



Draft Mid Devon Supplementary Planning Document

Meeting Housing Needs

October 2011

Mid Devon Supplementary Planning Document

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Introduction

1. The Local Development Scheme contains a proposal to prepare this Supplementary Planning Document.
2. Supplementary Planning Documents form part of the Local Development Framework. They expand upon policy or provide further detail to policies in Development Plan Documents, but they do not have development plan status. They can demonstrate through illustrations, text and practical examples how policies can be taken forward. Supplementary Planning Documents can include design guides, site development briefs, issue or thematic-based documents. However, they must not be used to allocate land or contain policies that should be subject to independent examination.
3. The Council's Corporate Plan contains 11 pledges to the community. One of those pledges is to ensure that at least 80 affordable homes are built every year between 2010–2015. The adopted Core Strategy contains a target of 100 dwellings per year.
4. The Council's Community Housing Strategy was launched on 18 February 2011, and covers the period to 2015. This strategy contains the following vision for housing:

Mid Devon's housing vision is to provide good quality housing both in terms of the condition and surroundings of existing stock and the supply of new housing. We will also provide information, advice and assistance to help residents maintain or improve their housing circumstances. This ambition will be constrained by the resources available to the Council
5. This Supplementary Planning Document sets out to provide additional advice and policy on the implementation of policies in the Core Strategy and the Allocations and Infrastructure DPD. The policies supplement the provisions of national planning guidance but those provisions cannot be repeated in local policies
6. The key statement of national policy on housing is Planning Policy Statement 3. This states clearly that the community's need for affordable housing is a material planning consideration. PPS3 also contains detailed guidance on affordable housing including a definition of what can be affordable housing.
7. This SPD is divided into policies, each with a supporting justification. The policies are distinguished by being in bold text. Each SPD policy is in support of an adopted policy, its supporting text or the provisions of PPS3. Quotations from the LDF or PPS3 are included in boxes, to distinguish them from the SPD policies and text.

Housing Mix

Extract from Core Strategy Policy COR3: The diverse housing needs of the community will be met through the provision of an appropriate mix of dwelling sizes and types.

In 2008, the government produced its report: *Lifetime Homes, Lifetime Neighborhoods – A National Strategy For Housing In An Ageing Society*, which states that all new housing with public funding will be built to the lifetime homes standard by 2011 and lifetime homes standards will be made a mandatory part of the code for sustainable homes to encourage progressively increased take-up in new build projects. It states “our aspiration is that by 2013 all new homes will be being built to lifetime homes standards. We will review take-up of the standards in 2010 with a view to bringing forward regulation in 2013 if take-up has not matched expectations”.

MHN 1 DWELLING MIX

NEW HOUSING DEVELOPMENTS SHOULD CONTAIN A MIX OF DWELLING SIZES AS FAR AS POSSIBLE. ON SITES OF MORE THAN 5 DWELLINGS, DEVELOPMENTS SHOULD BE IN APPROXIMATELY THE FOLLOWING PROPORTIONS:

Tenure	Bedroom Size (%)			
	1Bed	2 Bed	3 Bed	4 Bed +
Market Sector		60		40
Intermediate	20	80		0
Social Rented		50		50

The Council will seek 10% or more affordable housing meeting the Lifetime Homes Standard.

8. The Council carried out an Affordable Housing Needs Survey in 2011. This showed that the major market housing demand is for two and three bedroom properties but demographic change forecasts however, highlight growth in older households and it recommended that future delivery has to bias to a degree in favour of smaller units to create a more balanced housing market. Social rented housing property size targets of 50% small units mainly two bedrooms to meet the needs of single, couple and small family households and 50% three and four bedroom houses to address the needs of larger families were recommended. For intermediate market housing the ratio recommended was 20% one and 80% two bedroom dwellings.
9. The survey identified that the total affordable housing need annually is for 643 units. Net re-lets of the existing social stock average 234 units and are the major means of addressing the scale of need identified. After allowing for this level of existing social stock net re-let supply and 16 estimated shared ownership re-sales, there will still be a total annual affordable housing shortfall of 393 units dealing with the backlog over 5 years or 335 units over 10 years before any new unit delivery
10. The 2011 Housing Survey used a household survey to assess the characteristics of households within the district. One of the questions asked about whether households had members with a disability. The survey showed that 20.3% (6,366 implied) households included a member with a disability. This data is supported by the Census results, which indicate that 17% of the population considered they had a “limiting long term illness” in 2001. It is therefore

appropriate to seek the inclusion of a proportion of housing meeting the Joseph Rowntree Trust “Lifetime Homes Standard” within developments, particularly within the affordable housing sector. This standard goes slightly beyond the requirements of the Building Regulations but is supported by Government initiatives.

Qualifying Housing Sites for Affordable Housing

Extract from AIDPD Policy AL/DE/3: A target of 35 % affordable housing will be sought on housing sites:
a) of more than four dwellings in the settlements of Tiverton, Crediton Cullompton and Bampton,
b) of more than two dwellings elsewhere...

MHN2 Housing Site Area

The area of a housing site will be measured to include any adjacent land that has clear potential for housing development, or has recently been developed for housing, and can in other respects be considered part of the same housing site. Attempts to avoid the policy requirement for affordable housing by artificially reducing the area of a site or splitting sites up into smaller parcels will not be acceptable.

MHN3 Housing Site Capacity

The housing capacity of a site will be assessed based on the maximum feasible numbers of dwellings which could be developed on the site, taking account of SPD policy MHN1, and the following Core Strategy and AIDPD policies:

- **COR1 (sustainable communities)**
- **COR2 (local distinctiveness)**
- **AL/DE/5 (inclusive design and layout).**

11. Policy AL/DE/3 states that affordable housing will be sought on sites which meet a particular size requirement. In the case of Tiverton, Crediton, Cullompton and Bampton, this is a capacity of more than four dwellings and for sites elsewhere it is with a capacity of more than two dwellings.
12. In most cases, the area will be easily measured. However, in some cases, only part of a larger housing site will come forward, or applicants may seek to avoid the provision of affordable housing by excluding areas of land from a site. The Local Planning Authority will ensure that the full area of the housing site is considered in the application of policy AL/DE/3, in accordance with policy MHN2 above.
13. Whilst site area can be measured, the capacity of the site is somewhat more subjective. However, it does not necessarily equate to the actual numbers of dwellings proposed in a planning application. Policy MHN3 above sets out how this capacity will be assessed, taking account of a number of specific policies. In essence, it is necessary to consider how many dwellings could be developed on a site, assuming the proportions set out in policy MHN1 above, and meeting the various policy tests set out in the development plan. The character of the surrounding area will be influential in this assessment, as will obvious limitations

such as highway constraints, residential amenity and other relevant planning considerations.

Provision of Affordable Housing on Qualifying Housing Sites

Extract from AIDPD Policy AL/DE/3: A target of 35% affordable housing will be sought on housing sites...however if evidence is submitted which proves that this affordable housing target renders the site unachievable a reduced level of provision or other alterations to the scheme sufficient to bring it forward will be negotiated.

Extract from AIDPD paragraph 2.35: This policy has been subject to viability testing, which indicates that most housing sites can meet this target. However, it is inevitable that some sites will have unusual or exceptional costs, or that market conditions will vary over the time period of the plan. Accordingly, the policy allows developers to negotiate over the target, where they provide sound evidence relating to viability, which will be taken into account in the negotiations. Alterations to the scheme, including but not limited to reductions in the provision of affordable housing, will be considered in order to continue to provide achievable developments.

Extract from AIDPD paragraph 2.39: There were 274 affordable dwellings built between 2006 – 2009 with a further 176 already committed, and therefore it is expected that a total of 2085 affordable dwellings will be provided on sites already built or allocated in this document. With further sites provided through Registered Social Landlord resources or on exceptions sites in rural areas, the overall target of 2000 affordable dwellings by 2026 should be met.

MHN4 Development Viability

The Local Planning Authority will give the provision of affordable housing a high priority in the consideration of planning applications, and will seek the 35% target unless information is presented which proves that this would make a development unviable. The inclusion of abnormal costs such as exceptional infrastructure and site clearance costs, and other one-off requirements will be considered by the Local Planning Authority. The Council will expect developers to pay a land value which reflects the costs of development, including the provision of affordable housing, as far as possible. Discussions relating to development viability must be based on sufficient detail to permit reasonable conclusions to be drawn.

14. The LPA accepts that development must be viable to proceed, and that it would be counterproductive to prevent new housing development by being completely inflexible on the implementation of policy AL/DE/3. However, with the high levels of need attached to affordable housing provision, it is important that developers justify any level of provision below the 35% target. This target was supported by the Inspector and is therefore a key material consideration. The Inspector accepted that a 35% target was generally viable.
15. Where a developer considers that development viability is threatened by the provision of 35% affordable target, they should contact the Local planning

Authority at an early stage, in order to present their information. An “open book” approach will be necessary, as the LPA will have to be persuaded that the policy is not implementable. Without sufficient detail being presented, the LPA will assume that viability is not an issue and make affordable housing requirements accordingly.

16. One of the major costs associated with development is the cost of land. However, this is also potentially the most flexible. Landowners must expect that the price they receive for land will fairly reflect the planning requirements imposed on developers, including the costs of providing affordable housing, as well as infrastructure costs.

Definition of Affordable Housing

17. The definition of affordable housing is as set out in PPS3 as follows:

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Affordable housing includes:

- Social rented housing, owned and managed by local authorities and Registered Providers, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements.
- Affordable rented housing which is let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime³⁴ but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.
- Intermediate affordable housing, at prices and rents above those of social rent, but below market price or rents, and which meet the overall definition of affordable housing set out above. These can include shared equity, low cost homes for sale and intermediate rent but not affordable rented housing.
- Rural needs housing, permitted in accordance with AIDPD policy AL/DE/6, which also meets the definition of affordable housing set out above.

18. The AIDPD contains a definition of “eligible people” which is not defined in PPS3 which states in policy AL/DE/4 and paragraph 2.40. The policy states:

The occupation of affordable housing will be limited to households in need of affordable housing in accordance with appropriate officially published criteria such as those used by the Housing Authority for social rented

housing and the Homes and Communities Agency for intermediate housing.

19. This is supported by paragraph 2.40 which further states

The Housing Authority, currently Mid Devon District Council, use published criteria for allocating social housing. For intermediate housing, the national Homes and Communities Agency oversee local agents such as Home2Own, who also follow published eligibility criteria. In the case of affordable dwellings provided through the exceptions policy (AL/DE/6) or a specific allocation in a rural area, additional limitations will apply as set out in the relevant policy.

MHN5 Housing of an Acceptable Standard

Affordable housing is of an acceptable standard if it meets the Decent Home Standard for Social Housing and the prevailing HCA Code 3 or above of the Code for Sustainable Homes.

20. The government requires that all social housing will meet the Decent Homes Standard. It is therefore important that all new affordable housing meets this standard. This requires that it:

- Meets the statutory minimum standards for housing;
- Is in a reasonable state of repair;
- Has reasonably modern facilities and services; and
- Provides a reasonable degree of thermal comfort.

21. It is likely that any new housing provided as affordable housing will meet these requirements.

22. However, the requirement for the Homes and Communities Agency (HCA) Code 3 or above of the Code for Sustainable Homes, is intended to ensure that the dwellings which they financially support are fit for purpose. These are amended from time to time, and the latest can be found on the HCA website.

23. It is important that new affordable housing provided through the planning system accords with these standards. They represent national guidance on what are considered appropriate minimum standards for new affordable housing. More practically, the HCA will not financially support housing which does not meet the standards (HCA funding is not generally available for sites where a Section 106 agreement is in place).

24. In accordance with the Mid Devon Community Housing Strategy, the need for affordable housing to achieve excellent energy efficiency is supported. Low income households are those most likely to be affected by rising fuel prices, and the policy seeks to avoid rising problems of “fuel poverty”.

MHN6 Eligible People

The occupation of affordable housing will be limited to eligible people as follows:

- **Social Rented Housing – households in need of affordable housing in accordance with appropriate published criteria such as the Devon Housing Register.**
- **Affordable rented housing – households who are eligible for social rented housing**

- **Intermediate Housing – people who have a strong local connection such as having lived in the local area for a period of 3 years or a history of working locally.**
- **Rural Exceptions Sites – in accordance with AIDPD policy AL/DE/6.**

MHN7 Definition of Local

For the purposes of policies MHN6 and MHN10 local is defined depending on the location of the scheme, as follows:

- **Within the settlements of Crediton, Cullompton and Tiverton, local means within Mid Devon District Council area.**
 - **Outside these settlements, local means within the parish of the scheme or an adjoining parish, or a nearby parish which does not contain a defined settlement.**
25. PPS3 refers to affordable housing being provided to specified eligible households. Policies MHN6 and MHN7 set out the eligibility criteria used for Mid Devon. These criteria will ensure that the affordable housing provided meets the needs of the area.
 26. Social Rented Housing is provided by a Housing Association, or another body operating in an equivalent manner. Such bodies are required to publish their criteria for assigning tenancies, on the basis of need. The Council assigns its own Council Housing in this way, in accordance with the Devon Home Choice policy. Nomination criteria to ensure the fairest allocations across the district are set out in the Devon Home Choice policy. Similar arrangements are expected to operate for affordable rent housing.
 27. Affordable rented housing is let by registered providers of social housing to households who are eligible for social rented housing. It is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.
 28. Intermediate affordable housing may take a variety of forms. However, it is there to provide for two general types of need, reflected in the policy.
 29. People with strong local connections, often cannot afford market prices or rents. PPS3 refers to the need to maintain local informal networks, so it is important that such people can find housing in their community. The Policy therefore sets out a residence period of 3 years in the local area as a minimum requirement. Other local connections of an equivalent strength will also be accepted. The definition of local is set out in policy MHN7, and reflects the strategic role of Tiverton, Cullompton and Crediton, meeting the needs of the whole district.
 30. The smaller settlements are expected to meet purely local needs as set out in the policy. Normally this would involve an adjoining group of parishes, however the definition allows for rural affordable housing to meet the needs of nearby parishes, which do not directly adjoin, where they do not have a defined village within their boundaries.

MHN8 Affordable Housing Mix

The Council will seek the provision of affordable housing in approximately the following proportions:

- **Social Rented Housing 60%**

- **Intermediate Affordable Housing 40%**

31. PPS3 requires the provision of tenure mix targets within affordable housing which may vary by location within the HMA to take account of demand, need and current affordable supply at local area level. The Housing Needs Survey examined the demand for affordable housing, the income levels of those requiring the housing and how households would be able to access the various types of affordable housing available in Mid Devon. The Survey concluded the following:

The overall affordable housing tenure mix balance to address local need could be set at 70% for social rent and 30% intermediate housing, but should be subject to a wider range of social stock supply and other planning, regeneration and development viability factors at local area level. Delivery of social rented units will be more difficult in the short to medium term because of viability and funding constraints and a balance of 60: 40 envisaged in the AIDPD may be more realistic in practice.

32. As a result the Council will pursue a target of 60% social rent and 40% intermediate housing unless evidence is secured to warrant a 70:30 split as set out in the Housing Need Survey. The Survey makes reference to the new affordable rent housing option as having effectively removed discounted market rent as an intermediate housing option. Any affordable rent provision will therefore count as intermediate housing provision under policy MHN8.

Financial Implications of Affordable Housing

Extract from AIDPD paragraph 2.37: there may be cases where on-site provision is not appropriate, for example the provision of a single affordable dwelling on a site may be inefficient to manage, and a Registered Social Landlord may be reluctant to take over such small scale provision. In accordance with national advice it is still appropriate for such sites to contribute to meeting affordable housing need and in these situations a contribution to off-site provision should be made. As stated in the policy, for sites where on site provision is not appropriate a financial contribution for affordable dwellings will be calculated as an equivalent cost to on-site provision. A contribution of approximately £50,000 per affordable dwelling has been calculated as a general equivalent cost to on-site provision, though this will vary from site to site and will be subject to viability assessment.

MHN9 Developer Contributions

When affordable housing is provided in accordance with AIDPD policy AL/DE/3, it is the preference of the Council that the developer constructs the dwellings and transfers them to the Housing Association or appropriate managing organisation.

The transfer will be at a price which does not exceed the direct construction cost of the dwellings to be transferred excluding land costs.

Where alternative arrangements are made for a particular site, then these will be on the basis that the cost to the Registered Provider of each dwelling will be the equivalent amount to that set out above, such as the provision of free serviced land.

33. The area has a severe need for affordable housing, as indicated by the Housing Needs Surveys and supported by the Inspector at Examination who considered the issue. The AIDPD has a target of achieving 2000 or more affordable dwellings during 2006 – 2026.
34. Public subsidy is limited, but the level of need in Mid Devon is high. It is therefore vital to the planning objectives of providing affordable housing that this public subsidy is supplemented by finance from developers.
35. This subsidy is achieved by setting a maximum price that the Registered Provider (RP) will pay a developer for the transfer of the completed dwellings. This transfer price is to be capped to the construction cost of the dwelling. As specified in the policy, these construction costs are limited to the direct costs of building the dwelling, excluding the cost of the land. The RP will not be expected to pay for other, less direct costs, such as infrastructure costs, open space provision, education contributions and other such provision. The developer contribution to the affordable housing therefore consists of free, fully serviced land.
36. The method set out above is based on the dwellings being built by the site developer and then transferring them to the RP. However, for an alternative arrangement, such as the RP commissioning its own builder, then an equivalent financial arrangement between the parties will be necessary. For example, the provision of free, developable and serviced land to the RP.
37. In previous years grant funding was available from the Government to help with the provision of affordable housing. However this funding is no longer available. Housing viability assessment information prepared to support the AIDPD at examination indicates that the proposed provision of 35% is viable on the basis of no grant funding being available. However individual negotiations on the basis of viability may lead to lower levels of provision.

MHN10 Location of Affordable Housing Provision

Affordable Housing provided under AIDPD policy AL/DE/3 should be provided in accordance with the following order of preference:

- **On site, in accordance with policy MHN9.**
- **Completed dwellings on a different local site, transferred to the RP on the basis set out in policy MHN9 (Local as defined in MHN7).**
- **A serviced local site of sufficient size with residential planning permission transferred free to the RP or Council (Local as defined in MHN7).**
- **A financial contribution to the Council sufficient to purchase a serviced site of sufficient size with residential planning permission, which the Council will spend within five years on the provision of affordable housing meeting the needs of Mid Devon.**

38. The Council supports the creation of mixed, inclusive, sustainable communities. Accordingly, it is the Council's preference that housing sites contain a mix of dwelling types, including affordable housing. However, there may be occasions where an alternative approach is agreed with a developer, and this policy sets out the Council's approach to such situations. It sets out a sequence of possibilities, in descending order of preference, which it will require a developer to consider. The order of preference is designed to ensure that the affordable housing is provided as soon as possible in the development process.
39. The provision of completed dwellings in the area local to the site is the best "off-site" alternative, providing certainty and clarity. Such dwellings are to be transferred on the same financial basis as for on-site provision i.e. for construction costs only, excluding land and infrastructure costs. For this and the next option, the definition of "local" reflects the strategic stature of the settlement being considered, as set out in policy MHN7.
40. Next best, is the free transfer of serviced, consented housing land to an RP, or to the Council. Finally, and lowest on the preference list, is a financial contribution to the Council calculated to allow the purchase of consented, serviced housing land. The Council will seek to use this sum to meet Mid Devon's housing needs within 5 years.
41. To provide a starting point for negotiations between the local authority, developer and RP on the amount of contribution for off site provision, it is proposed that the Council provide a standard methodology for the calculation of commuted sums, based on the difference between the developed open market value of the site and its 'affordable value' to a RP. This would allow a RP or other appropriate body to purchase a suitable property elsewhere, subsidised by the developer. In providing this methodology, developers are given an early indication of the expected level of payment. Developers can choose either to accept this analysis or seek to negotiate a different payment based on site-specific and detailed viability assessment. A Viability Assessment in 2009, which was a significant part of the Council's evidence base for the AIDPD, found that the appropriate level of commuted sum could range from £27,500 - £69,200 per dwelling. The methodology is set out in Appendix 1, which will be updated periodically to reflect up to date information. Timing of such payments will be on the same basis as policy MHN11.

MHN11 Timing of Affordable Housing

Where affordable housing is provided on a housing site in accordance with AIDPD policy AL/DE/3 the timing of provision will be set out in a planning obligation, taking into account part c of AIDPD Policy AL/DE/5, as follows:

- **50% of the affordable housing provision should be transferred before the occupation of 50% of the market dwellings.**
 - **The remaining 50% of the affordable housing provision should be transferred before the occupation of 75% of the market dwellings.**
 - **For off-site provision, the relevant provision or payment should be made before the occupation of the first dwelling on the site except for very large sites where payment will be by instalments.**
42. The timing of affordable housing provision should be set out in a clause of the planning obligation based on the provisions of this policy. In the case of off-site

provision, the early provision reflects the need for the Council to find alternative sites for affordable housing provision, with the time this can take.

Layout and Design

AL/DE/5 Inclusive Design and Layout

Housing sites to which policy AL/DE/3 applies should be developed to ensure the creation of inclusive, mixed communities as follows:

- a Affordable and market housing on a site should be the same mix of sizes and visually indistinguishable from each other;
 - b Affordable and market dwellings should be intermixed within the site, avoiding any particular concentrations in any part of the site;
 - c Affordable housing should be provided broadly in step with the market housing as the development progresses.
43. By definition, it is likely that affordable housing provision will be occupied by households on low incomes. It is important that affordable housing provision does not exacerbate social tensions and increase social exclusion. Social and other affordable housing which is segregated from other housing provision, and has a distinguishing design approach, can lead to such problems. It is the role of planning to try to ensure that such problems do not occur.
44. It is therefore important that the design of new housing areas which include affordable housing take a “tenure blind” approach to location and design. Under such an approach it should not be possible to distinguish the tenure of a dwelling from its external appearance. Similarly, there should be a genuine intermixing of tenures within a scheme, often referred to as “peppercotting”. This is one of the key reasons why the council prefers that the main developer of a site also builds the affordable housing on behalf of the registered provider (see policy MHN10). This should be achieved by the implementation of AIDPD Policy AL/DE/5 as set out above.

Rural Needs Affordable Housing

Extract from AIDPD policy AL/DE/6: The development of a site for 100% affordable housing to meet the needs of the local community will be permitted where:

- a There is a proven need for affordable housing from households who have a strong local connection with the parish or an adjoining parish;
- b The site adjoins a settlement in a location which takes account of visual and other impacts or is specifically allocated for affordable housing to meet local needs;
- c The type of affordable housing and the scale of provision is limited to meeting the proven local need;
- d A planning obligation is enforced which retains all the dwellings as affordable housing in perpetuity and gives priority to occupation by those with a strong local connection with the parish or adjoining parishes.

Extracts from AIDPD paragraphs 2.43 and 2.44: A survey of a parish (including adjoining parishes if appropriate) will provide evidence of

affordable housing need, both in terms of overall numbers and specific forms of affordable housing. The need must be for affordable housing (that is, it cannot be met from market housing), and from people with a strong local connection. A scheme can then be promoted which meets that need and no more, with the form and type of affordable housing designed to meet the identified need. A planning obligation will be required to ensure that all the dwellings on the permitted site are retained as affordable housing in perpetuity. A “cascade” approach will be adopted, in which those with strong connections with the parish are given the highest priority for occupation, then those with connections with adjoining parishes and then those from elsewhere in Mid Devon.

MHN12 Assessing Rural Housing Needs

The Council will consider the following forms of information when assessing the level and type of need for affordable housing in a local rural area (defined in accordance with MHN7):

- **A specific housing needs survey**
- **The Council Housing Register / Devon Home Choice**
- **Any Registered Provider Register**

Provision should aim to meet no more than the needs of the local rural area.

45. There are a number of methods for assessing needs in a particular local area, including a specific local survey, and the analysis of existing data such as housing registers held for the purposes of managing council and housing association lettings.
46. As affordable housing take a number of years to build, and also is then a permanent feature of a settlement, it is important that the provision is likely to meet a long term need in the area. Overprovision of affordable housing in a settlement is both likely to lead to pressure for occupation by people without a specific local connection, it is also using up scarce resources which could be providing much needed affordable housing elsewhere.

Implementation

MHN13 Recommended Clauses for Planning Obligations

The Council recommends that developers consider using the Council’s standard conditions and Section 106 clauses for planning applications involving affordable housing.

47. In order to speed negotiations and to ensure a consistent approach to the provision of affordable housing in Mid Devon, the council will prepare standard conditions relating to affordable housing, together with a number of recommended clauses for obligations under Section 106 of the 1990 Planning Act. These clauses will implement the policies of the development plan and this Supplementary Planning Document. They do not form part of the Supplementary Planning Document, and will be kept updated and amended to take account of best practice in this field.

MHN15 Early Negotiation

Developers of sites likely to involve the provision of affordable housing should commence discussions with the Council as early as possible in accordance with the policies of the Statement of Community Involvement. The Council will prioritise pre – application discussions which will bring about affordable housing provision. The Council’s protocol on such discussions forms the framework for action by Council officers.

48. The early discussion of issues arising from affordable housing provision will help to ease the later decision – making on a planning application. This should take the form of a pre – application approach to the Council by the scheme promoter (developer or landowner) as much in advance of any planning application as possible. The Council planning officers will seek to involve housing officers and a partner housing association, in order to ensure that any potential problems or disagreements are overcome early on.
49. The Council’s Statement of Community Involvement has been adopted, and reinforces the need for early negotiation and consultation.
50. The Council has prepared a protocol, primarily aimed at housing and planning officers, which is intended to ensure that affordable housing provision is given the priority it should be afforded. This will be amended and updated to take account of best practice.

Methodology for determining off site contributions

1. It should be noted that grants to Registered Providers (RP) from the Housing and Communities Agency (HCA) have been severely cut. As such, a 'zero grant' environment is assumed for the purposes of the calculations shown below. There may be exceptional cases where the RP is able to secure some grant funding for affordable housing, but it is likely this will become increasingly rare, and off-site contributions should not now be calculated with any government subsidy in mind.
2. For clarity, the following definitions apply:
 - **Open Market Value** is the value of the property on the open market, based on the most recent average house prices by dwelling size in Mid Devon according to The Devon State of the Market Report (updated six-monthly).
 - **Affordable Value** is the average amount that an RP or other recognised body might expect to pay for the purchase of a dwelling for social rent, affordable rent or shared ownership, by dwelling size, without grant funding.
3. The financial contribution that will be sought by the Council is the difference between the Open Market Value and the Affordable Value. Open market values are taken from the Devon State of the Market Report January-June 2010, and social housing values have been provided by a selection of Registered Providers. RP data is confidential and commercially sensitive. The figures shown in this report therefore represent an average of the individual company figures provided. The calculation is shown in Table 1 below.

Table 1 – Offsite affordable housing contributions by dwelling size

Dwelling type	Open Market Value (A)	Affordable Value (B)	Contribution Per Dwelling (C = A-B)
1 Bed Flat	£85,500	£63,000	£22,500
2 Bed Flat	£101,314	£68,750	£32,564
2 Bed House	£165,010	£77,600	£87,410
3 Bed House	£204,412	£88,150	£116,262
4 Bed House	£316,009	£100,917	£215,092
Average			£94,766

4. Policy MHN1 of the Meeting Housing Needs SPD sets out the required mix of dwelling types and sizes on housing sites for market, intermediate and affordable housing. It is proposed that an equivalent offsite contribution should reflect the overall principle of Policy MHN1. This will mean that larger developments will be expected to pay more on average per affordable dwelling. However, it is proposed that a cap be imposed, so that the average cost per affordable dwelling for any development does not exceed £60,000. This is the highest figure (averaged between example sites in the Tiverton, Cullompton, Crediton and Bampton) that was identified as viable in the 2009 Viability Assessment. A spreadsheet for calculating commuted sums using the above methodology will be provided on the council's website and reviewed annually.