

Interim Planning Statement

Affordable Housing

June 2008

Prepared in conjunction with UWE at Bristol

Adopted by Cabinet Member for Economic Regeneration and Development on 19 May 2008.

The Council is in the process of preparing an Affordable Housing Supplementary Planning Document (expected to be finalised in Autumn 2019) which, once adopted, will supersede this Interim Planning Statement.

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1. Executive Summary

Affordable housing includes social rented and intermediate housing that is provided to specified eligible households whose housing needs are not met by the open market. This Interim Planning Statement (IPS) implements Planning Policy Statement 3, which advises local authorities to secure the provision of affordable housing when dealing with planning applications for 15 or more dwellings. The Draft Revised Regional Spatial Strategy advises that up to 30% of new housing in Rotherham Borough may need to be affordable.

A Strategic Housing Market Assessment has been undertaken to establish the level of need for affordable housing in the Borough. In accordance with national policy and the work carried out locally to assess need, the following policies will be applied:

For planning applications for 15 or more houses or for sites of 0.5 hectares or more, no less than 25% of all dwellings shall be provided on site, as affordable units. 14% of which to be available as social rented housing and 11% as intermediate tenures.

The policy will be applied to conversions as well as new build and will also apply to developments below the minimum size threshold, which would exceed the threshold when combined with an adjoining development site(s). Where sites are sub-divided, the Borough Planning Authority will normally expect each subdivision or smaller development to contribute proportionally towards achieving the amount of affordable housing that would have been appropriate for the whole or larger sites.

New affordable homes should be built to and comply with the Housing Corporation's (or its successors) current, published Design and Quality Standards and Communities for Local Government's Code for Sustainable Homes (2007). Upon submission of an application, developers will need to demonstrate that the affordable homes will comply with level 3 of the Code. The external design of the affordable homes should also be compatible with the open-market homes.

Affordable housing will be secured by means of a Section 106 Agreement. Developers will be required to pay the reasonable legal costs of the Council and also to pay an administration fee.

The Borough Council considers the involvement of Registered Social Landlords (RSLs) and the Housing Corporation's (or its successors) and preferred non-RSL Developer partners, to be the preferred practicable suppliers of social housing, due to the long-term security offered to tenants and the maintenance of affordable rents and management services.

Where it can be demonstrated that non-RSL Developer Partners (who are not identified as preferred partners) have particular expertise or experience, the Council may consider their involvement in the agreement.

It will be expected that affordable housing provision will be made on site and in all situations the Council will secure nomination rights to the affordable housing units, so that it can assist people on the Housing Register (Key Choices).

2. Preamble: Purpose and Status of the IPS

- 1 One of the roles of the Borough Council is to enable and co-ordinate the provision of housing to meet the needs of all those within its community. The land-use planning system makes an increasingly important contribution to this function. However, in seeking to meet these needs it is recognised that today many more people are unable to afford to meet their housing needs through the private housing market and require the provision of alternative, affordable forms of housing.
- 2 Accordingly, the Council has produced an Interim Planning Statement [IPS] on the provision of affordable housing in Borough. The Council attaches high priority to the provision of affordable housing in balancing its planning objectives. Affordable housing is an increasingly important local issue, for example it is identified as a key issue in the Council's Core Strategy Preferred Options. It is one of the principal priorities in the Borough's Corporate Plan and Housing Strategy Statement. Importantly, a full range of housing opportunities will also assist in providing balanced and sustainable communities
- 3 The production of the IPS has been driven by a number of changes to national and regional housing policies and provides guidance on how the Council will apply government guidance prior to the production of the RMBC Local Development Framework in 2007/2008:
 - The abolition of Local Authority Social Housing Grant in April 2003 changed the arrangements for funding social housing, being replaced by Partnering Programme Agreements and a two-year capital funding programme.
 - Where a Social Housing Grant is available [via Regional Housing Boards] this source of funding is not simply for affordable housing secured via Section 106 agreements, but other types of schemes as well. The level of public subsidy is insufficient to fund all schemes that should come forward in the Borough in the forthcoming years if housing need is to be met.
 - There is a presumption by the Regional Housing Board and the Housing Corporation¹ against public funding where it should be possible to negotiate a S106 agreement, unless it is clear that the development economics of a scheme require it.
 - An increasing emphasis in development economics and especially viability: PPS1 Delivering Sustainable Development [February 2005]; PPS3 Housing [November 2006]; Planning Obligations: Practice Guidance [July 2006] and Planning Obligations, Circular 05/2005 [July 2005].
- 4 The aim of this Interim Planning Statement [IPS] is to advise developers on the Council's approach to delivering affordable housing; it is designed primarily as a practical guide for those who intend to develop housing in

¹ Developers need to be aware that The Housing Corporation is currently agreeing to put grant into Black and Minority Ethnic [BME] housing on S106 housing sites.

- Rotherham. This IPS will be considered by the Council when dealing with planning applications as it is consistent with government guidance including Planning Policy Statement 3 [PPS3].
- 5 The Strategic Housing Market Assessment [2007] demonstrates that there is an increasing need for affordable housing in the Borough. Further regular updates of the Borough's Housing Need Surveys [HNS] will monitor the ongoing housing needs situation closely.
 - 6 Rotherham Borough is undergoing an urban renaissance and regeneration with the intention to provide an enriched quality of life for its current and prospective residents and workers. In consort with other urban areas in South Yorkshire, the area has seen a rapid increase in house prices which means that the purchase of an appropriate home is often beyond the means of potential buyers, especially for those residents on average and below average incomes. The Borough Council views this IPS as one mechanism to improve the supply and quality of affordable homes in association with residential developments.
 - 7 The issue of affordable housing is highlighted in the Borough's:
 - Strategy for Housing
 - Annual Housing Investment Programme
 - Strategic Housing Market Assessment March 2007
 - Community Strategy
 - Core Strategy Preferred Options/Corporate Delivery Plan
 - 8 Where a need for affordable housing has been established, Central Government policy² allows Local Authorities to secure the provision of affordable housing through the planning process. This IPS has been prepared in accordance with this guidance and housing policies, and Regional Planning Guidance, as set out in Section 4 of this guidance. It sets out the planning procedures that the Borough Council will adopt in relation to proposals for new housing development and associated housing provision.
 - 9 The IPS needs to be considered in the context of the Borough Council's statutory duties as a planning authority, the availability of financial and other resources and regional and national policy agendas.
 - 10 The provision of affordable housing will normally result in a cost to developers, which can only be offset if the affordable housing requirement is explicitly taken into account in negotiating land options and the land prices paid. Valuers and landowners should be aware that affordable housing provision will almost certainly have implications for the price of land.³

² Specifically: PPS1 Delivering Sustainable Development, 2005 and PPS3 Housing, 2006.

³ See *Housing Viability Study: S106 Requirements*, June 2007, a report prepared by UWE at Bristol for RMBC. It illustrates how different affordable housing quotas alter [i.e. depress] land values in order to test viability of the sites for housing provision.

3. What is Affordable Housing?

- 11 Affordable housing is aimed at assisting households who are in housing need and unable to afford market housing. To be in housing need the household must currently be living in unsuitable housing; this could include a home that is too small, in need of major repair, sharing facilities for example. The Communities and Local Government Guide [2007] sets out definitions of types of affordable housing (split between social rent and intermediate).⁴ Below we replicate these broad definitions:
- Social rented housing: rented housing owned by local authorities or RSLs, for which guideline target rents are determined through national rent setting regimes. Other properties that are provided under equivalent rental agreements are also included as social rented;
 - Intermediate housing: housing at prices or rents above those of social rent but below market prices or rents.

PPS3: Housing

- 12 This replaces earlier government guidance and states that the planning system should deliver a mix of housing, including affordable housing to meet identified need and promote the creation of sustainable, inclusive, mixed communities. The guidance defines affordable housing.
- 13 Affordable housing includes social rented and intermediate housing that is provided to specified eligible households whose housing needs are not met by the open market.
- 14 Affordable housing should:
- Meet the of needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices⁵.
 - Include provision for the home to remain at an affordable price/rent for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Social Rented Housing

- 15 This includes rented housing owned and managed by Local Authorities and Registered Social Landlords [RSLs]⁶ for which guideline rents are determined

⁴ The Communities and Local Government Guidance (PPS3: Housing, November 2006) makes very specific requirements of Strategic Housing Market Assessments.

⁵ <http://www.communities.gov.uk/documents/planningandbuilding/doc/housingmarketassessments>

⁶ Rented housing can be provided, owned and managed by other individuals or organisations under equivalent arrangements agreed with the Borough Council or with The Housing Corporation as a condition of grant contributions.

through the national rent regime and through Partnering Programme Agreements.

Intermediate Affordable Housing

- 16 This includes housing at prices and rents above those of social rents, but below market price or rents, and which meet the criteria set out above.⁷ These can include shared equity homes [e.g. HomeBuy] and other low-cost homes for sale and intermediate rent. Such homes should be suitable for key workers.
- 17 In respect of the South Yorkshire Pathfinder in Rotherham, the delivery of affordable housing is seen as contributing to raising overall housing quality and as such developers should demonstrate this in their proposals on sites in the Pathfinder area.
- 18 Any scheme permitted will be expected to be a quality development in keeping with its surrounding environment, in accordance with saved Unitary Development Plan Policy (see appendix 1 for saved housing policies). The Council is currently formulating its new approach to Developers' Contributions and other Planning Requirements, particularly for infrastructure, open space and community and amenity facilities. All schemes, including affordable housing schemes, will be expected to meet these requirements.
- 19 The Borough Council follows an "open-book" approach to valuations and development economics on affordable housing schemes. The Borough's Housing Viability Study demonstrates its commitment to and understanding of viability and the deliverability of acceptable housing that includes affordable housing and other planning requirements. Applicants should be prepared to discuss the various cost components of their scheme with the Borough Council. In areas outside settlement policy boundaries, low land values will be expected.

4. Planning Policy Context

Central Government Guidance

- 20 PPS3 provides current guidance on issues relating to the provision of affordable housing – and is a material planning consideration. The national indicative minimum site threshold level in PPS3 is set at 15 units; Rotherham intends to adopt this particular site threshold as soon as practicable.

⁷ Low Cost Market Housing i.e. the least expensive housing available for purchase in the market does not meet the above definitions and may no longer be considered as affordable housing for planning purposes.

- 21 Circular 05/2005 provides current guidance on issues relating to the use and scope of planning obligations, and this has been taken into account in the preparation of this IPS.

Regional Spatial Strategy for Yorkshire and the Humber to 2016

- 22 The current regional planning guidance for Yorkshire and the Humber is set out in Regional Spatial Strategy 12, December 2004 and the Yorkshire and Humber Plan [Draft for Public Consultation December 2005]. This Plan contains a broad development strategy for the period to 2021, provides the framework for other complementary strategies and programmes, and informs the delivery of the Yorkshire One regional strategy. Policy H3 deals specifically with affordable housing.
- 23 The replacement for the RSS is now at an advanced stage; the “Draft Revised RSS incorporating the Secretary of State’s Proposed Changes” has now been published. Given the advanced stage of this document, it must now be given considerable weight in local planning considerations. Policy H3 deals specifically with affordable housing and states that the region needs to increase its provision, laying out indicative estimates of what is required which will need to be updated in light of emerging Strategic Housing Market Assessments.

5. Housing Requirements

Housing Need

- 24 According to recently published Communities and Local Government guidance on Strategic Housing Market Assessments [2007], housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Strategic Housing Need – emerging Regional Spatial Strategy [RSS]

- 25 The Draft Revised RSS “Proposed Changes” recommends that the net annual housing provision for Rotherham MBC should be 750 dwellings per annum for the period 2004-8, rising to 1160 dwellings per annum for the period 2008-2026⁸. Policy H3 includes a provisional estimate of the proportion of new housing that may need to be affordable of up to 30% within the Rotherham Metropolitan Borough.

Strategic Housing Market Assessment [SHMA]

- 26 A Strategic Housing Market Assessment of Rotherham’s housing markets, conducted by Fordham’s Research, was published in October 2007. In respect of affordable housing, based upon local evidence covering demography, housing stock attributes [e.g. its condition, quality and

⁸ Additionally, the SHMA [2007] report reports a higher potential demand of 792 additional homes [of all tenures].

affordability] and needs arising, the report calculates a borough-wide requirement of 411 affordable housing units per annum

- 27 The SHMA clearly demonstrates a need for a higher affordable housing quota, and suggests that across all Rotherham Borough eligible sites, 25% should be affordable housing. Of this 25% target*, the SHMA suggests that 14% are built as social rented housing and 11% are built as intermediate tenure housing.

*Calculations of the affordable housing element required in any development will, where the calculated provision is not exact:

[a] Round up to the nearest whole number of affordable units **at and above 0.5 of a unit**, or

[b] Round down to the nearest whole number of units **between 0.1 and 0.4** of a unit.

If an existing planning permission is being submitted for an alteration, either with or without an existing Section 106 Agreement, the applicant should consult with the Planning Department because this may affect the affordable housing contribution.

Where sites are sub-divided, the Borough Planning Authority will expect each subdivision or smaller development to contribute proportionally towards achieving the amount of affordable housing that would have been appropriate for the whole or larger sites.

- 28 Developers will need to demonstrate how they intend to provide housing for Black and Minority Ethnic Communities (BME); Active Over 55s and Move-On households as part of providing affordable housing.

AREA ASSEMBLY	Inter- mediate Tenures	Social Rented	Total	General Needs ⁹	BME	Active Over 55's	Move- On
Wentworth North	11%	14%	25%	Yes	No	Yes	Yes
Wentworth South	11%	14%	25%	Yes	Yes	Yes	Yes
Rotherham North	11%	14%	25%	Yes	Yes	Yes	Yes
Rotherham South	11%	14%	25%	Yes	Yes	Yes	Yes
Rother Valley West	11%	14%	25%	Yes	No	Yes	Yes
Rother Valley South	11%	14%	25%	Yes	No	Yes	Yes
Wentworth Valley	11%	14%	25%	Yes	Yes	Yes	Yes

Affordable Housing Quota and need in Rotherham by Area Assembly (% of total units)

⁹ Special needs housing will be considered an integral element in delivering the 25% affordable housing quota in Rotherham. See also paragraph 31 of this IPS.

- In the first instance, developers should consult with the Council's Affordable Housing Officer as well as relevant design guides and codes of practice [e.g. the Council's own BME Design Protocol] which are available from the Council.
- 29 The SHMA also demonstrated that there is a clear and demonstrable housing need for low cost market housing, particularly in Rotherham Borough's Pathfinder located in two Area Assemblies: Rotherham North and Rotherham South. Though not strictly affordable housing, PPS3¹⁰, stresses the need for housing markets to become more balanced and that a fuller range of housing opportunities should be available to local residents, current as well as future ones, in order to diversify tenure and improve social integration. Accordingly, Rotherham Borough Council will look favourably on development proposals that also include a proportion of low-cost market homes.
- Housing Register**
- 30 Another indicator of the current trends of housing needs is data from the Borough Council's Housing Register. The number of households on the register at April 2008 was over 23,000.
- Special Needs and Supported Housing**
- 31 In addition to the provision of housing for BME, Active Over 55s and Move-On households, the need for dwellings that are suitable for people with special needs, and the need for accommodation with associated care and support, rely on more specific information than that contained in typical housing needs surveys. The Primary Care Trusts and Rotherham Borough's Social Services are the main partnership agencies that provide care and support, with the Borough Council's Supporting People Team co-ordinate revenue funding for services provided to a range of client groups. When planning new affordable dwellings, the Borough Council will take account of any priorities identified in the current Supporting People Strategy. This is available on the Borough Council website: www.rotherham.gov.uk
- 32 Homes to cater for particular needs may be required, and Developers are advised to contact the Borough Affordable Housing Officer at an early stage to determine if there are any requirements and how these may be accommodated in their schemes. A specialist agency should be involved to provide suitable accommodation. Developers should be aware that the provision of Special Needs/Supported housing is within the 25% affordable housing quota.
- Strategic Housing Need**
- 33 Policy H4 of the Yorkshire and Humber Plan acknowledges that not all planning issues tidily match the boundaries of Local Authority boundaries or other Agencies. Accordingly, it is recommended that inter-authority consultation and co-operation on cross-boundary issues should take place. Rotherham Borough Council works in partnership at a strategic level with its neighbouring Local Authorities, particularly where proposals for development

¹⁰ The Government has, in PPS3, stated that "low cost market housing" is market housing and is not affordable housing.

cover a Housing Market Area that extends over more than one Local Authority administrative area [e.g. with Sheffield City Council]. Specific advice in relation to affordable housing provision can be obtained from the Council's Affordable Housing Officer.

6. Definitions of Affordability

34 All households who are potentially in need whether as part of the backlog of need or newly arising (projected) need are subject to an affordability test. Broadly speaking the assessment takes account of an individual household's current financial situation in relation to the entry-level cost of housing of a suitable size (to buy or rent).

35 The affordability tests are based on a household's ability to secure a mortgage for purchase which is based on typical mortgage lending practices [generally assumed to be a 3.5 times multiple of income]. For renting figures, affordability is based on a proportion of the household's income to be spent on housing, which is typically set at 25% of their gross household income. In assessing affordability, households are tested against the prices and rents in the area in which they currently live.¹¹

Borough Wide House Prices

36 Land Registry house price transactions data is used to inform planning policy. House prices have **increased by 2.45 times** in the Borough over the period April 2000 to April 2007. Appendix 2 includes house price monitoring data, which includes data on average prices for different housing types for the Borough.

Local Average Earnings

37 Increases in house prices have been significantly higher than the increase in local earnings. Local earnings data reveal that average earnings rose by a maximum of **34%** in the period since 1999, which is substantially less than that of house price inflation. Appendix 2 contains 2007 earnings data.

Mortgage Multipliers

38 Presently, these are around 3.5 times a single income and 3 times joint income. However, part-time income is most unlikely to be more than one half the average single incomes; and is more likely to be one third or even less, with a high proportion of part-time employment being the lowest paid jobs.

39 When mortgage multipliers are applied, neither single nor joint average incomes allow for a mortgage that is sufficient to access and afford market housing without an unusually high deposit.¹²

¹¹ See Strategic Housing Market Assessment [October 2007], Rotherham, conducted by Fordham's Research.

¹² See for example Glen Bramley, 2003, Barker Inquiry on Housing Supply Affordability and the Intermediate Market, Heriot-Watt University. This argues that over 18% of those households that have been counted to be in the "in-need" category can afford to access market housing with financial support of family, friends and past-savings and inheritance.

7. Forms of Affordable Housing

40 Affordable Housing includes the following forms of housing:

- Social Housing for Rent;
- Discounted Home Ownership [resale covenant];
- Shared Ownership [traditional equity sharing]; and
- HomeBuy:
 - Social HomeBuy
 - New Build HomeBuy
 - Open Market HomeBuy

Where a developer has decided to provide a site only for affordable housing e.g. not as a contribution, then they should discuss the proposed type, tenure and mix with the Borough's Affordable Housing Officer in order that such proposals can be discussed as to their suitability for local or Borough need.

See Appendix 3 for a summary on forms of affordable housing.

Rotherham's Overall Approach

The Council will refer to its 'Strategic Housing Market Assessment' to determine the nature and mix of affordable housing in association with appropriate residential schemes in Rotherham.

41 The Borough Council would expect to see proposals for affordable housing that broadly reflect the overall mix of housing in a planning application and, depending on the number and type of homes proposed, the affordable homes should be seamlessly integrated with open market housing.

Tenure-blind developments

42 Developers should seek to build tenure-blind housing developments. This is justified by reference to recent CABE guidance.¹³ Success is not only measured in the developers' profit margin, but how well the development serves as a lasting legacy for the developer. Recent research [JRF, 2006] shows that where mixed tenure development is built, the critical factors determining success rests on three factors:

- High quality design, which is consistent across the homes built and with limited differentiation between the tenures;
- Management of the whole estate, to ensure that the environment is pleasant and a safe place to live; and
- Management (and letting) behaviour of those living in the affordable housing, this is to allay any fears from potential buyers and to reassure them that any problems are minimised and quickly tackled.

¹³ See CABE [2006] Design at a Glance, June 2006, CABE; see also <http://www.cabe.org.uk/default.aspx?contentitemid=188>.

- 43 The Borough Council will require developers to demonstrate in their applications how such measures will be delivered as part of their completed schemes.

8. Thresholds and Targets for the Provision of Affordable Housing

- 44 In seeking to secure affordable housing, the Borough Council is supported by the Government's planning policy in respect of housing [PPS3, Housing, 2006]. Its objectives demonstrate that everyone should have the opportunity of a decent home, that there should be a wider choice of housing and that social differences should not be reinforced. As such, PPS3 states that a community's need for affordable housing is a material consideration which may properly be taken into account in formulating development plan policies and deciding planning applications.

- 45 The following table below highlights the key elements of the Council's approach.

Thresholds	Paragraph 29 of PPS3	0.5 hectare or 15 or more dwellings, depending on location of scheme.
Proportion of affordable housing	Strategic Housing Market Assessment, 2007	No less than 25% of all dwellings.
Tenure Mix	Paragraph 28 of this IPS	Priority will be determined according to the area of Rotherham within which the site is located.

- 46 Policy H3 of the Draft Revised RSS Proposed Changes states that an element [up to 30%] of affordable housing will be sought in Rotherham Borough. This would involve schemes for the provision of 15 or more new dwellings or on sites of 0.5 hectare or more.

- 47 In addition to this IPS, developers in rural locations will need to refer to emerging rural housing policies in the Borough LDF in due course.

- 48 Developers whose schemes are just below the threshold level will be required to satisfy the Borough Council that, taking into account all other relevant national, regional and local planning policies, their proposals do not represent a failure to make the most efficient use of the site in accordance with this IPS, nor that a larger site is being brought forward in smaller phases to avoid the threshold at each stage.

- 49 The Borough Council publishes a Housing Strategy for the Borough, which considers local housing needs, the resources that are available, the priorities for action, and sets out an action plan to meet the needs and address the priorities. The involvement of its partners – private developers, other businesses, housing association and voluntary organisations – is vital in pursuing these objectives.

9. Community Participation

- 50 The Council places importance on the engagement of local communities in the process of bringing forward suitable housing sites at the pre-application stage. Proper engagement by Developers with local residents at pre-application stage is important to develop public confidence in the house building industry, as well as to dispel misunderstanding or preconceptions. Recent changes to the planning system have emphasised the importance of public participation accordingly the Borough Council has published its Statement of Community Involvement, which can found at www.rotherham.gov.uk.
- 51 Also, it is important to encourage effective practice at pre-application stage and in the provision of information to support applications. Developers are encouraged to enter into pre-application discussions with the Council. This will facilitate the expeditious determination of planning applications. See Appendix 4 regarding the Borough Council's Key Negotiating Principles.
- 52 The Council is committed to giving an equal service to all. This means we will not treat individuals any differently because of sex, colour, race, nationality, ethnic group, regional or national origin, age, marital status, disability, political or religious belief, sexuality or class. It also means our work will focus on individual groups within our community who may be disadvantaged and therefore require help the most. We also look to ensure that developers, agents and RSLs have robust policies in place that reflect our wish to promote good race relations and our commitment to the Commission for Race Equality Code of Practice in Housing.

10. Implementation of Policy

- 53 Decisions regarding the type of affordable housing to build on suitable sites should reflect the local housing needs and the individual site's attributes. This, therefore, will be a matter of negotiation and agreement between the Borough Council and the Landowner/Developer, but should contribute to satisfying the needs identified in the Strategic Housing Market Assessment and relevant Housing Needs Survey.
- 54 In entering into a legal agreement with the Borough Council, all reasonable legal costs incurred by Legal Services and an administration charge of the Borough Council will be reimbursed by the developer.
- 55 In establishing the appropriate level of affordable housing for individual development proposals, the Borough Council will apply a number of planning criteria to assess the appropriateness of each planning application. The following summarise the issues that will be used in this regard:
- a) Location of Affordable Homes
 - b) Alternative Provision
 - c) Tenure Preference and Tenure-Blind

- d) S106 Legal Agreements to secure Affordable Housing through Planning Obligations
- e) Circular 05/2005 Planning Obligations
- f) Site Suitability
 - 1. Abnormal Costs and Competing Uses
 - 2. Other Considerations
- g) Integration of Affordable Housing Units
- h) Scheme Quality
- i) Sheltered Housing/Retirement Communities
- j) Timing of Affordable Housing Provision within Development Schemes
- k) Social Housing Provision: using Registered Social Landlords [RSLs]
- l) Public Subsidy

These are explained below.

a) Location of Affordable Homes

- 56 On-site provision of affordable homes is the **preferred** option of the Borough Council, which is in accordance with the advice in PPS3 and on-site provision will be sought in the first instance in all cases.

b) Alternative Provision

- 57 Off-site provision will only be considered where there are sound planning reasons that on-site provision is not possible or appropriate. The Borough Council will also wish to be assured that any off-site provision is actually deliverable and will contribute to the creation of mixed communities in the borough.

- 58 The acceptance of anything other than on-site provision is purely at the Council's discretion and is not available as an 'option' to developers, landowners, agents etc. Where sites are sub-divided, the Council will normally expect each subdivision or smaller development to contribute proportionally towards achieving the amount of affordable housing that would have been appropriate for the whole of the larger sites.

- 59 The provision of financial contributions in lieu of on-site or off-site provision is the Borough Council's least preferred option. As such, it will only be considered in exceptional circumstances. The Borough Council will need to be satisfied that this approach will result in the required provision of affordable housing.

- 60 A commuted sum will only be acceptable where the authority considers that:

- Provision of the affordable housing elsewhere in the local area will provide a better mix of housing types, or
- Management of the affordable housing on-site cannot be secured effectively, or
- A contribution would more effectively secure affordable housing by bringing existing housing back into use, or
- Planning/physical constraints on the site prevent the provision of the size or type of affordable housing required in the area, or

- There are other exceptional circumstances which make off-site provision a better option for the provision of affordable housing.

It should be noted the above is not an exhaustive list and it will be for the developer to justify a commuted sum. If a commuted sum payment is decided upon by the Council, the method of calculating the amount of payment will be as set out below and applied on the same basis for all cases.

In order to ensure that there is parity between what would have been provided on site and a commuted sum, the commuted sum will be calculated to include both land and build costs based on the site on which the affordable housing would have been developed on had it not been agreed that a commuted sum was acceptable.

In considering the commuted sum payment, the number of units will be based on the site density of the approved scheme.

c) Tenure Preference and Tenure-Blind

- 61 On any site where affordable housing is provided the tenure split should reflect the findings of the Strategic Housing Market Assessment or latest Housing Needs Survey in terms of the most appropriate tenure, mix, type and size of new affordable homes. Any assessment of housing need in relation to an individual site will also give consideration to:

- Current information of the Borough's Housing Register.
- Current tenure provision in the locality.
- Information from Parish/Town Council surveys or appraisals.
- Evidence on recent availability of affordable housing opportunities throughout the Borough.
- The number of right-to-buy sales that have taken place in the Borough.
- Evidence from the Office of National Statistics [e.g. demographic, local economy]
- Current priorities set out in the Borough's Housing Strategy Statement.
- Information from other relevant strategies such as Supporting People and BME.

- 62 If planning or other circumstances affect the Developers' ability to provide exactly what is requested, an alternative mix of dwellings will be considered, as long as this meets identified local needs. This approach is informed by and accords with, the latest guidance set out in PPS3 that states that separate targets should be set for social rented and intermediate housing. The current tenure preference is set out in the table in paragraph 28 of this IPS.

The transfer price paid by the housing provider to the developer will equate to no more than the reasonable build cost of the developer providing the unit. This ensures the developer will be reimbursed the cost of providing the unit and therefore limiting the developer subsidy to the provision of serviced land.

In all instances however, developers will enable affordable, social rent dwellings to be provided at target rent levels in line with the national rent regime and shared ownership should be provided offering a range of shares with low rent on the unsold equity; in all instances this will reflect the ability of local households in housing need to access this affordable housing provision.

d) S106 Legal Agreements to secure Affordable Housing through Planning Obligations

- 63 Central Government guidance advises that both Planning Conditions and Planning Obligations will be used to ensure that the affordable housing built is occupied only by people that fall within the identified categories of need for affordable housing. The Borough Council recognises that Planning Conditions and/or Planning Obligations, as well as nomination agreements should be flexible to enable and encourage the scheme to proceed.

e) Circular 05/2005 Planning Obligations

- 64 Where planning obligations are used they should be consistent with Circular 05/2005. This makes it clear that affordable housing elements within residential or mixed use developments should be provided in kind and on-site. Borough Council Officers will expect draft Heads of Terms of S106 Agreements to be submitted with the planning application and agreed by the time a planning application is taken to Planning Board. This will ensure the effective delivery, occupancy and future management of the affordable housing. Further details can be found in appendix 5.

f) Site Suitability:

1. Abnormal Costs and Competing Uses

- 65 Abnormal costs are those that could not have been reasonably foreseen in advance. Where policy indicates that affordable housing be included, its provision should be a fundamental part of any site appraisal and viability study. Thus, in itself, the **provision of affordable housing does not represent an abnormal cost.**
- 66 Within a site viability study, it is recognised that there are likely to be differentials between the development costs of [and the income from] a market home when compared to the costs of providing [and any income from] an affordable home. Any differential in costs will **not** be treated as an abnormal cost.
- 67 The Borough Council will consider any legitimate abnormal costs associated with development proposals when assessing the proportion of affordable housing sought.
- 68 In circumstances where a Developer wishes to highlight legitimate abnormal cost concerns as a reason for reducing the proportion of affordable housing, or for excluding it altogether, those proposals must be substantiated by comparative scheme feasibility studies that demonstrate viability with:

- The exclusion of affordable housing; and

- The inclusion of affordable housing.

Crucially, none of the costs in the viability study should presume the availability of public subsidy.

69 Given that there are different ways in which affordable housing can be provided, comparative scheme viability studies must consider all possible options. All evidence must be provided in a form that can be assessed independently.

70 Other than abnormal costs, there may also be instances where affordable housing provision renders a site's redevelopment for residential purposes less viable than a competing alternative use¹⁴. Where a Developer wishes the Borough Council to consider such a situation, financial evidence, to be treated confidentially by the Council, will be required to support such a claim. The Borough Council will appoint an independent professional when viability issues are raised.

2. Other Considerations

In assessing site suitability, the Borough Council will take into account all relevant planning considerations.

g) Integration of Affordable Housing Units

71 In pursuit of tenure-blind developments, affordable homes should be distributed throughout developments and integrated with open-market homes to promote social mix and inclusion on the street scene, rather than being segregated in discrete and often peripheral areas. The Borough Council requires the provision of affordable homes to be pepper-potted appropriately, although this will be determined on a site-by-site basis. The external design of the affordable homes should also be compatible with the open-market homes, in terms of elevation detail and materials, to allow them to be integrated visually within developments. Affordable housing proposals should comply with all relevant planning policies and the Communities and Local Government Code for Sustainable Homes [2007].

h) Scheme Quality

72 New affordable homes should be built to the Housing Corporation's (or successor) current, published Design and Quality Standards and Level 3 of the Code for Sustainable Homes [2007]. This will improve the quality of the design and construction of these homes and will reduce running costs in line with the requirements for the provision of sustainable development outlined in PPS1 and PPS3.

i) Sheltered Housing/Retirement Communities

73 The Borough Council acknowledges that innovative models of private sector housing provision for older people have emerged including retirement villages. Key features include high levels of care available, 24hour on-site

¹⁴ This requires that legitimate alternative uses [permitted by planning] must be subject of a viability analysis at the same time as for testing housing's viability.

staffing and extensive facilities. Good practice is contained in a recent JRF research report [2006].¹⁵ Such housing can directly or indirectly contribute to meeting affordable and special needs housing. The Borough Council will therefore seek an affordable housing contribution in meeting the 25% affordable housing quota. The economics of provision of the whole scheme, the availability of public subsidies and other site specific factors will be material to how much housing can be reserved for those with lower incomes or for which nominations can be offered to the housing authority.

j) Timing of Affordable Housing Provision within Development Schemes

- 74 In accordance with the Borough Council's tenure-blind objectives, the Borough Council wishes to encourage the integration of affordable homes with open-market homes, the former delivery will be phased as the development is completed, but in all circumstances will not be any later than 70% of the sale of open market units. This approach assists social integration and the establishment of mixed communities at an early stage.

k) Social Housing Provision – Use of Registered Social Landlords [RSLs]

- 75 The Borough Council considers the involvement of RSLs and the Housing Corporation's preferred non-RSL Developer partners, to be the preferred practicable suppliers of social housing, due to the long-term security offered to tenants and the maintenance of affordable rents and management services.
- 76 RSLs develop a range of different forms of affordable homes both for rent and forms of home ownership, both with and without public subsidy. Whether subsidy is applied or not, RSLs are obliged to meet the Housing Corporation's (or successor) current, published Design and Quality Standards and Level 3 of the Code for Sustainable Homes [2006] standards in terms of construction and performance. Therefore, applicants will need to take account of this requirement in the planning and delivery of affordable homes in which RSLs are to be partners in provision.
- 77 The Borough Council works with a range of RSLs in partnership with neighbouring Local Authorities. These arrangements [i.e. Programme Partnership Agreements] include an agreed mechanism to deliver nominations for those people who are eligible and in need of affordable housing. Such eligibility for accessing all new affordable and intermediate homes in the Borough is determined by the households' membership of the housing register (KeyChoices)¹⁶. Where a Developer proposes to meet obligations to supply affordable housing in partnership with an RSL, they are strongly advised to contact Rotherham's Affordable Housing Officer at an early stage to discuss the most appropriate arrangements.

¹⁵ Joseph Rowntree Foundation, 2006, *A Guide to Planning for Continuing Care Retirement Communities*.

¹⁶

78 A list of RSL partners is listed in Appendix 6.

I) Public Subsidy

79 Public subsidy [i.e. social housing grant or other public subsidy] to provide affordable housing is limited, and cannot be expected or assumed in any Developers' proposals for the provision of affordable housing. The Housing Corporation has adopted this position in recognition of the fact that indiscriminate use of public subsidy merely serves to inflate the cost of land.¹⁷

80 As a result, Developers and Landowners should calculate the cost of planning contributions to affordable housing on the basis that public subsidy will not be available. However, according to changing priorities and need the Housing Corporation, from time to time, does provide public subsidy for proposals involving provision of affordable homes for BME and for older persons. Developers should, in the first instance, liaise with the Borough's Affordable Housing Officer to obtain the specific information on this matter.

81 Developers should also be aware that the policy of delivering affordable housing without public subsidy was recently supported by the First Secretary of State in a landmark appeal decision.¹⁸ Where a social housing grant is secured, it would be limited to the amount that would be necessary to convert the scheme from financially non-viable to financially viable.¹⁹ Social Housing Grant will always be dependent upon certain building, design and energy efficiency standards being achieved. [ie Housing Corporation's (or successor) current, published Design and Quality Standards and Code for Sustainable Homes Level 3]

Failure to provide any information to justify any viability issues or alternatively to provide the required amount and type of affordable housing at an affordable cost, could justify the refusal of planning permission.

11. Rural Exceptions

82 The Borough Council intends as far as possible to plan for meeting affordable housing needs within or adjacent to rural settlements by identifying and prioritising sites for housing development or through windfall sites.

83 Accordingly, the Borough Council is preparing specific rural housing policies which will form separate policy guidance that will enable the main principles set out in this IPS to operate. This new rural housing policy will be subject to public scrutiny as part of appraising the Borough's future Local Development Framework.

¹⁷ See *National Affordable Housing Programme*, 2006-2008 Prospectus, paragraphs 31 to 35.

¹⁸ Appeal decision, dated 22nd July 2004, following a Call-in Inquiry, Hinckley and Bosworth Borough Council.

¹⁹ For an explanation of viability, see pp. 14-18, *The Housing Viability Study: S106 Requirements*, July 2007, by UWE at Bristol, for Rotherham MBC.

- 84 Also the SHMA [2007] report provides up-to-date evidence of rural housing requirements that will inform the emerging housing and planning policy position in rural Rotherham.

12. Monitoring and Review

- 85 The Borough Council will monitor the supply of affordable units in the Borough. This will be in relation to its Local Development Framework policies and other Council initiatives including its RSL development programme and homes produced through the Borough Council's Empty Homes Strategy.
- 86 It will also monitor the housing requirements through future housing needs surveys and housing market assessments.
- 87 The Borough Council will also monitor the delivery of the obligations within Section 106 Agreements and requirements to ensure that the terms are met and that any commuted payments have been utilised within the specified period.
- 88 Other indicators that the Borough Council will monitor encompass:
- Local house price and rent data indexed against local income levels.
 - Progress in reducing the number of vacant properties.
 - Progress in reducing waiting lists, homelessness and those in temporary accommodation.
 - Change in the number of social housing units in the Borough of Rotherham.
 - Progress in improving the quality of the housing stock [e.g. energy efficiency, unfitness, disrepair].

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Appendices

Appendix 1: **Rotherham Borough's Local Adopted Plan Policies – Housing**

Appendix 2: **Data Monitoring**

Appendix 3: **A Short Guide to Affordable Housing**

Appendix 4: **The Borough Council's Key Negotiating Principles: Planning Obligations**

Appendix 5: **Heads of Terms: Model Legal Agreement [for Affordable Housing]**

Appendix 6: **A List of RSL Partners in Rotherham [at July 2007]**

Appendix 1: Rotherham Borough's Saved Unitary Development Plan Policies – Housing

Policy HG1 Existing Housing Areas

The Council will ensure that predominantly residential areas are retained primarily for residential use by permitting only those proposals which:

- (i) have no adverse effect on the character of the area or on residential amenity, (ii) are in keeping with the character of the area in terms of scale, layout and intensity of use,
- (iii) make adequate arrangements for the parking and maneuvering of vehicles associated with the proposed development, or
- (iv) are ancillary to the residential nature and function of the area and which also satisfy the above requirements.

Policy HG2 Existing Housing Stock

The Council will encourage those proposals which seek to maintain and improve the Borough's housing stock and to enhance the quality and appearance of residential areas.

Policy HG 4.1 Existing Housing Sites

"The Council reaffirms the continuing use for residential purposes of the following sites which were under construction at April, 1991 and/or have received policy approval since April, 1991." Housing sites with a capacity of fifty or more dwellings:

Without planning permission at 12/05/97

Ref.	Location	Capacity to 2006 (dwellings)
H6	Thorpe Hesley, Rotherham	800
H7	Hesley Grange, Rotherham	80
H9	Munsbrough Lane, Rotherham	130
H18	Wood Lane, Treeton	55
H23	Sawnmoor Road, Thurcroft	300
H29	Silverdales, Dinnington	68
H36	Keeton Hall Road, Kiveton Park	160
H37	Queens Avenue, Wales	59

With planning permission 12/05/97

Ref.	Location	Capacity to 2006 (dwellings)
H1	Saville Road, Wath upon Dearne	110
H3	Packman Road, West Melton	52
H4	Cortonwood Colliery, Brampton	500
H5	Rectory Fields, Rawmarsh	77
H8	Henley Lane, Rotherham	100
H10	Kimberworth Park Road, Rotherham	59
H11	St. Ann's, Rotherham	74
H12	Dalton Lane, Dalton	96
H13	St. Leonard's Lane, Rotherham	60
H14	St. Andrew's Walk, Brinsworth	60
H15	Whitehill Lane, Brinsworth	108
H16	Orgreave Road, Catcliffe	63
H17	Railway Avenue, Catcliffe	55

H19	Poplar Grove, Ravenfield	80
H20	Holmes Road, Bramley	38
H21	Flash Lane, Bramley	185
H22	Flanderwell Lane, Dalton	120
H24	Lilly Hall Road, Maltby	493
H25	Greenland Plantation, Maltby	114
H26	Brook Croft, North Anston	50
H27	Coronation Avenue, Dinnington	60
H28	Church Lane, Dinnington	359
H30	Throapham Cm., Dinnington	114
H31	West Lane, Aughton	104
H32	Skipton Road, Swallownest	128
H33	Seymore Road, Aston	71
H34	Kiveton Lane, Kiveton Park	67
H35	Station Road, Kiveton Park	200
H48	Sandy Lane, Bramley	224
Total		5,473

Policy HG 4.2 Proposed Housing Sites

"New sites for residential use are allocated in the following locations. Uses which are ancillary and complementary to the primary residential use will also be allowed in appropriate cases."

Policy HG 4.3 Windfall Sites

"The Council will determine proposals for housing development not identified in Policies HG4.1 and HG4.2 in the light of their:

- (i) location within the existing built-up area and compatibility with adjoining uses, and
- (ii) compatibility with other relevant policies and guidance."

Policy HG 4.4 Back Land and Tandem Development

"The Council will resist the development of dwellings in tandem except in cases of low density where further development would not be detrimental to the amenities and character of the area. In these exceptional circumstances, the Council will impose criteria relating to building height, space around the building, privacy, safety and vehicular access."

Policy HG 4.5 Special Needs Housing

“The Council will facilitate housing provision which caters for the special needs of single persons, people with disabilities, members of ethnic minorities and the elderly. The provision of sheltered housing and other appropriate accommodation for elderly people will be permitted in suitable locations. The design and layout of new housing developments should take into account the needs of people with disabilities and the elderly.”

Policy HG 4.6 Sheltered and Supportive Housing

“The Council will permit the provision of sheltered or supportive accommodation, care homes and nursing homes in residential areas, for people in need of care and support, provided that:

- (i) a concentration of these forms of accommodation does not seriously interfere with the amenities of existing residents,
- (ii) adequate provision is incorporated into any development to accommodate off-street parking for residents and visitors, and
- (iii) appropriate provision is made for the laying out of open space and landscaped areas for the enjoyment of the residents.”

Policy HG 4.8 Flats, Bed-sitting Rooms and Houses in Multiple-Occupation

“The Council will permit the creation of flats, bed-sitting rooms and houses in multiple-occupation, provided that a concentration of these forms of accommodation does not seriously interfere with the amenities of existing residents and adequate provision is incorporated into any development to accommodate off-street parking for residents.”

Policy HG 4.9 Sites for Travelling People

“The following criteria will be adopted by the Council to assist in determining proposals for sites for travelling people:

- (i) they will provide facilities and living conditions acceptable to the travelling communities,
- (ii) they will be within easy reach of community and other facilities,
- (iii) their location will have regard to the Green Belt, Urban Greenspace and other Policies relating to sensitive land-uses,
- (iv) they will have sufficient work and storage areas (where required), car and lorry parking and horse grazing (where appropriate), and
- (v) the development will not have any unacceptable environmental consequences such as air pollution, noise or other nuisance.”

Policy HG5 The Residential Environment

"The Council will encourage the use of best practice in housing layout and design in order to provide developments which enhance the quality of the residential environment and provide a more accessible residential environment for everyone."

Policy ENV1 Green Belt

"A Green Belt whose boundaries are defined on the Proposals Map will be applied within Rotherham Borough. In the Green Belt, development will not be permitted except in very special circumstances for purposes other than agriculture, forestry, recreation, cemeteries and other uses appropriate to a rural area. The construction of new buildings inside the Green Belt is inappropriate unless it is for the following purposes:

- (i) agriculture and forestry (unless permitted development rights have been withdrawn),
- (ii) essential facilities for outdoor sport and outdoor recreation, for cemeteries and other uses of land which preserve the openness of the Green Belt and which do not conflict with the purposes of including land within it,
- (iii) limited extension, alteration or replacement of existing dwellings, and
- (iv) limited infilling in existing villages and limited affordable housing for local community needs under development plan policies according with PPG2 (Green Belts) and PPG3 (Housing)."

Appendix 2: Data Monitoring

1. House Price Index Report - Rotherham MBC (2000 – 2007)

Month	Index	Average Price (£)	Monthly Change (%)	Annual Change (%)	Sales Volume
April 2000	100	48,718	-	-	356
April 2001	103.1	50,204	0.5	3.1	334
April 2002	113	55,069	1.0	9.7	369
April 2003	142.7	69,500	1.3	26.2	331
April 2004	174.9	85,212	2.3	22.6	472
April 2005	211.1	102,835	1.7	20.7	326
April 2006	225.6	109,883	0.2	6.9	379
April 2007	239.7	116,781	1.2	6.3	371

Source:<http://www.landregistry.gov.uk/www/wps/portal/PrimaryWebsite>

2. Household Type Breakdown - Rotherham MBC (2000 – 2007)

Month	Detached (£)	Semi-Detached (£)	Terraced (£)	Maisonette /Flat (£)	All (£)
April 2000	84,510	45,225	27,625	36,075	48,718
April 2001	87,088	46,605	28,468	37,176	50,204
April 2002	95,527	51,121	31,226	40,779	55,069
April 2003	120,559	64,518	39,409	51,464	69,500
April 2004	147,815	79,103	48,318	63,099	85,212
April 2005	178,385	95,463	58,311	76,149	102,835
April 2006	190,612	102,006	62,308	81,368	109,883
April 2007	202,577	108,410	66,219	86,476	116,781

Source:<http://www.landregistry.gov.uk/www/wps/portal/PrimaryWebsite>

3. Rotherham MBC – Mean and Median Incomes 2007

Gross Annual Pay [£]	Male	Female	All
Mean	28,762	15,253	21,714
Median	23,646	12,601	18,169

Source: Derived from Annual Survey of Hours and Earnings 2007

See also the *Strategic Housing Market Assessment*, RMBC, Report by Fordham Research, 2007; particularly p.47-62 which provides data on House Prices for Rotherham over period 2001 and 2006 [4th Quarters].

It should be noted that the information provided in this appendix is for illustrative purposes only and does not form the basis of an affordable housing calculation.

Appendix 3: A Short Guide to Affordable Housing

What is Affordable Housing? It is housing for people who cannot afford open market rents or house prices.

When is Housing Affordable? This is when the cost of the rent or mortgage represents a reasonable proportion of household income.

Who is Eligible for Affordable Housing? Council housing and Housing Association homes for rent are allocated to people in the greatest housing need, and who are registered with the Council or a RSL.

In addition, some intermediate affordable homes – i.e. assisted home ownership – can be accessed directly from the Housing Corporation's appointed Zone Agent.

What are the Main Kinds of Affordable Housing? This can include the following:

- Housing Association homes for Rent
- Temporary Social Housing
- Shared Home-ownership [i.e. shared equity]
- Fixed Equity [also known as Retained Equity]
- Discounted Open-Market Sale [also known as Resale Covenant Housing]
- HomeBuy
- Key worker Housing
- Housing Association [RSL] supported Housing for People with Special Needs
- Private Sector Homes for Rent
- Charitable Trust Homes [including Almshouses]
- Self-Build
- Mutual Ownership [Community Land Trust]
- Right-To-Buy [RTB] and Right-To-Acquire [RTA]

What Mechanisms are Available for Providing Affordable Homes? The principal routes are:

1. Affordable Homes through Planning Obligations
2. Affordable Homes through the Rural Exceptions Planning Policy
3. Affordable Homes through the Social Housing Grant
4. A combination of the above.

Appendix 4: The Borough Council's Key Negotiating Principles: Planning Obligations

The Borough's Ten Negotiating Principles

1. The need for a planning obligation and the Borough's likely requirements should be identified and relayed to a potential developer at the **earliest possible stage**. Normally, this would be at the **pre-application stage** [or very shortly after a planning application has been submitted if it has not been discussed in advance]. Exceptionally, the need for a planning obligation may be identified later in the process, e.g. following the identification of some obstacle to the granting of consent or where a significant issue arises following public consultation on the planning application.
2. The Borough Council can **only** insist on benefits that are necessary but it can accept benefits that are desirable providing they serve a demonstrable planning purpose.
3. Different benefits must **not** be sought from different developers and Council Officers must follow the same approach when dealing with developers of Council-owned sites as they would with developers of privately-owned sites.
4. Benefits that are not essential cannot be used to justify proposals that would otherwise be unacceptable [i.e. **can't make a "bad" application "good"**].
5. In an appeal situation, the Secretary of State has indicated that he will only support benefits which are **necessary**, even though it can be lawful for a planning authority to receive benefits which are only **desirable**.
6. The Borough Council is required to notify the Secretary of State of certain categories of "departure applications" and where the Borough Council itself has an interest in the application it is required to notify the Secretary of State of any departure application. The Council's legal team will need to advise whether a S106 planning agreement from which the Borough Council benefits constitute an "interest", thereby triggering the fuller notification requirement.
7. Planning obligations can only be **required** where the Borough Council considers that specific improvements are **necessary** to the granting of planning permission.
8. The Borough Council can legitimately receive [and hence negotiate] benefits which go beyond Local Plan policy and Circular advice [05/2005] so long as a clear distinction is maintained between what is **essential** and what is **desirable**.
9. Where there is concern that the viability of a scheme is becoming critical, Council Officers should ask the applicant to adopt an **open book valuation**, whereby professional independent/District Valuers advice is obtained in order to test viability and ensure reasonableness. Where this cannot be negotiated, the S106 Council Officer will commission the necessary information and seek reimbursement of costs from applicants.
10. Written confirmation that the applicant has agreed to the matters to be included in the planning obligation should be obtained from the applicant as soon as it is secured.

Appendix 5 Heads of Terms: Model Legal Agreement

In delivering affordable housing, reference should be made to *Planning Obligations: Practice Guidance and Model Planning Obligation (Section 106) Agreement [2006]*, which can be accessed from: www.communities.gov.uk. In particular, see Annex A to the Model Agreement: *Affordable Housing Drafting Notes*.

With regard to Rotherham's approach, Heads of Terms must be agreed at an early stage and certainly prior to consideration of a planning application by the Borough Council's Planning Board. The following details will be required for the drafting of the legal agreement:

- Name of the owner and evidence of title to the application site
- Name and contact details of any mortgagee, who will be required to enter into the agreement

The owner shall be required to covenant in the agreement:

- To construct on site the required percentage or number of affordable housing units of a particular size/type and to an appropriate standard, in accordance with the Council's policy outlined in this document
- Not to occupy more than a given percentage of market housing units until the affordable housing units have been transferred to a Registered Social Landlord or other body approved by the Council
- The transfer price to the RSL will be expected to reflect rent levels or shared lease prices obtainable by the RSL, based on local incomes and local house prices.
- That all affordable housing units shall be used in perpetuity for the provision of affordable housing subject to safeguards for a mortgagee in possession either of the RSL or of an individual purchaser
- That the affordable housing units shall not be disposed of other than by an assured tenancy or a shared ownership lease or other approved form of tenure, again subject to safeguards for mortgagees
- That the affordable housing units shall not be occupied other than by persons meeting the specified eligibility criteria

The legal agreement will contain appropriate safeguards for the owner, in the event that an RSL or other approved body cannot be found to take a transfer of the affordable housing units.

A fee will be payable to cover the cost of the preparation, completion and registration of the legal agreement, which will be registered on the Register of Local Land Charges.

Appendix 6 A List of RSL Partners in Rotherham MBC
[At May 2008 – in no particular order]

South Yorkshire Housing Association

43-47 Wellington Street, Sheffield, S1 4HF
Tel: 0114 2900237

Home Housing Group Limited

Ridley House, Regent Centre, Gosforth, Newcastle upon Tyne, NE3 3JE
Tel: 0191 2850311

Great Places Housing Group

Southern Gate, 729 Princess Rd, Manchester, M20 2LT
Tel: 0161 447 5108

Chevin Housing Group

Harrison Street, Wakefield, WF1 1PS
Tel: 01924 290949

Northern Counties Housing Association Ltd

Bower House, 1 Stable Street, Hollinwood, Oldham, OL9 7LH
Tel: 01709 598800

Johnnie Johnson Housing Association

Astra House, Spinners Lane, Poynton, Cheshire, SK12 1GA
Tel: 01625 870117

Arches Housing Ltd

122 Burngreave Road, Sheffield, S3 9DE
0114 228 810