



# Meeting Housing Needs Supplementary Planning Document



# Meeting Housing Needs Supplementary Planning Document

This Supplementary Planning Document was approved by Lancaster City Council's Cabinet on 22nd January 2013 and was formally adopted by the Council on 7th February 2013.

This SPD has been prepared by the Planning and Housing Policy Team. If you would like to discuss the content of this document please contact:

**Planning and Housing Policy Team, Regeneration and Planning Service, PO Box 4, Town Hall, Dalton Square, Lancaster LA1 1QR**

**Tel: 01524 582383**

**Email: [planningpolicy@lancaster.gov.uk](mailto:planningpolicy@lancaster.gov.uk)**

If you would like a large print version of the text of this document or, if you need assistance with translating the text of this document, please contact the Planning and Housing Policy Team on 01524 582383.

## Contents

Glossary.....	2
Non-technical Summary .....	13
Chapter 1: Introduction.....	14
Chapter 2: Housing Delivery .....	20
Chapter 3: Market Housing Needs .....	22
Chapter 4: Affordable Housing Needs .....	25
Chapter 5: Rural Housing Needs .....	38
Chapter 6: Housing Needs of Older People and People with Disabilities .....	43
Chapter 7: General Guidance .....	45
Appendix 1: Affordable Housing Requirements Checklist .....	50
Appendix 2: Affordable Housing Fund.....	51
Appendix 3: Affordable Housing Statement Templates .....	53
Appendix 4: General Guidance for Financial Viability Appraisals.....	56
Appendix 5: Section 106 Unilateral Undertaking Template.....	59
Appendix 6: Sample Nominations Agreement and Local Connection Criteria.....	65
Appendix 7: Key Contacts.....	68

## Glossary

This glossary explains the terms and references used in this document, which in some cases compliment the definitions in Annex 2 of the National Planning Policy Framework (NPPF). It does not seek to replace terms described within the NPPF and therefore should be read in conjunction with it.

**Adoption** - The point at which the final version of the Supplementary Planning Document (SPD) is approved by the council's Cabinet for implementation.

**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** - 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.

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

**Affordable Housing Viability Study** - A study carried out by Adams Integra on behalf of the council in 2009. It 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.

**Amenity** - A positive element(s) that contribute to the overall character or enjoyment of an area, e.g. open land, trees, historic buildings and their settings, or less tangible factors such as tranquillity.

**Area Action Plan** - A Development Plan Document which relates to a specific area or place.

**Area of Outstanding Natural Beauty (AONB)** – A precious landscape whose distinctive character and natural beauty are so outstanding that it is in the nation's interest to safeguard them. There are two areas in the district with this designated status: Arnside and Silverdale AONB and the Forest of Bowland AONB. Each AONB has been designated for special attention by reason of their high qualities. These include their flora, fauna, historical and cultural associations as well as scenic views. The AONBs were created by the legislation of the National Parks and Access to the Countryside Act of 1949.

**Brownfield** - 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.

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

**Code for Sustainable Homes** – The Code is a national standard for sustainable design and construction of new homes that was introduced by government in 2006. The use of the Code is voluntary, however it can be enforced by the councils through local planning policies and the Level 3 energy standard is now incorporated in Building Regulations. The HCA also requires affordable homes they have funded to reach Level 3 of the Code. The Code measures the whole home as a complete package, assessing its sustainability against nine categories: energy/carbon dioxide; water; material; surface water run-off; waste; pollution; health and well-being; management; and ecology.

**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.

**Commuted sum** – See Financial contribution.

**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. The Lancaster District Core Strategy was adopted in summer 2008.

**Development cost** - This is the cost associated with the development of a scheme and includes professional fees (engineering, design, project management), contingencies, sale agency fees, legal fees on unit sales and of course build costs (materials, labour, etc).

**Development Plan Document (DPD)** - Spatial planning documents which are prepared by the local planning 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, with the discount applicable to the first and subsequent occupiers. 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.

**Financial contribution** - A payment made by a developer or landowners instead of providing the planning-led affordable housing requirement on the site of the market (private sale) housing scheme. Also known as a commuted sum, or payment in lieu of affordable housing.

**Financial Viability Appraisal** - For the purposes of this SPD a financial viability appraisal is required as evidence to demonstrate that an affordable housing contribution would have a negative impact on the viability of a proposed development. This is also known as a development appraisal.

**Fuel poverty** - This occurs when a home cannot be heated to a comfortable level by spending 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** - Land which has not been previously developed on, greenfield land is often but not exclusively characterised by open countryside and agricultural land.

**Gross Development Value (GDV)** - The amount the developer ultimately receives on completion or sale of the scheme. This can be open market sales alone or a combination of those and the receipt from a registered provider for completed affordable dwellings - before all costs are subtracted.

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

**Growth and Infrastructure Bill** – Legislation to remove bureaucracy and enable sustainable growth. Measures include improvement and removal of unnecessary processes or

requirements so the planning system is simpler and faster and supports sustainable growth. It is intended that the Bill will help to drive implementation of the National Planning Policy Framework.

**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 (HCA)** - The national housing and regeneration agency for England. It provides investment to build new affordable housing and to improve existing social housing, and the regeneration of brownfield land.

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

**Housing Needs Survey** - The council's current evidence base on how 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.

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

**Housing Strategy Statistical Appendix (HSSA)** - A government statistical release that provides local authority housing data.

**Ideal Choice Homes** - A web-based service for advertising affordable homes that allows applicants on the Housing Register to bid for them.

**In perpetuity affordable housing** - For the purposes of this SPD, "in perpetuity"



affordable housing includes any dwellings referred to in a Section 106 agreement where a mortgagee in possession clause applies.

**Intermediate housing** - Homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

**Key Services** - For the purposes 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** – For the purpose of this SPD this is the housing requirement of existing and concealed households living with Lancaster district as evidenced in the 2011 Housing Needs Survey.

**Local Plan** - The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.

**Localism Act 2011** – Legislation that introduces new freedoms and flexibilities for local government; new rights and powers for communities and individuals; reforms to make the planning system more democratic and effective; and reforms to ensure that decisions about housing are taken locally

**Local Development Documents (LDD)** - The collective term for Development Plan Documents, including the Core Strategy, Development Plan Documents, Area Action Plans,

Local Plan Policies Maps and Supplementary Planning Documents.

**Local Lettings Plan** - Used to develop policies and letting arrangements that respond to local housing need and demand. It helps to suitably match applicants to properties and to help to achieve a balance housing mix within a particular area.

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

**Low cost market housing** - Smaller homes or starter homes of a lower build standard and specification available to purchase on the open market. May not be considered as affordable housing for planning purposes.

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

**Mortgagee in possession clause** – This type of clause is commonly inserted in to Section 106 agreements. If a borrower defaults on a mortgage the mortgagee (lender) has a right to take possession of a property and sell it. Without this clause, the sale will take place subject to all the terms of a S106 agreement. Therefore in the case of affordable housing the dwellings would have to be sold as affordable housing only to a registered provider which would therefore limit the price and therefore the value of the lenders's security and in turn the amount that a lender will lend on the property. Registered providers for several years been unable to borrow sufficient funds to deliver affordable housing without this type of clause included in Section 106 agreements, which will normally define the processes and actions which normally require the mortgagor to attempt to transfer affordable housing units onto another registered provider or the local authority within a pre-determined timescale, before the mortgagor would be free to sell the units free of the Section 106 requirements as a last resort.

**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, more accessible, and to protect the environment and to promote sustainable growth.

**Neighbourhood planning** – The Localism Act 2011 introduced new rights and powers to

allow local communities to shape new development by preparing neighbourhood plans. Neighbourhood planning can be taken forward by two types of body - town and parish councils or neighbourhood forums. Neighbourhood forums are community groups that are designated to prepare neighbourhood plans in areas without parishes. It is the role of the council as the local planning authority to agree who should be the neighbourhood forum for the neighbourhood area.

**Occupancy conditions** - Criteria applied to new housing with which the occupants of the dwellings must comply. These criteria are implemented by means of conditions and/or legal agreements attached to planning permissions.

**Planning condition** - A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

**Planning obligation** - A legally enforceable obligation entered into under Section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal. Also referred to as a Section 106 agreement.

**Planning Application Validation Guide** – This document provides details on the information that must be submitted for specific planning applications.

**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 (PDL)** – See Brownfield.

**Policies Map** - This will accompany the Land Allocations DPD and will provide a visual aid to identify where land has been allocated for development, or where land has been protected because of its environment, social or economic value.

**Regional Spatial Strategies (RSSs)** - Prepared by the former regional government agencies (in the case of this region 4NW or North West Regional Assembly). RSSs 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 RSSs - relying on a more local approach to planning through the local plan system.

**Registered Provider of social housing (RP)** - 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. The distinction between this system and the old system of Registered Social Landlords is that a RP can now be either a non-profit organisation or a profit-making organisation.

**Registered Social Landlord (RSL)** - 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.

**Residual Land Value (RLV)** - The amount left for land purchase once all development, finance and land costs have been deducted from the Gross Development Value, normally expressed in monetary terms (£). This acknowledges the sum subtracted for affordable housing and other infrastructure payments / requirements where applicable. It is relevant to calculate land value in this way as land value is a direct result of what scheme type specifically can be created on a site, the issues that have to be dealt with to create it and any associated costs.

**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.

**Rural exception sites** - Small sites used for affordable housing where housing would not normally be permitted. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection.

**Section 106 (of the Town and Country Planning Act 1990)** - The legally binding planning agreement which runs with the interest in the land and requires the landowner (ultimately the developer becomes landowner) through covenants to agree to meet the various planning obligations once they implement the planning permission to which it relates. Sets out the principal affordable housing obligations, and is the usual tool by which planning-led affordable housing is secured by the Local Planning Authority. Section 106 of this Act refers to "agreements regulating development or use of land".

**Shared ownership** - A way of buying a stake in a property where the purchaser cannot afford to buy it outright. They have sole occupancy rights.

**Sheltered Housing** - Housing specifically for older and/or disabled people. It 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.

**Social rented housing** - Housing 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.

**Stakeholders** - Groups, individuals or organisations who are affected by or have an 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 it is 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; achieving 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 contribute to the achievement of sustainable development. Its purpose is to appraise the social, environmental and economic effects of the strategies and policies in the Local Development Documents from the outset of the plan-making process to ensure that decisions are made that accord with sustainable principles.

**Tenure Mix** - The tenure types of affordable housing provided on a site – refers to the balance between, for example, social rented accommodation and shared ownership.

**Threshold** - Affordable housing threshold i.e. point at which the council determines affordable housing provision should be sought.

**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.

**Viability** - The viability of the development (i.e. a market housing scheme) in financial terms. A viable development would normally be one which proceeds (or at least there is no financial reason for it not to proceed). An unviable development is one where there is insufficient profit rewards and/or land value can be generated.

## Non-technical Summary

This summary is intended to provide a brief and broad overview of the Meeting housing Needs Supplementary Planning Document (SPD). For a full understanding of its scope, it must be read alongside the document.

Lancaster City Council adopted the Lancaster District Local Plan in 2004 and the Lancaster District Core Strategy in 2008. This SPD is therefore supplementary to these documents.

The adopted Local Plan has been partly superseded by the adopted Core Strategy but Policy H10 continues to be taken into account alongside Core Strategy Policy SC4 which is concerned with meeting the district's housing requirements. This SPD is therefore supplementary to Local Plan Policy H10 and Core Strategy Policy SC4 as well as the housing aspects of Core Strategy policies SC1 (sustainable development); SC2 (urban concentration); and SC3 (rural communities).

The purpose of this SPD is to provide additional detail and guidance on how the council (as the local planning authority) will interpret and apply the relevant aspects of these policies.

Chapter 1 explains the policy background. Chapter 2 provides context in terms of housing needs and the delivery of new housing. Chapters 3 and 4 provide guidance on meeting market and affordable housing needs. Chapter 5 addresses rural housing needs and Chapter 6 addresses the housing needs of older people and people with disabilities. Chapter 7 provides general guidance on issues such as Affordable Housing Statements, and financial contributions towards affordable housing.

## Chapter 1: Introduction

### Background information

- 1.1 This Supplementary Planning Document (SPD) is a material consideration for any applicant considering a proposal for residential development and should be read alongside the Planning Application Validation Guide. The latest version of this document can be downloaded at: [www.lancaster.gov.uk/making-planning-application/](http://www.lancaster.gov.uk/making-planning-application/)
- 1.2 This SPD is supplementary to the Lancaster District Local Plan (adopted in 2004) and the Lancaster District Core Strategy (adopted in 2008). The council has prepared this document to provide additional detail and guidance on how it will, as the local planning authority interpret and apply relevant policies from the adopted development plan.
- 1.3 This SPD does not introduce any new policy and is not part of the adopted development plan, however it does add further detail to the relevant policies. This document is therefore a material consideration for any individual or organisation wishing to make a proposal for residential development within the administrative area of the council.
- 1.4 Please note that this SPD does not provide detail and guidance relating to the development of accommodation or sites for use by gypsies and travellers or travelling showpeople. This is because the National Planning Policy for Traveller Sites (2012) requires the council to undertake an assessment of need for the purposes of planning. The council will be carrying out an assessment update in 2013. If it is concluded that the assessed need is not being met through existing accommodation provision then land may be allocated through the Local Plan land allocations process.

### Key objectives of the SPD

- 1.5 The key objectives of this SPD are:
  - To effectively implement saved Local Plan policy H10 (affordable housing) and Core Strategy Policy SC4 (meeting the district's housing requirements), as well as the housing aspects of Core Strategy policies SC1 (sustainable development); SC2 (urban concentration); and SC3 (rural communities).
  - To provide clear direction to all parties on how to interpret these policies;
  - To bring together the relevant council guidance and practice on the delivery of residential development; and
  - To guide all applicants on liaising with the council and on what information is required so that planning applications are not delayed unnecessarily.



## Policy context

### National policy

- 1.6 Supplementary Planning Documents (SPDs) were introduced by the Planning and Compulsory Purchase Act 2004 and replaced Supplementary Planning Guidance. As SPDs are subject to greater consultation they are therefore given greater weight when planning applications are determined. The current requirements for the preparation of SPDs are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. These regulations can be downloaded at: [www.legislation.gov.uk](http://www.legislation.gov.uk)
- 1.7 The National Planning Policy Framework (NPPF) published in March 2012 provides the current context for the preparation of SPDs. Annex 2 of the NPPF defines SPDs as "documents which add further detail to the policies in the Local Plan" that "can be used to provide further guidance for development on specific sites, or on particular issues, such as design" and "are capable of being a material consideration in planning decisions but are not part of the development plan."
- 1.8 Paragraph 153 of 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. The NPPF can be downloaded at: <http://www.gov.uk/government/publications/national-planning-policy-framework--2>

### Regional policy

- 1.9 The North West Plan Regional Spatial Strategy 2008 is the Regional Plan for the North West up to 2021. Policy L5 of the RSS sets out a range of delivery mechanisms to be considered by local planning authorities where appropriate. However, it is the Government's policy to revoke existing regional strategies outside London, reflecting manifesto commitments made in the 2010 general election. The Localism Act 2011 abolishes RSSs in a two-stage process. The first stage took effect when the Localism Act received Royal Assent on 15th November and removed the regional planning framework and prevented further strategies from being created. The second stage will abolish the existing regional strategies by secondary legislation. However, any final decision on this must take account of assessments of, and consultation on, the possible environmental effects of revocation of each of the existing regional strategies. Following a decision of the European Court of Justice, the Government is now updating the environmental reports and undertaking additional consultation.
- 1.10 The intention to revoke the existing RSSs outside London is subject to the outcome of the environmental assessments and will not be undertaken until the Secretary of State and Parliament have considered the findings. However the Government advised that the proposed revocation may be regarded as a material consideration by decision makers when determining planning applications and appeals.

### Local policy

- 1.11 This SPD is currently supplementary to the adopted development plan; the Lancaster District Local Plan (2004) and the Lancaster District Core Strategy (2008). It does not stand alone and should be read in conjunction with both documents.

- 1.12 This SPD specifically relates to Local Plan Policy H10: Affordable Housing, and Core Strategy Policy SC4: Meeting the District's Housing Requirements. The latter policy sets out the principles to ensure that housing needs are met through land allocations and through determining planning applications in a way which builds sustainable communities.
- 1.13 This SPD also relates to the housing aspects of three other Core Strategy policies:
- 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); and
  - 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).
- 1.14 Local Plan Policy H10: Affordable Housing has been partly superseded by Core Strategy Policy SC4 but continues to be taken into account alongside it. The Council is currently preparing a new Lancaster District Local Plan and which will eventually supersede all of the 'saved' policies in the adopted Local Plan. The new Local Plan will include three new Development Plan Documents (DPDs): the Development Management DPD; the Land Allocations DPD; and the Morecambe Area Action Plan (AAP).
- 1.15 This SPD supersedes the Supplementary Planning Guidance 10: Affordable Housing (March 2002) and the Affordable Housing Practice Update (January 2011).

## Preparing the Supplementary Planning Document

### Context and evidence base

- 1.16 The process for preparing this Supplementary Planning Document began with the 2009 Affordable Housing Viability Study, which is the council's current evidence base on residential development viability. This Study examines the ability of the district's housing market to deliver various levels of affordable housing. This was achieved by analysing the influence of a range of affordable housing targets and thresholds on the viability of typical development scenarios.
- 1.17 Following the conclusion of this study the council prepared and consulted on an Affordable Housing Practice Update. This document described the process for negotiating affordable housing as part of the approach to implementing Core Strategy Policy SC4 (meeting the district's housing requirements). Following the consultation process, the implementation of the Practice Update was agreed by the Planning and Highways Regulatory Committee (November 2010) and the document was subsequently adopted in January 2011. The Practice Update therefore replaced previous versions.

- 1.18 A comprehensive consultation process supported both the preparation of the Affordable Housing Viability Study, and the Affordable Housing Practice Update. At the core of this process was a Key Stakeholder Group that met several times during the preparation of both documents. The Group drew in both local and regional experience and perspectives from residential developers, planning agents, land agents, and registered providers. The Affordable Housing Viability Study and related documents can be downloaded at: [www.lancaster.gov.uk/affordablehousing/](http://www.lancaster.gov.uk/affordablehousing/)
- 1.19 The preparation of this SPD has also been informed by the 2011 Housing Needs Survey which is the council's most recent evidence base on housing need in the district. David Coultie Associates (DCA) were chosen to carry out this work in 2010 based on their prior experience of carrying out similar work for the council and their long track record of involvement and innovation in housing market research. DCA used the Communities and Local Government department needs assessment model to estimate current unmet housing need and the number of future households that may be unable to afford to meet their housing needs within the housing market.
- 1.20 The Housing Needs Survey was informed by a range of data sources including a household questionnaire to gather current primary data. The questionnaire used a postal sample of resident households to achieve a statistically valid sample across 5 sub-areas. 11,500 households were selected randomly from the Council Tax register and over 2,950 surveys were completed and returned. A further 200 face to face interviews were also conducted to ensure proper representation of hard to reach groups or in areas with high levels of deprivation.
- 1.21 The questionnaire was designed to gather a comprehensive range of information on existing and concealed households and was structured in three parts. Part 1 sought information about the existing housing situation including household composition by gender, age and ethnicity; house type and number of bedrooms; adequacy of current housing to meet the households needs; property repair and improvement requirements; forms of heating and energy efficiency facilities; housing costs and income; employment and travel to work; support and adaptation needs. Part 2 of the questionnaire collected information on the existing households' future moving intentions and Part 3 on the moving intentions of concealed households. Questions in these two sections included when people expect to move; who is forming new households; how much they can afford, the household savings and income; preferred tenure, type, size and location of the housing they require; and supported housing and support service requirements.
- 1.22 The primary data gathered through the questionnaire was supplemented by a housing market survey utilising the Land Registry and Halifax databases and an internet survey of estate agents on the cost of access level properties and the supply and cost of private rented housing. Secondary data analysis also gathered from the Housing Strategy Statistical Appendix (HSSA), the council's Housing Register data on the flow of social stock and need, the 2001 Census, household and population projections and other national research data.
- 1.23 The resulting data and analysis provides the council with a robust evidence base on the genuine housing needs of existing and concealed households, and of households planning to move to more suitable accommodation. The Housing Needs Survey and related documents can be downloaded at: [www.lancaster.gov.uk/housingneed](http://www.lancaster.gov.uk/housingneed)

## Information gathering

- 1.24 The Meeting Housing Needs SPD has been prepared in accordance with Regulation 12 (a) of the Town and Country Planning (Local Planning) (England) Regulations 2012; and the council's Statement of Community Involvement (SCI). In order to comply with the SCI the first stage of preparing the SPD was to gather information to inform the document. The consultation process for the Affordable Housing Viability Study and the Affordable Housing Practice Update formed the basis of this stage. It was therefore decided that the Key Stakeholder Group should be involved in this process once again. The Group was invited to attend a briefing in February 2012 that focused on the aims and objectives of the SPD. Stakeholders were invited to provide their perspectives on a range of issues to help inform the preparation of the SPD.
- 1.25 Following this briefing, the council circulated a questionnaire and briefing note to the Key Stakeholder Group and a range of additional stakeholders. The questionnaire responses were then used to inform the preparation of the SPD. The SPD preparation was also promoted via a press release which featured in the Lancaster Guardian in the first week of March 2012; as well as the council website, the "Shaping a Better Future" Facebook page; and the council's Twitter feed.

## Statutory consultation

- 1.26 The Draft Meeting Housing Needs SPD for consultation was prepared during spring and summer 2012 and was then subject to a 6 week consultation period from 1st October to 9th November 2012. The consultation was carried out in accordance with Regulation 12 (a) of the Town and Country Planning (Local Planning) (England) Regulations 2012, and the council's adopted SCI.
- 1.27 Hard copies of the Draft SPD and related documents were made available for public inspection during normal opening hours at Lancaster Town Hall and Morecambe Town Hall, the Cable Street council housing office, and all Lancashire County Council public libraries in the district. The Draft SPD and related documents were also available for download from the council website. Consultees were invited to provide their comments by using the council's online consultation portal, or by emailing or posting a comments form. The consultation documents can be downloaded at: [www.lancaster.gov.uk/meeting-housing-needs-spd](http://www.lancaster.gov.uk/meeting-housing-needs-spd)
- 1.28 The statutory consultees (English Heritage, Natural England, and the Environment Agency), the Homes and Communities Agency, South Lakeland District Council, Wyre Council, Lake District National Park Authority, and Yorkshire Dales National Park Authority were directly consulted on the Draft SPD. A wide range of key stakeholders were also directly consulted, including registered providers, developers, and planning agents and consultants. In addition all elected members of the council; Heysham and Morecambe town council, and each of the neighbourhood and parish councils, and parish meetings were directly consulted. Over 800 individuals and organisations registered on the council's consultation database were also emailed regarding the consultation.
- 1.29 A public notice was placed in both the Lancaster Guardian and the Morecambe Visitor in September 2012, which provided details of the consultation and how to provide comments. The consultation was also communicated via the council website, the "Shaping a Better Future" Facebook page; and the council's Twitter feed, and

promoted by the distribution of posters, and a press release which featured in The Morecambe Visitor on 9<sup>th</sup> October.

- 1.30 The council received approximately 30 formal representations from consultees, ranging from members of the public to planning agents representing developers with land interests in the district.

**Table 1: Summary of key consultation milestones**

Stage	Dates
Key Stakeholder Group meeting	28 <sup>th</sup> February 2012
Information Gathering Questionnaire & Briefing circulated	2 <sup>nd</sup> March 2012
Deadline for Questionnaire responses	30 <sup>th</sup> March 2012
Draft SPD prepared	Spring and Summer 2012
Cabinet approval to consult on Draft SPD	4 <sup>th</sup> September 2012
Statutory consultation period starts	1 <sup>st</sup> October 2012
Statutory consultation period ends	9 <sup>th</sup> November 2012
Cabinet approval to adopt SPD	22 <sup>nd</sup> January 2013
Adopted SPD and Adoption Statement published	7 <sup>th</sup> February 2013

### Sustainability appraisal

- 1.31 The Meeting Housing Needs SPD has not been subject to a sustainability appraisal because the requirement to do so was removed by the Planning Act 2008. The council is satisfied that the sustainability issues (social, economic and environmental) relevant to this SPD have been fully explored and tested during the preparation of the adopted Core Strategy and also the preparation of the new Lancaster District 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 downloaded at: [www.lancaster.gov.uk/sustainability-appraisal](http://www.lancaster.gov.uk/sustainability-appraisal)

### Monitoring and review

- 1.32 The council includes information about its performance on meeting housing needs in the Annual Monitoring Report (AMR). Therefore 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.
- 1.33 The council is currently preparing a new Lancaster District Local Plan and following the adoption of the new Local Plan in 2013, this SPD will be subject to revisions to ensure that it remains supplementary to the adopted development plan.

## Chapter 2: Housing Delivery

### Context

- 2.1 Lancaster City Council seeks to achieve an average annual requirement of 400 dwelling completions per annum as set out in Core Strategy Policy SC4: Meeting the District's Housing Requirement. 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 2: Actual dwelling completions since 2003/04**

Year	Total completions	Affordable completions
2003/04	556	30
2004/05	348	44
2005/06	253	73
2006/07	182	43
2007/08	350	27
2008/09	330	45
2009/10	121	29
2010/11	79	29
2011/12	99	58
<b>Total</b>	<b>2,318</b>	<b>378</b>

- 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 that began 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 UK housing market.
- 2.3 As a result of these conditions, housing needs are not being met in the district. 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 number of 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 housing in a specific 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 because paragraph 159 of the NPPF requires local planning authorities to have a clear understanding of housing needs in their area. This requires local planning authorities to gather evidence that provides an assessment of the full housing needs, covering the scale and mix of housing tenures, types of housing (including affordable housing) and the needs of different groups in the community such as families with children, older people, and people with disabilities.
- 2.6 The council has evidence on housing need from the Housing Needs Survey carried out by David Couttie Associates (DCA) in February 2011. 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 is a deliverable level in current market conditions. The council has therefore adopted a viability informed approach to delivery planning for 400 dwellings per annum.
- 2.7 The council also recognises that there may be other evidence available on housing needs, such as local surveys carried out by parish councils that focus on the needs of households within a defined area such as a rural settlement or parish. Such surveys can be a valuable source of information on local need providing they are carried out to a robust methodology and the results are statistically valid.



## 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 Lancaster City 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. The National Planning Policy Framework requires local planning authorities to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.



Market housing development at Mossgate Park, Heysham

### New market homes

- 3.3 The small supply of properties on the market and tightening of lending criteria for mortgages at high loan to valuation ratios 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 concealed households.
- 3.4 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. Low cost market homes may not be considered affordable homes as this type of housing does not meet the National Planning Policy Framework definition.
- 3.5 Developers of market housing should look to address the district's changing demographic and household formation patterns which have increased the need for accommodation with fewer bedrooms.





Market housing development at Aalborg Place, Lancaster

- 3.6 Around 39% of households in the district under-occupy their homes which is slightly lower than average (around 40%). However the level of under occupation in the owner occupied with mortgage sector is high at almost 41%. Therefore the council is keen to see development proposals that actively address under-occupation, particularly of family housing so that existing housing stock can be better utilised to meet housing needs.
- 3.7 The 2011 Housing Needs Survey provides important evidence on the market housing needs that exist in the sub areas of the district. Table 3 provides a summary of these needs in terms of dwelling type and size. Whilst the council acknowledges that the final dwelling mix is determined on a case by case basis, applicants wishing to develop new housing in the district should have regard of this data and use it as a guide during pre-application discussions and when preparing planning applications. This is especially important in the case of larger developments as they can provide an important opportunity to address local housing needs.

**Table 3: 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 & 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.
Silverdale	Predominately detached.	Predominately 4 + bed.
Slyne-with-Hest	Predominately detached, some semi detached & bungalows.	3 bed.
Wray	Semi-detached.	Predominately 2 & 3 bed.
Other rural settlements	Predominately detached, some semi-detached.	Predominately 4 + bed, some 3 bed.

- 3.9 All new market dwellings should meet Level 3 of the Code for Sustainable Homes (Level 3 energy requirement is mandatory under the Building Regulations), and developers are encouraged to incorporate the Lifetime Homes Standards into new market dwellings so that older people and those with accessibility issues can remain in their established community later in life.

### **Increasing supply through the reuse of existing buildings**

- 3.10 Developers of market housing are encouraged to reuse existing buildings to increase the supply of market homes for sale or for private rent. In particular the reuse of long term empty homes or unused commercial premises will help to meet the need for market homes at the lower end of the market.

## Chapter 4: Affordable Housing Needs

### Background

- 4.1 The need for affordable housing in the district is acutely high. The 2011 Housing Needs 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; however delivery improved in 2011/12 with a further 58 affordable homes completed.
- 4.2 The affordable housing provisions in this Supplementary Planning Document are informed by the 2010 Affordable Housing Viability Study in terms of the current evidence on residential development viability, and the 2011 Housing Needs Survey in terms of the current evidence on housing needs. Lancaster City Council acknowledges that affordable housing may just be one of several contributions a developer has to make for the proposed development to be acceptable in planning terms.



Affordable housing development at Windermere Road, Carnforth.

### Policy context

- 4.3 Core Strategy Policy SC4 established the principle of ensuring a sufficient supply of affordable homes and also set an annual target of 60 new affordable homes. Paragraph 50 of the NPPF also 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 (a commuted sum) of broadly equivalent value can be robustly justified.
- 4.4 In support of implementing the NPPF the Government have published the Growth and Infrastructure Bill which proposes certain measures that will amend the Town and Country Planning Act in relation to the modification or discharge of affordable housing requirements. When the Bill is given Royal Assent it will allow applicants to apply to the Council to modify, replace or remove the affordable housing requirement from the planning obligation. At the time this SPD was adopted, the Growth and Infrastructure Bill was at the House of Commons committee stage. The council will therefore monitor the progress of the Bill as it move towards Royal Assent and will review the provisions of this SPD accordingly.

## Achieving affordable housing

### Requirements

- 4.5 In order to achieve a sufficient supply of affordable housing the council requires contributions from all developments that 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.

#### 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 therefore trigger the requirement for affordable housing.

- 4.6 The council's expectations of affordable tenure mix are informed by the 2011 Housing Needs Survey which evidences that a strategic district-wide affordable tenure target should be 50% rented and 50% intermediate. The council will normally negotiate for this affordable tenure mix, but it is acknowledged that the final mix will depend on a number of factors including viability and evidence of local housing need. The preferred tenure for the rented dwellings will be social rented.
- 4.7 The council recognises that the viability of residential development sites can be affected by a range of factors such as affordable housing provision. Therefore a negotiated approach to affordable housing provision will be adopted where appropriate, taking into account site specific circumstances.
- 4.8 At the outline planning application stage applicants should fully address the housing needs evidence base for where they are proposing to development. Applicants should assume the relevant level of affordable housing provision (see Table 4) and affordable tenure mix (see paragraph 4.6). If at outline stage applicants have concerns around the impact of affordable housing on scheme viability then the application should fully demonstrate what level of provision is viable and therefore deliverable.
- 4.9 The council expects on site affordable housing to be delivered in partnership with registered providers. At the outline stage, applicants should liaise with registered providers to understand the type of dwellings they would consider purchasing where on site affordable housing is to be provided. For example if the proposal is for an apartment block of 15 flats, a registered provider may not wish to manage 4 to 5 dwellings within a larger building. 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 7 of this SPD.

## Defining affordable housing

- 4.10 The council considers housing to be affordable where it meets the criteria in Annex 2 of the NPPF. Therefore 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 NPPF definition of affordable housing is set out in the Glossary of this SPD.



Council owned housing at Kingsway Court, Heysham

- 4.11 There are over 5,900 affordable dwellings in the district (this excludes discounted market homes). As a stock retaining authority the council is one of the largest providers of affordable housing in the district, with responsibility for the management and maintenance of over 3,800 homes. There are also over 2,100 affordable homes across the district owned and managed by registered providers of social housing. The vast majority of these dwellings are social rented, although in recent years, some registered providers have moved towards providing intermediate affordable housing such as shared ownership homes in an attempt to balance the housing market and improve access to housing for those households who would traditionally not qualify for social rented accommodation.
- 4.12 New affordable housing is either directly developed by registered providers using funding allocated by the Homes and Communities Agency, or by developers as part of market housing schemes (these affordable dwellings are negotiated by the council as part of the planning process).
- 4.13 The district has a number of discounted sale homes that are considered to be a form of intermediate affordable housing. These homes were sold to the first occupier at a price below the average market price for comparable properties and the discount continues to apply to subsequent occupiers. Discounted market homes are available for purchase according to an eligibility criteria agreed between the council and the developer as part of the planning process (the criteria may differ slightly from scheme to schemes). Typically, the purchaser's income should not be sufficient to enable them to buy a home that matches their needs on the open market, and their household should include at least one member who lives or has previously lived in the district, or; a member who has recently started, or is about to start work in the district, or; a member who needs to live in the district to act as a carer to an ill or elderly person.
- 4.14 When discounted sale homes are put up for sale and no purchasers come forward, the vendor can apply to the Council to have the eligibility criteria lifted. The vendor would need to prove that an eligible purchaser had not come forward within 6

months of the home being put up for sale. The council encourages discounted markets home that are for sale to be registered on the Ideal Choice Homes website at: [www.idealchoicehomes.co.uk](http://www.idealchoicehomes.co.uk). This is choice based lettings system that maximises the range of prospective purchasers and can potentially speed up the sales process and is the council's method of allocating affordable housing in the district.

- 4.15 The council acknowledges that low cost market can play an important role at the lower end of the housing market and in some case may reduce the need for affordable homes. However this type of housing may not considered affordable as it does not meet the defined in Annex 2 of the NPPF.

## Affordable housing requirements

- 4.16 Affordable housing is required from all residential developments that result in a net increase of 5 or more dwellings. The specific affordable housing requirements are set out in Table 4 below.

**Table 4: Affordable housing requirements**

Number of dwellings (net)	Location	Proportion	On site / off site
1 to 4	Rural / Urban	Up to 10%	Off site
5 to 9	Rural	Up to 20%	On site
5 to 14	Urban	Up to 20%	On site
10 plus	Rural	30%	On site
15 plus	Urban	30%	On site

### How the affordable housing requirements are applied

E.g. 8 new build dwellings in Hornby would require 20% affordable housing, which equates to 2 affordable homes.

E.g. 15 new build dwellings in Lancaster would require 30% affordable housing, which equates to 5 affordable homes.

- 4.17 The 2010 Affordable Housing Viability Study concludes that Greenfield sites can support up to 40% affordable housing. However, the opportunities for developing new housing on Greenfield sites are more limited but where this is permitted the council will require increased affordable housing provision (up to 40%). If the increased provision cannot be achieved due to viability issues then the council will not normally permit the proposed development until which time the development values have changed so that delivery can be achieved. The justification for this is that one of the main reasons the council is proposing the allocation of Greenfield sites in the new Lancaster District Local Plan is to mitigate against the viability issues that often occur on brownfield sites.

- 4.18 The council will round up to the nearest whole number when calculating on site affordable dwellings. However, on site affordable housing requirements (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 the following section for details). Where the on site requirement is 1 dwelling, the developer may experience difficulties in attracting a registered provider to purchase the dwelling and therefore a financial contribution will be appropriate. However applicants must be able evidence that they have approached at least 4 registered providers.
- 4.19 The council acknowledges that there may be scenarios where it is mutually acceptable to all parties for the on site affordable dwellings to 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. The developer must provide a suitable alternative site that is available for development within an appropriate timescale, and therefore deliverable. The affordable dwellings on the alternative site must be completed prior to the effective completion of the facilitating development.
- 4.20 Where the alternative site would trigger a requirement for affordable housing in its own right then the appropriate number of affordable dwellings must be provided as well as those required from the facilitating site. In this scenario it is crucial that the developer liaises with registered providers as early as possible so all parties are clear about issues such as the number of affordable dwellings that can be purchased, the cost of purchasing these dwellings, and any constraints that may exist around the type and size of dwellings available for purchase. Developers are free to make contact with whichever registered provider they prefer. Details of registered providers that currently manage affordable homes in the district and contact details are provided in Appendix 9 of this SPD.

### How an alternative site would work

If the main site (i.e. the facilitating development) 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 council would seek 30% affordable housing from both sites e.g. 2 x 11 dwellings, totalling 22 affordable dwellings.

### Exemptions

- 4.21 There are specific circumstances where the affordable housing provision will be waived.
- 4.22 Proposals for replacement dwellings (where there is no net gain in dwellings) are not required to provide an affordable housing contribution.
- 4.23 Proposals for residential development in the Morecambe Area Action Plan (MAAP) area and the West End Masterplan area (as defined by the Draft Preferred Options Local Plan policies map and successor versions) are not required to provide affordable housing. This is because property values are much lower in Central Morecambe and the West End compared to most other parts of the district and



therefore viability is often marginal. Therefore in the prevailing investment conditions the affordable housing requirement is likely to be a disincentive to future investment in these distinct parts of Morecambe. However developers are expected to acknowledge this within their Affordable Housing Statement, and the type and size of dwellings proposed should meet the housing needs of Morecambe and not exacerbate the problem of over supply of particular forms of dwellings. Only where there is sufficient justification will the council request evidence in support of waiving affordable housing provision. This position will be kept under review through the monitoring arrangements for this SPD.

- 4.24 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 make an affordable housing contribution. However, such accommodation will only be approved where they meet the functional test in Annex A of PPS7: Sustainable Development in Rural Areas, to establish whether it is essential for the proper functioning of the enterprise for one or more workers to be readily available at most times.
- 4.25 Proposals for non-self contained accommodation such as care homes, nursing homes, and student accommodation are not required to provide affordable housing at all. However proposals for extra care or sheltered accommodation schemes are required to provide to a financial contribution (as opposed to on site) because of the management issues related to this form of accommodation.
- 4.26 Proposals for self contained 'granny flats' created as part of a larger dwelling are not required to make affordable housing contributions providing they are conditioned for use by a specific member of the family residing in the main dwelling. Similarly, proposals for self contained 'wardens accommodation' created as part of larger student accommodation developments (conversion or new build) are not required to make an affordable housing contribution providing they are conditioned for use by the warden.
- 4.27 Proposals for change of use of former guest houses to self contained dwellings are required to make affordable housing contributions. However if the guest house in its current use includes self contained owner accommodation then the council will deduct one unit when calculating the net increase. Applicants should note the need to evidence this through the submission of existing floor plans 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.

### **Calculating financial contributions (in lieu of on site)**

- 4.28 Off site affordable housing in the form of a financial contribution 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.



**How to calculate a net increase**

E.g. 4 new build dwellings would be a net increase of 4.

E.g. a house converted to create 3 flats would be a net increase of 2.

E.g. a former office building (B1 use) converted to create 4 dwellings would be a net increase of 4).

- 4.29 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 financial contribution broadly equivalent to the value of providing 10% on site affordable dwellings.
- 4.30 There is no guidance on or single acceptable methodology for 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 methodology.
- 4.31 The council has adopted a methodology for calculating financial contributions based on estimating the market value of the land that would be provided by the developer in an on site affordable housing scenario, i.e. one where the build costs for the affordable dwellings would be reimbursed to the developer by a registered provider.
- 4.32 The cost to the developer in this on site scenario is therefore the value of the land for the on site affordable dwellings. The methodology seeks to identify and secure an amount of money (the financial contribution) that is broadly equivalent to the market value of the land where the affordable dwellings would be built.
- 4.33 The methodology was formally adopted in January 2011 following recommendations arising from the 2010 Affordable Housing Viability Study. The council has also investigated alternative methodologies that could potentially be applied in conversion or change of use scenarios (as distinct from new build). However, the council is satisfied that the adopted methodology is fit for purpose because it provides a clear figure that does not unduly impact on viability, and has been effectively applied to all development scenarios since January 2011. The council, agents and developers alike all have the benefit of experience gained to date of the adopted methodology.
- 4.34 The adopted methodology to calculating financial contribution 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 increase in units and the 10% affordable housing requirement.

**How to calculate a financial contribution**

**Step 1:** For the purposes of calculating a financial contribution, the open market value refers to the value of the proposed development should it be for sale on the open market. This can be easily obtained by researching relevant or comparative properties.

**Step 2:** The adopted methodology for calculating financial contribution uses an average residual land value (RLV) (18.5%) for the district because the methodology seeks to replace the land (plot) value. RLV is expressed as a percentage of Gross Development Value, and the average for the district is 18.5% which is derived from the appraisals of smaller sites without affordable housing carried out as part of the 2010 Affordable Housing Viability Study. Using a district average means that an RLV appraisal is not required each time.

**Step 3:** By adding 15% an appropriate amount to reflect the likely cost of acquisition, fees, basic servicing and site preparation works is built into the calculation.

**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 flats 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 ( $4 / 10 = 0.4$ ).

**E.g. for 4 x 3 bed dwellings:**

Step 1: The open market value is £205,632 (1 dwelling)

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

- 4.35 In some scenarios not all dwellings will be equivalent, i.e. 3 bed dwellings will generally have a lower open market value than 4 bed dwellings. Where this is the case, an average open market value should be used.

**E.g. for 1 x 3 bed & 1 x 4 bed dwellings:**

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 = £93,078

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

**Eligibility for affordable housing**

- 4.36 The council defines housing need as being when a person's home is unsuitable for them and their family due to it being too small; or because it lacks or requires the sharing of facilities (e.g. kitchen or bathroom); or because it suffers from structural problems; or because the person has medical problems that are made worse by where they live. The council maintains a housing register of people looking for an

affordable home in the district, therefore for anyone to be considered for an affordable home they must first apply to join the housing register. Housing need is then assessed using a banding scheme ranging from 'emergency housing need' to 'very low housing need'.



Affordable housing in the centre of Lancaster

- 4.37 All of the council's rented accommodation, as well as some affordable housing provided by registered providers is allocated through Ideal Choice Homes, the choice based lettings system for the district. Full details about the housing register are contained within the council's Housing Allocation Policy which can be downloaded at: [www.lancaster.gov.uk/apply-home/](http://www.lancaster.gov.uk/apply-home/)



Affordable housing development at Marlborough Road, Morecambe

## General guidance on affordable housing

### Type and size

- 4.38 The 2011 Housing Needs Survey provides important evidence on the affordable housing needs that exist in the various sub areas of the district. Table 4 provides a summary of these needs in terms of dwelling type and size (this data does not factor in the resupply of affordable housing through re-lets). Whilst the council acknowledges that final dwelling mixes may be determined on a case by case basis, applicants wishing to develop new affordable housing in the district should have regard of this data and use it as a guide during pre-application discussions and when preparing planning applications.

**Table 5: Social Rented need by dwelling type and size**

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

**Table 6: Shared Ownership need by dwelling type and size**

Location *	Dwelling Type	Dwelling Size
Bolton-le-Sands	Detached.	2 bed
Hornby	Terraced.	2 bed
Lancaster North	Predominately detached.	2 bed
Lancaster South	Terraced.	2 bed
Morecambe	Flats/maisonettes	2 bed

\* Locations where no specific need for shared ownership was identified these locations have been excluded from Table 6.



Affordable housing development at City View, Greyhound Bridge Road, Lancaster

## Design and integration

- 4.39 Design and integration are key aspects of ensuring that new residential development is sustainable, and contributes positively to making places better for people. The council acknowledges that design and integration issues should be determined on a case by case basis, but will work to ensure that the design of new affordable housing is not distinguishable from market housing, especially those homes located on a predominately market housing development.
- 4.40 Developers that are required to provide affordable housing on market schemes should be aware that the affordable dwellings must comply with the HCA Design and Quality Standards (2007) or the relevant successor standards (at the time of delivery). Therefore all affordable dwellings must meet Code for Sustainable Homes Level 3. In addition, the affordable housing dwellings should fully incorporate all of the 16 Lifetime Homes features into houses and apartments wherever practicable.
- 4.41 On site affordable housing must be well integrated within the wider development unless there is sufficient justification otherwise.
- 4.42 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.
- 4.43 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.
- 4.44 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. Developers are free to use a financial viability appraisal format of their choosing (a template is available in Appendix 5 of this SPD). Full details of what should be included in an Affordable Housing Statement are set out in Chapter 7 of this SPD. In addition, Affordable Housing Statements templates can be found in

Appendix 4 of this SPD, and guidance on financial viability appraisals and a template can be found in Appendix 5.

- 4.45 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. Developers should include in their Affordable Housing Statement evidence of these discussions 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.
- 4.46 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.
- 4.47 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.
- 4.48 Where the council does not agree that the affordable housing provision compromises scheme viability the council will send the Affordable Housing Statement, the financial viability 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.
- 4.49 In larger schemes (30 or more dwellings) that are developed in phases, each phase should provide on site affordable dwellings according to the overall proportion of affordable dwellings negotiated. For example, phase 1 (10 dwellings) of a 100 dwelling scheme should provide 3 affordable dwellings.
- 4.50 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 for the on site affordable dwellings.

### **Funding for new affordable homes**

- 4.51 Funding for new affordable homes currently 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.
- 4.52 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.

- 4.53 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.
- 4.54 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.
- 4.55 The council manages a ring fenced Affordable Housing 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 are set out Appendix 2.



Victorian housing in the West End of Morecambe

## Chapter 5: Rural Housing Needs

### Background

- 5.1 Lancaster City Council must address the housing needs of those living in the rural parts of the district, not just the urban parts. As much of the district is classed as rural it is important that appropriate and sympathetic residential development helps maintain the vitality of these areas and they 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. Often those living in rural areas in concealed households or in unsuitable accommodation cannot continue to live there. Similarly those with genuine connections to particular rural areas cannot afford to live there.

**Table 7: 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	£100,000

### Policy context

- 5.3 Core Strategy Policy SC3 seeks to build healthy sustainable rural communities. This will be achieved in rural areas by allowing new housing to be built that will maintain or enhance the vitality of rural communities. To achieve this goal the council will seek to ensure that new housing reflects local housing needs, particularly where for affordable housing. Core Strategy Policy SC3 also proposed that new housing in rural areas should be focused in the eight rural settlements identified to be sustainable locations on the basis they retain key services such as basic shopping, schools, access to medical care and public transport. Therefore development outside of these settlements will require exceptional justification.
- 5.4 Paragraphs 54 and 55 of the NPPF requires that the local planning authority is responsive to local circumstances and plans 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.





Post Office and General Stores sign in Wray village.



Arkholme Village Hall.

## Evidence of rural housing need

- 5.5 The need for different dwelling types and sizes in the eight rural settlements was identified by the 2011 Housing Needs Survey and has been summarised in Table 7. The data in this table balances demand from existing and concealed household needing to move within the district, and supply established from existing households who said they would be moving. The data is relevant for the next five years and should be used by applicants to inform their proposals in terms of the location and tenure of proposed homes to address rural housing needs.
- 5.6 Table 8 highlights that overall there is a considerable need for new housing, particularly open market housing and social rented housing in rural areas.

**Table 8: Housing needs in the eight rural settlements by tenure**

Location	Market	Private rented	Shared ownership	Social rented
Bolton-le-Sands	High	None expressed	High	High
Caton and Brookhouse	Significant	High	None expressed	High
Halton	High	None expressed	High	Significant
Hornby	High	None expressed	None expressed	High
Galgate	High	High	None expressed	High
Silverdale	High	None expressed	None expressed	High
Slyne-with-Hest	Significant	Significant	None expressed	High
Wray	None expressed	High	None expressed	High
Hornby	None expressed	None expressed	None expressed	High

### **Other evidence of local housing need**

The council will consider other evidence of local housing need in rural locations. In the case of local housing needs surveys they 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 a parish council or similar as part of the neighbourhood planning process. It is anticipated that applicants 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**

### **Appropriate rural development**

- 5.7 Applicants should be aware that proposals for residential development in rural locations must ensure that homes are well integrated in terms of scale, location design and materials. This is particularly important for proposals in Forest of Bowland Area of Outstanding Natural Beauty (AONB) and the Arnside and Silverdale AONB. These areas are recognised as sensitive and therefore whilst development will not be prevented purely because of this designation any development proposals should clearly demonstrate that they are sympathetic to their surroundings both in terms of their design and materials and have due regard to the content of the relevant AONB Management Plan or successor documents.

### **Sustainable rural settlements**

- 5.8 The council permits new residential development in eight rural settlements identified as sustainable locations on the basis they retain five key services (a doctor's surgery, primary school, food shop, post office and bus stop). These settlements are: Bolton-le-Sands; Caton and Brookhouse; Halton; Hornby; Galgate; Silverdale; Slyne-with-Hest; and Wray. The key services in these locations contribute towards the ongoing vitality of these communities. However, the council acknowledges that there are now very few doctors regularly practising within these 8 settlements and on that basis, other rural settlements that retain a primary school, food shop, a Post Office and a bus stop will also be considered for new residential development. Any proposals for new residential development should be proportionate in terms of the existing number of dwellings in any rural location.
- 5.9 The council will also consider proposals for new residential development in rural settlements that retain fewer than 4 key services on the basis that applicants can demonstrate that:
- They will maintain or enhance the vitality of the local community by meeting genuine local housing need;
  - The standard of design is 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.
- 5.10 Proposals for new residential development in settlements that retain fewer than four key services will generally require local occupancy conditions to ensure that people already living and working in the location are able to access these new market homes.
- 5.11 Applicants should note that proposals for market housing in any rural settlement must provide affordable housing in accordance with Chapter 4 of this SPD. The on site affordable dwellings will be subject to an appropriate local lettings plan to ensure they effectively address local affordable housing needs.

### **Affordable housing on rural exception sites**

- 5.12 The council acknowledges that in certain rural settlements there may be sites available for residential development where ordinarily proposals for market housing would be contrary to adopted development management policies. However proposals for affordable housing on such may be considered acceptable provided they will maintain or enhance the vitality of the local community by clearly addressing a genuine local need for affordable housing. These sites are referred to as rural 'exception sites'. This type of development will not be allowed in rural settlements that retain no key services or very few other local services. The affordable housing dwellings must be delivered in partnership with a registered provider and therefore at the pre-application stage, applicants should liaise with registered providers to explore the deliverability and viability of the scheme.
- 5.13 The council acknowledges that it may be acceptable for housing on rural exception sites to include a very small proportion of market homes in order to ensure the scheme's viability. These homes would have to be robustly justified and will be subject to appropriate local occupancy conditions. All affordable dwellings will be advertised through the Ideal Choice Homes website.

#### **Defining rural exception sites**

Affordable housing schemes on small sites no larger than 0.4 hectares (1 acre);  
 Schemes that address genuine local housing need, and provide in perpetuity affordable homes; 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.

- 5.14 Schemes on rural exception sites 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.
- 5.15 Applicants should note that the value of exception sites should be significantly lower than land where open market development is permitted. This will help keep development costs down and increase the viability of the scheme, so that schemes do not become unaffordable.

### **Accommodation for rural enterprise workers**

- 5.16 Accommodation for rural enterprise workers will be appropriately conditioned to prevent unrestricted accommodation in isolated parts of the district which is clearly contrary to local and national planning policy.

### **Parish Partnerships**

- 5.17 Addressing rural housing needs has emerged as a key theme through the preparation of the new Lancaster District Local Plan. This became apparent during the scoping work in autumn 2010 and was addressed when the options were developed in summer 2011. One way rural housing needs can be addressed is through working in partnership with parish councils, members of local communities that can provide perspectives on housing need, and perhaps organisations with responsibility for housing delivery such as registered providers of social housing and residential developers. This is the approach being taken forward from 2013 and the council would encourage those with an interest in addressing rural housing needs to engage with it.

### **Neighbourhood planning**

- 5.18 The Localism Act 2011 introduces four Community Rights designed to give communities more control over what happens in their local area. This includes neighbourhood planning which gives town and parish councils or newly formed neighbourhood forums the opportunity to prepare, with the community they represent, a planning document for their area. The purpose of this new tier of plan making is to empower local people to take a proactive role in shaping the future of where they live, and give them greater ownership of the plans and policies that affect where they live. The Neighbourhood planning process can help rural communities to address housing by establishing general planning policies for the development and use of land. The council has prepared guidance on neighbourhood planning and the other Community Rights which can be downloaded at:  
[www.lancaster.gov.uk/neighbourhood-planning/](http://www.lancaster.gov.uk/neighbourhood-planning/)

## Chapter 6: Housing Needs of Older People and People with Disabilities

### Background

- 6.1 Lancaster City Council, as both an enabler and provider, plays a fundamental role in meeting the needs of vulnerable people living in the district that are likely to have additional housing needs and will experience poorer outcomes if these needs are not met. Through the Meeting Housing Needs SPD the council will seek to ensure that the current and future housing needs of older people and people with disabilities are addressed through proposals for new residential development.



Lancaster City Council owned accommodation for older people at Vale Estate, Lancaster

### 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, such as older people or people with disabilities. Paragraph 50 of 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

- 6.3 The number of people in the district aged 65 and over is set to increase by 62% between 2008 and 2033, and within that group the number of people aged over 85 will significantly increase by over 138% in the same period. This poses a significant challenge as these households are more likely to have a need for support services, adaptations or specialist accommodation.
- 6.4 This means there needs to be sufficient supply of new specialist and adaptable general needs accommodation to ensure that the support needs of older people are being met for them to enjoy a good quality of life.
- 6.5 The most appropriate accommodation solutions for older people will be explored through the preparation of an Older Persons Housing Strategy, and it is anticipated that the consultation process for this work will begin in summer 2013. In the meantime, the 2011 Housing Needs Survey highlighted that the district requires in excess of 2,100 additional units of sheltered accommodation by 2014 to meet the needs of existing households, and those households who may move into the district

to be closer to family. Developers are therefore encouraged to consider sheltered housing or independent accommodation with visiting support that will help meet these particular needs.

- 6.6 The 2011 Housing Needs Survey also highlighted that 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 Lancashire County Council so that the most appropriate models of provision can be determined. Applicants that wish to develop accommodation for older people should discuss proposals 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 9: Type of disability by households affected**

Disability	% of 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 Table 8 highlights the different disability types affecting households in the district. The ability to meet the needs of those affected by a disability depends upon the requirements of the individual, their care needs and the household composition. A range of accommodations solutions that meet the current and future needs of people with physical disabilities will be explored through the Housing Action Plan (2012 - 17) and the preparation of an Older Persons Housing Strategy. Any proposal to develop accommodation specifically for people with disabilities 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 that are easily adaptable to meet the changing needs of occupants.
- 6.11 Through the planning process, and negotiations for affordable housing developments, 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.



## 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 Applicants should discuss proposals for affordable housing or market housing that will trigger the affordable housing requirements with the Strategic Housing Officer as early in the process as possible. This will help ensure that proposals reflect local housing needs, whether for market or affordable housing.

### Affordable Housing Statements

- 7.3 Lancaster City Council requires all proposals for residential development to include an Affordable Housing Statement. This is an important document that sets out how the proposal will address the issue of affordable housing. Failure to submit this document will invalidate the planning application and will ultimately delay the process. These documents may be reviewed and updated accordingly as negotiations take place during the application process.
- 7.4 The information contained 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 10: Basic information required for an Affordable Housing Statement (full planning application)**

Scenario	Information required in Affordable Housing Statement
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).
	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 Section 106 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 Section 106 agreement.

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

**Table 11: Basic information required for an Affordable Housing Statement 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.
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	All of the above information plus details of all homes created by the proposal (tenure, type, number of bedrooms, GIA and plot

	<p>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.</p>	<p>size).  In addition evidence of discussions with registered providers and of an "in principle" agreement to purchase the affordable dwellings.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------

- 7.6 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 financial contribution agreed between the applicant and the council.

**Additional requirements**

- 7.7 Where the affordable housing provision has a negative impact on scheme viability the council will expect applicants to provide detailed and compelling evidence as part of their Affordable Housing Statement. The evidence must include a financial viability appraisal (FVA) and a summary of what the appraisal concludes in relation to the viability of the scheme. A FVA template is included as part of Appendix 5. Full details of what should be included in an Affordable Housing Statement are set out in Appendix 4. The council expects all abnormal costs to be quantified by an independent expert.
- 7.8 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 in Chapter 6.

**Legal agreements**

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

**Table 12: Legal agreement clauses**

Scenario	Clause(s)
1 to 4 dwellings	A clause that requires the financial contribution 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.

- 7.10 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 6 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.
- 7.11 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 is issued. 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

- 7.12 When a financial contribution has been agreed between the council and the applicant the monies should be paid on commencement of the development and the council's Regeneration and Planning Service will issue an invoice to the applicant. Where an applicant(s) requests a later payment stage this should be due to viability and therefore be accompanied by evidence in support of this.
- 7.13 Following receipt of the financial contribution, the monies will be held in the Affordable Housing Fund, a ring fenced account that supports the development of affordable housing in the district. For more information on this please refer to Appendix 2.
- 7.14 In scenarios where the applicant has gained planning permission but intends to sell the site with the permission, rather than develop it, the affordable housing requirement will be automatically registered as a charge against the land. This charge will likely influence the amount a future purchaser is prepared to offer for the site.

**Table 13: Sites that are to be sold on 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 offer for the site.
On site affordable housing has been agreed between the council and the applicant.	Planning permission will result in a Section 106 Agreement setting out the affordable housing requirement, and will register an automatic charge against the land. A future purchaser will take the charge into consideration when considering what they are prepared to pay for the site.

## Appendix 1: Affordable Housing Requirements Checklist

- 1.1 This Appendix should be used by applicants as a quick reference guide on how affordable housing provision relates to various development scenarios.
- 1.2 Table 14 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).

**Table 14: Application of affordable housing requirements**

Scenario	Requirement	Legal Agreement
1 to 4 new build dwellings.	A financial contribution 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 financial contribution 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 financial contribution broadly equivalent to the value of providing up to 10% affordable housing on site.	S106 Unilateral Undertaking.
Variation or removal of a restrictive occupancy condition on up to 4 dwellings to allow unfettered residential use.	A financial contribution 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.	30% affordable housing on site.	S106 agreement.
15 or more new build dwellings in an urban location.	30% affordable housing on site.	S106 agreement

## Appendix 2: Affordable Housing Fund

### Introduction

- 2.1 Financial contributions paid in lieu of on site affordable housing are paid into the Lancaster City Council's Affordable Housing Fund, a ring fenced fund to provide financial support to affordable housing schemes in the district. The spending of monies from this fund may be ring fenced to specific parts of the district depending on individual Section 106 agreements.

### Funding criteria

- 2.2 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.
- 2.2 In order to meet future affordable housing needs, the council may consider requests for funding that do not meet the above criteria.
- 2.3 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

- 2.4 If an affordable housing scheme is eligible for funding then the registered provider should email the Housing Strategy 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.

- 2.5 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.
- 2.6 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.
- 2.7 Should there be a number of applications meeting the criteria, priority will be given to the application providing best value and bringing the highest benefit to the district. The council will also consider the overall performance of registered providers and the extent to which they support the council in its enabling role and in meeting its statutory duties, i.e. through nomination arrangements and percentages.
- 2.8 The above information will inform an Individual Cabinet Member report which will incorporate a recommendation from the Strategic Housing Officer on whether to provide funding.

### **Conditions of funding**

- 2.9 The conditions of funding are as follows:
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**

- 2.10 The Affordable Housing 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.
- 2.11 Financial management of the funding programme will be supported via regular reporting by the Head of Regeneration and Planning.
- 2.12 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 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	Total 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 [insert details] to discuss the potential purchase of the affordable units. An 'in-principle' agreement has been reached with [insert details]. 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 financial contribution 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 financial contribution 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 methodology. 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 4: General Guidance for Financial Viability Appraisals

### Background

- 5.1 Lancaster City Council expects applicants 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

- 5.2 The FVA should include/state the following items:
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 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

- 5.3 This template has been provided to assist applicants in demonstrating that an affordable housing contribution would have a negative impact on a proposed development. If you require a copy of this template in either Word or Excel format please email: [planningpolicy@lancaster.gov.uk](mailto:planningpolicy@lancaster.gov.uk). However, applicants are free to use a financial viability appraisal format of their choosing.

<b>Planning Application No.</b>				
<b>Scheme</b>				
<b>Location</b>				
<b>Gross Development Value</b>				
<b>Open Market Units</b>				
<b>Unit type</b>	<b>Floor Area (sq m)</b>	<b>Number of Units</b>	<b>Actual / anticipated Sales Values</b>	
<b>Affordable Units</b>				
<b>Unit type</b>	<b>Tenure</b>	<b>Floor Area (sq m)</b>	<b>Number of Units</b>	<b>Actual / anticipated Sales Values</b>
<b>Total Gross Development Value (GDV)</b>				
<b>Total Development Costs</b>				
<b>Cost Centre</b>		<b>Rate</b>		<b>Total</b>
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			£
<b>Fees</b>		<b>Rate</b>		<b>Total</b>
J	Professional fees	%	of G	
K	Marketing and Advertising	£	sum	
L	Legal fees on sales / lettings	%	of GDV	
M	Agents fees on sales / lettings	%	of GDV	
N	Section 106	£	sum	

Total Development Costs		£
<b>Finance and Acquisition Cost</b>		
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		£
<b>Profit on GDV</b>		<b>Total</b>
Profit on Market Housing	%	
Profit on Affordable Housing	%	
Total Profit		£

## Appendix 5: Section 106 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 HM Land Registry under Title Number .....with 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:**

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 6: Sample Nominations Agreement and Local Connection Criteria

### Introduction

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 OF .....REGISTERED PROVIDER



## Appendix 7: Key Contacts

### Introduction

7.1 This appendix provides contact details for key Lancaster City Council officers and representatives of registered providers active in Lancaster district.

### Key officers at Lancaster City Council

Area	Name	Position	Telephone	Email
General queries	David Hayward	Planning Officer – Housing and Communities	01524 582723	<a href="mailto:dhayward@lancaster.gov.uk">dhayward@lancaster.gov.uk</a>
Housing strategy	Kathy Sinclair	Strategic Housing Officer	01524 582724	<a href="mailto:ksinclair@lancaster.gov.uk">ksinclair@lancaster.gov.uk</a>
Development management	Andrew Drummond	Development Manager (planning applications)	01524 582351	<a href="mailto:adrummond@lancaster.gov.uk">adrummond@lancaster.gov.uk</a>

### Key contacts for registered providers active in Lancaster District

Registered provider	Name	Telephone	Email
Adactus	Richard Ingram	01942 267752	<a href="mailto:richard.ingram@adactushousing.co.uk">richard.ingram@adactushousing.co.uk</a>
Great Places Housing	Helen Spencer	0161 4475102	<a href="mailto:helen.spencer@greatplaces.org.uk">helen.spencer@greatplaces.org.uk</a>
Guinness Northern Counties	Ian Kershaw	0161 219 7026	<a href="mailto:iankershaw@guinness.org.uk">iankershaw@guinness.org.uk</a>
Impact	Anne-Marie Willmott	01900 842151	<a href="mailto:anne-mariew@impacthousing.org.uk">anne-mariew@impacthousing.org.uk</a>
Places for People	John Wright	01772 897571	<a href="mailto:john.wright@placesforpeople.co.uk">john.wright@placesforpeople.co.uk</a>