



Meeting: **POLICY REVIEW COMMITTEE**  
Date: **TUESDAY 16 JULY 2013**  
Time: **4.00PM**  
Venue: **MEETING ROOM 2**  
To: **Councillors M Jordan (Chair), I Reynolds (Vice Chair), Mrs M Davis, K Ellis, Mrs E Metcalfe, R Musgrave, I Nutt, R Packham, and Mrs A Spetch.**

## Agenda

### 1. Apologies for absence

### 2. Disclosures of Interest

A copy of the Register of Interest for each Selby District Councillor is available for inspection at [www.selby.gov.uk](http://www.selby.gov.uk).

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

### 3. Minutes

To confirm as a correct record the minutes of the proceedings of the meeting of the Policy Review Committee held on 16 April 2013, (pages 1 to 6 attached).

### 4. Chair's Address to the Policy Review Committee

### 5. PR/13/1 – The State of Area Address

To consider the report from the Democratic Services Officer, (pages 7 to 19 attached).

**6. PR/13/2 – Selby Affordable Housing Supplementary Planning Document**

To consider the report from the Policy Officer, (pages 20 to 96 attached).

**7. PR/13/3 – Selby District Council Housing Development Strategy**

To consider the report from the Policy Officer, (pages 97 to 126 attached).

**8. Work Programme 2013 – 2014**

To consider the Work Programme 2013/14, pages 127 to 128 attached

**Jonathan Lund**  
**Deputy Chief Executive**

Enquiries relating to this agenda, please contact Palbinder Mann on:  
Tel: 01757 292207 or email [pmann@selby.gov.uk](mailto:pmann@selby.gov.uk).

<b>Next meetings</b>
17 September 2013 (provisional)
15 October 2013
19 November 2013 (provisional)
17 December 2013 (provisional)
14 January 2014



# Minutes

## Policy Review Committee

- Venue: Committee Room
- Date: 16 April 2013
- Present: Councillor M Jordan (Chair), Councillor K Ellis, Councillor I Nutt, Councillor R Musgrave Councillor I Reynolds, and Councillor Mrs A Spetch
- Apologies for Absence: Councillor R Packham
- Also Present: Councillor Mrs G Ivey
- Officers Present: Helen Drye, Lead Officer – Policy, Tim Grogan, Senior Enforcement Officer, Karen Iveson, Executive Director (S151); Julia Jennison – Policy Officer, Andy McMillan – Policy Officer and Palbinder Mann, Democratic Services

### 41. Declarations of interest

There were no declarations of interest.

### 42. Minutes

#### RESOLVED:

**To receive and approve the minutes of the Policy Review Committee held on 15 January 2013.**

### 43. Chair's Address

The Chair informed the Committee that he was now holding regular meetings with the Deputy Leader of the Council to ensure that the Committee were covering items which were on the Executive's work programme.

### 44. PR/12/18 – Outcomes from Last Meeting

**RESOLVED:**

**To note the outcomes of decisions from Policy Review Committee 15 January 2013**

**45. PR/12/19 – Countryside Management and Green Space Strategy**

Andy McMillan, Policy Officer, presented the report and explained that this was a follow up report following consideration of the Countryside and Green Spaces Strategy by the Committee at its meeting on 16 October 2012. The Policy Officer explained that the Committee had requested that Parish Councils be consulted for fact checking and this had now been completed.

It was now explained that the Countryside and Green Spaces Strategy could now be consulted upon.

**RESOLVED:**

**To note the significant actions to date, and that a period of 6-weeks consultation now be undertaken on the Countryside and Green Spaces Strategy.**

**46. PR/12/20 – Gambling Policy**

Tim Grogan, Senior Enforcement Officer presented the report which outlined the Gambling Policy for consideration by the Committee. The Senior Enforcement Officer explained that there were 9 betting establishments in the district to which the Policy applied to.

**RESOLVED:**

**To recommend that the Executive approve the Gambling Policy.**

**47. PR/12/21 – Choice Based Lettings**

Councillor Mrs G Ivey, Deputy Leader of the Council and Julia Jennison, Policy Officer presented the report which outlined a review of the North Yorkshire Home Choice policy and allowed the Committee to feed into the North Yorkshire wide consultation.

The Committee were informed of the proposed policy changes which included a household income level/equity cap of £50,000 and that

homeowners would no longer be eligible to register for housing unless they could demonstrate a proven need.

The following comments and discussion took place:

- Concern was raised at the number of applications for housing from people living outside the district. The Policy Officer explained that whilst the scheme operated across North Yorkshire and allowed for cross boundary allocations, there had been concern around this issue. It was explained that the current proposed policy changes allowed that, an applicant would have to demonstrate that they had a connection to North Yorkshire to register. In addition, in settlements of under 3000 households, it was proposed that the district may opt to advertise a property for a local parish connection in the first instance, widening to the North Yorkshire Partnership area if this was unsuccessful.
- It was queried whether Councillors should be informed of a Council tenant moving into their area; this related to concern around behaviour of new tenants. The Policy Officer explained that there would be an issue of confidentiality associated with this. It was explained that all new tenancies were subject to an initial one year introductory tenancy so that these types of issues could be addressed early.
- In response to a query concerning the supplying of information to the public, the Policy Officer confirmed that there would be an updated summary sheet available. In addition, it was also explained that the appeals procedure would not change.
- Concern was raised at the words 'bedroom tax' being included in the report as this was not a formal phrase to describe the welfare changes.
- It was explained that the level of income/equity cap at £50,000 was still up for discussion and this may be amended.
- The Policy Officer outlined the proposed timetable for the policy. The Committee were informed that the consultation would finish on 3 May, with the HomeChoice Project Board meeting on 9 May to reach agreement on a final draft policy acceptable to all partners. The report would then be before the Executive Briefing on 16 May followed by the June Executive meeting. The policy would then go to Full Council in June and following this would go to the North Yorkshire Strategic Housing Board

The Committee were also informed that additional comments could be submitted for the consultation via the Council's website.

**RESOLVED:**

- i) To recommend a press release be issued in the Selby Times and the Selby Post about the consultation if it has not already been done so.**
- ii) To recommend that all three bandings be retained.**
- iii) A further press released be issued through the North Yorkshire Strategic Partnership when the policy is implemented.**
- iv) The Committee give their support to the policy.**

#### **48. PR/12/22 - Empty Homes Policy**

Helen Drye, Lead Officer, Policy presented the report which outlined the Empty Homes Strategy 2013-2016. The Lead Officer, Policy explained that the policy allowed for an opportunity to look at the scale of empty homes in the district and bring them back into use.

The Committee were informed that there were currently 1,178 empty homes in the district that had been empty for longer than six months and of these 211 had been empty for longer than two years. The Lead Officer, Policy explained that the report contained a number of opportunities outlining how the properties could be brought back into use.

The following comments and discussion took place:

- It was queried whether there would be a similar scheme to previously in respect of utilising accommodation in flats above shops. The Lead Officer, Policy stated that the previous scheme had varying levels of success and given the current economic climate, this area could be one to look at.
- In response to a query concerning Council Tax relief for empty properties, the Lead Officer explained that it was the responsibility of the property owner to apply for Council Tax relief and it was currently awarded at 100% relief for the first month the property was empty with 20% relief for the next five months. The Committee were informed that if the property was still empty after six months, no further relief was offered.
- A request was made that the sentence in the second paragraph on page 144 of the report should refer to 'spaces above shops' rather than 'flats above shops'.
- The Committee were of the opinion that empty homes should be monitored on a six monthly basis rather than annually. A request

was also made that the strategy should be on the agendas for all of the Community Engagement Forums.

- It was stated that there should be an additional performance indicator concerning Environmental Health to assess the number of dilapidated properties along with the number of Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs).
- The Committee were informed that three areas had been identified, Tadcaster, Selby and Barlby with the most empty properties. A request was made that with regard to the data provided on the number of properties, this should be made available in percentage format.
- The Committee acknowledged that the Council could be eligible for a new homes bonus for any properties brought back into use.
- A request was made that the Council should consider increasing Council Tax to 150% for properties which had been empty for over two years.

**RESOLVED:**

- i) To recommend that the Empty Homes Strategy be on the agendas for all the Community Engagement Forums.**
- ii) To recommend that the amount of empty homes in the district be monitored on a six monthly basis rather than annually.**
- iii) To recommend that there should be an additional performance indicator concerning Environmental Health to assess the number of dilapidated properties along with the number of Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs).**
- v) To recommend that the Council consider that Council Tax for properties empty for more than two years should be increased to 150%.**

**49. PR/12/23 - Policy Review Committee Annual Report**

The Chair outlined the Policy Review Committee Annual Report. A request was made that actions should be included after each section for future annual reports to outline what the Committee concluded and recommended.

**RESOLVED:**

- i) To note the Annual Report submitted by the Chair of the Policy Review Committee.**

**50. PR/12/24 – Work Programme 2013/14**

The Chair outlined the Policy Review Committee Work Programme 2013/14.

**RESOLVED:**

- i) To agree the Policy Review Committee Work Programme for 2013/14.**

The meeting closed at 6.52pm.





**Report Reference Number: PR/13/1**

**Agenda Item No: 5**

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**To: Policy Review Committee**  
**Date: 16 July 2013**  
**Author: Palbinder Mann, Democratic Services Officer**  
**Lead Officer: Karen Iveson, Executive Director (S151)**

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**Title: State of the Area Address 2013**

**Summary:**

The Leader of the Council's State of the Area Address was presented to Council on 25 June 2013 and it will now be presented to the Policy Review Committee on 16 July 2013.

**Recommendations:**

**The Policy Review Committee is asked to consider the State of Area Address and provide any comments.**

**Reasons for recommendation**

**The Committee is asked to ensure that the State of the Address will help to enable progress in the district and efficiently identifies the Council's priorities for the coming year.**

**1. Introduction and background**

The Leader of the Council presented his State of the Area Address to Council on 25 June 2013 and he will be in attendance to present the Address to the Policy Review Committee on 16 July 2013.

**2. The Report**

The state of the Area Address is attached at Appendix A.

**3. Legal/Financial Controls and other Policy matters**

**3.1 Legal Issues**

N/A

### **3.2 Financial Issues**

N/A

### **4. Conclusion**

The Committee is asked to ensure that the State of the Address will help to enable progress in the district and efficiently identifies the Council's priorities for the coming year.

### **5. Background Documents**

N/A

### **6. Appendices**

State of the Area Address – Appendix A

#### ***Contact Officer:***

Palbinder Mann  
Democratic Services Officer  
x2207  
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Last year my State of the Area Address was a curtain raiser for the launch of this Council's new Programme for Growth.

I explained that the Council was committed to achieving five big things...

We want to be a **stronger Council**, fighting for our communities and getting everyone working together.

We want to **change** the perceptions people have about Selby District as a **place** to live, work, bring up their families, and spend their time and their money.

We will strive to ensure that people are **living well** by providing better opportunities for learning, training, jobs, housing and leisure.

We want to be confident in our ability to **tackle the tough stuff** that holds back our potential and the development of our communities and

We want to be **switched on** to what's happening around us, knowing what's important to the people we serve and being fit to deliver it.

I want to reaffirm our commitment to those five big things tonight. They are the important issues that drive the strategic direction of the Council.

It's because we are a **stronger Council** - confident, innovative and practical - that North Yorkshire County Council has chosen to work alongside Selby to identify how we could both become more effective and efficient at delivering local services - sharing resources, expertise and personnel. Both Councils have voted overwhelmingly to support this joint approach and we are now well on the way to recruiting a Chief Executive at Selby who will also serve as an Assistant Chief Executive at the County Council.

This is not just an important symbol of our commitment to working together, but a crucial step in ensuring that our partnership moves quickly from words to deeds. I look forward to the day, soon, when someone who needs housing, social care and benefits services can be helped by one person working on behalf of both Council's. Better for us and better for council tax-payers but more importantly, better for the customer we're all here to serve.

And we are not just working with the County Council. At Hambleton Hough we worked with the Church Fenton-based Wildlife Habitat Protection Trust. We benefit from their considerable skill and experience managing woodlands, green spaces and conservation areas. They are an ideal partner to take over the running of the site and through a 99-year lease the future of this space is safeguarded. Our partnership with the Yorkshire Wildlife Trust offers the same benefits at Barlow Common Nature Reserve and as a result Council tax payers save £53,000 every year.

We should also celebrate the work done through our five Community Engagement Forums

- to devise and adopt Community Development Plans;
- use the twenty thousand pounds we give to each CEF every year to bring in more external funding and
- to galvanise and encourage local people to come up with and implement the best local solutions to the issues in their areas.

In the southern CEF area flytipping was identified as a problem and this year we have increased the number of successful fly tipping prosecutions by 70%.

And its not just in fly tipping that the Council's performance has improved. We collect rubbish from seventy seven thousand bins every month, on average our contractors miss just 23 bins out of those seventy seven thousand. That's just 0.03% - excellent by anybody's standards

We now recycle 44% of the district's waste – that's over fifteen thousand tons of household rubbish that isn't going into landfill every year. And productivity is up too. We are collecting refuse from two thousand more homes now but the contract price has stayed the same. We are also cutting more grass in the District but better productivity means that the price has been held.

And remember we do all this and we

- answered 146,000 telephone calls
- managed 3147 council houses
- invested £1.5 million to improve our stock of Airey Homes
- dealt with over eight thousand repairs and got to nearly 99% of those repairs on time
- replaced 120 roofs and 400 boilers, and fitted 120 new kitchens and 170 new doors
- collected £37 million in Business Rates
- processed 42,000 amendments to benefits claims and deal with 88% of benefits issues within five working days
- processed 1268 land charges searches and
- retained our Investors In People accreditation

Selby is a stronger council, rightly confident in its ability to deliver services well despite falling budgets.

We are also committed to **changing perceptions** and helping others to see our district through new eyes

The Olympic torch passed through Selby district last year on its way to the opening ceremony in London. Thousands of people lined the route and watched the handovers as the torch made its way through Camblesforth, Selby, Monk Fryston, Barkston Ash and Tadcaster. We took every opportunity to highlight and showcase the District in the best light and won plaudits and praise for the way the event was organized locally. I would like to thank all those involved as torch bearers, but also those in the background who worked to ensure the smooth passage of the Olympic torch through our district.

In October 2012 we joined with other forward looking councils and signed up to Creative England's Film Friendly Charter to promote the region as a location for films and TV programs and send out a clear message that film and TV companies are welcome to an area with a number of iconic buildings and unique locations and lots of space to accommodate film productions.

Selby is open for business and welcomes the right sort of investment and development. Last year we invested in our planning system to tackle the backlog caused by changes in national planning policy and to ensure that we encourage and direct the growth that we do want whilst protecting the district from the developments we don't want. We have already used the planning system to refuse one windfarm in response to public consultations and we will continue to defend people from further unwanted developments in the future.

Our Core Strategy has been examined in minute detail at a series of reconvened public enquiries. I am delighted to report that we received notification late last week that our submitted core strategy is sound. The inspector has suggested a number of main modifications that we need to consider incorporating before the strategy is formally

adopted later this year and we will be publishing the details later this week. This is a major milestone for the District and represents years of hard works by councillors and officers, I congratulate all concerned.

We have also been working to identify how best to improve the gateways to our district – the roundabouts and entrance points on our main roads and into our major communities that thousands of people pass everyday.

And in Sherburn the Council's enforcement team worked with environmental health officers, the police, parish council and county council trading standards officers to tackle anti social behaviour associated with the areas pubs. The new measures introduced by the Council's licensing committee have enhanced CCTV coverage, restricted drinking outside premises, and improved training and door supervision in direct response to the concerns raised by the local community. And its not just me saying that...Police Inspector Richard Abbott said..." *Its satisfying to see the owners work with the Police and the licensing authority to bring about a safer and more pleasant location for villagers to spend time"*

Being safer is also part of our commitment to making Selby District a great place to live, with people **living well** and leading happy and healthy lives

Following the fire at Abbey Leisure Centre we worked fast to purchase and convert the former Walkers Bingo Hall to provide a new, replacement fitness centre and gym. That work has paid off and the Profiles Gym now welcomes over eleven hundred customers through its doors every week – that's people getting fit and staying fitter. Tadcaster has also seen a rise in members and attendance.

We also worked fast to develop plans for our brand new Leisure Centre on the Scott Road site. We set the project team a hard task. We asked them to come up with an

iconic design for the new centre, to provide the very best range of new facilities, bring the estimated construction cost down significantly from the £9 million estimate, secure major grant funding from Sport England and devise a business plan that will see the new facility operate without a subsidy or even make a surplus.

We remain confident that all of those targets will be achieved. The planning application is now being considered by our planners and we are working hard to meet the Sport England conditions for a £2 million grant. We have £3 million in the bank from our insurers and the Council is investing £2 million as part of the programme for growth.

We plan for the new facilities to be open by Christmas 2014

We are also negotiating with development partners to redevelop the rest of the Scott Road site. Meetings have taken place as part of a structured competitive dialogue process and an exciting range of potential uses have been discussed including a cinema, restaurant, urban “free running” gym, adventure climbing, indoor caving and a family fun centre. Whatever is built has to be popular, sustainable and financially viable but this is an important opportunity to create something unique right here in Selby.

But that’s not all.

Last year also saw the opening of the outdoor gym in Selby Park with a wide range of equipment including a two person air strider, a combined fitness bike and stepper and a two person leg strengthener as well as a sit up board, combined fitness system, and a waist and chest machine.

We also launched Selby's very own Midnight Soccer League evening football sessions in February 2013. Despite the shocking weather at the start of this year the supervised weekly sessions helped young people aged between 11 and 19 enjoy physical activity



and socialise in a safe and secure environment. The project was supported by Wigan Leisure Trust, the Police, Fire and County Youth Services. And York City Football Club helped with coaching. In addition two students from Selby College gained coaching certificates as part of the project. The project will be repeated in Selby this summer and will roll out to Tadcaster in September and then Sherburn.

...and we're not afraid of **tackling the tough stuff** that might otherwise knock us off course

Some of our decisions may not be popular but they are necessary and right. We have a statutory obligation set by central government to make provision for sites for Gypsies Travellers, wind farms and the location of new houses.

A cross party working group of Councillors identified Burn Airfield as the most deliverable site for additional gypsy and traveller pitches. We have agreement from the landowners – the Homes and Communities Agency – to purchase the land and we have received an offer of grant towards the purchase and redevelopment of the site. The planning permission is now being considered by planners.

I am well aware of the strong local feeling against the proposals – but I am convinced that wherever we suggested putting a new gypsy and traveller site – there would be strong local feelings. The fact that we haven't agreed with the objections from Burn Parish Council and the Burn Action Group does not mean that we haven't listened to them and considered their views very carefully.

But I shouldn't need to tell Councillors that if we don't identify sites then we face a situation where we cannot take enforcement action against unauthorised developments. We are trying to act as a responsible council by providing a dedicated place where people can be safe and have access to services such as refuse collection and education provision.

We have also been working with the people of Tadcaster to help unlock the potential of their town by releasing Council-owned land for the development of new affordable homes. The sites at St Joseph's Street and Kirkgate are close to the town centre and the developments would provide much needed new housing as well as regenerating the look and feel of those parts of the town.

In a wider initiative we have helped to fund a project led by the Tadcaster and Villages CEF and the Town Council to improve and regenerate the Tadcaster Riverside with a new and distinctive castle-themed play area, outdoor fitness and 'trim trail' equipment, picnic benches and seating, improved footpaths and better access to the former Tadcaster Beach.

Finally we are committed to staying **switched on** to what's happening around us, knowing what's important and being fit for the job.

During this year's round of budget consultations we listened to what people said about what the Council's priorities should be and we responded. We decided to freeze Council Tax charges again this year and to halt the idea of green waste collection charges so that we can do more work on what the proposals would mean in Selby and how they have worked elsewhere.

We also listened to feedback on the effectiveness of the Council's online planning portal and invested in a major revamp which has ensured that the system is available 24-hours a day, with all of the relevant information available in one place making searching for information easier and making it faster and more efficient for anyone wanting to keep track of a planning application online.

And we are working with North Yorkshire County Council to bring superfast broadband to rural areas.

But that is not our only investment in the future of the District.

In July 2012 we launched a major initiative, the Programme for Growth. By making efficiencies in the way we operate we have been able to redirect new Homes Bonus to help set up a £5 million investment programme?

It focuses on supporting a number of key areas that matter most to our community: **new jobs, housing, local infrastructure, retail and leisure.**

The Programme for Growth will help revitalise Selby district and promote new homes where appropriate, bring more empty homes back into use and support business growth. We want to ensure that we are a confident district and one that is open for business.

Work has already started with the creation of an independent Housing Trust to deliver brand new affordable homes in the area. The Housing Trust will build new homes for affordable rent at sites across the district, mainly on land transferred to the Trust from the Council. The aims are to deliver much-needed new affordable housing for families and individuals, to support the local construction industry, and to increase opportunities for jobs and wealth creation.

As a separate, charitable organisation, the Trust will have greater freedom to build new, affordable housing and to retain those homes for affordable rent in the long-term.

The Planning Committee's decision to accept a commuted sum equivalent to 15% of the affordable housing on the latest large scale housing development sites in Sherburn

means that the Council can plan to invest upwards of 6 million pounds in building new affordable homes and bringing empty properties back into use.

The Programme for Growth also provides £ 350,000 to support the revitalisation of the centres of Selby, Tadcaster and Sherburn in Elmet through support with marketing the area and improvements to key gateways to these towns.

The Programme for Growth is intended to be the delivery mechanism for our ‘five big things’.

In the year ahead we will...

Appoint a new Chief Executive and move forward with purpose on greater shared working with North Yorkshire County Council to deliver savings and enhance and improve services

Launch the Housing Trust, build our first new affordable homes and develop a detailed delivery plan to make full use of the new freedoms and additional funding that will be available to us

Adopt a detailed delivery plan and start to implement the Empty Homes Strategy to bring blighted empty properties back into use.

Identify and acquire strategic sites that will help the Council deliver its five big things and its programme for growth

Continue to promote and support the development potential of strategic sites at Olympia Park and the Proving Ground at Sherburn, balancing the need for new homes and new employment.

Obtain Planning Permission, secure the Sport England funding, appoint a contractor and start to build a new Leisure Centre at Scott Road.

Choose a development partner to build out the remainder of the Scott Road site and deliver a leisure village at Scott Road that will draw people into Selby from a wide area

Implement practical and cost effective measures to improve the roundabouts and gateways on major routes into and around the District and its major settlements.

Complete the revitalization and improvement of the riverside at Tadcaster and finally...

- Despite more years of trying than any of us cares to remember
- Despite three judicial reviews
- Despite desperate final attempts to stop us with appeals and further reviews

We will finally implement improvements to the Central Area Car Park at Tadcaster, having fully recovered our legal costs from Sam Smiths Old Brewery in Tadcaster.

Our programme for growth is an ambitious programme.

We are an ambitious Council.

I have every confidence that, with determination, we will succeed.



**Report Reference Number: PR/13/2**

**Agenda Item No: 6**

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**To: Policy Review Committee**  
**Date: 16<sup>th</sup> July 2013**  
**Author: Julia Jennison**  
**Lead Officer: Keith Dawson – Director of Community Services**

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**Title: Selby Affordable Housing Supplementary Planning Document**

**Summary:**

An Affordable Housing Supplementary Planning Document (AHSPD) will support policy implementation by informing negotiations on schemes to deliver a proportion of affordable housing on all market housing sites following the adoption of the Core Strategy later this year. The draft document was approved for consultation (until mid August) by Executive on 6<sup>th</sup> June.

**Recommendation:**

- i) To consider the draft AHSPD and provide comments to feed into the consultation process.

**Reasons for recommendation**

- i) To progress the statutory procedures for approval of the AHSPD in order to assist in the implementation of the Council's policies in the Core Strategy for delivery of affordable housing to meet identified need in the District. This will ensure the SPD is in place to allow the Core Strategy to be fully implemented upon adoption which is envisaged for October 2013.

**1. Introduction and background**

- 1.1 The Affordable Housing Supplementary Planning Document (AHSPD) will set out the Council's approach to delivering affordable housing in accordance with the NPPF and the Selby District Core Strategy.
- 1.2 There is a Draft Affordable Housing SPD 2010 which was subject to public consultation in 2011 but not finalised pending the outcome of the Core Strategy work. The Draft AHSPD 2010 requires reviewing and updating in the light of changes in national policy (the cancellation of

Planning Policy Statement 3 (PPS3) and the publication of the NPPF in 2012) and changes to Core Strategy and must be based on the latest robust evidence.

- 1.3 The AHSPD has been developed in accordance with the Core Strategy Policy CP5 (Affordable Housing) and Policy CP6 (Rural Exceptions). It aims to assist a range of stakeholders on the Council's approach, standards and mechanisms required to deliver affordable housing which meets local needs.
- 1.4 It will support delivery of affordable housing and planning policy implementation by informing negotiations with developers and provide:
  - clarity on Selby District Council's (SDC) approach for stakeholders (e.g. public, applicants, developers, Registered Provider (RP)s, landowners and valuers)
  - clear guidance to ensure a consistent approach to enquiries and negotiations
  - guidance on the definition of quality; affordable; 'balanced housing market', and 'clear benefits to the community'.
- 1.5 The report outlines the key policy issues and provides a draft document for consideration as part of the public consultation stage. The consultation draft of the AHSPD is attached at Appendix A.

## **2. The Report**

### **Summary of Scope of AHSPD**

- 2.1 The emerging Core Strategy, Policy CP5 will apply to all new developments. For developments of 10 dwellings or more the Council will negotiate for on-site provision of affordable housing up to a target of 40% of the total new dwellings on-site as an integral part of market schemes. In line with national and local policy, the affordable housing should be provided on-site, and as such the SPD provides guidance on such topics as siting and design and model s106 agreements as well as detailing the information required as part of a planning application, and advice on the scope of any financial appraisal, if less than the target of 40% affordable housing contribution is proposed by applicants on viability grounds.
- 2.2 Off-site provision is only acceptable in exceptional circumstances, and the AHSPD clarifies the Council's approach.
- 2.3 For sites of fewer than 10 dwellings 'commuted sums' will be sought equivalent to up to 10% affordable units. The SPD therefore provides for example guidance on model s106 agreements and the methods used to calculate the commuted sums figure.
- 2.4 Policy CP6 provides support to Rural Exceptions Sites for both 100% affordable housing for locally identified needs as well as the potential

support for cross subsidised market/affordable schemes in line with the National Planning Policy Framework (NPPF). The AHSPD provides advice on 100% affordable rural exceptions sites and provides some guidance on the Council's approach to cross-subsidised rural exception schemes in the interim period whilst further policy detail is considered regarding this new aspect in the next local plan documents.

### **Process to progress the AHSPD**

- 2.5 A scoping note was prepared in January 2013 to inform a tender process, the outcome of which was that Ove Arup & Partners (Arup) were appointed to lead this piece of work which includes the development of standard Section 106 Agreements.
- 2.6 Arup met with a small officer working group in March and April to discuss the current Draft AHSPD 2010, and debate possible amendments and additions to it. A further internal working group was established including Executive members to further consider and develop the draft.

### **Key issues**

- 2.7 The revised draft AHSPD has been updated to take account of the National Planning Policy Framework 2012 and emerging Selby Core Strategy, but a number of topics require further detailed consideration and are highlighted in the consultation.

The following key issues and questions are contained within the draft document.

- 2.8 Section 7 of the draft policy provides guidance on the type, size and tenure of affordable housing to be negotiated as part of the Section 106 Agreement. The type and size of housing will be based on the latest evidence of need in the district, with the tenure split of 30-50% intermediate tenure to 50-70% social rent as evidenced in the Strategic Housing Market Assessment (SHMA) 2009. Where they are charged, any service charges should be considered in the context of overall affordability.

### **Question 1: Are there any other factors/evidence that should be considered in relation to the type, size and tenure of affordable housing provided in Selby District?**

- 2.9 Design and layout requirements are that the affordable housing should be indistinguishable from the market housing on a site, and the scheme should meet the design requirements set out in the Core Strategy or any future policy. However, Registered Providers are also required to meet the latest Homes and Communities Agency Design and Quality Standards. The Core Strategy also notes that the Council is keen to encourage all new housing development to attain Lifetime Homes Standards, Code for Sustainable Homes and support the key principles



of the Building for Life scheme. The government is keen to simplify the process in the future, but in the meantime –

**Question 2: Are there any other factors/evidence that should be considered in relation to the design and layout of affordable housing in Selby District?**

- 2.10 In order to create mixed and balanced communities, the affordable housing should be dispersed through the site, generally in small groups of units. The affordable units should be indistinguishable from market units on the site. On occasions however, some may need to be grouped together eg for flatted schemes.

**Question 3: Are there any other factors/evidence that should be considered in relation to the distribution of affordable housing within an overall development scheme?**

- 2.11 In line with national policy, the Core Strategy sets out a preference for the affordable housing to be provided on site as completed units on schemes of 10 units or more. It is good practice for the Local Authority to set out Transfer Prices for the affordable units to ensure that Registered Provider partners are not bidding against each other. Transfer Prices are collated from Registered Providers working in the district, but may be presented either as a range or as an average.

**Question 4: Transfer prices have been provided by a number of Registered Providers and differ depending on providers. The transfer prices will be set out as an average per house type for social and for intermediate tenure. Do you agree with this approach? Please state your reasons.**

- 2.12 On certain sites development viability may be affected by a range or combination of factors which could not have been identified prior to purchase (e.g. genuine abnormal costs), and a reduction in the level of affordable housing provided may be considered. The applicant will need to identify these issues and submit a financial appraisal to the Council which will be referred to an expert advisor. Where development viability is proven to be affected, negotiation may take place around the numbers, type, size or tenure mix.

**Question 5: Do you agree with this approach to viability?**

- 2.13 With reference to the glossary

**Question 6: Are there any other definitions that should be included in the glossary?**

- 2.14 In order to calculate the Transfer price of an affordable unit to a Registered Provider (ie the actual amount that the RP will pay to a developer), a market value of the units will need to be agreed.

Appendix 1 of the SPD sets out that for schemes of 10 units of over, either

- 3 separate estate agent/surveyor valuations or
- average value of past sales for equivalent dwelling types proposed as affordable housing. Values should originate from average sales within the last 12 months within the same settlement as the application site, and should be provided for each individual dwelling type proposed.

**Question 7: Do you agree with the parameters we have included in relation to calculating affordable value?**

- 2.15 The Council works with RP partners to set Transfer prices for the affordable housing provided for a range of property types, and this reduces the possibility of RPs bidding against one another. These are linked to property prices in an area.

**Question 8: The information set out in Table A3.1 is based on three Registered Provider responses to questions regarding the calculation of Transfer Prices, which offered separate values for affordable rent and shared ownership, Other local authorities have demonstrated that these figures could be averaged to offer a single value for each, and this is the approach the Council will take. Do you agree with this approach?**

- 2.16 The proposed mechanism for calculating fixed commuted sums on smaller sites is set out in Appendix 1 at 'Proposed Options for calculating Commuted sums' section 1.

**Question 9a: Do you have any further comments on our approach to calculating commuted sums for smaller sites (1—9 dwellings)**

**Question 9b: Do you agree that commuted sums for small sites should be required for single dwellings, or for schemes of two dwellings or more?**

**Question 9c: Do you consider that 'cost to applicant' should be composed of different elements to the size and type of units to be developed?**

**Question 9d: Do you consider that the mechanism for determining the maximum fixed commuted sum should be published alongside the fixed commuted sums?**

- 2.17 The document goes on to set out the commuted sum calculations on schemes of 10 units or more. This includes allowance for the added value of the site to be taken into account where off site provision is agreed (as the scheme would deliver fewer or no affordable units, and give the opportunity to deliver additional market units).

**Question 10: Do you have any comments on the proposed approach to calculating commuted sums on schemes of 10 units or more?**

- 2.18 Appendix 4 sets out the information required within the Financial Appraisal submitted as part of the planning application, where 40% affordable housing is not offered on site.

**Question 11: Do you agree with the proposed level of information that should be provided to inform a viability assessment? Is there any additional information that you think should be provided?**

- 2.19 Appendix 5 sets out definitions for 'Balanced Housing Market' and 'Clear Benefit to the Community'. These definitions would be used to consider whether it is appropriate for affordable housing to be provided off site.

**Question 12: Do you think there are any other factors/circumstances that should be taken into account when the Council is assessing whether a proposal might be considered to deliver a balanced housing market of clear benefits to the community? If so, how could they be evidenced?**

- 2.20 Appendix 6 sets out the information required to accompany a planning application.

**Question 13: Should the Affordable Housing Plan include any further requirements?**

- 2.21 Question 14 asks: Do you have any other comments on the AHSPD or Section 106 Agreements?
- 2.22 Following approval of this draft AHSPD at Executive on 6<sup>th</sup> June, a press release was circulated with consultation running from early July to mid August, including this report to Policy Review and awareness raising to partners on our LDF consultation list including developers and Registered Providers.
- 2.23 Following analysis of the responses, it is proposed to take a report back to Executive in October; the same meeting will consider the Core Strategy.

**Timescale**

- 2.24 The time line for the AHSPD is scheduled below.

<b>Date</b>	<b>Event</b>	<b>Action</b>
18 February 2013	Inception meeting	Agreement reached on work required and final timetable
6 June	Executive	Draft recommended to Council to be approved for consultation
25 June	Annual Council	Draft approved
Early July – mid August		Consultation
16 July	Policy Review	As part of consultation
3 October	Executive	To consider a summary of responses received and officers recommendations
October	Council	To consider Executive recommendations and adopt SPD

### **3. Legal/Financial Controls and other Policy matters**

#### **3.1 Legal Issues**

The report has been prepared to set out the Council's approach to negotiations for affordable housing.

#### **3.2 Financial Issues**

All costs associated with the production of the Affordable Housing SPD can be met from current budgets.

Once the SPD is adopted, it will be transparent to developers the formula used to ensure there is a balance between viability and the need to support affordable housing provision throughout the district, upfront expression on the Council's expectations will be set out, enabling the planning process to be streamlined. The cost of the viability assessments lies with developer/applicant.

The SPD also proposes the collection of commuted sums in lieu of on-site contributions on smaller sites (and potentially in cases of commuted sums on larger developments) and that these monies could be used for the provision of more affordable housing across the

District. Consideration will need to be made of the mechanisms for this to be effected in a way which meets the requirements of each S106, and allows the Council to meet its own aims and objectives for the district.

#### **4. Conclusion**

The AHSPD will form the basis for successful negotiation to maximise affordable housing provision within the scope of the Council's policy set out in the Core Strategy.

#### **5. Background Documents**

Draft Affordable Housing SPD 2010  
Selby District Submission Draft Core Strategy

#### **Contact Details**

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## Appendix A

# Selby District Council

**Draft**

## **Affordable Housing Supplementary Planning Document**

**July 2013**



Consultation on the Draft Affordable Housing Supplementary Planning Document (AHSPD) begins on Thursday 4 July 2013 and representations should be submitted by 5pm on Friday 16 August 2013.

Copies of the documents are available at 'Access Selby' contact centre in Selby and at local libraries during normal opening hours.

Further detail on the consultation can be found on the Council's website at [www.selby.gov.uk](http://www.selby.gov.uk)

A comments form is available from the Supplementary Planning Documents page on our website and comments can be submitted by email to [ldf@selby.gov.uk](mailto:ldf@selby.gov.uk) or by post to the Policy and Strategy Team, Selby District Council, Doncaster Road, Selby YO8 9FT; or by fax to (01757) 292229

**If you require any further help or advice or if you need this document in a different format, for example large print, audio, Braille or in another language, please contact the Policy and Strategy Team on (01757 292034) or email [ldf@selby.gov.uk](mailto:ldf@selby.gov.uk)**



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## **Draft Affordable Housing Supplementary Planning Document July 2013**

### **Section 1: Introduction**

- 1.1 The Council believes that everyone should have the opportunity of a decent home which they can afford in a community in which they want to work or live. Selby District Council is committed to providing high quality affordable housing for people who cannot access or afford market housing in the Council's administrative area ("the District")
- 1.2 Housing affordability is one of the biggest challenges facing the District. House prices are higher than regional average, and almost tripled over the period 1996 to 2011<sup>1</sup> from £66,362 in 1996 to £182,442 in 2011. However average house prices in Selby are lower than the North Yorkshire average of £128,113.
- 1.3 Affordability ratios (house price to earnings) are also significantly higher than the 'Affordable Definition' of 3.5 (an affordable mortgage being three and a half times annual income)<sup>2</sup> particularly in the northern part of the District. In 2011 the affordability ratio for Selby District was 6.02<sup>3</sup>. This means that house prices are 6 times the annual income for Selby District.
- 1.4 The latest Strategic Housing Market Assessment (2009) ("SHMA") identifies the scale of the need for affordable housing in the District over the Local Plan period. The SHMA establishes an overall target of 30-50% intermediate housing and 50-70% social rented housing. To meet the identified demand, the affordable housing needs to be the right kind of housing in the right locations. Following the introduction of the Government's affordable rent category, the Council will be gathering evidence to establish the identified need and tenure split of rented housing. This will be set out through a combination of this SPD and future development plan documents (as appropriate) based on the Council's latest evidence of need.

### **Section 2: Purpose and Status of this Supplementary Planning Document**

- 2.1 Supplementary Planning Documents ("SPD") were introduced by the Planning and Compulsory Purchase Act 2004, amended by the Localism Act 2011.
- 2.2 Central Government requires local planning authorities to help tackle the shortage of affordable housing by securing provision of affordable housing as a proportion of the total housing on residential and mixed use development

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<sup>1</sup> DCLG Live Table 585 Housing market: mean house prices based on Land Registry data, by district, from 1996 - 2011

<sup>2</sup> DCLG (2007) Strategic Housing Market Assessment- Practice Guidance (Version 2)

<sup>3</sup> DCLG Live Table 576 Ratio of lower quartile house price to lower quartile earnings by district, from 1997 - 2011

sites. Affordable housing provision will be required where site size thresholds, set out in this SPD are reached or exceeded, in accordance with Policy CP5 of the Selby District Core Strategy (“the Core Strategy”).

- 2.3 The purpose of this SPD is to set out the Council’s approach to delivering affordable housing in accordance with the Local Plan and national policy. It includes the range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs and contributes towards attaining mixed sustainable communities and a balanced housing market.



- 2.4 It provides a clear and consistent approach to assist development management officers, the Planning Committee, landowners, developers, applicants, Registered Providers, Parish and Town Council and members of the public in understanding the requirements for the provision of affordable housing on all residential and mixed use development sites in the District.
- 2.5 Following the guidance contained in this SPD and discussing proposals with the Council at an early stage, so that affordable housing requirements are taken into account at site acquisition and scheme design stages, means applications are more likely to be validated expediently as the need for the Council to request additional information (which inevitably delays progress) would be minimised.
- 2.6 As set out in Policy LP1 of the Core Strategy, when considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained within the National Planning Policy Framework (NPPF). It will always work proactively with applicants to find solutions which mean that proposals can be approved (and affordable housing need can be delivered) wherever possible.

### Section 3: National Planning Policy

- 3.1 The National Planning Policy Framework (NPPF) was issued in March 2012. This provides the national planning policy guidance for the preparation of Local Plans and provision of affordable housing. The affordable housing policies contained within the Core Strategy (CP5 and CP6) align with the NPPF guidance on affordable housing.
- 3.2 The NPPF Glossary definition of SPDs states that they add further detail to the policies in the Local Plan and *‘they can be used to provide further guidance for development on specific sites, or on particular issues, such as design<sup>4</sup>’*. The NPPF also confirms that SPDs are capable of being a material consideration in planning decisions, but are not part of the development plan.
- 3.3. Paragraph 204 sets out the National Policy on planning obligations. This paragraph is relevant as planning obligations are a mechanism for delivering affordable housing. Paragraph 204 states that *‘planning obligations should only be sought where they meet all of the following tests:*
- *necessary to make the development acceptable in planning terms;*
  - *directly related to the development; and*
  - *fairly and reasonably related in scale and kind to the development’.*
- 3.4 These tests are also contained in Regulation 122 of the Community Infrastructure Regulations 2010 (“the CIL Regulations”).
- 3.5 The affordable housing policies included in the Core Strategy are consistent with guidance set out in the National Planning Policy Framework.

### Section 4: Affordable Housing

#### Affordable Housing Definition

- 4.1 The Council’s definition of affordable housing is set out in the Core Strategy (para 5.80), and is in accordance with the definition in national guidance. The current national guidance definition is contained within National Planning Policy Framework and provided in the Glossary of the NPPF, the Core Strategy and this SPD as follows:

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<sup>4</sup> Annex 2: Glossary, page 56

'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.

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

Affordable Rented housing is 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).

Intermediate housing is 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.

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.'

#### Rural Exception Sites Definition

- 4.2 A Rural Exception Site is a site where planning permission will only be granted for small scale rural affordable housing, as an exception to normal planning policy to meet an identified local need. Rural Exception Sites must be in scale and keeping with the settlement they are within or adjoining, and its setting. The Council's (and the NPPF) definition of Rural Exception Sites is:

'Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. 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. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding (NPPF, Glossary).'

- 4.3 Core Strategy Policy CP6 provides the criteria that must be met for a site to be considered a Rural Exception Site. Local need has to be evidenced by the results of a local (parish) housing needs survey, and the proposed scheme must demonstrate that it meets the evidenced local needs, as well as being in line with the Selby evidence base (set out in Section 6: Evidence).



- 4.4 The Rural Housing Enabler is a resource available to Selby District Council, to work with landowners, local communities and Registered Providers to enable rural affordable housing schemes. Landowners that wish to develop their land as a rural exception site should seek the advice of the Rural Housing Enabler.
- 4.5 Specific allocations of rural exception sites within and adjoining Development Limits in Secondary Villages and Designated Service Villages will be considered through the forthcoming site and policies local plan.
- 4.6 The Selby District Council policy on allowing a small number of market units on rural exception sites is set out in Policy CP6 of the Core Strategy (see section 5 below). Further detailed policies and proposals will be considered as part of the sites and policies plan. In the interim, the Council's approach on mixed market / affordable housing rural exception sites is set out in Section 7 of this SPD (in line with the NPPF and Core Strategy).

## **Section 5: Local Plan Context**

### **Selby District Core Strategy**

#### Overview

- 5.1 The Council has published the Inspector's Report following the completion of the Examination in Public of the Core Strategy.

- 5.2 The Core Strategy includes two policies on affordable housing provision. These being Policies CP5 and CP6.

### **Affordable Housing Policy**

- 5.3 The two main aims of the Core Strategy affordable housing policy are:

- To establish the overall target for the provision of affordable housing in the District in accordance with national guidance on the definition and provision of affordable housing; and
- To set the broad framework within which developer contributions towards meeting affordable housing need will be sought in association with normal market housing.

- 5.4 Policy CP5 in the Core Strategy sets a requirement for up to 40% affordable housing on housing schemes of 10 units or above (or on housing schemes comprising 0.3 hectares or more). In exceptional circumstances, commuted sums may be acceptable where there are clear benefits in relocating all or part of the affordable housing dwellings.

- 5.5 For small sites below the 10 dwellings threshold a commuted sum in lieu of on-site provision of affordable housing will be sought. The basis of the calculation for the commuted sum is set out in this SPD (at Section 7 and Appendix 1).

- 5.6 The exact wording of Policy CP5 is set out below:

#### **Policy CP5 Affordable Housing**

A. The Council will seek to achieve a 40/60% affordable/general market housing ratio within overall housing delivery.

B. In pursuit of this aim, the Council will negotiate for on-site provision of affordable housing up to a maximum of 40% of the total new dwellings on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3 ha) or more.

Commuted sums will not normally be accepted on these sites unless there are clear benefits to the community/or delivering a balanced housing market by re-locating all or part of the affordable housing contribution.

C. On sites below the threshold, a commuted sum will be sought to provide affordable housing within the District. The target contribution will be equivalent to the provision of up to 10% affordable units.

D. The tenure split and the type of housing being sought will be based on the Council's latest evidence on local need.

E. An appropriate agreement will be secured at the time of granting planning permission to secure the long-term future of affordable housing. In the case of larger schemes, the affordable housing provision will be reviewed prior to the commencement of each phase.

The actual amount of affordable housing, or commuted sum payment to be provided is a matter for negotiation at the time of a planning application, having regard to any abnormal costs, economic viability and other requirements associated with the development. Further guidance will be provided through an Affordable Housing SPD.

- 5.7 The requirement for an affordable housing contribution also applies to refurbishment and conversions where additional units are added to the housing stock. For example, if a house was converted to provide 3 flats, contributions would apply to the additional 2 units. However, it does not apply to new agricultural workers dwellings.

#### Future Local Plan Documents

- 5.8 The required tenure split of affordable housing is currently set out in the Core Strategy through the Strategic Market Housing Assessment. This will be updated through future development plan documents (as appropriate) based on the Council's latest evidence of need. (See section 7)

### **Rural Housing Exceptions Sites**

- 5.9 The Core Strategy also includes a policy on Rural Housing Exceptions Sites. This enables small sites to be developed specifically for affordable housing in small rural communities. The policy is set out below:

#### **Policy CP6 Rural Housing Exceptions Sites**

In the Designated Service Villages and the Secondary Villages, planning permission will be granted for small scale 'rural affordable housing' as an exception to normal planning policy provided all of the following criteria are met:

- i) The site is within or adjoining Development Limits in the case of Secondary Villages, and adjoining development limits in the case of Designated Service Villages;
- ii) A local need has been identified by a local housing needs survey, the nature of which is met by the proposed development; and
- iii) The development is sympathetic to the form and character and landscape setting of the village and in accordance with normal development management criteria.



An appropriate agreement will be secured, at the time of the granting of planning permission to secure the long-term future of the affordable housing in perpetuity.

Small numbers of market homes may be allowed on Rural Exception sites at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding in accordance with the NPPF. Future Local Plan documents will consider introducing a detailed policy and / or specific allocations for such sites.

- 5.10 Exception sites must be in scale and keeping with the settlement they are within or adjoining and its setting. Rural Exception sites will 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. See Paragraph 7.17 for more detail.

#### Future Local Plan Documents

- 5.11 The sites and policies local plan will consider further detailed policies and the allocation of Rural Exceptions Sites in line with the Core Strategy. Any rural exception allocations would be in Designated Service Villages or Secondary Villages as per Core Strategy Policy CP6. Any allocations will also consider the national requirements set out in the NPPF.

### Section 6: Evidence

- 6.1 The SHMA and other relevant evidence base documents (existing and emerging) should be consulted for information on the latest evidence of housing need (see also paragraph 7.4).

### Section 7: Detailed Affordable Housing Requirements

- 7.1 Applicants should consider this SPD in tandem with the Council's website which will contain the most up to date affordable housing guidance and appendices to this SPD, as the financial information and other data contained within this SPD is subject to change in conjunction with changes to housing need.

#### Site Size and Suitability

- 7.2 In accordance with the Core Strategy, Policy CP5, the Council will seek a maximum of 40% affordable housing on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3ha) or more.

For example for a planning application of 150 new dwellings, the Council will seek on-site affordable housing of a maximum of 60 affordable units.

- 7.3 On sites below the threshold of 10 dwellings (or sites of less than 0.3ha) a commuted sum in lieu of on site provision of affordable housing will be sought

to provide affordable housing within the District. The contribution sought will be equivalent to the provision of up to 10% on-site affordable housing units. For example, a 9 unit scheme would pay the cost of 0.9 of an affordable unit.

A commuted sum will be sought for planning applications for between one and nine residential units. For details on how it is proposed to calculate the commuted sum for schemes between one unit and nine units, please see Appendix 1.

### **Type, Size and Tenure**

- 7.4 The exact type, size and tenure of affordable housing will be based on an assessment of need in the District. It will be based on the Council's latest evidence, which may include information from the most up to date Strategic Housing Market Assessment (SHMA), current information from the Selby District / North Yorkshire Housing Register, and evidence of existing affordable housing provision in the locality, including the Census 2011.
- 7.5 The starting point for negotiation on the type, size and tenure of affordable housing will be based on the current evidence base (SHMA 2009), until superseded by the Council's new evidence. The current evidence base indicates the following approach:
- A tenure split of 30 – 50% intermediate tenure (shared ownership, discounted sale and fixed equity products and intermediate rented options) and 50 – 70% social rent; and
  - A focus on 2-3 bed family housing to meet a range of need in flexible housing solutions in the longer term.
- 7.6 On developments where the affordable housing provision is subject to a service charge, most likely relating to shared communal areas, the charge should not be so great as to make occupancy unaffordable. The preferred approach by Registered Providers is to have limited shared areas within new developments, therefore resulting in no requirement for service charges to be payable. The Council will consider the levels of service charges in the context of prices, rents and overall affordability in relation to the findings of the latest SHMA.

**Question 1: Are there any other factors / evidence that should be considered in relation to the type, size and tenure of affordable housing provided in Selby District?**

## Design and Layout

- 7.7 The Council expects affordable housing to be built to the same high standard of design and amenity as market housing. Affordable housing units within new residential developments should be of a similar size and quality to the open market housing and should be visually indistinguishable.



- 7.8 Any proposed affordable units are required to meet the latest Homes and Community Agency Design and Quality Standards (including the Code for Sustainable Homes Level 3 as this is a requirement for Registered Providers.)
- 7.9 Applicants should meet the design requirements set out in the Core Strategy (Policies CP12, CP13 and CP16), and any other future Selby District Council Development Management policies and guidance relating to design. Applicants should work with Registered Providers early to ensure that design standards meet their requirements.
- 7.10 Core Strategy Policy CP16 states that *'development schemes should seek to reflect the principles of nationally recognised design benchmarks to ensure that the best quality of design is achieved'*. The Core Strategy notes the Council is keen to encourage all new housing developments to attain Lifetime Homes standards and meet the Code for Sustainable Homes as well as supporting the key principles of the Building for Life scheme.

**Question 2: Are there any other factors / evidence that should be considered in relation to the design and layout of affordable housing provided in Selby District?**

## **Distribution of Affordable Housing**

- 7.11 In order to create mixed and balanced communities, affordable housing should be dispersed through the application site, which depending on the scale of the scheme, may mean in small groups of units. There may be circumstances where Registered Providers have management reasons for seeking a proportion of the affordable housing to be sited together e.g. flatted schemes, but this should not prevent the remainder of the provision being distributed across the development.

**Question 3: Are there any other factors / evidence that should be considered in relation to the distribution of affordable housing within an overall development scheme?**

### **Registered Providers**

- 7.12 In order to ensure the long term retention and management, perpetuity and availability of the affordable housing the Council's preferred model is that applicants work in partnership with Registered Providers.
- 7.13 The Council recommends that applicants put forward proposals with a partner Registered Provider in order that they can be involved in the negotiation at the earliest possible stage and preferably be party to the Section 106 Agreement which will be required (see below).
- 7.14 A list of approved Registered Providers (RPs) currently operating in the Selby District is provided at Appendix 2 and on the Council's website, in order to assist applicants. The list is not restricted and applicants may work with an RP that is not included in Appendix 2. However, the proposed RP must be approved in advance by the Council before any contract with the RP is entered into. All affordable housing units must be able to be allocated through the Council's allocation scheme (North Yorkshire HomeChoice or future arrangement approved by the Council).
- 7.15 The Council's preferred approach as set out in Core Strategy Policy CP5 is that the applicant builds and transfers the completed units to an RP at the transfer price (see section 8) for that particular dwelling. In some circumstances the applicant may transfer serviced land to the RP to enable the building of each affordable unit. This will be considered by the Council on a case by case basis. The key requirement will be that the Council must be satisfied that the affordable housing scheme will be delivered to meet the need and retained in perpetuity.

### **Local Connection**

- 7.16 Selby District Council is part of North Yorkshire sub-regional Choice Based Lettings Partnership ("the North Yorkshire Homechoice"). This sets an agreed

North Yorkshire wide approach for partner Councils and Registered Providers for selecting new occupiers for their properties.

- 7.17 Rural Exception Sites by their nature will require a local (parish) connection for applicants in the first instance,(see Section 5.9) prior to the property being allocated on a cascade eg with adjacent parishes in the wider Selby district next and North Yorkshire partnership area last. Details will be contained in the Section 106 Legal Agreement (see below)

### **Section 106 Legal Agreement**

- 7.18 The provision of affordable housing is a requirement for all housing and mixed use developments to contribute to meeting the shortage of affordable housing in the District.
- 7.19 Affordable housing will be secured through planning obligations under Section 106 of the Town and Country Planning Act 1990.
- 7.20 The Council's model Section 106 Agreements for sites of 10 units and above (or of 0.3 hectares or more) and sites under 10 units are included in Appendix 3 of the SPD. The model agreements detail affordable housing obligations only. Therefore, the model agreement will need to be tailored to individual site specific requirements and include other non-affordable housing planning obligations (including, for example, recreational open space, education, transport and highways and enhancement of the public realm) as may be required to make the proposed development acceptable in planning terms.
- 7.21 Applicants must submit a draft Section 106 Agreement, based on the appropriate model agreement with the planning application.

### **Small Number of Market Dwellings on Rural Exception Sites**

- 7.22 In line with the National Planning Policy Framework and Selby Core Strategy Policy CP6, the Council may also consider rural exception sites that have a cross-subsidy from a small number of open market sales on the same site.
- 7.23 In considering such schemes the applicant would need to demonstrate to the Council's satisfaction that the open market element is essential to the delivery of the affordable housing development. This would need to be confirmed through dialogue with the Council's Rural Housing Enabler, with consideration of whether the scheme would meet local needs demonstrated through a local (parish) needs survey. The forthcoming sites and policies local plan will consider the allocation of Rural Exception Sites and the need for further detailed policy.

## Section 8: Transfer Prices

- 8.1 The NPPF and Core Strategy Policy CP 5 sets out a clear preference for affordable housing to be provided as completed units on site, for schemes of 10 dwellings (or 0.3ha) or more.
- 8.2 Selby District Council work closely with Registered Providers to set transfer prices by property type, size and tenure. The transfer prices will be updated annually and can be found on the Selby District Council website at:
- [include link – when available]*
- 8.3 The transfer prices at the date of publication of this SPD (2013) are included in Appendix 1.

**Question 4: Transfer prices have been provided by a number of Registered Providers and differ depending on providers. The transfer prices will be set out as an average per house type for social and for intermediate tenure. Do you agree with this approach? Please state your reasons.**

## Section 9: Development Viability

- 9.1 The Council expects that applicants have considered the overall cost of development, including the required planning obligations and any abnormal costs, prior to negotiating the purchase of land or the acquisition or sale of an option.



- 9.2 On certain sites, development viability may be affected by a range or combination of factors not identified prior to purchase, such as high abnormal costs<sup>5</sup> and/or competing or existing land values.
- 9.3 Where the applicant considers that development viability is affected, the applicant should identify these issues and associated costs and submit a financial appraisal (at the applicant's own expense) to the Council at the earliest opportunity, and at the latest as part of any submitted planning application. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation.
- 9.4 The Council will refer the submitted financial appraisal to a viability expert advisor ("the Valuer") for consideration and will require an open and co-operative approach between the applicant, the Council and the Valuer. The Valuer's costs will be met by the applicant. Further guidance on Financial Appraisals is set out in Appendix 4 of this SPD.
- 9.5 The Council will consider the Valuer's report and where the Council decides that development viability is proven to be affected to a critical point by the provision of affordable housing or a commuted sum, the Council may consider a reduction to either the overall numbers of affordable housing or changes to mix (unit types, sizes and tenures) or the commuted sum (as the case may be).

**Question 5: Do you agree with this approach to viability?**

## **Section 10: Commuted Sums**

- 10.1 The Core Strategy Affordable Housing Policy CP5 requires all developments to contribute in some way towards meeting housing need.

Residential schemes of less than 10 dwellings

- 10.2 For schemes providing less than 10 dwellings Core Strategy Policy CP5 requires a commuted sum. The target contribution is equivalent of up to 10% affordable units. The commuted sum calculation for schemes of less than 10 dwellings is included in Appendix 1 of this SPD and the mechanism for payment will be secured through the Section 106 Agreement based on the Standard S106 Agreements in Appendix 3.

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<sup>5</sup> Abnormal costs can broadly be described as site conditions which a competent purchaser, having undertaken the necessary investigation, could not have reasonably foreseen prior to the acquisition of a site.

## Residential schemes of 10 dwellings or more

- 10.3 For schemes providing 10 or more dwellings, Core Strategy Policy CP5 clearly states that Selby District Council's preference is for those units to be provided on site, in line with national policy. The relocation of all or some of the affordable housing provision, or commuted sums will not normally be accepted.
- 10.4 The Council will only accept a case for the affordable housing to be provided off-site in exceptional circumstances and if an applicant can demonstrate that the provision of a commuted sum rather than on-site provision will result in clear benefits to the community/or delivering a balanced housing market.
- 10.5 Core Strategy Policy CP5 makes provision for applicants to provide a commuted sum only in exceptional circumstances. Applicants must make a case to the Council regarding the provision of a commuted sum of some or all off-site provision, as a better alternative to on site provision. A key factor will be that off-site provision is not merely an alternative, but provides a better solution, a clear benefit or betterment than provision of on-site built units would deliver.
- 10.6 Selby District Council plan to update their Strategic Housing Market Assessment (SHMA) in 2013/2014. The new SHMA will seek to provide a detailed definition of what constitutes a balanced housing market. In the interim; for the purposes of implementing Core Strategy Policy CP5 and to provide applicants with guidance, Appendix 5 sets out some examples of the factors which might be considered to deliver clear benefits to the community and support the delivery of a balanced housing market. However, existing evidence in the 2009 SHMA considers the whole District to be a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District wide affordable housing requirements and will deliver a balanced housing market. The Council does not accept that there are settlement based or sub-area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District-wide.
- 10.7 A financial contribution will be only be acceptable in-lieu of on-site provision if both the applicant and the Council agree that this is the preferred approach e.g. where the management of the affordable housing on site cannot be effectively secured. The commuted sum calculation can be found in Appendix 1 of this SPD and the mechanism for payment will be secured through the section 106 agreement.



### Pooling of Commuted Sums

- 10.8 Contributions received in lieu of affordable housing on site will be held in a fund and used to meet the provision of affordable housing in the District.

## **Section 11: Procedures for Applications**

- 11.1 Applicants are advised to reflect the Council's affordable housing requirements at the earliest opportunity within the site development process and identify these in proposed heads of terms. This should be prior to the land acquisition stage and prior to the submission of a planning application.
- 11.2 All relevant planning applications must be accompanied by an indicative layout plan, showing the location of the proposed affordable housing, a Affordable Housing Phasing Plan (if the site is proposed to be developed in phases), an Affordable Housing Plan (detailing the number, types, size, location and tenures of the affordable housing) and any financial viability appraisal information (if applicable). The Council will not validate a planning application where there is a requirement to provide an element of affordable housing, unless the application is supported by these documents. The definitions of these documents are included in the Glossary and Appendix 6 provides more information on their expected content.
- 11.3 All applications which include affordable housing will only be validated if they are also accompanied by a draft of the Section 106 Agreement (see Appendix 3) and for sites delivering 10 dwellings or more, a financial appraisal, if the applicant considers that the 40% on site affordable housing requirement cannot be achieved (see Appendix 4).
- 11.4 The Council's model Section 106 agreements for the provision of affordable housing for schemes of 10 dwellings or more (or of 0.3 hectares or more) and schemes of less than 10 dwellings can be found in Appendix 3.
- 11.5 A key element of this proactive approach is the provision of this SPD to guide applicants. In addition it is expected that applicants ensure that sufficient information is provided with applications and as such the Council requires that outline planning applications must be accompanied by an indicative layout plan showing the location of the proposed affordable housing.
- 11.6 Full planning applications and (in the context of outline planning applications) applications at the reserved matters stage must be accompanied by the following for the Council's consideration and approval:
- An 'Affordable Housing Plan' detailing the proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of the affordable housing. An indicative layout plan showing the proportion and location of the affordable housing is required to be included.

- A 'Phasing Plan' identifying the phases of the development (if the development is intended to be developed in phases).
- 11.7 For single phase developments the proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing will be agreed at the time of a full application or at the time of reserved matters application for outline applications.
- 11.8 For multi-phase developments, the maximum and minimum amounts of affordable housing will be agreed at the time of the outline application. The proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing on each individual phase will then be agreed at the commencement of each phase.
- 11.9 Planning applications that accord with the policies in the Local Plan and the guidance included in this SPD will be determined without delay, unless material considerations indicate otherwise.

## Glossary

**Affordable Housing:** The Council defines AH in the Core Strategy and uses the national policy definition. Currently this is provided in NPPF (2012) as follows: 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.

**Affordable Housing Plan:** a detailed scheme confirming that the Applicant is providing 40% affordable housing and providing details of the proportion, mix (unit types, sizes and tenures) and location of the affordable housing, as well as the nominated Registered Provider. An Affordable Housing Plan will need to accompany any full or reserved matter planning application for 10 or more dwellings (or a site of 0.3 ha or more).

Where development is proposed in phases, the application will need to be accompanied by a **Phasing Plan:** a drawing to be submitted to the Council identifying the phases of the proposed development

**Affordable Rented housing** is 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).

**Index Linked:** The Commuted Sum will be adjusted in accordance with upwards changes in the All In Tender Price Index published by the Building Cost Information Service of Chartered Surveyors (or any other index as the Council may determine from time to time) from the date of adoption of this SPD to the date of payment

**Indicative Layout Plan:** an indicative plan setting out the location of the affordable housing units confirming that the Applicant is providing 40% affordable housing (for outline applications where the detail is reserved)

**Intermediate housing** is 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.

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.'

**Local Housing Needs Survey:** a local (parish) housing needs survey will need to accompany a planning application for a Rural Exception Site. The survey will need to set out the identified local needs and how the proposed development will meet these identified needs. This will normally be carried out in partnership with the Rural Housing Enabler and relevant Parish Council.

**Rural Exception Sites:** Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current or former residents or those who have an existing family or employment connection. Small numbers of market homes may be allowed as part of a scheme at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

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

**Supplementary Planning Documents:** Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary Planning Documents are capable of being a material consideration in planning decisions but are not part of the development plan.

**Question 6: Are there any other definitions that should be included in the glossary?**

## Appendix 1

### Market Value, Transfer Prices and Commuted Sums

- A1.1 The NPPF and Core Strategy Policy CP5, set out a clear preference for the delivery of affordable housing on site. CP5 states that ‘commuted sums will not normally be accepted on these sites unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution’.
- A1.2 Only in those exceptional circumstances, where clear benefits to the community/ or delivering a balanced housing market can be demonstrated, will a commuted sum in lieu of on-site affordable housing be considered.
- A1.3 The following sets out the methodology which would be used to calculate the commuted sums in those exceptional circumstances.

#### a) Determining the Market Value Methodology

##### Market Value for schemes of 1-9 dwellings or more

- A.1.4 Transfer Prices and Commuted Sum provisions require a market value to be determined, except for schemes of 1-9 units where the SPD sets out a fixed sum. This is contained in Table 2 in this Appendix 1.

##### Market Value for schemes of 10 dwellings or more

- A.1.5 For schemes of 10 dwellings or over (or of 0.3 hectares or more), applicants will be required to demonstrate the market value of the types of housing equivalent to the types proposed as affordable housing for the Council to consider and approve.
- A.1.6 Valuation for schemes of 10 or more dwellings (or of 0.3 hectares or more) may be achieved by:
- Three separate estate agent/ surveyor valuations; or
  - Average value of past sales for equivalent dwelling types proposed as affordable housing. Values should originate from average sales within the last 12 months within the same settlement as the application site, and should be provided for each individual dwelling type proposed.

**Question 7: Do you agree with the parameters we have included in relation to calculating market value?**

## b) Establishing Transfer prices – Methodology

A1.7 The Council works with Registered Providers to set transfer prices for a range of property types. Transfer prices are the amount of money that an RP pays to the developer to buy the affordable unit which will be built. Transfer prices vary by property type and size and also relate to the final tenure type to be provided. Transfer prices offered by Registered Providers are founded on an individual, Selby District basis; however they are linked to house prices and incomes in a given area.

### *Properties for rent*

A1.8 RPs provide information on prices that could be paid based on the projected rental income and borrowing limits.

### *Intermediate properties*

A1.9 A District average of 50% of market values calculated based on an affordable mortgage being 3.5 times a district average annual salary.

**Table 1: Transfer Prices**

Unit Type	Size Sq M	Price to Applicant – Affordable Rent	Price to develop – Shared Ownership
1 bed flat	50	£23,000/ £40,000	£36,000 / £40,500 / £44,539 <sup>6</sup>
2 bed flat	65	£33,000/ £52,000	£46,000 / £50,800 / £44, 539
2 bed house	75	£56,000 / £56,400 / £56,250	£53,000 / £52,800 / £65,978 <sup>7</sup>
3 bed house	85	£73,000 / £68,500 / £63,750	£65,000 / £62,200 / £65,978
4 bed house	100	£82,000 / £76,900 / £75,000	£74,000 / £72,000 / £65,978

*[Note: figure in table based on three RP responses]*

A1.10 For all schemes, these values provide an indicative benchmark for transfer prices. Registered Providers have the flexibility to offer slight increases in transfer prices on a scheme by scheme basis.

<sup>6</sup> 1 Bed and 2 Bed Flats Shared Ownership prices to developer are based on 50% of Market Value of the 2013 Zoopla Z-Index for flats

<sup>7</sup> 2 Bed House and 3 Bed House Shared Ownership prices to developer are based on 50% of Market Value of 2013 Zoopla Z-Index for detached houses

**Question 8: The information set out in Table 1 is based on three Registered Providers responses to questions regarding the calculation of Transfer Prices, which offered separate values for affordable rent and shared ownership. Other local authorities have demonstrated that these figures could be averaged to offer a single value for each, and this is the approach the Council will take. Do you agree with this approach?**

### **Proposed Options for Calculating Commuted Sums**

A1.11 The Council has developed the following approach to the calculation of commuted sums based on the size of the proposed scheme. These are set out as follows:

- 1) Approach for Small Sites (for schemes of 1 to 9 dwellings);
- 2) Approach for Larger Sites (for schemes of 10 dwellings or more). This requires the implementation of a mechanism to make on-site provision more attractive than providing a commuted sum by capturing the market gain achieved.

#### **1) Approach for Small Sites (Schemes of 1 to 9 units) Commuted Sum Calculation**

A1.12 Fixed commuted sums will be required for small sites of 1 to 9 units. The commuted sum will be payable prior to commencement of the development.

A1.13 The commuted sum required is based on transfer prices and a market value specific to 2013. The values used are detailed below in Table 2. These values will be Index Linked upwards from adoption of the SPD to the date of payment of the commuted sum.

Applications for a single dwelling will be required to contribute only a nominal commuted sum. The calculation of a contribution of 10% affordable housing on a single dwelling results in a potential maximum payment of £9,225, but the Council propose a reduced sum of £5,000. This is because the Council, whilst seeking to ensure the provision of affordable housing also wish to reduce any additional burdens on individual developments of just one dwelling in order to support such developments which address the needs of different groups in the community such as but not limited to, people wishing to build their own homes.

A1.14 The following table represents the total fixed commuted sums payable to Selby District Council for each scheme size from 1- 9 dwellings.

**Table 2: Maximum Commuted Sum for Schemes of 1-9 units (and less than 0.3 hectares)**

<b>Scheme Size</b>	<b>Required contribution</b>	<b>Cost to applicant for scheme</b>
1 unit	nominal	£5,000
2 units	0.2	£18,450
3 units	0.3	£27,675
4 units	0.4	£36,900
5 units	0.5	£46,125
6 units	0.6	£55,350
7 units	0.7	£64,575
8 units	0.8	£73,800
9 units	0.9	£83,025

*[The values used are based on 2013- specific transfer prices of £70,750<sup>8</sup> and market value of £163,000<sup>910</sup>].*

***The following calculation has been used for schemes of 2-9 dwellings***

***(A-B) x10% proportion of total dwellings***

***A is the market value of a dwelling (or sq m)***

***B is the transfer value of a dwelling (or sq m) to RP***

**Question 9a: Do you have any further comments on our approach to commuted sums for smaller sites (1 to 9 dwellings)?**

**Question 9b: Do you agree that a smaller fixed sum should be required for single dwelling?**

**Question 9c: Do you consider that 'cost to applicant' should be composed of different elements to the size and type of units to be developed?**

**Question 9d: Do you consider that the calculation for determining the maximum fixed sum should be published?**

<sup>8</sup> Based on Zed-Index for Selby. The Zed- Index is the average property value in a given are based on current Zoopla Estimates.

<sup>9</sup> Based on two Selby District Registered Social Landlord responses for an average affordable rent 3 bedroom dwelling

<sup>10</sup> Figures will be revised annually.



## 2) Approach to Larger Sites (10 dwellings or more) Commuted Sum Calculation

A1.15 For schemes of 10 dwellings or more, where the Applicant has demonstrated to the Council that there are clear community benefits to provide some units on site and some as a commuted sum, the following calculation will be used.

A1.16 The following calculation captures the market gain achieved from the provision of fewer affordable dwellings on any given site.

### Part 1: Calculate On-site/ Commuted Sum contribution as percentage

$$\text{Proposed on-site provision} \div 100 = X$$

$$\text{Proposed off-site provision} \div 100 = Y$$

$$\text{Note: } X + Y = 0.4$$

### Part 2: Calculate On- Site/ Commuted Sum contribution as actual number of Total Dwellings

$$(C \times D) = R$$

$$(X \times D) = S$$

$$(Y \times D) = O$$

### Part 3: Calculate market housing gain

$$D - S = U$$

$$U - (D - R) = \text{Additional Market Dwellings on-site}$$

$$(C \times \text{Additional Market Dwellings on-site}) = \text{Additional Commuted Sum}$$

$$\text{Additional Commuted Sum} + O = F$$

### Part 4: Calculate Affordable Housing Commuted Sum Contribution

$$(A - B) \times (F)$$

A is the market value of a dwelling

B is the transfer value of the dwelling

C is the total affordable housing percentage ( Policy CP5: 40%)

D is the total number of dwellings

X is the proposed on-site contribution (as percentage of total dwellings)

Y is the proposed commuted contribution (as percentage of total dwellings)

R is the required number of affordable houses (of total dwellings)

S is the actual number of dwellings from proposed on-site contribution

O is the actual number of dwellings from proposed commuted sum contribution

U is the total number of market houses on site

F is the final commuted provision

*Example 3, where the calculation is based on:*

- *Market value of a dwelling is £163, 000<sup>11</sup>*
- *Transfer value of a dwelling is £70,750<sup>12</sup>*
- *The Council's requirement for affordable housing is 40% or 0.4.*
- *The planning application includes 150 new residential units.*
- *The proposed on-site contribution is 0*
- *The proposed commuted sum contribution is 60 dwellings.*

**Part 1: Calculate On-site/ Commuted Sum contribution as percentage of Total Dwellings**

$$0 \div 100 = 0$$

$$40 \div 100 = 0.4$$

**Part 2 : Calculate On- Site/ Commuted Sum contribution as actual number of Total Dwellings**

$$(0.4 \times 150) = 60$$

$$(0 \times 150) = 0$$

$$(0.40 \times 150) = 60$$

**Part 3: Calculate market housing gain from off-site provision proposal**

$$150 - 0 = 150$$

$$150 - (150 - 60) = 60$$

$$(0.4 \times 60) = 24$$

$$60 + 24 = 84$$

**Part 4: Calculate Affordable Housing Commuted Sum Contribution**

$$(163,000 - 70,750) \times (84) = £7,749,000$$

*The commuted sum calculation will result in the following maximum payments in relation to affordable housing. The table below is based on a transfer price of £70,750 and a Market Value of £163,000. It does not factor in a range of housing units and has been used to provide an indication of the required level of commuted sums and to explain the calculation*

<sup>11</sup> Based on Zed-Index for Selby. The Zed- Index is the average property value in a given area based on current Zoopla Estimates.

<sup>12</sup> Based on two Selby District Registered Social Landlord responses for an average affordable rent 3 bedroom dwelling

**Table 3: Resulting Maximum Commuted Sums for schemes of 10 units or above, using market gain capture approach at 2013 prices.**

Scheme Size	Number of Units Required – as part of Commuted Sum Calculation	Cost to developer (Market Gain Capture)
50 units	28	£2,583,000
100 units	56	£5,166,000
200 units	112	£10,332,000
400 units	224	£20,664,000
1000 units	560	£51,660,000

**Question 10: Do you have any comments on the proposed approach to calculating commuted sum on schemes of 10 units or more?**

## Appendix 2 – List Registered Providers currently operating in the Selby District

<p><b>Broadacres Housing Association</b></p> <p>Broadacres House Mount View Standard Way Northallerton DL6 2YD</p>	<p><b>Jephson Housing Association</b></p> <p>Jephson House Lowfields Business Park Old Point Way Elland HX5 9DE</p>
<p><b>Home</b></p> <p>Knight House 2 Sandbeck Court Wetherby LS22 7BA</p>	<p><b>Chevin Housing Group</b></p> <p>Harrison St Wakefield WF1 1PS</p>
<p><b>Yorkshire Housing</b></p> <p>6 Innovation Close Heslington York YO10 5ZF</p>	<p><b>Hanover</b> (Elderly persons accommodation)</p> <p>The Wave 1 View Croft Road ShIPLEY BD17 7DU</p>
<p><b>York Housing Association</b></p> <p>2 Alpha Court, Monks Cross Drive, Huntington, York YO32 9WN</p>	<p><b>The Guinness Partnership Ltd</b></p> <p>Guinness Northern Counties 1 Tudor Court Tue Greenway Thorntree Middlesborough TS3 9PZ</p>
<p><b>South Yorkshire Housing Association</b></p> <p>43-47 Wellington Street Sheffield S1 4HF</p>	<p><b>Connect Housing</b></p> <p>205 Roundhay Road Harehills Leeds LS8 4HS</p>

## **Appendix 3**

### **Standard S106 Agreements**

**Dated**

**201[ ]**

**(1) SELBY DISTRICT COUNCIL**

**and**

**(2) [OWNER]**

**and**

**[(3) [DEVELOPER]]**

**and**

**[(4) [MORTGAGEE]]**

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**DEED PURSUANT TO**

**Section 106 of the Town and Country Planning Act 1990  
relating to land at [Site]**

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**INFORMATIVE:**

**This document is the Council's model form of section 106 Agreement detailing affordable housing planning obligations only.**

**It is to be used for residential developments of between 1-9 dwellings or a site which is less than 0.3 hectares.**

**This model form of section 106 Agreement may need to be amended by the Council to be tailored to individual site specific requirements and include other non-affordable housing planning obligations as may be required by the Council.**



Scheme Size	Required contribution	Cost to applicant for scheme
1 unit	nominal	£5,000
2 units	0.2	£18,450
3 units	0.3	£27,675
4 units	0.4	£36,900
5 units	0.5	£46,125
6 units	0.6	£55,350
7 units	0.7	£64,575
8 units	0.8	£73,800
9 units	0.9	£83,025

to be used by the Council towards the provision of Affordable Housing in Selby District in lieu of provision of Affordable Housing on the Site

- “Affordable Housing SPD”** means the Affordable Housing Supplementary Planning Document adopted by the Council on [XXXX] 2013
- “Application”** means the application for [full] or [outline] planning permission registered by the Council on [date] and allocated planning application reference number [insert number]
- “Commencement of Development”** means the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development is begun other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying out of services, erection of any temporary display of site notices or advertisements and **“Commence Development”** shall be construed accordingly
- “Development”** means the development of the Site by the erection of [XX] Dwellings and [insert full description] as set out in the Application
- “Dwelling”** means a unit of residential accommodation (including a house, flat or maisonette) that may be built on Site as part of the Development pursuant to the Planning Permission and **“Dwellings”** shall be construed accordingly
- “Index”** means in relation to construction the All In Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or any successor organisation
- “Index Linked”** means that wherever reference in this Deed is made to a sum being Index Linked it shall mean that at the date when the said sum becomes due it shall be adjusted in accordance with upwards changes in the Index from the date of the adoption of the Affordable Housing SPD and



until the date upon which the payment becomes due

<b>“Interest”</b>	means 4% over the base lending rate for the time being of Barclays Bank Plc compounded quarterly from the date the payment is due until the date of actual payment
<b>“Monitoring Fee”</b>	means the sum of [£ ] to be used towards the Council’s administration and monitoring costs associated with this Agreement
<b>“Notice of Commencement”</b>	means written notification from the Owner to the Council [addressed to the Head of Planning] of the Commencement Date in accordance with the provisions of Paragraph 1 of the First Schedule hereof
<b>“Occupation”</b>	means occupation for the purposes authorised by the Planning Permission but not including occupation by personnel engaged in construction or fitting out or occupation in relation to marketing or display or security operations
<b>“Plan”</b>	means the plan attached to this Deed and marked [ <i>insert number/drawing reference</i> ]
<b>“Planning Permission”</b>	means the [full] or [outline] planning permission subject to conditions granted by the Council pursuant to the Application
<b>“Selby District”</b>	means the administrative area of the Council
<b>“Site”</b>	means the land known as [ <i>address</i> ] and registered at Land Registry under title number [ <i>insert number</i> ] against which this Deed may be enforced as shown edged red on the Plan

## 2. CONSTRUCTION OF THIS DEED

### 2.1 Where the context so requires:

- 2.1.1 Reference to any clause, paragraph or schedule or recital such reference is a reference to a clause, paragraph or schedule or recital in this Deed
- 2.1.2 Words importing the singular meaning include the plural meaning and vice versa
- 2.1.3 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner
- 2.1.4 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise
- 2.1.5 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all

instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it

- 2.1.6 References to any party shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council the successors to its statutory functions
- 2.1.7 The clause headings in this Deed are for reference only and shall not affect construction of this Deed
- 2.1.8 Any reference to any officer of the Council shall include such officer for the time being of the Council as appropriate or anyone authorised by him or the Council to act on his behalf
- 2.1.9 Any reference to a working day shall exclude any day between 27<sup>th</sup> and 31<sup>st</sup> December in any year
- 2.1.10 Where any expiry date falls on a Saturday or Sunday then the period concerned shall actually expire on the next business day
- 2.1.11 Any covenant by the Owner not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing by any person authorised by them

### **3. LEGAL BASIS**

- 3.1 This Deed is made pursuant to the following statutory provisions:
  - 3.1.1 Section 106 of the Act;
  - 3.1.2 Section 111 of the Local Government Act 1972;
  - 3.1.3 Section 2 of the Local Government Act 2000;
  - 3.1.4 Section 1 of the Localism Act 2012
- 3.2 The covenants, restrictions and requirements imposed upon the Owner under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council as local planning authority against the Owner and shall bind any successors in title to the Site.
- 3.3 To the extent that any of the obligations are not planning obligations within the Act they are entered into pursuant to the powers contained in section 111 of the Local Government Act 1972 and section 1 of the Localism Act 2012 and all other enabling powers.
- 3.3 The parties hereto agree that the obligations contained in this Agreement satisfy the requirements of regulation 122 of the Community Infrastructure Levy Regulations 2010.

### **4. CONDITIONALITY**

- 4.1 The covenants within Clause 5 shall come into effect upon the grant of the Planning Permission.
- 4.2 The covenants within Clause 7 (Costs), Clause 10 (Change in Ownership), Clause 14 (Jurisdiction), Clause 15 (Delivery), Clause 16 (Notices), Clause 18 (Disputes) and Clause 19 (warranty) shall come into effect immediately upon completion of this Deed.

**5. THE OWNER'S COVENANTS**

- 5.1 The Owner [*add any other party with an interest in the Site*] covenants with the Council as set out in the First Schedule.

**6. THE COUNCIL'S COVENANTS**

- 6.1 The Council covenants with the Owner as set out in the Second Schedule.

**7. COSTS**

- 7.1 The Owner shall pay to the Council on completion of this Deed:

7.1.1 the reasonable legal and planning costs of the Council incurred in the negotiation, preparation and execution of this Agreement; and

7.1.2 the Monitoring Fee.

**8. MISCELLANEOUS**

- 8.1 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999.

- 8.2 This Deed shall be registerable as a local land charge by the Council.

- 8.3 Insofar as any clause or clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.

- 8.4 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.

- 8.5 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its interest in the Site but without prejudice to liability for any subsisting breach arising prior to parting with such interest.

- 8.6 Nothing contained or implied in this Deed shall prejudice or affect the rights, powers, duties or obligations of the Council in the exercise of its functions as Local Planning Authority and its rights, powers, duties and obligations under all public and private statutes, byelaws and regulations may be fully and effectually exercised as if the Council were not a party to this Deed.

- 8.7 Nothing in this Deed shall be construed as granting planning permission or any other approval, consent or permission required from the Council in the exercise of any other statutory function.

**9. WAIVER**

- 9.1 No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

**10. CHANGE IN OWNERSHIP**

- 10.1 The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

## **11. INDEXATION**

- 11.1 Any sum referred to as due in the First Schedule shall be increased by an amount equivalent to the increase in the Index from the date of adoption of the Affordable Housing SPD until the date of payment of the sum payable.

## **12. INTEREST**

- 12.1 If any payment due under this Deed is paid late Interest will be payable from the date payment is due to the date of payment.

## **13. VAT**

- 13.1 All consideration given in accordance with the terms of this Agreement shall be exclusive of any value added tax properly payable.

## **14. JURISDICTION**

- 13.1 This Deed is governed by and interpreted in accordance with the law of England and the parties submit to the non-exclusive jurisdiction of the Courts of England.

## **15. DELIVERY**

- 15.1 The provisions of this Agreement (other than this clause which shall be of immediate effect) shall be of no effect until this Agreement has been dated.

## **16. NOTICES**

- 16.1 Any notice or other communication given or made in accordance with this Deed shall be in writing and:

16.1.1 shall be delivered personally or sent by registered or recorded delivery;

16.2.2 shall in the case of a notice or other communication to the Council be served on the Council and addressed to [*details of the appropriate officer*] at the Council's address shown on the first page of this Deed [or such other address as the Council may from time to time notify the Owner and its successors as being its address for service for the purposes of this Deed];

16.2.3 shall in the case of a notice or other communication to the Owner be served on the Owner at the address of the Owner shown on the first page of this Deed [or such other address as it may have from time to time notified to the Council as being its address for service for the purposes of this Deed]; and

16.2.4 shall in the case of a notice or other communication to the Mortgagee be served on the Mortgagee at the address of the Mortgagee shown on the first page of this Deed.

*[Add any other party with an interest in the Site]*

16.2 Notices shall not be sent by email or DX.

## **17. MORTGAGEE'S CONSENT**

17.1 The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed PROVIDED THAT the Mortgagee shall otherwise have no liability under this Deed unless it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

## **18. DISPUTES**

18.1 All differences and disputes which may arise between the Parties hereto concerning this Deed shall:

18.1.1 Where the difference or dispute relates to the construction or interpretation of this Deed be referred to the determination (as an expert and not as an arbitrator) of an independent leading planning counsel (of not less than 7 years call) agreed upon by the parties in dispute but in default of such agreement appointed by the President of the Law Society of England and Wales or his Deputy on the application of any of the parties in dispute;

18.1.2 Where any dispute or difference shall arise between the parties hereto as to any works to be done or achieved and the costings thereof pursuant to this Deed the same shall be referred to the determination (as an expert and not as an arbitrator) of a surveyor agreed upon between the parties in dispute but in default of such agreement by the President for time being of the Royal Institution of Chartered Surveyors or his Deputy appointed upon the application of any party hereto

18.2 Any expert appointed pursuant to Clauses 18.1.1 or 18.1.2 shall:

18.2.1 act as an expert and not as an arbitrator;

18.2.2 on his appointment serve written notice thereof on the parties in dispute;

18.2.3 consider any written representations by or on behalf of those parties which are received by him within twenty one (21) working days of such service and immediately to forward a copy of the written representations of one party to the other party;

18.2.4 allow both parties to the dispute an opportunity of commenting in writing on the other party's representations within fourteen (14) days of receipt by the other party thereof;

18.2.5 serve notice of his determination as soon as he has made it;

18.2.6 give full and clear reasons for his decision and whose decision (including the question of who shall pay his fees and outgoings in relation thereto) shall be delivered in writing to the parties hereto and shall be final and binding upon the parties

18.3 If the expert shall die delay or become unwilling or incapable of acting or if for any reason the President or his Deputy appointing the expert shall in his absolute discretion think fit he may in writing discharge the expert and appoint another in his place.

18.4 The provisions of this clause shall not affect the ability of the Council to apply for and be granted any of the following: declaratory relief, injunction, specific performance, payment of any sum, damages, any other means of enforcing this Deed and consequential and interim orders and relief.

18.5 Nothing contained or implied in this Deed shall prejudice or affect the rights powers duties and other obligations of the Council in the exercise of its functions as a local planning authority or under any other statutes byelaws and regulations which may be exercised as if the Council were not a party hereto.

**19. WARRANTY**

19.1 The Owner warrants that there are no other interests in the Site as at the date of this Deed other than [the Owner] [and *add any other party with an interest in the Site*] as shown on H.M. Land Registry Title No. [*insert title number*]

**IN WITNESS** whereof the parties hereto have executed this Agreement on the day and year first before written.

THE COMMON SEAL of **SELBY** )  
**DISTRICT COUNCIL** was hereunto )  
affixed in the presence of: )

Chairman

Chief Executive

THE COMMON SEAL of )  
[ ] )  
was affixed to this Deed in the )  
presence of: )

Director

Director/Secretary

SIGNED as a Deed by )  
[Owner] )  
acting by a director in the presence of: )

Director

Signature of witness: .....

**Name** .....  
**(in BLOCK CAPITALS)**

Address .....  
.....  
.....  
.....

**THE FIRST SCHEDULE**

**The Owner's Covenants**

**Affordable Housing**

The Owner covenants with the Council as follows:

**1. Notices**

1.1 To give the Council seven working days prior written Notice of Commencement.

**2. Affordable Housing Commuted Sum**

2.1 To pay the Council the Affordable Housing Commuted Sum calculated by the Council in accordance with the Index pursuant to Clause 11 hereof.

2.2 Not to cause permit or allow Commencement of Development unless and until the Affordable Housing Commuted Sum has been paid by the Owner to the Council.

**THE SECOND SCHEDULE****The Council's Covenants**

The Council covenants with the Owner as follows:

**1. Discharge of obligations**

- 1.1 That at the written request of the Owner the Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.
- 1.2 Following the discharge of the obligations contained in this Deed pursuant to Paragraph 1.1 of this Second Schedule hereof or if pursuant to Clause 8.4 the Planning Permission shall be quashed, revoked or otherwise withdrawn or expires prior to the Commencement of Development the Council shall remove the entry in the Land Charges Register.

**2. Affordable Housing Commuted Sum**

- 2.1 On receipt of the notice pursuant to Paragraph 1.1 of this Schedule 1 hereof the Council will confirm by written notice to the Owner the Affordable Housing Commuted Sum calculated by the Council in accordance with the Index pursuant to Clause 11.1 of this Deed.
- 2.2 Not to apply the Affordable Housing Commuted Sum for any purposes other than towards those purposes referred to in the definition of Affordable Housing Commuted Sum.
- 2.3 In the event that any of the said Affordable Housing Commuted Sum has not been committed or applied by the Council before the tenth (10<sup>th</sup>) anniversary of the date of receipt thereof then the Council shall (if required by the person who paid it) repay the unapplied Affordable Housing Commuted Sum or the balance thereof (if any) to the person who paid it.



**Dated**

**201[ ]**

**(1) SELBY DISTRICT COUNCIL**

**and**

**(2) [OWNER]**

**and**

**[(3) [DEVELOPER]]**

**and**

**[(4) [MORTGAGEE]]**

---

**DEED PURSUANT TO**

**Section 106 of the Town and Country Planning Act 1990  
relating to land at [Site]**

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**INFORMATIVE:**

**This document is the Council's model form of section 106 Agreement detailing affordable housing planning obligations only.**

**It is to be used for residential developments of 10 or more dwellings or sites of 0.3 hectares or more.**

**This model form of section 106 Agreement may need to be amended by the Council to be tailored to individual site specific requirements and include other non-affordable housing planning obligations as may be required by the Council**

**THIS DEED** is made the                day of                                **201[ ]**

**BETWEEN:-**

- (1) **SELBY DISTRICT COUNCIL** of Civic Centre, Doncaster Road, Selby, North Yorkshire (the "**Council**")
- (2) [Name] [of address] or [(company no. number) whose registered office is address] (the "**Owner**")
- (3) [Name] [of address] or [(company no. number) whose registered office is address] (the "**Developer**")
- (4) [Name (company no. number ) whose registered office is address] (the "**Mortgagee**")

[Include all parties with an interest in the Site]

**WHEREAS**

- (1) The Council is the local planning authority for the purposes of the Act for the area in which the Site is located
- (2) The Owner is registered as the freehold owner of the Site with Absolute Title at H.M.Land Registry under Title No. *insert title number*
- [(3) The Mortgagee is the chargee of the Site under legal charge dated *date* registered at entries *number* and *number* in the Charges Register of title number *number*

[Include all parties with an interest in the Site]

- [(4) The Developer entered into an [option] agreement with the Owner on the [*insert date*] to acquire the Site which is conditional on the grant of the Planning Permission and certain other conditions]
- (5) The Owner [or the Developer] has submitted the Application to the Council and the parties have agreed to enter into this Agreement in order to secure the planning obligations contained herein
- (6) The Council [resolved on *date*] [is minded] to approve the Application and grant Planning Permission subject to the prior completion of this Agreement

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 In this Deed the following expressions shall have the following meanings:

<b>"Act"</b>	means the Town and Country Planning Act 1990
<b>"Affordable Housing"</b>	means subsidised housing managed by a Registered Provider that will be made available to Qualifying Persons who cannot afford to rent or buy housing generally available on the open market
<b>"Affordable Housing Land"</b>	means the part of the Site where the Affordable Housing Units will be constructed [as set out in the Affordable Housing Detailed Plan] or [as set out indicatively in the Affordable Housing Layout Plan and to be approved by the

Council as part of the Reserved Matters Approvals]

- “Indicative Layout Plan“** means the indicative plan [marked as *insert*] appended to this Deed showing the location of the Affordable Housing Units [*for Outline Planning Applications with the detail reserved*]
- “Affordable Housing Plan”** means [the detailed scheme set out in Appendix [X] to this Agreement] or [the detailed scheme to be provided for the Council’s approval identifying the number, types, size, location, [phasing] and tenures of the Affordable Housing Units and the timetable for the construction and Practical Completion thereof to satisfy the requirements of the First Schedule hereof] subject to any modifications as may be approved in writing by the Council
- “Affordable Housing Sale Contract”** means a legally binding contract for the transfer of the Affordable Housing Land to a Registered Provider which shall be on substantially the same terms as the transfer of Market Units and shall include the following terms and conditions:
- (a) at a cost that allows the Registered Provided to let the Social Rented Dwellings at a Social Rent [and to let the Affordable Dwellings at an Affordable Rent];
  - (b) at a cost that allows the Registered Provider to sell the Intermediate Housing at a price that is affordable having regard to local incomes and local house prices and the latest Transfer Prices
- “Affordable Housing SPD”** the Affordable Housing Supplementary Planning Document adopted by the Council on [XXXX]
- “Affordable Housing Standards“** the design criteria in addition to level 3 of the Code for Sustainable Homes with which the Affordable Housing Units shall comply, namely:
- to be constructed to HCA Design and Quality Standards (“**DQS**”); and
  - designed to the same external design as the Market Units so as to be indistinguishable from the Market Units
- “Affordable Housing Units”** means the units of Affordable Housing which shall comprise 40% of the total number of Dwellings on the Site (rounded up to the nearest whole Dwelling) and of which:
- [ %] shall be Intermediate Housing [*the percentage to be between 30-50% as may be agreed by the Council on a case by case basis and the number to be rounded up to the nearest whole dwelling*]; and
- [ %] shall be Rented Housing [*the percentage to be between 30-70% as may be agreed by the Council on a*

*case by case basis and the number to be rounded up to the nearest whole dwelling]*

and “**Affordable Housing Unit**” shall be construed accordingly

- “**Affordable Rent**” means an Affordable Housing Unit which is let at a rent of no more than 80% of the local market rent and using the Royal Institution of Chartered Housing Surveyors approved valuation methods such rent shall not exceed Local Housing Allowance levels or equivalent replacement assessment
- “**Affordable Rented Unit**” means an Affordable Housing Unit let by the Registered Provider at an Affordable Rent and which meets the criteria of “affordable rented housing” in the definition of “affordable housing” in Annex 2 to the National Planning Policy Framework and “**Affordable Rented Units**” shall be construed accordingly
- “**Application**” means the application for [full] *or* [outline] planning permission registered by the Council on *date* and allocated planning application reference number *insert number*
- “**Commencement of Development**” means the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development is begun other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying of services, erection of any temporary display of site notices or advertisements and “**Commence Development**” shall be construed accordingly
- “**Development**” means the development of the Site by the erection of [XX] Dwellings and [*insert full description*] as set out in the Application
- “**Dwelling**” means a unit of residential accommodation (including a house, flat, bungalow or maisonette) that may be built on the Site as part of the Development pursuant to the Planning Permission and “**Dwellings**” shall be construed accordingly
- “**Fully Serviced**” means the relevant Dwelling has proper connections within its boundary so as to connect it to surface water drainage facilities and to mains foul drainage water gas electricity and telecommunications (or such of the aforesaid services, if any, the provision of which is anticipated to be required) and enjoys direct access to the public highway or a roadway constructed to adoptable standards which is connected to the public highway and which is adequate for the purpose of its prospective use

<b>“HCA”</b>	means the Homes and Communities Agency constituted pursuant to the Housing and Regeneration Act 2008 and any successor or successors for the time being and any future organisation carrying on substantially the same grant making functions
<b>“Index“</b>	means [in relation to Transfer Prices the House Price Index published by the Office of National Statistics] and [in relation to construction the All In Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or any successor organisation] [in relation to
<b>“Index Linked“</b>	means that wherever reference in this Deed is made to a sum being Index Linked it shall mean that at the date when the said sum becomes due it shall be adjusted in accordance with upwards changes in the Index from the date of this Deed until the date upon which the payment becomes due
<b>“Initial Market Sale“</b>	means the first disposal of a Shared Ownership Unit [or a Shared Equity Unit]
<b>“Initial Market Value“</b>	means the market value of the Dwelling at the time of the Initial Market Sale of a Shared Ownership Unit [or Shared Equity Unit] such valuation having either been determined by three separate estate agents/surveyors being members of the Royal Institution of Chartered Surveyors <i>or</i> being the mean average of overall sales values of equivalent dwellings to the Dwelling within the same settlement as the Site over the previous 12 months from the date of the valuation as may be agreed by the Council.
<b>“Intermediate Housing”</b>	means Affordable Housing which meets the criteria of “intermediate housing” in the definition of “affordable housing” in Annex 2 to the National Planning Policy Framework and intended for those who cannot afford to purchase a Dwelling on the open market without assistance or subsidy which must include Shared Ownership Units [and may include Shared Equity Units or any other form or forms of intermediate affordable housing products which may be approved by the Council]
<b>“Interest”</b>	means 4% over the base lending rate for the time being of Barclays Bank PLC compounded quarterly from the date the payment is due until the date of actual payment
<b>“Local Connection”</b>	means a prospective occupier of the Affordable Homes who: <ul style="list-style-type: none"> <li>• is registered with the North Yorkshire HomeChoice; and</li> <li>• currently lives in the Selby District and have been for at least 6 months; or</li> <li>• has lived in the Selby District for at least 3 years out of the last 5 years; or</li> <li>• has been employed in the Selby District for the last 6</li> </ul>

months; or

- has close family member (parent, son, daughter, brother, sister) residing in the Selby District who has done so for at least 6 months

<b>“Local Housing Allowance“</b>	means the rent rate set annually by the Valuation Office (or any successor body thereto) for the area the Affordable Housing Units are located and which is used to calculate the maximum housing benefit entitlement for each tenant thereof
<b>“Market Units”</b>	means Dwellings which are not Affordable Housing Units and <b>“Market Unit”</b> shall be construed accordingly
<b>“Monitoring Fee”</b>	means the sum of £ to be used towards the Council’s administration and monitoring costs associated with this Agreement
<b>“National Planning Policy Framework“</b>	means the National Planning Policy Framework dated 27 March 2012 (and any future guidance or initiative that replaces or supplements it)
<b>“Nomination Deed“</b>	means the nomination deed substantially in the form of the draft annexed as Appendix 1
<b>“Notice of Commencement“</b>	means written notification from the Owner to the Council [addressed to the Head of Planning] of the Commencement Date in accordance with the provisions of Paragraph 1 of the First Schedule hereof
<b>“North Yorkshire HomeChoice“</b>	means the North Yorkshire HomeChoice choice based lettings scheme (or any replacement or successor scheme having the same or similar functions from time to time)
<b>“Occupation”</b>	means occupation for the purposes authorised by the Planning Permission but not including occupation by personnel engaged in construction or fitting out or occupation in relation to marketing or display or security operations
<b>“Phase”</b>	means a phase of the Development as shown on the Phasing Plan and <b>“Phases”</b> shall be construed accordingly
<b>“Phasing Plan”</b>	means the drawing approved by the Council pursuant to 2.1 of the First Schedule and identifying the Phases (subject to any variations to phasing that may be agreed in writing by the Council)
<b>“Plan”</b>	means the plan attached to this Deed and marked [ <i>insert number/drawing reference</i> ]
<b>“Planning Permission”</b>	means the [full] or [outline] planning permission subject to conditions granted by the Council pursuant to the Application

<b>“Practically Completed”</b>		means constructed, fitted out and Fully Serviced so as to be available for immediate Occupation and <b>“Practical Completion”</b> shall be construed accordingly
<b>“Qualifying Person”</b>		means a person or persons with a Local Connection who may be selected by the Council or by a Registered Provider to Occupy an Affordable Housing Unit and who are registered with North Yorkshire HomeChoice
<b>“Registered Provider”</b>		means a private registered provider of Affordable Housing as defined in Section 80 of the Housing and Regeneration Act 2008 which is registered with and regulated by the HCA or any similar future authority carrying substantially the same regulatory or supervisory functions body whose function
<b>“Rented Housing”</b>		means Affordable Housing Units let by a Registered Provider as Social Rented Units [and Affordable Rented Units as may be approved by the Council]
<b>[“Reserved Approvals”</b>	<b>Matters</b>	means the relevant approvals by the Council of a reserved matters application made pursuant to the Planning Permission [ <i>for outline applications</i> ]
<b>“Selby District”</b>		means the administrative area of the Council
<b>“Shared Equity Lease”</b>		means the lease of an Affordable Housing Unit where 75% of the equity is sold on a long lease to a Qualifying Person and the remainder of the equity is retained in perpetuity by the Registered Provider and registered as such pursuant to the Shared Equity Sale Restriction
<b>“Shared Equity Restriction”</b>		means the following restriction to be entered in the Proprietorship Register at H.M.Land Registry in relation to each and every Shared Equity Unit (subject to any amendments thereto required by H.M.Land Registry and agreed between the parties hereto):  “No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by the solicitor of the disponor or the donee that the provisions of the First Schedule of the Section 106 Agreement dated [ <i>date</i> ] containing planning obligations relating to [ <i>Site</i> ] between (1) the Council and (2) [ <i>the Owner</i> ] [ <i>add any other party with an interest in the Site</i> ] have been complied with”
<b>“Shared Equity Unit”</b>		means an Affordable Housing Unit which is available on a Shared Equity Lease in accordance with the First Schedule and which is disposed of to Qualifying Persons subject to the Shared Equity Restriction and <b>“Shared Equity Units”</b> shall be construed accordingly
<b>“Shared Ownership Lease”</b>		means a shared ownership lease in the model form approved by the HCA the premium being no less than 25% and not more than 75% of the Initial Market Value as

defined in the model lease (PROVIDED THAT all reasonable endeavours shall be used to procure a lease share of 50% on such disposals) with the rent at or below 2.75% of the outstanding equity

- “Shared Ownership Unit”** means an Affordable Housing Unit which is disposed of by way of a Shared Ownership Lease granted by the Registered Provider to Qualifying Persons and **“Shared Ownership Units”** shall be construed accordingly
- “Site”** means the land known as [address] [and registered at H.M.Land Registry under title number [number]] against which this Deed may be enforced as shown edged red on the Plan
- “Social Rent”** means social rented housing owned by the approved Registered Provider to be occupied by Qualifying Persons on an assured tenancy agreement or an equivalent rental arrangement as approved by the Council at a rent not exceeding the guideline target rent determined through the national rent regime
- “Social Rented Unit”** means an Affordable Housing Unit which is let subject to a Social Rent and **“Social Rented Units”** shall be construed accordingly
- “Transfer Prices”** means the transfer prices (Index Linked) detailed in the Council’s Affordable Housing Supplementary Document adopted on [XXXX]

## 2. CONSTRUCTION OF THIS DEED

### 2.1 Where the context so requires:

- 2.1.1 reference to any clause, paragraph or schedule or recital such reference is a reference to a clause, paragraph or schedule or recital in this Deed;
- 2.1.2 words importing the singular meaning include the plural meaning and vice versa;
- 2.1.3 words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner;
- 2.1.4 wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise;
- 2.1.5 any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it;
- 2.1.6 references to any party shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council the successors to its statutory functions;



- 2.1.7 the clause headings in this Deed are for reference only and shall not affect the construction of this Deed;
- 2.1.8 any reference to any officer of the Council shall include such officer for the time being of the Council as appropriate or anyone authorised by him or the Council to act on his behalf;
- 2.1.9 any reference to a working day shall exclude any day between 27<sup>th</sup> and 31<sup>st</sup> December in any year;
- 2.1.10 where any expiry date falls on a Saturday or Sunday then the period concerned shall actually expire on the next business day; and
- 2.1.11 any covenant by the Owner *[add any other party with an interest in the Site]* not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing by any person authorised by them.

### **3 LEGAL BASIS**

- 3.1 This Deed is made pursuant to the following statutory provisions:
- 3.1.1 Section 106 of the Act;
- 3.1.2 Section 111 of the Local Government Act 1972;
- 3.1.3 Section 2 of the Local Government Act 2000; and
- 3.1.4 Section 1 of the Localism Act 2012.
- 3.2 The covenants, restrictions and requirements imposed upon the Owner *[add any other party with an interest in the Site]* under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council as local planning authority against the Owner and shall bind any successors in title to the Site.
- 3.3 To the extent that any of the obligations in this Deed are not planning obligations within the Act they are entered into pursuant to the powers contained in Section 111 of the Local Government Act 1972 and Section 1 of the Localism Act 2012 and all other enabling powers.
- 3.3 The parties hereto agree that the obligations contained in this Agreement satisfy the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010.

### **4. CONDITIONALITY**

- 4.1 The covenants within Clause 5 shall be conditional on the grant of the Planning Permission.
- 4.2 The covenants within Clause 7 (costs), Clause 10 (change in ownership), Clause 14 (jurisdiction), Clause 15 (delivery), Clause 16 (notices), Clause 18 (disputes) and Clause 19 (warranty) shall come into effect immediately upon completion of this Deed.

### **5. THE OWNER'S COVENANTS**

- 5.1 The Owner *[add any other party with an interest in the Site]* covenants with the Council as set out in the First Schedule.

## **6. THE COUNCIL'S COVENANTS**

6.1 The Council covenants with the Owner as set out in the Second Schedule.

## **7. COSTS**

7.1 The Owner shall pay to the Council on completion of this Deed:

7.1.1 the reasonable legal and planning costs of the Council incurred in the negotiation, preparation and execution of this Deed; and

7.1.2 the Monitoring Fee

## **8. MISCELLANEOUS**

8.1 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999.

8.2 This Deed shall be registered as a local land charge by the Council.

8.3 Insofar as any Clause or Clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.

8.4 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.

8.5 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its interest in the Site unless they hold an interest in the part of the Site in respect of which such breach occurs but without prejudice to liability for any subsisting breach arising prior to parting with such interest.

8.6 Nothing contained or implied in this Deed shall prejudice or affect the rights, powers, duties or obligations of the Council in the exercise of its functions as Local Planning Authority and its rights, powers, duties and obligations under all public and private statutes, byelaws and regulations may be fully and effectually exercised as if the Council were not a party to this Deed.

8.7 Nothing in this Deed shall be construed as granting planning permission or any other approval, consent or permission required from the Council in the exercise of any other statutory function.

## **9. WAIVER**

9.1 No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

## **10. CHANGE IN OWNERSHIP**

- 10.1 The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

## 11. INDEXATION

- 11.1 Any sum referred to as due in the First Schedule shall be increased by an amount equivalent to the increase in the Index from the date of adoption of the Affordable Housing SPD until the date of payment of the sum payable.

## 12. INTEREST

- 12.1 If any payment due under this Deed is paid late, Interest will be payable from the date payment is due to the date of payment.

## 13. VAT

- 13.1 All consideration given in accordance with the terms of this Deed shall be exclusive of any value added tax properly payable.

## 14. JURISDICTION

- 14.1 This Deed is governed by and interpreted in accordance with the law of England and the parties submit to the non-exclusive jurisdiction of the Courts of England.

## 15. DELIVERY

- 15.1 The provisions of this Deed (other than this clause which shall be of immediate effect) shall be of no effect until this Deed has been dated.

## 16. NOTICES

- 16.1 Any notice or other communication given or made in accordance with this Deed shall be in writing and:

16.1.1 shall be delivered personally or sent by registered or recorded delivery;

16.1.2 shall in the case of a notice or other communication to the Council be served on the Council and addressed to [*details of the appropriate officer*] at the Council's address shown on the first page of this Deed [or such other address as the Council may from time to time notify to the Owner and its successors as being its address for service for the purposes of this Deed];

16.2.3 shall in the case of a notice or other communication to the Owner be served on the Owner at the address of the Owner shown on the first page of this Deed [or such other address as it may have from time to time notified to the Council as being its address for service for the purposes of this Deed]; and

16.2.4 shall in the case of a notice or other communication to the Mortgagee be served on the Mortgagee at the address of the Mortgagee shown on the first page of this Deed.

[Add any other party with an interest in the Site]

16.2 Notices shall not be sent by email or DX.

## 17. MORTGAGEE'S CONSENT

17.1 The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed PROVIDED THAT the Mortgagee shall otherwise have no liability under this Deed unless it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

## 18. DISPUTES

18.1 All differences and disputes which may arise between the parties hereto concerning this Deed shall:

18.1.1 where the difference or dispute relates to the construction or interpretation of this Deed be referred to the determination (as an expert and not as an arbitrator) of an independent leading planning counsel (of not less than 7 years call) agreed upon by the parties in dispute but in default of such agreement appointed by the President of the Law Society of England and Wales or his Deputy on the application of any of the parties in dispute;

18.1.2 where any dispute or difference shall arise between the parties hereto as to any works to be done or achieved and the costings thereof pursuant to this Deed the same shall be referred to the determination (as an expert and not as an arbitrator) of a surveyor agreed upon between the parties in dispute but in default of such agreement by the President for time being of the Royal Institution of Chartered Surveyors or his Deputy appointed upon the application of any party hereto.

18.2 Any expert appointed pursuant to Clauses 18.1.1 or 18.1.2 shall:

18.2.1 act as an expert and not as an arbitrator;

18.2.2 on his appointment serve written notice thereof on the parties in dispute;

18.2.3 consider any written representations by or on behalf of those parties which are received by him within twenty one (21) working days of such service and immediately to forward a copy of the written representations of one party to the other party;

18.2.4 allow both parties to the dispute an opportunity of commenting in writing on the other party's representations within fourteen (14) days of receipt by the other party thereof;

18.2.5 serve notice of his determination as soon as he has made it; and

18.2.6 give full and clear reasons for his decision and whose decision (including the question of who shall pay his fees and outgoings in relation thereto) shall be delivered in writing to the parties hereto and shall be final and binding upon the parties.

18.3 If the expert shall die delay or become unwilling or incapable of acting or if for any reason the President or his Deputy appointing the expert shall in his absolute discretion think fit he may in writing discharge the expert and appoint another in his place.

18.4 The provisions of this clause shall not affect the ability of the Council to apply for and be granted any of the following: declaratory relief, injunction, specific performance, payment of any sum, damages, any other means of enforcing this Deed and consequential and interim orders and relief.

18.5 Nothing contained or implied in this Deed shall prejudice or affect the rights powers duties and other obligations of the Council in the exercise of its functions as a local planning authority or under any other statutes byelaws and regulations which may be exercised as if the Council were not a party hereto.

**19. WARRANTY**

19.1 The Owner warrants that there are no other interests in the Site as at the date of this Deed other than [the Owner [and *add any other party with an interest in the Site*]] [as shown on the H.M.Land Registry Title Number [*insert title number*]].

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written.

THE COMMON SEAL of **SELBY** )  
**DISTRICT COUNCIL** was hereunto )  
affixed in the presence of: )

Chairman

Chief Executive

THE COMMON SEAL of )  
[*Owner*] )  
was affixed to this Deed in the )  
presence of: )

Director

Director/Secretary

SIGNED as a Deed by )  
[Owner] )  
acting by a director in the presence of: )

Director

Signature of witness: .....

Name .....  
(in BLOCK CAPITALS)

Address .....  
.....  
.....  
.....

## THE FIRST SCHEDULE

### The Owner's covenants Affordable Housing

The Owner *[add any other party with an interest in the Site]* covenants with the Council as follows:

#### Part I

#### 1. Notices

- 1.1 To give the Council seven working days' prior written Notice of Commencement.
- 1.2 To give the Council seven working days' prior written notice of first Occupation and seven working days' prior written notice of Occupation of [ ] % of the Market Units.

#### 2. Phasing

- 2.1 [Not to Commence Development in any Phase] *or* [Not to submit an application for the Reserved Matters Approvals] until a Phasing Plan has been submitted to and approved by the Council and not to carry out the Development other than in accordance with the approved Phasing Plan.

#### 3. Distribution

- 3.1 [Not to Commence Development] [in any Phase] *or* [Not to submit an application for the Reserved Matters Approvals] until the Affordable Housing Detailed Plan [for that Phase] has been submitted to and approved by the Council.

#### 4. Affordable Housing Land

- 4.1 The Owner for and behalf of itself and its successors in title to the Affordable Housing Land covenants with the Council with the intention that the following provisions shall bind the Affordable Housing Land and every part of it into whosoever's hand it may come):

##### Quantum

- 4.1.1 The number of Affordable Housing Units [shall be] [are] identified in the Affordable Housing Plan and shall be not less than 40% of the total number of Dwellings on the Site.

##### Distribution

- 4.1.2 The location of the Affordable Housing Units shall be in accordance with the Affordable Housing Plan (or any subsequent modification of the same approved by the Council).
- 4.1.3 To ensure the creation of mixed and integrated communities the Affordable Housing Units shall not be visually distinguishable from the Market Units and unless the Council agrees otherwise it shall be in accordance with and shown on the Affordable Housing Plan and each group of Dwellings shall contain a mix of Affordable Housing Units and Market Units.

**Tenure**

4.1.4 The Affordable Housing Units shall be in the numbers and percentages set out in the Affordable Housing Plan which shall comply with the following tenure split:

(a) [    %] Intermediate Housing *[to be between 30-50% as approved by the Council]*; and

(b) [    %] *[to be between 50-70% Rented Housing as approved by the Council]*

**Mix**

4.1.5 The mix of Affordable Housing Units shall be as set out in the Affordable Housing Plan [appended at Appendix X of this Deed] [to be submitted and approved by the Council].

**Construction**

4.1.6 Not to construct the Affordable Housing Units otherwise than in accordance with the Affordable Housing Standards approved by the Council.

4.1.7 Not to construct the Affordable Housing Units otherwise than in accordance with the Affordable Housing Plan approved by the Council.

4.1.8 Not to Occupy more than [    %] of the Market Units (rounded down to the nearest whole Market Unit) [in any Phase] until all of the Affordable Housing Units (comprising 40% of the total number of Dwellings) have been Practically Completed.

**Rented Units**

4.1.9 The rent payable by the occupant of any Social Rented Unit shall be the Social Rent.

4.1.10 The rent payable by the occupant of any Affordable Rented Unit shall be the Affordable Rent.

**Occupation**

4.1.11 The Affordable Housing Units shall be occupied only by Qualified Persons as their sole and main residence.

4.1.12 Not to Occupy or cause or permit the Occupation of the Affordable Housing Units otherwise than in accordance with this Schedule 1 hereof and the tenure split in the Affordable Housing Plan approved by the Council.

4.1.13 The Affordable Housing Units shall be advertised and allocated by the Registered Provider to Qualifying Persons.

4.1.14 The Affordable Housing Units shall only be Occupied by Qualifying Persons selected through the Council's Allocation Scheme, currently North Yorkshire HomeChoice.

4.1.15 Not to Occupy or cause or permit the Occupation of the Affordable Housing Units other than under the management and supervision of a Registered Provider as



landlord and/or freeholder in accordance with usual and normal terms and conditions of the type and style recommended by the HCA in such form as shall be appropriate for the Rented Housing and Intermediate Housing and as shall be approved in advance of its first use by the Council (which approval shall not be withheld or delayed in the case of drafting which is in accordance with the requirements of the HCA and amended as may be necessary as to take account of this Deed).

- 4.1.16 Not to Occupy or cause or permit the Occupation of more than [ %] of the Market Units (rounded down to the nearest whole Market Unit) until all of the Affordable Housing Units have been transferred to the Registered Provider approved by the Council.

## **5 Registered Provider**

- 5.1 The Owner shall appoint a Registered Provider approved by the Council and enter into the Affordable Housing Sale Contract prior to Practical Completion of [XX] Market Units on the Site PROVIDED THAT if such approved Registered Provider cannot or will not proceed to enter into the Affordable Housing Sale Contract then the provisions of Part II of this First Schedule shall take effect SUBJECT ALWAYS to the Council first confirming that such provisions may come into effect.
- 5.2 Within two (2) months of the Commencement of Development the Owner shall notify one or more Registered Providers to the Council for approval.
- 5.3 The Owner shall only be entitled to dispose of the Affordable Housing Dwelling to a Registered Provider approved in advance in writing by the Council
- 5.4 Immediately upon receiving confirmation of the Council's approval in accordance with Paragraph 5.3 of this Part I to the First Schedule (above) the Owner shall offer to enter into negotiations with the approved Registered Provider and use reasonable endeavours to enter into the Affordable Housing Sale Contract with the approved Registered Provider.
- 5.5 The Owner shall leave the offer open for acceptance by the approved Registered Provider for a period of two (2) months and will during that period use reasonable endeavours to agree the Affordable Housing Sale Contract with the approved Registered Provider
- 5.6 In the event that the nominated Registered Provider declines to accept a transfer of the Affordable Housing Units or no sale of the Affordable Housing Units has been effected within four (4) calendar months of the date when the Owner notified the Registered Provider in accordance with paragraph 5.2 of this Part I to the Second Schedule (whichever is the later) then Part II of this Second Schedule shall become operable.
- 5.7 Not to cause or permit the Commencement of Development until the Owner has:
- (a) first submitted to the Council the details of the proposed Registered Provider with whom it intends to enter an Affordable Housing Sale Contract; and
  - (b) obtained the Council's approval of the Registered Provider proposed.
- 5.8 Not to dispose of the Affordable Housing Land to anyone other than to a Registered Provider approved in advance in writing by the Council.
- 5.9 Not to Practically Complete the first 10% of the Market Units on the Site until the Affordable Housing Sale Contract has been entered into with the Registered Provider approved by the Council.

- 5.10 Not to complete the Affordable Housing Sale Contract referred to in Paragraph 5.9 of this Part I to the First Schedule (above) unless such transfer contains covenants which comply with this Schedule 1 hereof.
- 5.11 Prior to Occupation of the Affordable Housing Units the approved Registered Provider shall enter into a Nominations Deed substantially in the form annexed hereto at Appendix 1.
- 5.12 The approved Registered Provider shall obtain the Council's approval in advance of any changes to its nominations requirements or its criteria for selection of occupants for the Affordable Housing Units.

## **Appendix 1**

### **Form of Nominations Deed**

#### **[Part II**

##### **Appointment of Alternative Registered Provider**

- 6.1 In the event that the Affordable Housing Sale Contract with the approved Registered Provider has not been secured before the expiry of the four month period ("the Expiry Date") specified in paragraph 5.6 of Part I to this First Schedule then the Owner shall within five (5) days of the Expiry Date submit to the Council in writing:
- (a) evidence as to why despite taking reasonable steps to do so it has been unable to enter into the Affordable Housing Sale Contract; and
  - (b) evidence from the nominated Registered Provider that they are not willing to purchase the Affordable Housing Units

and thereupon with the prior written approval of the Council the Owner shall be entitled to nominate an alternative Registered Provider PROVIDED ALWAYS THAT the Owner shall nominate an alternative Registered Provider within 10 days of the Expiry Date.

- 6.2 Immediately upon receiving confirmation of the Council's approval to the alternative Registered Provider pursuant to Paragraph 6.1 of this Part II to the First Schedule (above) the Owner will offer to enter into negotiations with the alternative Registered Provider and use reasonable endeavours to enter into the Affordable Housing Sale Contract with the alternative Registered Provider PROVIDED THAT the terms of any transfer shall accord with the provisions in Paragraph 5 of Part I of this First Schedule.

#### **Part III**

##### **7. EXCLUSIONS**

- 7.1 The provisions of Parts I and II to this First Schedule and the Nominations Deed at Appendix 1 shall not be binding against any tenant Occupying the Affordable Housing Units (or person claiming title from such person) or any mortgagee charge or receiver of such Affordable Housing Units in the event of such person mortgagee chargee or receiver having acquired 100% of the equity of any such dwelling whether this is acquired pursuant to the rights granted by the lease of such dwelling or pursuant to the right to buy provisions of the Housing Act 1985 or the Housing Act 1996 (or any legislation amending

or replacing the same) or any future legislation conferring such a right to buy which is binding on any Registered Provider.

## **SECOND SCHEDULE**

### **The Council's Covenants**

The Council covenants with the Owner as follows:

#### **1. Discharge of obligations**

- 1.1 At the written request of the Owner the Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.
- 1.2 Following the discharge of the obligations contained in this Deed pursuant to Paragraph 1.1 of this Second Schedule (above) or if pursuant to Clause 8.4 the Planning Permission shall be quashed, revoked or otherwise withdrawn or expires prior to the Commencement of Development the Council shall remove the entry in the Land Charges Register.

## Appendix 4 - Financial Appraisals

- A4.1 To justify the provision of less than the target for affordable housing, the Council requires a Financial Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and the viability expert advisor. It will not be placed on the public file nor made available to any third party.
- A4.2 The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should ideally include the following as a minimum guide, but may also cover other items specific to the proposed development.

### Value

- Gross internal area of units excluding garages and conservatories. Habitable roof-space should be listed separately.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Housing Association/Registered Provider as published on the Selby District Council website (and shown in Appendix 1 of this SPD).
- The physical state and use of the site, which are authorised and require no consent to continue.

### Costs

- Build costs. Give the gross external area multiplied by the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. X ms of road @ £Y per m. Include boundary treatment, landscaping, demolition and site preparation costs as appropriate.
- Standard Planning Costs – Planning and Building Regulation fees, commuted sums.
- Professional fees – Architects, QS, CDM supervisor etc.

- Contingency allowance.
- Cost of finance. Indicate the period and interest rate.
- Community Benefits. If the scheme includes any exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any, found since acquisition of site. What are these (e.g. contaminated land remediation) and when you became aware that there were potentially abnormal costs and what the costs are anticipated to be?
- Developers Profit – the amount or percentage included.
- Acquisition price as appropriate

Any other relevant items should be clearly defined and costed.

**Question 11: Do you agree with the proposed level of information that should be provided to inform a viability assessment? Is there any additional information that you think should be provided?**

## **Appendix 5: Exceptional Off-site provision**

A5.1 This Appendix provides a broad review of the criteria which the Council would take into account when considering whether there is justification for all or part off-site provision of affordable housing or a commuted sum calculation. As set out in Core Strategy Policy CP5, Selby District Council's clear preference is for the delivery of affordable housing on site in accordance with the NPPF. It states that 'commuted sums will not normally be accepted on these sites [ten dwellings or more] unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution'.

### **Defining a Balanced Housing Market and Clear Benefit to the Community**

a) Justification of a proposal delivering a Balanced Housing Market

A5.2 Selby District Council plan to update their Strategic Housing Market Assessment (SHMA) in 2013/ 2014. The new SHMA will seek to provide a detailed definition of what constitutes a balanced housing market.

A5.3 However, existing evidence in the 2009 SHMA considers the whole District performs as a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District-wide affordable housing requirement and will deliver a balanced housing market. The Council does not accept that there are either settlement based or sub area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District wide.

A5.4 In the interim; for the purposes of implementing Core Strategy Policy CP5 the Strategic Housing Market Assessment (SHMA) confirms that the Selby District constitutes a single housing market area. It is therefore not possible to set criteria to assess if a commuted sum would result in a balanced housing market, as the District can only be assessed as a whole.

A5.6 Therefore based on current evidence, the Council cannot foresee that the exceptional circumstances for off-site provision can be demonstrated within the context of the balanced housing market test within Policy CP5. As such the only potential justification for off-site provision or commuted sum would be for an applicant to demonstrate a clear benefit to the community, as set out below.

b) Justification of a proposal delivering a clear benefit to the community

A5.7 As set out in the main part of this SPD (see section 10) a key factor will be that off-site provision is not merely an alternative but provides a better

solution, clear benefits or betterment compared to the provision on-site built would deliver.

A5.8 For the purposes of implementing Core Strategy Policy CP5 and to provide Applicants with guidance on the situations when partial off-site, off-site or commuted sum contributions might be considered, the Council would consider the following factors might form part of the assessment of any case put forward in terms of possible indicators of whether an off-site solution might deliver a clear benefit to the community.

A5.9 This is not a checklist against which proposals will be tested – i.e. just because it falls within one of the categories below it does not automatically qualify for being an acceptable alternative to on-site provision. The alternative must provide an improved offer in comparison to on-site provision; and:

- The proposal would support the Core Strategy development strategy, aims, objectives and policies, which seek to focus development in Selby Town, then LSC and then DSVs.
- The proposal results in the provision of affordable units in a location that is considered to have good access local services, facilities and access to public transport.
- If the proposal results in empty homes being brought back into use for affordable rent on an identified site.
- The proposed development would allow affordable housing to be delivered on an identified site, which would otherwise not be delivered by other means.
- The delivery of affordable units is within the same timescale as the provision of market units on site, defined in the S106 agreement.
- If a mechanism for delivery / delivery partner is identified to provide the affordable housing.

**Question 12: Do you think there are any other factors / circumstances that should be taken into account when the Council is assessing whether a proposal might be considered to deliver a balanced housing market or clear benefits to the community? If so how could they be evidenced?**

## Appendix 6

### Information to accompany a planning application – the Affordable Housing Plan

- A6.1 The Council require all planning applications for schemes of 10 dwellings or more to be submitted with an indicative layout plan, a Phasing Plan (as necessary) and an Affordable Housing Plan for full applications (or at reserved matters stage for outline applications). The detail will be dependent on the scheme.
- A6.2 The information submitted should at least comprise the following:
1. The proportion of dwellings provided to be affordable (target of 40% on schemes of 10 units or more).
  2. The proportion of affordable dwellings to be provided as affordable rent and intermediate housing (outline and full planning application).
  3. Identify the affordable dwellings by number, type, size, location, phasing (as applicable) and tenure (for full or reserved matter planning applications).
  4. Details of the Registered Provider who will be partnering on the site.
  5. Timing/trigger arrangement for the transfer of the affordable dwellings to the identified Registered Provider.
  6. Details of open market valuations of the affordable dwellings.
  7. Draft section 106 agreement (using the Council's relevant model section 106 Agreement).
  8. A financial appraisal if the 40% target is not achieved.
  9. Off-site or commuted sum details if the applicant has agreed with the Council that this is acceptable, with the justification meeting the criteria set out at Appendix 5.
- A6.3 For schemes of between 1 and 9 units, it is not considered necessary to provide a separate Affordable Housing Plan due to the more narrowly focussed scope for affordable housing on smaller sites. Instead, where a commuted sum is payable, the Design and Access Statement should include a statement to confirm the applicant's approach to the payment of the commuted sum.

**Question 13: Should the Affordable Housing Plan include any further requirements?**



**Question 14: Do you have any other comments on the AHSPD or Section 106 Agreements?**



For further information please contact:

Policy and Strategy  
Selby District Council  
Civic Centre  
Doncaster Road  
Selby  
YO8 9FT

Email: [ldf@selby.gov.uk](mailto:ldf@selby.gov.uk)  
Website: [www.selby.gov.uk](http://www.selby.gov.uk)  
Tel: 01757 292034  
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**Report Reference Number: PR/13/3**

**Agenda Item No: 7**

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**To: Policy Review Committee**  
**Date: 16<sup>th</sup> July 2013**  
**Author: Julia Jennison**  
**Lead Officer: Karen Iveson – Executive Director**

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**Title: Selby District Council Housing Development Strategy**

**Summary:**

The Council is keen to ensure that opportunities for the development of affordable housing in the district are maximised. Consideration will be able to be given to whether individual schemes are better progressed within the Housing Revenue Account (HRA), or with General Fund input through a new Selby and District Housing Trust.

**Recommendations**

- i) To consider and make comments on the proposed Housing Development Strategy prior to its return to Executive 5<sup>th</sup> September.**

**Reasons for recommendation**

To enable the views of the Policy Review Committee to be considered as part of the developing strategy.

**1. Introduction and background**

- 1.1 The Development Strategy sets out the Council's plans to contribute to the development of additional affordable housing in the district.
- 1.2 In our housing enabling role, we are committed to working with partner agencies and Registered Providers to ensure the delivery of good quality affordable housing which meet the identified needs of our residents. This strategy seeks to build on those current arrangements by concentrating on the additional contribution the Council itself can make.

1.3 Housing development has been identified as a key work strand in the Council's Programme for Growth, which will help meet the need for additional affordable housing in the district, and contribute to the delivery of economic growth.

## **2. The Report**

2.1 Most new housing provision is delivered by private developers, with affordable housing provided through Section 106 Agreements in partnership with Registered Providers. Smaller numbers of new affordable homes are developed by Registered Providers independently either on small sites or on Rural Exception Sites.

2.2 With house prices increasing over recent years, the purchase of a home on the open market has become unachievable for many of our residents, and it is important to ensure that the private rented and social rented sectors are able to meet demand from those who cannot afford to buy.

2.3 The development of additional housing in the district will help support the building industry, provide opportunities for more employment and apprenticeships, create wealth and encourage local spending.

2.4 In recent years the Council's own capital investment in affordable housing has been limited to the repair and improvement of its own stock. However, because of 'Right to Buy' (RTB), the total council housing stock has been reducing. Although the rate of sale has slowed in more recent years it is now picking up again. This does however present opportunities to reinvest the receipts in the provision of new affordable housing.

2.5 This strategy puts forward two mechanisms for the Council to increase its affordable housing stock; to develop itself through the Housing Revenue Account (HRA), or through the General Fund via a Housing Delivery Vehicle - Selby and District Housing Trust has been established for this purpose.

2.6 Developing through the Housing Revenue Account (HRA) will allow the Council to add to its own housing stock and retain control of allocations and management. However, it is limited by the HRA debt cap (with currently circa £5m borrowing headroom).

2.7 Alternatively, developing through the Housing Trust, the Council could enable additional affordable housing stock to be developed using its own funding arrangements. Again, subject to agreement and conditions, the Council could retain nomination rights and the homes could be managed together with the Council's own stock, providing opportunities for economies of scale.

- 2.8 The Council can select the most cost effective mechanism for each scheme, with a flexible approach to maximise resources and provide value for money.
- 2.9 The Trust will operate separately from the Council, with new developments funded by a variety of means including, loans from Selby District Council subject to consent, Section 106 commuted sums, or grant funding through the Homes and Communities Agency (HCA). Loan financing and repayments will be covered by the rental income of the properties developed.
- 2.10 Affordable homes could be developed by the Trust on land transferred from the Council at less than market value subject to approvals and the necessary consents.
- 2.11 There are a number of opportunities for the development of affordable housing in the district and these are set out in Section 4.4 of the Strategy. They include taking on new build homes through Section 106 Agreements with developers building in the district, the improvement or refurbishment of individual properties available on the open market, purchased from other social housing providers, and buy backs where the owner of an ex local authority home wishes to sell. The preferred delivery mechanism will be established through the business case for each scheme.
- 2.12 In order to assess the development potential of land in the Council's ownership, a separate desktop assessment has been prepared initially with a detailed consideration of a number of these sites to follow. A member seminar to provide an overview of the potential sites is scheduled for the 11<sup>th</sup> July 2013 before formal consideration at the Council meeting in September.
- 2.13 The Executive has recently agreed to seek planning permission for a small development of 3 new affordable homes on land at St Joseph's Street in Tadcaster, with the intention that these will be built by the new Trust. In addition, there are plans to remodel the former Council offices in Kirkgate to include 3 affordable flats, subject to planning.
- 2.14 It is anticipated, looking at the potential Council owned land opportunities available, that the following delivery targets could be achievable

2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19
Preparation	<b>6+</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

- 2.15 The time line for the Development Strategy is scheduled below.

Date	Event	Action
Mid May	Working Group	
End May		Sign off issues
4 July	Executive	Consider draft
16 July	Policy Review	Feedback comments
June/July	Consultation with the Trust	
5 Sept	Executive	Recommended
10 Sept	Council	Approval

### 3. Legal/Financial Controls

#### 3.1 Legal Issues

Ongoing legal advice will be sought to inform our approach.

#### 3.2 Financial Issues

The funding arrangements for the Strategy are set out in Section 6 of the attached document. Assuming a programme to build 106 homes at an average of £100k each, over a 5 year period, and taking into account the circa £5m limit on borrowing within the HRA, the broad funding profile would be:

	Year 1 £000's	Year 2 £000's	Year 3 £000's	Year 4 £000's	Year 5 £000's
<b>Resources required</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Financed by:</b>					
HRA Debt	300	1,250	1,250	1,250	1,250
S106	0	0	500	500	500
GF Debt	300	1250	750	750	750
<b>Total Funds</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

HRA borrowing at this level would attract principal and interest repayments of around £280k p.a. subject to prevailing interest rates.

General Fund borrowing to support the Trust would constitute capital expenditure for the Council. The cost of borrowing (principal and interest) would be fully funded by the Trust from the rental income obtained from the developed properties.

In terms of officer time, it is assumed that 1 full time equivalent, suitably qualified senior officer will be required although the extent of officer resource is dependent upon availability/deliverability of sites. The estimated cost of such a resource is £60k p.a. and it is proposed that this be shared between the Council and the Trust at £30k each with the Trust element being funded by the Council from the Programme for Growth – the equivalent of £150k over the 5 year life of the programme.

In supporting this project the potential new homes bonus that could be generated from the new build programme is estimated at around £760k.

#### **4. Conclusion**

The Development Strategy will provide the Council with a range of options to increase affordable housing in the district.

The draft Strategy will also be considered by the Selby and District Housing Trust Board, with their comments and those of Policy Review assessed prior to the final report going to Executive on 5<sup>th</sup> September.

### **Appendix 1 – Final Draft Selby District Council, Housing Development Strategy**

#### **Background Documents**

HRA Business Plan 2012

Asset Management Strategy 2012

#### **Contact Details**

**Julia Jennison – Policy Officer**

**[jjennison@selby.gov.uk](mailto:jjennison@selby.gov.uk)**

# **Selby District Council Housing Development Strategy**

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- 8. Procurement**

**Appendix A – Glossary**

**Appendix B – Strategies and Plans**

**Appendix C – Evidence of Housing Need, taken from the Selby Strategic  
Housing Market Assessment (SHMA) 2009**



## 1. Introduction

- 1.1 This Development Strategy sets out Selby District Council's plans to contribute to the development of additional affordable housing in the district.
- 1.2 In its housing enabling role, the Council is committed to working with partner agencies and Registered Providers operating in the district to ensure the ongoing delivery of good quality affordable housing which meets the needs of our residents.
- 1.3 This strategy concentrates on the contribution the Council itself can make. Housing development has been identified as an important part of the Council's Programme for Growth because it helps meet the need for additional affordable housing in the district and contributes to the delivery of economic growth.
- 1.4 The development of more housing in the district will help support the building industry, provide opportunities for more employment and apprenticeships, create wealth and encourage local spending. It also provides an opportunity to increase the Council's receipts through the New Homes Bonus.
- 1.5 Most new housing provision is delivered by private developers, with affordable housing provided as part of a scheme through Section 106 Agreements in partnership with Registered Providers. Smaller numbers of new affordable homes are developed by Registered Providers independently either on small sites or on Rural Exception Sites.
- 1.6 Housing affordability is one of the biggest challenges facing the district, with house prices almost tripling in fifteen years from £66,362 in 1996 to £182,442 in 2011<sup>1</sup>.
- 1.7 Affordability ratios (house price to earnings) are significantly higher than the 'Affordable Definition' of 3.5 (an affordable mortgage being three and a half times annual income) particularly in the northern part of the District. In 2011 the affordability ratio for Selby District was 6.02. This means that house prices are 6 times the average annual income for Selby District. It is therefore important to ensure that the private rented and social rented sectors are able to meet demand from those who cannot afford to buy.
- 1.8 In recent years the Council's own capital investment in affordable housing has been limited to the repair and improvement of its own stock. However, because of 'Right to Buy' (RTB), the total council housing stock has been reducing. Although the rate of sale has slowed

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<sup>1</sup> DCLG Live Table 585 Housing Market: mean house prices based on Land Registry data, by district, from 1996-2011

in more recent years it is now picking up again. The increased discounts in 2012, and Budget changes in 2013 which reduced the eligibility period for purchasers from 5 to 3 years, have already encouraged more tenants to explore their RTB. In 2012/13 there were 10 sales (where previous assumptions in the Housing Revenue Account (HRA) Business Plan had been for 2), and it is expected that this trend will increase in coming years.

- 1.9 This does however present opportunities to reinvest the receipts in the provision of new affordable housing which are explored later in this strategy.

## **2. Strategic Aims**

- 2.1 The Council's aims for the delivery of additional affordable homes are set out in the following strategies and plans:

- Corporate Plan 2011-15
- Programme for Growth
- Core Strategy including the Affordable Housing Supplementary Planning Document
- Housing Revenue Account Business Plan 2012 – 2017
- North Yorkshire Housing and Homelessness Strategy 2012-15
- Draft Empty Homes Strategy 2013

- 2.2 Further information relating to the housing elements of each of these documents can be found in Appendix B.

## **3. Evidence of Housing Need**

- 3.1 Housing Need for the district was established through the Strategic Housing Market Assessment 2009 (SHMA), part of the Local Development Framework, which advised that Selby District at that time had a population of around 81,200, and is a high demand area for housing.
- 3.2 Extracts from the SHMA 2009 can be found in Appendix C. These extracts support the case for making affordable housing a priority and help guide the size, type and location of new schemes.
- 3.3 A new SHMA is planned to be commissioned late 2013/2014 and will provide updated information on need and relative demand. It is likely that both will have been affected by recent changes to the welfare system, particularly relating to the size of units (particularly the number of bedrooms) required.

## Social rented stock

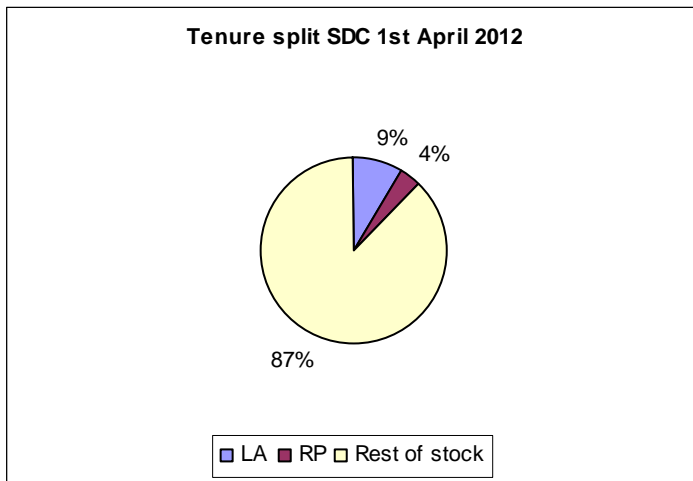
- 3.4 The SHMA found that social rented stock as a proportion of total dwelling stock has reduced from 15.1% in 1998 to 12.5% in 2008. Of occupied social rented stock, 76.3% is rented from the Council and 23.7% is rented from a Registered Provider.
- 3.5 The table below shows that over a third of Council stock is bungalows, but that bungalows make up only 15% of overall housing stock. Over 35% of Registered Providers' stock is semi detached, and 50% is flats, whereas looking at the total stock, 28% is semi detached, and only 5% is flats.

**Table B15** from the SHMA shows the attributes of social rented stock

Property Type	Council Rented (%)	RSL Rented (%)	All Stock (%)	No. Bedrooms	Council Rented (%)	RSL Rented (%)	All Stock (%)
Detached house/cottage	0.6	0.4	36.9	One/bedsits	17.7	27.6	4.7
Semi-detached house/cottage	24.4	35.4	28.4	Two	46.9	38.5	21.3
Terraced house/cottage	20.4	6.4	13.3	Three	34.4	33.9	44.4
Bungalow	34.8	7.5	15.4	Four	0.9	0.0	24.4
Maisonette	0.5	0.0	0.1	Five or more	0.1	0.0	5.2
Flat/apartment	19.2	50.3	5.3				
Caravan/Park Home/other	0.0	0.0	0.6				
Total	100.0	100.0	100.0	Total	100.0	100.0	100.0
Base	3184	990	34246	Base	3184	990	34246
Property Age	Council Rented (%)	RSL Rented (%)	All Stock (%)	Satisfaction with property condition	Council Rented (%)	RSL Rented (%)	All Stock (%)
Pre 1919	6.9	0.8	15.1	Very Satisfied	16.4	40.0	38.6
1919-1944	12.1	7.4	9.7	Satisfied	39.6	29.3	40.6
1945-1964	49.5	7.1	15.7	Neither satisfied nor dissatisfied	21.3	9.9	11.8
1965-1984	28.6	17.6	28.1	Dissatisfied	19.5	15.4	7.6
1985-2004	3.0	41.7	25.1	Very Dissatisfied	3.3	5.5	1.5
2005 on	0.0	25.4	6.3				
Total	100.0	100.0	100.0	Total	100.0	100.0	100.0
Base	3184	990	34246	Base	3184	990	34246

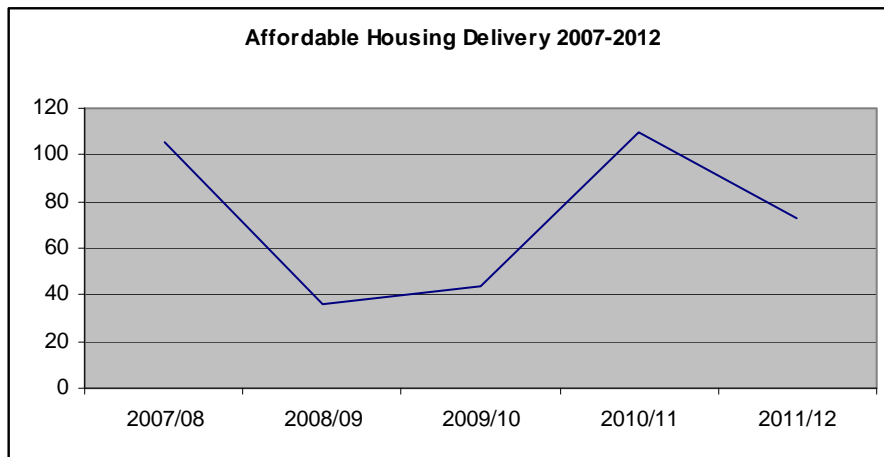
- 3.6 Local Authority Housing Statistics (LAHS) 2012 show that the proportion of social rented property in the district had hardly changed since then, at 13% of the housing stock, with 3,170 local authority homes and 1,370 owned by Registered Providers. These proportions are demonstrated in the pie chart below.

**From LAHS 2012**



**Delivery over the past 5 years**

3.7 There have been 368 affordable homes developed in partnership with Registered Providers between 2007-2012. Annual delivery is demonstrated in the graph below.



**Size and type of affordable housing required**

3.8 Evidence from the Selby SHMA 2009, of the size and type of housing required, is set out in more detail in Appendix C.

3.9 Table D19 of the SHMA 2009 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation.

**Table D19** Affordable property type preferences

Property type	Property type preferences		
	Existing HHs in Need	Newly-forming Households	TOTAL
House	41.7	39.6	40.5
Flat	14.0	47.2	33.7
Bungalow	44.3	13.2	25.8
Total	100.0	100.0	100.0
Base (Annual affordable requirement)	208	304	512

Source: 2008 household survey

- 3.10 Analysis suggested that there is a potentially strong role for intermediate tenure products in Selby District (homes for sale or rent at below market value – see the Glossary at Appendix A), with around 30% of households in need stating that they would consider it. Analysis of income, equity and savings would suggest that 52% of existing and newly-forming households in need could afford products with an equity share of £50,000 and 32.8% could afford an equity share of £80,000 (2009 SHMA). However, these figures will shortly be updated in the new SHMA 2013/14, which will be made available on the Council's website.
- 3.11 The North Yorkshire SHMA 2011 reviewed the 2009 evidence to provide an update in the context of the North Yorkshire wide picture.
- 3.12 In considering the long term changes to the profile of households, the following conclusions need to be taken into account –
- A growth in households aged 25 - 34, who are likely to require smaller homes on the whole
  - A growth in households aged 55-64, which will include a proportion of households wishing to downsize
  - A high increase in the numbers of older households, who are predominantly singles and couples
- 3.13 As a result, there is likely to be an increasing demand for smaller homes which are near to key services and transport links.
- 3.14 The proposed SHMA 2013/14 will provide updated evidence of need.
- 3.15 The Homes and Communities Agency has set out size and space standards and other requirements for affordable homes delivered by Registered Providers, and these need to be taken into account when negotiating for homes through Section 106 Agreements with a developer. More information can be found in the Council's Affordable Housing Supplementary Planning Document, and on the Homes and Communities (HCA) website.

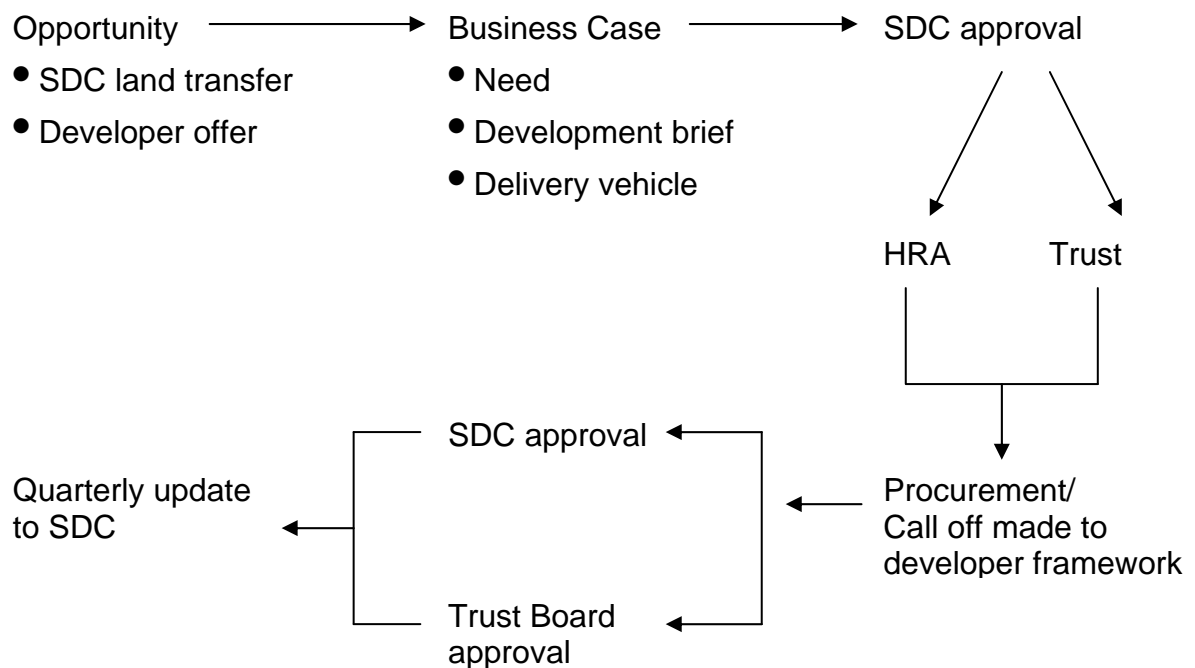
## 4. Development Strategy

4.1 This strategy puts forward two mechanisms for the Council to increase its affordable housing stock, and add to the valuable work of Registered Provider (RP) partners. Properties could be developed and financed through:

- the HRA, or
- the General Fund via a Housing Delivery Vehicle - Selby and District Housing Trust has now been established to develop homes in this way.

4.2 The diagram below shows both of these development mechanisms. Once a potential scheme has been identified, the business case will usually dictate the best way forward.

### Development Mechanisms



### Housing Revenue Account

4.3 Developing through the Housing Revenue Account (HRA) will allow the Council to add to its own housing stock and retain control of allocations and management. However, this option is limited by the HRA £5m debt cap, and existing and new stock would continue to be subject to Right to Buy (RTB).

- 4.4 The Council is keen to add to the stock of affordable housing in the district through the most practical and cost effective mechanism, with a flexible approach to maximise resources and provide value for money. Each scheme needs to be considered on its own merits. For instance, the HRA may develop adapted units or accommodation for the elderly or disabled, which are exempt from the RTB. This would ensure that in the long term, affordable units remain available to this growing section of the population.

### **Selby and District Housing Trust**

- 4.5 Selby District Council has established a charitable Housing Trust following submission of a feasibility report to Council on 26 February 2013. The Trust will deliver additional affordable homes across the district, initially concentrating on opportunities provided by using Council owned land.
- 4.6 By developing through the new charitable Housing Trust, the Council can enable additional affordable housing stock to be developed using Council funding arrangements. Subject to agreement, conditions and consents, the Council would retain nomination rights and the homes could be managed by Access Selby alongside the Council's own stock, providing opportunities for economies of scale. Tenants would still have the Right to Acquire (RTA), but this is less onerous than RTB with lower discounts available (maximum £10,000 in Selby district at 2013).
- 4.7 The Trust will develop affordable homes on land transferred from the Council potentially at less than market value subject to approvals and the necessary consents. As a separate organisation, the Trust will have greater freedom to build new, affordable housing, which will be secured for affordable rent or purchase in the long-term.
- 4.8 The Trust will operate separately from the Council, with new developments funded by a variety of means including, loans from Selby District Council subject to consent, Section 106 commuted sums, or grant funding through the Homes and Communities Agency (HCA). Loan financing and repayments will be covered by the rental income of the properties developed.

### **Priorities**

- 4.9 The Council is keen for new build development to provide quality homes early in the programme; this will be new stock which meets modern standards to be developed and taken into management.
- 4.10 An additional priority is to consider the refurbishment of individual properties in areas requiring improvement, and this could include empty homes work (which could be more time consuming to progress),

purchase and repair and acquisition or buy back (see sections 4.22 and 4.23). Again, the preferred delivery mechanism will be established through the business case.

- 4.11 In terms of location for new affordable development, the Council will prioritise a number of sites, land and garage blocks in its ownership, and in doing so will consider current usage, the current condition and repair requirements, and any adjacent opportunities such as small pockets of land.
- 4.12 With regard to the latest housing need information set out in the North Yorkshire SHMA 2011 (see 3.12), smaller units should be prioritised, with bungalows in particular provided on level sites with easy access to services and transport links. The next SHMA will take into account changing priorities resulting from recent welfare changes.
- 4.13 A list of potential sites, most in the council's ownership, has been drawn up for appraisal. The initial prioritisation of the sites to be progressed will include consideration of the areas of housing need identified in SHMA. This will allow schemes to be progressed in particular areas of the district where there is identified need but insufficient social provision to meet that need.
- 4.14 Following this, the schemes which are most likely to be deliverable would be prioritised for further consideration and assessment.

### **Options**

- 4.15 Registered Providers are already working with us in the district to deliver affordable housing, and there are well established mechanisms in place regarding this.
- 4.16 Schemes delivered by the Council, through either the HRA or through the Trust, could be achieved by;

### **New build schemes for rent or purchase**

#### **A. Section 106 opportunities**

Under Policy CP5 of the Core Strategy (see Appendix B) there is a requirement for affordable housing provision to be delivered on site unless there are clear community benefits or the potential to deliver a better balanced housing market through off site provision. More detail is set out in the Council's Affordable Housing Supplementary Planning Document 2013. Registered Providers including the Trust can purchase and take on the management of these units. In addition, there is a requirement in the Core Strategy, which is likely to be adopted in October 2013, for commuted sums to be required relating to affordable housing provision on schemes of 1-9 units. These ringfenced sums can be pooled by the Council and used to fund affordable housing elsewhere in the district.



## **B. Rural Exception sites**

The Trust or another Registered Provider could purchase the affordable units on Rural Exception sites. In accordance with Policy CP6 of the emerging Core Strategy (see Appendix B), the sale of small numbers of market units could be considered on Rural Exception sites where this is required to provide cross subsidy for affordable schemes. Alternatively, the construction and sale of market units could also be delivered as part of an overall scheme.

## **C. Use of Council owned land including garage sites**

The Council could develop sites itself or provide land to the Trust at less than market value for affordable housing schemes to be delivered, subject to support and the necessary consents for the transfer of land.

- 4.17 Individual site assessments and viability studies will address value for money issues which will need to be considered by the Council and will form part of the business case. Surplus land has been identified through work on the Council's Asset Management Strategy, and sites will be assessed for suitability for the development of small affordable housing schemes.

### **Other SDC owned buildings**

- 4.18 The Council may have other property assets which could be altered to provide 1 or 2 bed units which may help tenants' downsizing requirements; currently there is a lack of smaller units available for tenants to downsize into. The new Strategic Market Housing Assessment (SHMA), due to be commissioned in 2013/14, will provide detail of current housing need taking this into account.
- 4.19 In addition, demolition of surplus or underused properties, or the use of adjacent unused land may provide further opportunities for development.

### **Other land/buildings available including on the open market**

- 4.20 There may be other land or buildings owned by other public sector bodies, or available on the open market either in areas of need where the Council has no landholdings, or where they could enhance or increase development opportunities already under consideration.
- 4.21 Consideration could also be given to the acquisition of homes on the open market, which could be brought into management.

### **Buy backs**

- 4.22 Where a tenant has taken up the RTB, and later wishes to sell the property, there is an opportunity for the Council to buy the property back. The advantage is that properties will have good space standards, and usually be located near to other Council stock for ease of management. In addition, much of the take up of the RTB was for smaller, more rural settlements where new provision is less likely.
- 4.23 Each purchase would be dependent on the business case, costs and available funding at the time.

### **Acquisition/disposal of affordable units**

- 4.24 The Council or the Trust could consider acquisitions or disposals of stock. The Council may dispose of units through small scale transfers of void (empty) dwellings (no existing tenancies would be affected by this proposal)<sup>2</sup>, or other social housing providers in the district may consider disposals in order to rationalise their stock.
- 4.25 The purchase of affordable units in high need areas where there is limited potential for additional homes to be provided could be prioritised. Hard to let properties could be reconfigured as part of the process. Whilst this may not increase the overall numbers of affordable housing in the district, it would increase the number of units in management and potentially provide economies of scale.

### **Potential joint ventures**

- 4.26 Consideration will be given to working with other public sector bodies, or the possible acquisition of strategic sites

### **Remodelling of existing homes to meet changing need**

- 4.27 As outlined in Section 4.25 above, either to address the problems of hard to let properties, or provide more smaller units to meet emerging demand resulting from recent welfare changes.

### **Refurbishment of empty homes**

- 4.28 The Council's Empty Homes Strategy sets out our approach to bringing empty homes back into use. In terms of the contribution this Development Strategy can make, where an owner has failed to bring an empty home back into use despite our intervention, and the Council considers it to be a priority, the home could be managed and let out by the Council or the Trust. This could be effected either through outright

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<sup>2</sup> The policy and criteria for this are not yet in place

purchase, or by agreement with the owner, with the cost of improvement works recouped through rental receipts.

- 4.29 Following an initial assessment of suitability, the cost of repairing and refurbishing the property could be set against future rental income. The term of the lease would be calculated to recoup the cost of the works, and this could also be extended to take account of the provision of a rental income to the owner if this was required.
- 4.30 Whilst this would not provide an increase in affordable housing stock in the longer term, it would add to the affordable offer in the district in the shorter term.

### **Building under licence**

- 4.31 There may be situations where the Council or the Trust might consider building under licence to reduce the upfront cost of development, eg where a partner public sector body contributes land.

### **Tenure**

- 4.32 As part of the site appraisal process, consideration needs to be given to whether to charge a traditional social rent, or take the opportunity to charge an Affordable Rent (of up to 80% market rent). See Appendix A.
- 4.33 Where HCA funding is used, there is an expectation that Affordable Rent will be charged in order to maximise opportunities for the development of further affordable units. However, where other funding is used, consideration could be given to the development of a percentage of social rented properties to ensure that the needs of lower income families can continue to be met.
- 4.34 The provision of a small number of market units, either as part of an affordable scheme or on a small site elsewhere, might provide the opportunity for cross subsidy and meet the need for market housing in particular locations. This consideration will be part of the detailed viability work required on a site by site basis.

### **Employment, Training and Economic Benefits**

- 4.35 There are a number of opportunities to contribute to the wider economy by delivering affordable housing. These include building or refurbishment of properties, their ongoing management and repair, and the chance to offer apprenticeships relating to any area of the work.

## 5. Delivery

- 5.1 Selby Town needs the greatest numbers of additional affordable housing (see Table D12 of the SHMA – Appendix C) although there is evidence of unmet need across the district. The evidence shows that 110 of the 409 units required, or 27%, are in Selby Town. In terms of unit size, 42% of the requirement across the district is for 2 bed units.
- 5.2 Delivering affordable units for older people, whilst addressing the increasing numbers of older people predicted to be living in the district, could also allow larger units to be made available for families through tailored allocations via local lettings agreements.
- 5.3 In order to assess the development potential of land in the Council's ownership, a separate desktop assessment will be prepared – initially of a select number of sites. Sites will be selected based upon a high level review of development potential before undertaking a more detailed desktop review. Site selection at this stage will include a location plan, aerial image and a spreadsheet showing an initial assessment of high potential, probable potential or no potential.
- 5.4 A more detailed assessment of the more 'deliverable' sites, will then be undertaken and subject to an initial site appraisal including desktop information plus walkover survey, photographs, initial site summary with indicative number of units. Sites will then be graded through a traffic light system.
- 5.5 Building on this approach, detailed site appraisals will enable the development of business cases on individual sites, which will then determine which will come forward first. The Council will work up a development programme, and the preparation of criteria for asset transfers will be the subject of a separate policy, these to be read side by side.
- 5.6 It is anticipated, that given the available Council owned land opportunities, the following delivery targets could be achievable. The tenure of these units will depend upon identified need and individual site viability issues.

2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19
Preparation	<b>6+</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

### Pilot schemes

- 5.7 The Council's Executive has recently agreed to seek planning permission for a small development of 3 new affordable homes on land at St Joseph's Street in Tadcaster, with the intention that these will be built by the new Trust. In addition, there are plans to remodel the

former Council offices in Kirkgate to provide 3 affordable flats, subject to planning approvals.

## 6. Financing Developments

- 6.1 A 5 year programme of 106 homes at an average cost of between £80k and £100k per property (subject to land values) would require resources of between £8.5m and £10.6m.
- 6.2 The HRA Business Plan shows that there is currently £5m borrowing headroom up to the HRA debt cap and sufficient financial capacity within the HRA to cover the principal and interest payments.
- 6.3 Assuming £5m HRA borrowing at an average rate of 4.5% over 30 years the annual repayments would be approximately £280k p.a.
- 6.4 Any additional financing would then allow development by the Trust via General Fund resources – either prudential borrowing or s106 commuted sums.
- 6.5 S106 commuted sums are difficult to quantify at this stage in terms the amount and the timing and therefore a conservative estimate of £500k from year 3 is assumed. If these funds do not materialise then additional prudential borrowing would be required or developments would need to be scaled back.
- 6.6 The cost of General Fund borrowing would be borne by the Trust and repaid from the rental income of the properties developed. Loans to the Trust would be at prevailing PWLB rates + % (+ % to be determined) and would constitute capital expenditure for the Council.
- 6.7 An indicative funding plan assuming an average build of £100k per property could be:

	Year 1 £000's	Year 2 £000's	Year 3 £000's	Year 4 £000's	Year 5 £000's
<b>Resources required</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Financed by:</b>					
HRA Debt	300	1,250	1,250	1,250	1,250
S106	0	0	500	500	500
GF Debt	300	1250	750	750	750
<b>Total Funds</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

- 6.8 It is also anticipated that the Trust will seek Registered Provider status with the Homes and Communities Agency in order to access grant

funding. Should such funding become available over the life of the programme then this could either reduce the General Fund borrowing required or increase the number of properties delivered (subject to sites).

- 6.9 Similarly the HRA may experience increased Right to Buys and have the opportunity of additional retained capital receipts – in these circumstances any additional capital receipts retained in accordance with the agreement with the government must make up no more than 30% of the development costs. This could allow one extra property for every £100k additional receipts retained, up to a maximum of 22 extra properties and subject to the Government's 'one-for-one' replacement rules.
- 6.10 Individual business cases for developments (HRA and Trust) would need to establish viability in terms of the rental income and the costs of asset transfers, financing, building, maintaining and managing the properties over a 30 to 60 year life.

### **Commuted sums**

- 6.11 The Council's Core Strategy makes provision for commuted sums to be paid in lieu of affordable housing in appropriate circumstances. Greater clarity around these circumstances will be set out in the Affordable Housing Supplementary Planning Document (AHSPD).
- 6.12 Core Strategy Policy CP5 (see Appendix B) also provides that on sites below the threshold, a commuted sum will be sought to provide affordable housing within the district. The target contribution will be equivalent to the provision of up to 10% affordable housing.
- 6.13 The draft AHSPD sets out maximum commuted sums payable for sites of 1-9 units, and is due to be consulted in the summer 2013. It is anticipated that the SPD will be approved at the same time as the Core Strategy in October 2013.
- 6.14 Under Policy CP5 of the Core Strategy (see Appendix B) there is a requirement for affordable housing provision to be delivered on site for developments of 10 or more dwellings unless there are clear community benefits or the potential to deliver a better balanced housing market through off site provision. Where this is appropriate (refer to AHSPD Appendix 5) and evidence can be provided this will be included in the officer report to the Planning Committee for their consideration. One case has been considered to date and agreed in principle.
- 6.15 Once the maximum contributions arising from the AHSPD have been agreed, it should be possible to work up a projection of the possible commuted sums which would be available to the Council for the provision of affordable housing.

## **7. Managing the Process**

- 7.1 To 'kick start' the housing trust project, £30k was allocated from the Programme for Growth budget. This was a one-off sum to cover the feasibility and set up costs of the proposed Housing Delivery Vehicle. This budget has been spent or allocated to the remaining elements of the project still in progress.
- 7.2 In order to take forward a 5 year programme of build projects it will be necessary to engage a level of resource to co-ordinate and commission the businesses cases, asset transfer agreements, funding applications and procurement of individual schemes.
- 7.3 Given it is the intention to build via the HRA and the new trust, there is an opportunity to share this resource to achieve some economies of scale for both organisations.
- 7.4 At this stage it is difficult to fully quantify the amount of work involved as this will depend on the availability/deliverability of sites, but assuming that 1 full time equivalent, suitably qualified senior officer is required, a budget of £60k – say £30k HRA and £30k Trust should be sufficient.
- 7.5 The HRA element would be covered by the financial capacity within the HRA and it is suggested that the Trust element is covered by the Programme for Growth until the Trust gains sufficient property numbers to sustain such costs without support from the Council.
- 7.6 The case for Programme for Growth resources is put forward on the basis of the additional New Homes Bonus that will be generated by the build programme – 106 additional houses over the life of the 5 year programme (say at an average Band B for Council Tax Base purposes) would achieve New Homes Bonus of £760k against a General Fund cost of £150k.

## **8. Procurement**

- 8.1 The approach to procurement will largely depend on the value of the work to be tendered.
- 8.2 The initial pilot schemes are below the threshold for EU procurement rules and therefore the Council's own procurement rules will apply.
- 8.3 Projects are expected to be on a 'design and build' basis and developers will be engaged early in the process to enable flexibility over design to deliver maximum value for money for the level of quality desired.

- 8.4 Opportunities for efficiency within the procurement process will be sought and the use of select lists and/or a framework contract will be explored through the Council's procurement partnership and where possible joint procurement between the Council and the Trust will be undertaken.



### **Glossary**

#### **Affordable housing**

Is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market

#### **Affordable Rent**

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). It is let by local authorities or Registered Providers to households eligible for social rent.

#### **Housing Association**

See Registered Provider

**Housing demand** is the quantity of housing that households are willing and able to buy or rent.

**Housing need** is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

**Housing requirement** is the combination of both housing need and housing demand.

#### **Intermediate housing**

Intermediate housing includes 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.

#### **Local connection**

Connection to a particular area because of residency, employment, family or a main source of support.

#### **NPPF**

National Planning Policy Framework, published in March 2012 aimed to consolidate all previous planning documents – policy statements, circulars and guidance into one document

#### **Registered Providers**

Including Registered Social Landlords and Housing Associations. These are providers (and may also be developers) of social housing, and are defined in section 80 of the Housing and Regeneration Act 2008)

#### **Registered Social Landlords**

See Registered Provider

**Rural Exception Sites.**

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current or former residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding

**Section 106 Agreements**

Legal agreements which secure community benefits through a planning obligation. These can include provision for a percentage of affordable housing to be provided on housing developments

**Social Rented**

Social rented housing is owned by local authorities and Registered Providers, for which guideline target rents are determined through the national rent regime

## Strategies and Plans

### Corporate Plan 2011-15

The plan sets out how the Council wants to target money and resources in its five 'big things' for the district, which are:

- Tough times call for a **stronger council**, fighting your corner and getting everyone working together
- It's all about **changing places** and helping others to see our district through new eyes
- We want to work with others to make this a great place with people **living well** and leading happy and healthy lives
- We won't be afraid of **tackling the tough stuff** that might otherwise knock us off course
- That means being **switched on** to what's happening around us, knowing what's important and being fit for the job

### Programme for Growth

Delivering new affordable homes is one of the primary objectives of the Council's £5million Programme for Growth investment, which focuses on dealing with the big issues affecting the area, such as housing, employment and the local economy. The housing trust project is one of the projects within the housing and infrastructure workstrand and is a key driver for this housing development strategy.

### Core Strategy

The Core Strategy sets a minimum housing target in Selby district for 450 units per year. This could, if the policy was delivered at the target 40%, produce about 180 affordable units per annum on allocated sites. Additional windfall sites are expected to deliver an additional 105 dwellings per annum which could provide another 40 affordable units per year, 220 in total.

However, market sites for 450 units per year will never deliver sufficient homes to meet identified need at 409 affordable units per year. This position reflects the position nationally where the numbers of affordable units required will never be delivered through S106 alone. All councils have an affordable housing need which outweighs their capacity. Additional 100% affordable schemes are therefore required in order to help meet that need, and the Council is keen to contribute by utilising its own resources.

The Core Strategy policies relating to affordable housing are set out below:

#### Policy CP5 Affordable Housing

**A.** The Council will seek to achieve a 40/60% affordable/general market housing ratio within overall housing delivery.

**B.** In pursuit of this aim, the Council will negotiate for on-site provision of affordable housing up to a maximum of 40% of the total new dwellings on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3 ha) or more.

Commuted sums will not normally be accepted on these sites unless there are clear benefits to the community/or delivering a balanced housing market by re-locating all or part of the affordable housing contribution.

**C.** On sites below the threshold, a commuted sum will be sought to provide affordable housing within the District. The target contribution will be equivalent to the provision of up to 10% affordable units.

**D.** The tenure split and the type of housing being sought will be based on the Council's latest evidence on local need.

**E.** An appropriate agreement will be secured at the time of granting planning permission to secure the long-term future of affordable housing. In the case of larger schemes, the affordable housing provision will be reviewed prior to the commencement of each phase.

The actual amount of affordable housing, or commuted sum payment to be provided is a matter for negotiation at the time of a planning application, having regard to any abnormal costs, economic viability and other requirements associated with the development. Further guidance will be provided through an Affordable Housing SPD.

#### Policy CP6 Rural Housing Exceptions Sites

In the Designated Service Villages and the Secondary Villages, planning permission will be granted for small scale 'rural affordable housing' as an exception to normal planning policy provided all of the following criteria are met:

- i)** The site is within or adjoining Development Limits in the case of Secondary Villages, and adjoining development limits in the case of Designated Service Villages;
- ii)** A local need has been identified by a local housing needs survey, the nature of which is met by the proposed development; and
- iii)** The development is sympathetic to the form and character and landscape setting of the village and in accordance with normal development management criteria.

An appropriate agreement will be secured, at the time of the granting of planning permission to secure the long-term future of the affordable housing in perpetuity. Small numbers of market homes may be allowed on Rural Exception sites at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding in accordance with the NPPF. Future Local Plan documents will consider introducing a detailed policy and / or specific allocations for such sites.

### **Housing Revenue Account Business Plan 2012 – 2017**

The Housing Revenue Account (HRA) Business Plan is a strategic document which sets out the Council's vision for its housing service over the next 5 years. It recognises the Council's role as service commissioner and presents the outcomes we aim to achieve over the next 5 years.

The financial strategy for the HRA aims to provide the financial environment to support the Council in achieving its strategic objectives and for the delivery of its landlord responsibilities over the medium to longer term. The financial strategy was prepared in the context of major changes in housing finance with the introduction of self financing from April 2012.

The Plan acknowledges the Government's enhanced 'Right to Buy' scheme and 'one-for-one' replacement of additional homes sold. As part of these arrangements the Council will be able to retain more capital receipts by entering into an agreement with the Government to reinvest receipts in new affordable rented homes.

This Development Strategy will explore these opportunities further and set out options for the Council to utilise some of these receipts to deliver more affordable housing.

### **North Yorkshire Housing and Homelessness Strategy 2012-15**

Selby District Council is a member of the North Yorkshire Housing Partnership, and has signed up to the NY Housing and Homelessness Strategy 2012. This sets out the housing vision and priorities for the period up to 2015:

***'To make North Yorkshire and York an inclusive place where communities are sustainable and residents can have fair access to decent affordable homes and effective support when they need it.'***

It identifies five key strategic priorities for housing investment:

1. Enabling the provision of more affordable homes
2. Maintaining and improving the existing housing stock
3. Delivering community renaissance
4. Improving access to housing services
5. Reducing homelessness

Selby District Council aims to increase the numbers of affordable units being developed over the next 5 years.

### **Draft Empty Homes Strategy 2013**

The draft Empty Homes Strategy is currently being developed, and sets out the Council's approach, focussing on those properties in areas with the highest numbers of empty homes. This will allow wider benefits to be achieved as concentrations of empty homes have a disproportionate impact on communities and the local economy. The Strategy found that Selby, Barlby and Tadcaster have the highest number of empty homes, making up 43% of the total for the district.

Within those areas of the district, further prioritisation will enable the strategy to focus resources where there will be the greatest impact. A scoring matrix will be developed assigning appropriate weighting to each of the criteria.

The Council has the option to consider enabling additional units from the general housing stock to be used for affordable housing through funding repairs and improvement, possibly in conjunction with a lease arrangement with the owner.

### **Evidence of Housing Need, from the Selby Strategic Housing Market Assessment (SHMA) 2009**

The population was predicted to increase by 25.2% from 81,100 in 2008 to 101,500 by 2031. Over the next few decades, the number of older people will increase; in particular the number of residents aged 75+ is expected to more than double (from 5,900 in 2008 to 12,600 by 2031). The vast majority of older people (78.7%) want to continue to live in their current home with support when needed and 26% would consider sheltered accommodation. Older households would also consider new forms of specialist accommodation including older persons' apartments (13.1%) and properties in a retirement/care village (16.3%).

The number of households is also expected to increase, by 27.3% between 2006 and 2026, most likely fuelled by an increase in one person and multi-person households (e.g. friends sharing) which reflects national and regional trends. More recently, since the assessment was completed in 2009, the impact of the welfare changes and in particular the under-occupation penalty, will create additional pressure on the demand for smaller units of accommodation.

The SHMA found that in 2008 the proportion of social rented dwellings in Selby was 12.2%, compared with a regional average of 18.5%.

Lower quartile incomes in 2008 were slightly below the regional figure, but median incomes were slightly above. Selby is ranked the 8<sup>th</sup> least affordable district in Yorkshire and the Humber but the most affordable district in North Yorkshire. The emerging Core Strategy sets out our target for negotiation for the proportion of new housing that needs to be affordable, at up to 40%.

Analysis indicates that across Selby, there is an annual net shortfall of 378 and a gross shortfall of 409 affordable dwellings. A tenure split in the range 50 to 70% social rented (and the balance of 30 to 50% to be intermediate tenure) across the District is appropriate based on the stated preferences of households and an analysis of the relative affordability of intermediate tenure products.

The SHMA also identified the need for affordable housing by type in the sub areas, and this is shown in table 4.12 from the document, set out below

**Table 4.12** Annual affordable housing requirement (gross) 2008/09-2012/13

Sub-area	Older person		General needs				Total
	Number of bedrooms		Number of bedrooms				
	One	Two	One	Two	Three	Four or more	
Central	10		10	11	3		<b>34</b>
East	4	4	11	13		2	<b>34</b>
North East	5		3	7	18	6	<b>39</b>
Northern	1		1	5	4	2	<b>13</b>
Selby	11		27	58	13	1	<b>110</b>
Sherburn in Elmet	2			25	12	4	<b>43</b>
South East	4	2	13	7	9	0	<b>35</b>
Southern	8		2	18	18	2	<b>48</b>
Tadcaster				12	1	3	<b>16</b>
Western	1	6		18	7	5	<b>37</b>
<b>Total</b>	<b>46</b>	<b>13</b>	<b>67</b>	<b>173</b>	<b>85</b>	<b>25</b>	<b>409</b>

Source: 2008 household survey

When considering the wider market, the SHMA reported that North Yorkshire's Supporting People Strategy focuses on the need to provide additional extra care schemes and developing Telecare services. The provision of extra care schemes has emerged as a strategic priority presented in the National Affordable Homes Programme 2008-2011. *(In Selby, this programme delivered 93 Extra Care homes in Brayton and Tadcaster).*

The SHMA concluded that a variety of affordable housing should be provided, with a particular emphasis on delivering affordable housing for general needs (i.e. singles under 60, couples under 60 and families).

**Table D12** Net and Gross affordable housing requirements – annual requirements 2008/09 to 2012/13

**NET REQUIREMENTS**

Number of bedrooms	Sub-aura										Total
	Central	East	North East	Northern	Selby	Sherburn in Elmet	South East	Southern	Tadcaster	Western	
<b>Older person</b>											
One	10	4	5	1	11	2	4	8	-2	1	<b>44</b>
Two	-7	4	0	-1	-2	0	2	-3	-3	6	<b>-5</b>
<b>General needs</b>											
One	10	11	3	1	27	-4	13	2	-3	-3	<b>57</b>
Two	11	13	7	5	58	25	7	18	12	18	<b>173</b>
Three	3	0	18	4	13	12	9	18	1	7	<b>85</b>
Four or more	-1	2	6	2	1	4	0	2	3	5	<b>24</b>
<b>Total</b>	<b>26</b>	<b>34</b>	<b>39</b>	<b>11</b>	<b>108</b>	<b>39</b>	<b>35</b>	<b>45</b>	<b>8</b>	<b>34</b>	<b>378</b>

**GROSS REQUIREMENTS**

Number of bedrooms	Sub-area										Total
	Central	East	North East	Northern	Selby	Sherburn in Elmet	South East	Southern	Tadcaster	Western	
<b>Older person</b>											
One	10	4	5	1	11	2	4	8		1	<b>46</b>
Two		4					2			6	<b>12</b>
<b>General needs</b>											
One	10	11	3	1	27		13	2			<b>67</b>
Two	11	13	7	5	58	25	7	18	12	18	<b>174</b>
Three	3		18	4	13	12	9	18	1	7	<b>85</b>
Four or more		2	6	2	1	4		2	3	5	<b>25</b>
<b>Total</b>	<b>34</b>	<b>34</b>	<b>39</b>	<b>13</b>	<b>110</b>	<b>43</b>	<b>35</b>	<b>48</b>	<b>16</b>	<b>37</b>	<b>409</b>



**Policy Review Committee Work Programme 2013/14**

<b>Date of Meeting</b>	<b>Topic</b>	<b>Action Required</b>
4 June 2013 <b>(Cancelled)</b>	Time of Meetings	To agree a start time for meetings for 2012/13
	Work Programme	To agree the Committee's Work Programme for 2012/13

16 July 2013 (4pm start Mtg Rm 2)	<b><u>Budget and Policy Framework</u></b>  The State of Area Address (Council 25 June)	To consider the Leader's State of the Area Address.
	<b><u>Executive Requested items</u></b>  Affordable Housing SPD	To consider the Executive's policy decision from 6 June and offer amendments to the Executive
	<b><u>Executive Requested items</u></b>  SDC Development Strategy for Increasing Affordable Housing Stock	To consider the Executive's policy decision from 4 July and offer amendments to the Executive
	<b><u>Committee Requested items</u></b>  Section 106 Policy	To consider the Council's existing policy and offer amendments to the Executive <b>(this is being considered under the Affordable Housing SPD item)</b>

15 October 2013	<b><u>Budget and Policy Framework</u></b> Financial Strategy	To consider the Executive's proposals for the Council's long term (10 year), resource and spending framework in which the budget strategy and three year financial plan will be developed.
	<b><u>Executive Requested items</u></b> Planning Conditions	To consider on behalf of the Executive motions put to Council from the Labour Group
	<b><u>Committee Requested items</u></b> Renewable Energy Strategy	To consider the Council's existing policy and offer amendments to the Executive
14 January 2014	<b><u>Budget and Policy Framework</u></b> Draft Budget and Medium Term Financial Plan	To consider the Executive's proposals for revenue budgets and the capital programme for 2014/2015.
	<b><u>Motion from Council</u></b> Welfare Reform	To review the current policy with regard to the recent changes in welfare reform and its operation.
15 April 2014	<b><u>Constitutional Requirement</u></b> Policy Review Annual Report 2013/14 and Work Programme 2014/15	To review the Policy Review Annual Report and approve the Draft Work Programme for 2014/15