable housing, therefore, may be higher or lower than the indicative target.'

1.13 This Affordable Housing Supplementary Planning Document has been prepared to supplement the above policies and supporting text.

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### **Other Relevant Documents**

- **1.14** In addition to the national and regional guidance outlined above, there are other pieces of work relevant to the formulation of this SPD. They are:
  - The Bexley Housing Needs Study (2004)
  - Housing, the London Plan Supplementary Planning Guidance, Mayor of London, November 2005
  - Draft East London Sub-Regional Development Framework, Mayor of London, 2005
  - The 2001 Census
  - Housing Corporation Circular F2 42/98
  - Bexley Housing Strategy 2002 2006, Bexley Council
  - South East London Housing Strategy, South East London Housing Partnership
  - RSL and Developer Guide, South East London Housing Partnership, March 2005
  - Supporting People Strategy, Bexley Council
  - **Housing Annual Report**
- **1.15** When considering planning applications for affordable housing, the Council will have regard to these documents insofar as they are material considerations.

### **Housing Needs Study**

- Since the publication of the Unitary Development Plan (UDP) 2004, a Housing Needs Study for Bexley has been carried out. The study concludes, assuming the backlog of need is to be cleared in 10 years, that:
  - there is an overall requirement to provide a total of 739 additional dwellings each year in Bexley; and that
  - this total includes 365 additional affordable dwellings each year.
- 2.2 The London Plan 2004 identified an overall annual monitoring target of 280 additional homes per year in Bexley. The Draft London Plan Alterations (2005) sets out a revised monitoring target of 345 dwellings per annum. These targets are still well short of the required number of additional dwellings identified by the Bexley Housing Needs Study. Whilst the need for affordable housing equates to 50% of the overall requirement for new housing, affordable housing needs will only be met if the total dwelling completions significantly exceed both the existing and proposed London Plan housing targets.
- 2.3 Of the 739 dwellings required each year, the Bexley Housing Needs Study identified that 365 of those will need to be affordable. The type of affordable dwellings required has been estimated as 191 social rented, 169 shared ownership, with the remainder needing to be other forms of affordable housing, for example units rented at below market price levels. The table below shows these figures as rounded proportions of the overall requirement:

	Market	Social Housing	Shared Ownership	Other Affordable	Total
Amount	373	191	169	6	739
Percentage	50%	26%	23%	1%	100%

- 2.4 The study identifies a slightly greater need for social-rented housing as compared to intermediate forms of housing.
- 2.5 Further analysis of the affordability of the shared-ownership element, identifies that 76% of the households who can afford shared-ownership accommodation, could only afford a 25% share of the equity or less. It is likely that, if insufficient numbers of homes are provided at the lower equity levels, the need for social-rented accommodation will be higher.

- 2.6 Other important data on housing need that underlines the current problems and trends include the following:
  - The numbers on the common housing register have increased from 3592 in 2000 to 4528 in 2005, an increase of more than 26%. It is widely recognised that housing registers represent a considerable underestimate of true housing need.
  - The total number of Registered Social Landlord (RSL) lettings has fallen from 1039 in 2000 to **974** in 2003.

Number of Households on Housing Register as at April 1		
2000	3592	
2001	3596	
2002	3487	
2003	4265	
2004	4044	
2005	4528	

The number of homeless households in temporary accommodation in priority need has risen from 198 in 2000 to 377 in 2003, a 90% increase.

Number of Homeless Households in Temporary Accommodation in Priority Need as at March 31		
2000	198	
2001	180	
2002	129	
2003	300	
2004	321	
2005	377	

Only 14% of the total housing stock in Bexley is affordable housing, which is provided by RSLs. The other 86% is in the private sector.

# Approach to Affordable Housing

### **General Approach**

- **3.1** When implementing the Unitary Development Plan (UDP) 2004 policies, the Council's preferred approach, in general, will be to:
  - secure at least 35% of housing as affordable on private development schemes of 15 units or more, unless material considerations indicate otherwise;
  - ensure the type of affordable housing provided will meet an identified local need;
  - ensure the end cost of the housing remains genuinely affordable in the longer term;
  - ensure mixed and balanced communities will result; and
  - ensure economic viability of the scheme.

### **Types of Affordable Housing**

- 3.2 The UDP (Policy H14) defines Affordable Housing as: 'housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in the Borough. Affordable housing comprises social housing, intermediate housing and low cost market housing.'
- **3.3** Social housing is defined as in the London Plan (see Paragraph 1.8).
- 3.4 Intermediate housing is defined in the London Plan (as updated by the Mayor's Housing Supplementary Planning Guidance) as affordable to households with a household income between £16,400 and £49,000 per annum. However, in Bexley house prices are relatively low for London and households with an income of £33,000 or over can afford a one or two bedroom property on the open market. The following table demonstrates the 'threshold access' in Bexley, for each size of housing. This is based on lower quartile house prices.

	'Access Threshold' Incomes in Bexley		
	Lowest quartile house price Dec 2005 <sup>(i)</sup>	Income required	
1 bed	£94,870	£25,780	
2 bed	£120,698	£32,798	
3 bed	£147,899	£44,506	
4 bed	£210,548	£57,214	
5 bed	£227,875	£61,922	

3.5 Having regard to the relatively low house prices in Bexley, a local income threshold has been set in order to meet the needs of households who would not otherwise be able to

i Bexley Housing Needs Study, 2004, as updated by the Office for National Statistics Land Registry Data

- afford to buy a property locally. *Intermediate housing* with one or two bedrooms should be accessible to those households with an income of £33,000 and below and for larger units (three bedrooms and above), the income threshold will be £45,000 and below. These income levels for access to affordable housing will be regularly reviewed to ensure that they remain up-to-date and relevant.
- 3.6 The UDP (Paragraph 6.29) qualifies the definition of Affordable Housing by confirming that low cost market housing may be included where applicants can '...demonstrate that it is possible to access that housing on the resource levels set by the Housing Corporation guidelines.' The London Plan indicates that low cost market housing may be considered as part of the intermediate housing sector. Therefore, for low cost market housing to be affordable it will need to be provided at a cost (including any service charge) to the occupier no greater than other forms of intermediate housing.

### **Ensuring the Correct Type of Affordable Housing**

- 3.7 The London Plan has set a strategic target for affordable housing of 70% social housing and 30% intermediate provision. In Bexley, the Housing Needs Study identified the need for a 50:50 split between social and intermediate housing. However, the study findings show that the vast majority of those with the ability to afford 'intermediate' housing were at the lower end of affordability range for such schemes. In practice, it is unlikely that it will be possible to provide more than a small proportion of the intermediate housing at the lower end of the income range and, consequently, the majority will be reliant on social-rented housing. Furthermore, on the basis of current housing targets, there is an under-provision of affordable housing in relation to identified needs. The higher percentage of social rented housing will bring the numerical figure closer to the need for this high priority housing group. Added to this, the need to consider housing requirements beyond the borough boundary, it is considered that the Londonwide 70:30 target is appropriate in the Bexley context.
- 3.8 The Council will, therefore, seek to achieve a ratio of 70:30 social to intermediate affordable housing across the Borough as a whole. This ratio will be applied to private development sites in Bexley which give rise to a policy requirement for affordable housing, as far as is practicable.
- 3.9 On sites where a Registered Social Landlord is the developer, or where 100% of the site is to be provided as affordable housing, the appropriate form and mix of affordable housing type will be determined on a site-by-site basis having regard to the existing levels of affordable housing at the sub-ward level, the nature of the site and the type of housing most appropriate to it.
- **3.10** On small schemes, it may sometimes be impractical, for management reasons, to split the affordable housing into social and intermediate housing. To do so places additional costs on RSLs in the marketing and management of these properties and it may be more practical to provide the affordable housing as a single tenure. Private development schemes which give rise to less than 10 affordable units will usually be required to provide the

### Approach to Affordable Housing

affordable housing as 100% of either social-rented or intermediate. The type to be provided will be determined on a site-by-site basis having regard to the existing levels of affordable housing in the locality at a sub ward level, the nature of the site and the type of housing most appropriate to it. In making a judgement on the appropriate form of affordable housing, the Council will take into account the need to achieve a 70:30 ratio of social to intermediate housing across the borough as a whole. Appendix 2 identifies the existing social rented percentage in each ward. The Council will be guided by this information in determining the form of affordable housing on small schemes, but further advice should be sought from Council Officers.

### **Specific Needs**

- 3.11 The London Plan requires that special needs housing, including sheltered housing for the elderly, should be provided for, in line with local needs (Policy 3A.10). The UDP also supports proposals for special housing needs (Policy G4). The Council is keen to encourage a range of housing to meet the needs of specific groups, across all tenures and income groups.
- **3.12** Sheltered dwelling proposals are subject to other residential policies (Policy H15 of the UDP). This means that such schemes will be subject to a requirement for affordable housing, as per the Council's Affordable Housing Policy (Policy H14) of the UDP and the further guidance provided in this document.
- **3.13** Where the Council receives planning applications for a 'market' sheltered housing scheme, an element of affordable housing will, therefore, be sought. The Council's preferred approach will be as follows:
  - The housing department will confirm whether or not there is a need for affordable sheltered accommodation. If there is, the required amount of affordable housing will be sought as sheltered accommodation on-site with separate communal facilities being provided.
  - If there is no identified need for affordable sheltered housing, the developer will be required to provide an element of general needs or other forms of special needs affordable housing on-site, through re-design exercises if necessary.
- **3.14** Developers are advised to discuss with both Housing and Planning Officers of the Council, at an early stage of sheltered housing schemes, how affordable housing will be integrated into these schemes.

### **Funding Affordable Housing**

**3.15** The Council recognises that, over and above the cross-subsidy generated by the housing market element of the scheme, the affordable housing provided as part of market housing developments may require some public subsidy in order for a development to be

- feasible. The research conducted by the Three Dragons and Nottingham Trent University (London Plan Technical Report 1) concluded that, in Bexley, 35% affordable housing as part of market schemes was only viable when public subsidy was used.
- **3.16** A table is provided at Appendix 1 showing the price per unit of affordable housing (inclusive of parking or garage space, where appropriate), that is to be paid to the developer by the RSL, according to the size of the unit. The table assumes that an element of grant funding is required to make the schemes financially viable but also that there will be some cross-subsidy from the market element of the scheme. This formula is intended to enable developers to buy land and develop schemes with a greater degree of financial certainty and viability and to speed up the process of negotiation. It also provides clarity to RSLs as to the level of subsidy they would need to secure for a scheme.
- 3.17 The formula in the table is based on 80% of Total Cost Indicators (TCIs), as previously utilised by the Housing Corporation, minus the on-costs of development to the RSL. As TCIs are no longer updated by the Housing Corporation, these will be updated annually by the Council in line with appropriate indices.
- **3.18** The table applies equally to both social-rented housing and intermediate housing. Whilst it is recognised that intermediate housing has higher levels of return than social-rented housing, the formula takes into account a lower level of grant funding which may be available for intermediate schemes and the possibility of no grant at all for these elements of the scheme.
- **3.19** It is anticipated that, in the majority of cases, some grant funding from the Housing Corporation will be available. The decision to provide grant funding rests, however, with the Corporation, which requires that the assessment of grant funding is site specific and must provide additionality. The allocation of grant funding is on a competitive basis. Where grant funding is not available, and the RSL is unable to fund the development at the cost per unit given in the table, the Council will seek to reach an agreement with the RSL whereby the same number of units are provided but with a revised tenure mix. In the last resort, the Council will enter into negotiations with the developer, whereby a lower number of units are provided as affordable housing, at a reduced cost per unit to the RSL.

### **Long Term Management, Affordability and Occupancy Controls**

- **3.20** The Council wishes to see the affordable housing come forward as quickly as possible. On development sites the Council will therefore seek to secure, through a Section 106 Agreement, the completion and transfer of affordable housing dwellings prior to the occupation of a specified number or percentage of dwellings to be sold on the open market. The market dwellings to be occupied in advance of completed affordable housing being transferred to an RSL will usually be no more than 50% of the units.
- **3.21** The Council will require an appropriate mechanism to be in place to ensure that the affordable housing provided remains both affordable and available to those in local housing need in the longer term. Policy H14 states that where the housing is for rent it should be

- secured by an RSL. This ensures that the housing is enjoyed by successive as well as initial occupiers of the property at an appropriate price.
- **3.22** Developers are now also able to apply for a Housing Corporation grant directly. The Council will seek to ensure through legal agreements that affordable housing provided in this way is available to successive occupiers who are in need of affordable housing, at an affordable price. The appointment of an RSL to manage affordable housing on any given site should be an effective way of controlling occupancy without the need for additional occupancy controls. It is recommended that the skills and experience of RSLs be employed at an early stage of the design process to ensure that future effective management of the affordable scheme can be properly considered.
- **3.23** It is recognised that the provision of affordable housing involving an RSL is not the only means of provision. Where it is proposed that there be no RSL involvement, a legal agreement will be used to ensure affordability levels and to control occupancy to those in need of affordable housing, both initially and subsequently.

### On-Site, Off-Site or Cash In-Lieu

- **3.24** The Council's preference is to seek the provision of any appropriate element of affordable housing on-site, in accordance with paragraph 24 of Circular 6/98 - Planning and Affordable Housing. This states that:
  - Where a local planning authority considers, having regard to the policy in this Circular, that certain sites are suitable for inclusion of an element of affordable housing and an applicant does not make such provision as part of the proposed development, such a failure could justify the refusal of planning permission.
- **3.25** However, Circular 6/98 allows for a financial contribution to be paid to the Council 'in-lieu' of an element of affordable housing. In accordance with paragraph 22 of Circular 6/98, such arrangements will only be acceptable where 'the local authority and the developer' both agree it is appropriate. The circumstances where such an arrangement is likely to be appropriate will be exceptional. Examples of exceptional circumstances will include where there are existing concentrations of particular types of social housing and there are demonstrable benefits to be gained by providing new units in a different location, such as to create more socially mixed communities, or to provide a particular type of housing, such as family housing.
- 3.26 Consideration will normally only be given to off-site provision where appropriate alternative site or sites have been identified and where the project is deliverable prior to the on-site market development being completed. In those cases where on-site provision is agreed to be inappropriate, the Council's preference is for off-site provision on an identified site in preference to cash-in-lieu payment. This will help to secure the affordable housing being deliverable within timescales commensurate with the development of the 'parent' site.

3.27 In those cases where an off-site or cash in-lieu approach is deemed appropriate, the arrangement will need to reflect the fact that the facilitating or 'parent' site will be developed for 100% private market housing. The worked example below shows how, applying the indicative target of 35%, the approach will work.

	Total units on parent site	Market	Affordable	Total No. of units	% affordable
On-site example	100	65 on-site	35 on-site	100	35%
Off-site example	100	100 on-site	54 off-site	154	35%

- **3.28** Where the affordable housing provider is to develop the off-site provision, the developer contribution will be based on the difference between the cost of developing the affordable housing unit and the amount paid by an RSL for an on-site unit, as shown in Appendix 1.
- 3.29 In those exceptional cases where cash in-lieu is considered to be the appropriate method for providing affordable housing, the preferred approach, for determining the sum, will be to apply the following formula on a case by case basis:

### Market Value minus the amount to be paid by an RSL for an on-site unit, as shown in Appendix 1

**3.30** Such instances are likely to be relatively rare because in most cases on-site provision will be the most appropriate. In these cases an independent valuation of market value, together with supporting evidence, will be required from the applicant. The Council will appraise evidence of values submitted by applicants. The following worked example indicates how the approach will work:

Taking a typical 3 bedroom (75 m²) unit as an example:		
The market value <sup>(ii)</sup> is:	£185,188	
less the amount the RSL would pay developer for on-site unit:	£113,980	
Thus, £185,188 minus £113,980 equals:	£71,208	

This is the developer's contribution per unit of affordable housing for both social-rented and intermediate.

The number of units to be funded will be determined in line with off-site formula for provision, as shown in the table above.

### Approach to Affordable Housing

### **Habitable Rooms or Units**

**3.31** When applying the indicative target of 35%, the Council will seek to ensure it relates to a percentage of homes as required by policy. However, there may be cases where the percentage will relate to habitable rooms rather than units. This could be where, for example, the mix of affordable units differs from that of the market housing. For the purposes of calculating the number of habitable rooms, the Council will treat large rooms, that is, rooms with a net internal floor area of 28 m<sup>2</sup> and above, as two habitable rooms.

#### The Mix of Units

**3.32** The size of units required will vary from year to year as needs change. In order to be responsive to changing identified needs the Council will seek to ensure that the size of units provided as affordable units will meet current requirements.

No. of bedrooms <sup>(iii)</sup>	Persons	Mix
1 bed	2	8%
2 bed	4	45%
3 bed	5	30%
4 bed +	7	17%

3.33 It will generally be inappropriate to apply this affordable housing mix to individual sites. Nonetheless, regard will be had to these proportions when negotiating the mix on individual sites, and the Council will seek to achieve this mix across the Borough as a whole. The Council will normally seek a proportion of 3 bedroom affordable units within flatted schemes so as to ensure that the borough wide mix is achieved. Given the shortage of sites suitable for family houses, any such sites coming forward, for example those outside town centres, will be expected to provide affordable houses predominantly as 3 and 4 bedroom units. The Council will monitor the mix being achieved across the borough and seek to ensure that individual schemes are contributing to the appropriate borough wide mix. These proportions will be regularly reviewed.

### Standards for Affordable Housing

**3.34** Affordable housing will be required to comply with Housing Corporation Scheme Development Standards, Ecohomes Very Good standard and Secured by Design standards. The housing should also comply with all relevant UDP/Local Development Framework policies and standards, as well as that of Supplementary Planning Documents

(SPDs), such as Design for Living, Bexley's Residential Design Guide SPD, and the forthcoming Sustainable Design and Construction SPD. The same design considerations will be applied to the affordable housing as to the open market housing. The type and tenure of housing should not be discernible from the exterior.

- 3.35 The Housing Corporation Scheme Development Standards (April 2003 edition), including Housing Quality Indicators.
- 3.36 The London Plan expects all new housing to be built to Lifetime Homes standards and the Council will seek to ensure all affordable housing is built to this standard. The London Plan also requires Boroughs to seek to ensure 10% of new housing is either designed to be wheelchair accessible or is easily adaptable for wheelchair users. Accordingly, the Council will generally expect 10% of the affordable housing to be accessible to wheelchair standards (consistent with LB Greenwich Wheelchair Homes Design Guide) unless the site is not appropriate for this form of housing. The Mayor's Accessible London SPG provides further guidance.

### **Thresholds**

- 3.37 Bexley's UDP sets a threshold of 15 units at and above which there is a requirement for affordable housing. The requirement for affordable housing applies equally to sites that are artificially sub-divided or phased. The Council will seek to ensure that proposals deliberately designed to circumvent the threshold will not be accepted. For example, schemes below 15 units, which are clearly part of the first phase of a larger development over the threshold, will be considered suitable for an element of affordable housing, and 35% of the units will be sought as affordable housing.
- **3.38** In considering the size threshold, the Council will take into account the potential capacity of the site, bearing in mind UDP and London Plan policies and guidance in SPDs in relation to density and design of development. Proposals will be judged as to whether or not a development makes the best use of land. Planning Policy Guidance 3 - Housing (PPG3) advises Local Planning Authorities (LPAs) to make the most efficient use of land and therefore any scheme which would result in an 'under-development' will be resisted and a revised scheme will be sought.
- **3.39** When the mathematics of applying the indicative target means that the proportion of affordable housing would be a fraction of a unit, the approach will be to round to the nearest whole unit, with 0.5 being rounded up.

### Approach to Affordable Housing

### Site Suitability

- **3.40** In considering the suitability of a site to provide affordable housing, the Council will also have regard to the particular costs associated with development and developers' assistance will be requested in providing financial information about the proposed development.
- **3.41** A developer should, however, take affordable housing provision and other known requirements and constraints into account when negotiating the purchase of land. The Council will consider abnormal site costs associated with the development that could not reasonably have been anticipated in advance. These occasionally may justify a reduction in the level of affordable housing provision. The Council will expect a full financial appraisal to be submitted on a confidential basis and may seek independent viability advice on both costs and values. It will also, as stated in policy, apply the Greater London Authority (GLA) Development Control Toolkit to assist in determining applications as one of the methods of assessment. Other appropriate methods may be used. Standard development costs that will not be considered as abnormal include:
  - Demolition;
  - Landscaping;
  - Surveys e.g. archaeological or ecological;
  - Drainage or flood prevention measures; and
  - Noise abatement measures, i.e. earth bunds, etc.
- **3.42** Where there is a potential conflict between different objectives, the Council will review the relative priority of the obligations sought.
- **3.43** There may be cases where there is an extant planning permission with no requirement to provide affordable housing and a fresh planning application is submitted for a revised scheme. If the site is suitable for affordable housing, having regard to the policies of the UDP, the Council will seek to secure an element of affordable housing in accordance with those policies and this SPD. The extant planning permission will be a material consideration, but in most cases it is anticipated that the policies of the UDP will have primacy.
- 3.44 For the avoidance of doubt, where a proposal involves the redevelopment of an existing residential site it will be the gross number of units, i.e. the number of units proposed in the application, which will determine whether the site is above or below the threshold for seeking an element of affordable housing.

### Integration of Affordable Housing

- **3.45** Policy H14 and paragraph 6.29 of the UDP requires the integration of affordable housing within general market development, in terms of access and design, so as to encourage the development of mixed, balanced and inclusive communities. The mixing of affordable tenure types within the market housing will be encouraged.
- **3.46** The Council will seek the highest practical level of integration, whilst still achieving affordability. Developers should discuss maintenance and management issues with the partner RSL at an early stage in the design process, so as to ensure that the design promotes cost efficient maintenance. However, it is recognised that, particularly with flatted development, management issues may impact on the degree of integration.

### **Service Charges**

- **3.47** Service charges must be set at a level whereby the accommodation is still affordable. The Mayor of London's Housing SPG advises that in the case of social rented housing, service charges should not be so great as to make a tenancy unaffordable for a household with an income of less than £16,400 on the basis of rents and service charges not exceeding 30% of net household income.
- **3.48** In the case of intermediate housing, the Mayor of London's SPG advises that the accommodation and service costs should be no greater than 40% of net household income. As an indication, at the midpoints of the two intermediate housing scales that relate respectively to 1 and 2 bedroom flats and 3 or more bedroom units (see Para 3.5 above), the monthly costs inclusive of service charges would be as follows:

### 1 and 2 bed flats

Income range: £16,400 - £33,000, midpoint £24,700 Housing costs including service charges: £576 per month

#### 3 or more bedroom units

Income range: £16,400 - £45,000, midpoint £30,700 Housing costs including service charges: £716 per month

**3.49** These calculations assume housing at 40% of net income and net income is assumed to be 70% of gross income.

# Approach to Affordable Housing

### **Pre-Application Discussions**

- **3.50** This guidance aims to provide a significant amount of certainty for private developers and RSLs on a range of matters relating to the provision of affordable housing. This includes, the:
  - amount of affordable housing to be provided;
  - type of affordable housing to be provided (social-rented / intermediate mix);
  - size of units to be provided;
  - cost per unit to the RSL / income per unit to the developer; and the
  - development standards to be applied to the affordable housing.
- **3.51** Nonetheless, the Council strongly encourages pre-application discussion with housing and planning officers on these matters to ensure that proposals are appropriate to the specific site.
- 3.52 The Council operates a preferred partnership arrangement for the delivery of affordable housing by RSLs. Council housing officers will be able to advise and assist in contacting an appropriate RSL. Once the principle of the appropriate amount and type of affordable housing is established, developers should make early contact with the RSL and work closely with them to ensure that funding requirements are met.
- **3.53** Council planning officers, in consultation with housing officers, can offer the following advice at pre-application stage:
  - advice on the appropriate amount and mix of affordable housing;
  - advice on the standard and quality of the proposed housing, design, layout and other development control matters;
  - the Heads of Terms that a Section 106 Agreement will need to cover;
  - advice on RSL for partnership working;
  - advice on the likely availability of funding for the RSL units;
  - size of units appropriate to particular site;
  - exceptions to normal requirements; and
  - economic appraisal.
- **3.54** Where an RSL is not involved in the delivery of affordable housing, developers should additionally seek advice from planning and housing officers on:
  - management and maintenance arrangements / service charges for occupiers of the affordable housing; and
  - arrangements for retaining the housing as affordable for successive occupiers.

### **Submitting a Planning Application**

- **3.55** At the time of submission, a planning application which includes a policy requirement for affordable housing will need to include details which demonstrate that the affordable housing is deliverable. This includes the number, size, type and location of the affordable housing in the scheme. If an RSL is to be involved, their details and confirmation of their involvement should also be provided. It is expected that an RSL's requirements will have been designed into the scheme. Where the RSL has not been involved at an early stage and, consequently, significant changes are required at a later stage, this could result in the need for a fresh application to be submitted, or for neighbouring properties to be consulted on amendments.
- 3.56 Where an RSL is not to be involved in a scheme, additional information will need to be supplied on arrangements for allocation of properties, management arrangements and service charges and arrangements for passing on the affordable housing to successive occupiers. Council Officers can advise on housing allocations for social-rented units and the South East London Housing Partnership Zone Agent keeps information on those seeking intermediate housing in the area.

### **Securing the Affordable Housing**

- 3.57 The Council aims to start discussions on legal agreements relating to affordable housing at an early stage in the process so as not to delay the granting of approval. Applicants are advised to agree the Heads of Terms with the Council at the pre-application stage. This would normally cover the following issues:
  - terms of transfer from developer to the RSL;
  - location of affordable units on the site:
  - timing of the provision of the affordable housing units:
  - number, tenure and size of the affordable housing units; and
  - standards which the affordable housing units are to meet, including Housing Corporation 'Scheme Design Standards.'

### A Guide to the Developer's Contribution Towards Provision of Affordable Housing (Social Rented and Intermediate)

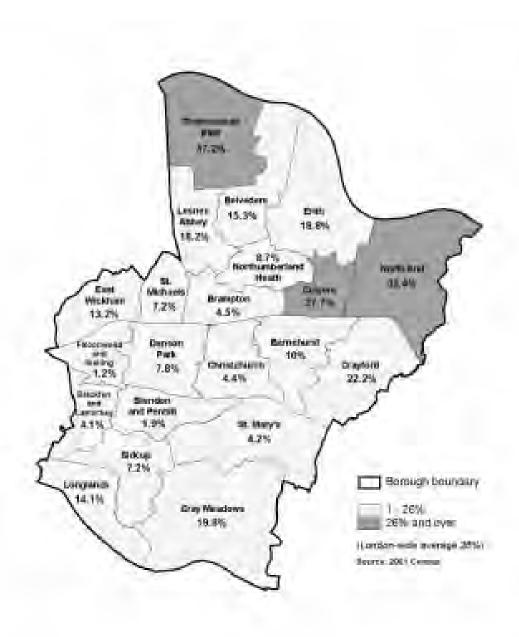
The table below shows how the Council determines the calculation of the potential financial implications of its affordable housing policies. The final column shows the amount to be paid by the RSL to the developer for a specific size of unit (inclusive of parking or garage space), for both social rented and intermediate housing.

Since the Housing Corporation no longer operates a Total Cost Indicator (TCI) system, the figures will be updated annually using BCIS building prices.

Dwelling Area (m² gross internal)	TCI (100%) (£)	T - TCI minus on-cost allowances at 12% (£)	80% x TCI minus allowances (12%)  - the amount an RSL will pay a developer for both social rented and intermediate housing (£)
45 - 50	118,117	103,943	83,154
50 - 55	127,343	112,062	89,649
55 - 60	136,463	120,088	96,070
60 - 65	145,583	128,113	102,491
65 - 70	154,703	136,139	108,911
70 - 75	163,824	144,165	115,332
75 - 80	173,473	152,657	122,125
80 - 85	182,064	160,216	128,173
85 - 90	191,184	168,242	134,594
90 - 95	200,421	176,370	141,096
95 - 100	209,541	184,396	147,517
100 - 105	218,661	192,422	153,937
105 - 110	227,781	200,447	160,358
110 - 115	236,901	208,473	166,778
115 - 120	246,021	216,499	173,199

### **Notes**

- Total Cost Indicator (TCI) based on 2003/04 tables, adjusted to March 2006 costs using BCIS quarterly review of building prices.
- 2. Measurements are expressed as 'gross internal' as per the Housing Corporation's definition.
- Currently allowances are set at 12% 3.



Affordable Housing	Housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in the borough.
Baseline Information	This is information gathered to describe current conditions, and which future changes will be measured against.
Circular	A government guidance publication setting out procedural matters and guidance.
Core Strategy	A Development Plan Document that sets out the long-term spatial vision for the local planning authority's area, with objectives and policies to deliver that vision.
Development Plan	An authority's Development Plan consists of the relevant Regional Spatial Strategy and the Development Plan Documents contained within its Local Development Framework (or the UDP until these are produced).
Development Plan Document (DPD)	Spatial planning documents that form part of the Local Development Framework. They are subject to independent examination and, together with the relevant Regional Spatial Strategy, forms the Development Plan for the local authority area.
Environmental Impact Assessment (EIA)	A generic term used to describe environmental assessment as applied to projects. Used in this document to refer to the type of assessment required under the European Directive 337/85/EEC.
Local Development Document (LDD)	Any document making up part of the Local Development Framework (LDF).
Local Development Framework (LDF)	Introduced by the Planning and Compulsory Purchase Act (2004) as the replacement for Local Plans / Unitary Development Plans. It is the term to describe the whole portfolio of planning policy documents (Local Development Documents) setting out the planning strategy and policies for the Borough.
Local Development Scheme (LDS)	A project plan that outlines every Local Development Document that the Council intends to produce along with the timetable for their preparation.
Planning Obligations (Section 106 Agreements)	Section 106 of the Town and Country Planning Act 1990 allows a Local Planning Authority (LPA) to enter into a legally-binding agreement or planning obligation, with a land developer over a related issue. The obligation is sometimes termed as a 'Section 106 Agreement.' S106 Agreements can act as a main instrument for placing restrictions on the developers, often requiring them to minimise the impact on the local community and to carry out tasks, which will provide community benefits.

Planning Policy Guidance (PPG)	Issued by central government setting out its national land use policies for England on different areas of planning. These are gradually being replaced by Planning Policy Statements.
Planning Policy Statement (PPS)	Issued by central government to replace the existing Planning Policy Guidance notes in order to provide greater clarity and to remove from national policy advice on practical implementation, which is better expressed as guidance rather than policy.
Registered Social Landlord (RSL)	Housing Associations registered with the Housing Corporation. RSLs facilitate the provision of affordable housing.
Statement of Community Involvement (SCI)	A document outlining how the authority will consult and engage with the community on developing the Borough's plans.
Sustainability Appraisal (SA)	A tool for appraising the likely impact of policies, plans, programmes and sustainability objectives from an environmental, economic and social perspective. It fully incorporates the requirements of the SEA Directive.
Strategic Environmental Assessment (SEA) Directive	Internationally used term to describe environmental assessment as applies to policies, plans and programmes. The European SEA Directive (2001/42/ec) requires a formal 'environmental assessment of certain plans and programmes, including those in the field of planning and land use.'
Supplementary Planning Document (SPD)	Provides additional guidance and explanation of policies and proposals within the Development Plan. It does not form part of the Development Plan and is not subject to independent examination.
Supplementary Planning Guidance (SPG)	Supplementary Planning Guidance may cover a range of issues, both thematic and site specific and provide further details of policies and proposals in a development plan.
Sustainable Development	The most common definition is from the Bruntland Commission (1987) – "Development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs".
Unitary Development Plan (UDP)	The Council's current land use planning document, which is the development plan for the Borough alongside the London Plan. Bexley's UDP was adopted on 28 <sup>th</sup> April 2004, and will ultimately be replaced by the Local Development Framework.

ਜੇਕਰ ਤੁਸੀਂ ਕੌਂਸਲ ਦੁਆਰਾ ਪ੍ਰਦਾਨ ਕੀਤੀਆਂ ਜਾਣ ਵਾਲੀਆਂ ਸੇਵਾਵਾਂ ਬਾਰੇ ਵਧੇਰੇ ਜਾਣਕਾਰੀ ਲੈਣਾ ਚਾਹੁੰਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੀ ਅਨੁਵਾਦ ਦੀ ਸੇਵਾ ਨੂੰ 01322 356462 ਤੇ ਟੈਲੀਫ਼ੋਨ ਕਰੋ। ਤੁਹਾਡੇ ਫ਼ੋਨ ਦਾ ਜਵਾਬ ਆਨਸਰਿੰਗ ਮਸ਼ੀਨ ਰਾਹਿਂ ਦਿੱਤਾ ਜਾਏਗਾ। ਕਿਰਪਾ ਕਰਕੇ ਆਪਣਾ ਨਾਮ, ਟੈਲੀਫ਼ੋਨ ਨੰਬਰ, ਜਿਨ੍ਹਾਂ ਸੇਵਾਵਾਂ ਵਿਚ ਤੁਹਾਡੀ ਰੂਚੀ ਹੈ ਅਤੇ ਉਹ ਭਾਸ਼ਾ ਜਿਹੜੀ ਤੁਸੀਂ ਚਾਹੁੰਦੇ ਹੋ ਦੁਭਾਸ਼ਿਆ ਪ੍ਰਯੋਗ ਕਰੇ, ਉਹ ਛੰਡ ਦਿਓ। ਜਿਨ੍ਹੀਂ ਛੇਤੀ ਸੰਭਵ ਹੋਇਆ ਕੋਈ ਵਿਅਕਤੀ ਇੰਟਰਪ੍ਰਿਟੇਸ਼ਨ ਸਰਵਿਸ ਤੋਂ ਤੁਹਾਡ ਨਾਲ ਸੰਪਰਕ ਕਰੋਗਾ (ਕੋਰੋਗੀ)

કાઉન્સિલ પ્રદાન કરે છે તે સેવાઓ વિષે જો તમારે વધારે માહિતી જોઇતી હોય તો, મહેરબાની કરી અમારી દુભાષિયાની સેવાનો 01322 356462 પર સંપર્ક કરો. તમારા ફોનનો જવાબ આન્સરીંગ મશીન દ્વારા આપવામાં આવશે, મહેરબાની કરી તમારું નામ, ટેલિફોન નંબર, તમારી પસંદની સેવા અને કઇ ભાષામાં દુભાષિયાનો ઉપયોગ કરવા માંગો છો તે બતાવો.ઇન્ટરપ્રિટેશન સર્વિસ (દુભાષિયાની સેવા) તરકથી તમારો બને તેટલી જલ્દી કોઇ સંપર્ક કરશે.

কাউন্সিল যে সকল সার্ভিস দিয়ে থাকে, সে সম্পর্কে আপনি আরো জানতে চাইলে, দয়া করে 01322 35 6462 নমুরে আমাদের ইন্টারপ্রিটিং সার্ভিস-এ ফোন করুন। আপনার প্রশ্নের উত্তর একটি আনসারিং মেশিন থেকে পাবেন, দয়া করে আপনার নাম, টেলিফোন নমুর, আপনি যে সার্ভিস সম্পর্কে জানতে আগ্রহী এবং যে ইন্টারপ্রিটার বা দোভাষীর ভাষা আপনি ব্যবহার করতে চান সে সম্পর্কে খবরাখবর দিন। ইন্টারপ্রিটিং সার্ভিস থেকে আপনার সাথে আমাদের একজন অতি সভুর যোগাযোগ করবেন।

यदि आप कौंसिल द्वारा प्रदान की जाने वाली सेवाओं के बारे में अतिरिक्त जानकारी लेना पसंद करेंगे तो कृपया हमारी अनुवाद की सेवा को 01322 356462 पर टेलीफ़ोन करें। आपके फ़ोन का उत्तर आन्सिर्ग मशीन द्वारा दिया जायेगा। कृपया अपना नाम, टेलीफ़ोन नम्बर, जिन सेवाओं में आप रूचि रखते हैं और वह भाषा जो आप चाहते हैं दुर्भाषिया प्रयोग करे, वे छोड़ दें। जितनी जल्दी संभव हुआ कोई व्यक्ति आपको इन्टर्राप्टरेशन सर्विस से सम्पर्क करेगा करेगा।

اگر آپ بیکسے کونسل کی فدمات کے بارے میں مزید معلوات حاصل کرنا پشد کرتے ہوں۔ تو برائے مہر بانی ہمارے ترجمان کی خدمات کے بارے 01322 356442 کوئوں کیجئے، جس کا جواب مشین سے ہی دیا جائے گا۔ برائے مہر بانی اپنا نام ہتہ و ٹیک فون نمبر خرور ویجئیے گا، ساتھ میں کی خدمات میں آپ ولیچی رکھتے ہیں، کس زبان میں جواب پسند کریں گے، باقی آنسرنگ مشین پرچوڑوں۔ اگر ضرورت بوئی تو کوئسل کا کوئی فسر آپ ہے رابط قائم کرے گا۔

如果你希望知道更多有關區政府屬下提供的服務,請聯絡我們的翻譯服務部電話是 01322 356462。你將會由電話錄音機接聽,請在電話錄音機內留下你的姓名,電話號碼,你所感興趣的服務和你希望用那種語言來翻譯。翻譯服務部將會派人盡快與你聯絡。

Nếu bạn cần biết thêm về các dịch vụ do Hội Đồng cung cấp, xin diện thoại tới Dịch Vụ Thông Dịch số **01322 356462** Khi gọi đến bạn sẽ nghe thấy tiếng máy tự động trả lời. Bạn hãy để lại tên, số điện thoại của bạn và nói rõ là bạn muốn biết thêm về những dịch vụ gì và muốn thông dịch dùng ngôn ngữ nào. Nhân viên của Dịch Vụ Thông Dịch sẽ liên hệ với bạn vào cơ hội sốm nhất.

Eğer Belediye'nin sağladığı servislerle ilgili daha fazla bilgi edinmek isterseniz, lütfen Tercüme Servisi'ni 01322 356462 numaralı telefondan arayın. Aradığınızda karşınıza tele-sekreter çıkacaktır. Lütfen adınızı, telefon numaranızı, bilgi edinmek istediğiniz servisleri ve ana dilinizi söyleyiniz.Tercümanlık Servisi'nden bir kişi sizle en kısa zamanda temasa geçecektir.

Zadzoń pod numer tel. 01322 356462 po informację dotyczącą serwisu tłumaczy dostarczaną przez Council Twój telefon będzie odebrany przez automatyczną sekretarkę. Prosimy zostawić nazwisko, numer telefonu, jęzky i usługi z których chcesz korzyatać. Urzędnik z serwisu tłumaczy skontaktuje się z Tobą jak tylko to będzie możliwe.

Si desea más información acerca de los servicios que el ayuntamiento ofrece, por favor llame a nuestro Servicio de Interpretación en el 01322 356462. Su llamada será atendida por un contestador automático; por favor deje su nombre, número de teléfono, el servcio en el cual está interesado y el idioma que desea que el intérprete utilice. Alguien del servicio de interpretación se pondrá en contacto con usted tan pronto como sea posible.

