



Newark & Sherwood Local Development Framework

Draft Interim Affordable Housing Supplementary Planning Document

July 2024

Document Passport

Title: Newark and Sherwood Draft Interim Affordable Housing Supplementary Planning Document

Status: Consultation document

Summary: This Draft Interim Affordable Housing Supplementary Planning Document (SPD) sets out proposals for how the District Council will seek to secure Affordable Housing as part of new housing developments. It sets out the policy context for such housing, then details of how the District Council will seek to negotiate these matters and how the issue of viability will be considered. The document also provides guidance on Affordable Housing in rural areas.

As an SPD the draft document provides further guidance on policies within the Council's Adopted Core Strategy but does not develop new ones. When adopted this SPD will become part of the Council's Local Development Framework and will be a material consideration in the determination of planning applications.

Consultation Summary: The consultation will focus on seeking views from local residents, landowners, developers, town & parish councils, registered housing providers and other interested parties.

Date of Approval for Consultation: 23 July 2024

Route of Approval for Consultation: Planning Policy Board 8 July 2024, Cabinet 23 July 2024

Proposed Consultation period: Tuesday 30 July until Tuesday 24 September 2024

Copies are to be deposited at the main Council office at Castle House, Great North Road Newark NG24 1BY (open between 9.00 a.m. and 5.00 p.m. Monday to Friday), the District's libraries and the Council's website: www.newark-sherwooddc.gov.uk/affordablehousingspd/

After the consultation: The District Council will consider the responses made to this document and, taking these into account, prepare a finalised Affordable Housing Supplementary Planning Document which will be reported to the relevant Committee for adoption as part of the Local Development Framework

Estimated Date of Final Adoption: Winter 2024

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1 INTRODUCTION

PURPOSE AND SCOPE OF THE INTERIM AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

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- 1.1 Since the last Affordable Housing SPD was adopted in 2013, a number of important policy changes have occurred. The aim of this SPD is provide a context for planners, developers and other interested parties of the approach that Newark & Sherwood District Council will take to these matters. The starting point for decision making is the policies in the Development Plan these are contained within the Amended Core Strategy (Adopted March 2019):
- Core Policy 1 Affordable Housing
 - Core Policy 2 Rural Affordable Housing
- 1.2 Changes to National Policy subsequent to the adoption of the Amended Core Strategy in 2019 means that our existing policies do not reflect the following:
- previously Affordable Housing could only be secured on sites of 11 or more dwellings, and now they can be secured on sites of 10 or more;
 - that alongside the dwelling number trigger, a combined gross floor space of more than 1000sqm was also included however now this has been replaced with a 0.5 hectares trigger;
 - that at least 10% of new dwellings be available for affordable home ownership (with a range of exemptions to this);
 - the introduction of First Homes and other Affordable Housing products.
- 1.3 We also have more up-to-date information housing needs information which has indicated a change in priorities for the type of housing that the Council is seeking on new development.
- 1.4 In order to address these changes, the Council has prepared comprehensive new Affordable Housing policies in our Amended Allocations & Development Management DPD. This was submitted for examination in January 2024. However, in the interim, it is proposed to provide guidance on the current position and how Affordable Housing should be secured. It is not the intention of the Interim SPD to introduce new policy but to provide the context for the implementation of existing policy in the new context.

2 AFFORDABLE HOUSING POLICY & LOCAL CONTEXT

- 2.1 This Chapter sets out the National Policy and Affordable Housing definitions and local context for Affordable Housing delivery.

National Planning Policy

- 2.2 The [National Planning Policy Framework \(December 2023\)](#) (NPPF) sets out the Government's key objectives for housing, which is to significantly increase the delivery of new homes by:

- Increasing the supply of housing;
- Encouraging land with planning permission to be developed without unnecessary delay;
- Delivering a wide choice of high-quality homes that people want and need;
- Widening opportunities for home ownership by supporting the development of entry-level exception homes suitable for first time buyers (or those looking to rent their first home);
- Creating sustainable, inclusive and mixed communities, including through the regeneration and renewal of areas with poor housing.

- 2.3 The NPPF sets out the guidance for how local planning authorities should prepare their Local Plan/Local Development Framework. Paragraph 20 in the NPPF affirms that Local Planning Authorities should ensure that their Local Plan/Local Development Framework sets out the levels and types of Affordable Housing provision required. Paragraph 6 also indicates that other statements of Government policy may be material when preparing plans or deciding applications, such as relevant Written Ministerial Statements and endorsed recommendations of the National Infrastructure Commission. This includes the Written Ministerial Statement on Affordable Homes Update (24 May 2021) which contains policy on First Homes.

- 2.4 Furthermore, '*local planning authorities should support opportunities to bring forward **rural exception sites** that will provide Affordable Housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this*' (Paragraph 82).

- 2.5 Paragraph 65 of the NPPF establishes that the provision of Affordable Housing should not be sought for residential developments that are **not major developments** other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). It should be noted that Newark & Sherwood does not have any designated rural areas under the terms of the NPPF (although see 5.16 for rural protections on housing association properties). Major development is defined as:

"For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more." (NPPF, Annex 2 Glossary)

- 2.6 To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any Affordable Housing contribution due should be reduced by a proportionate amount.
- 2.7 Paragraph 66 in the NPPF states that: *'where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for **affordable home ownership**, unless this would exceed the level of Affordable Housing required in the area, or significantly prejudice the ability to meet the identified Affordable Housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*
- a) provides solely for Build to Rent homes;*
 - b) provides specialist accommodation for a group of people with specific needs (such purpose-built accommodation for the elderly or students);*
 - c) is proposed to be developed by people who wish to build or commission their own homes; or*
 - d) is exclusively for Affordable Housing, a community-led development exception site or a rural exception site'*
- 2.8 The NPPF seeks to ensure viability of proposed housing, the costs of any requirements likely to be applied to development, such as requirements for Affordable Housing, should, when taking account of the normal cost of development and mitigations, provide competitive returns to a willing landowner and willing developer to enable the development to be deliverable. The Council took this into account in the Affordable Housing viability work that supported its Amended Core Strategy and appreciates that there may be instances where it is necessary to assess the planning gain that individual applications can deliver. In this respect the Council applies a flexible approach to Affordable Housing delivery on a site-by-site basis.

Affordable Housing Definitions

- 2.9 The definition of Affordable Housing is contained within Annex 2 of the National Planning Policy Framework ('NPPF') (2023). It is defined as *'housing which is for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)';* and which complies with one or more of the following definitions:
- (a) Affordable Housing for rent:** *meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative Affordable Housing provision. For Build to Rent schemes Affordable Housing for rent is*

expected to be the normal form of Affordable Housing provision (and, in this context, is known as Affordable Private Rent).

(b) Starter homes: is as specified in [sections 2 and 3 of the Housing and Planning Act 2016](#) and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. At present, secondary legislation has not been enacted however where it has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

(c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

(d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative Affordable Housing provision, or refunded to Government or the relevant authority specified in the funding agreement.'

First Homes

2.10 First Homes or Entry Level Homes are a type of Affordable Housing product designed for first time buyers. In May 2021, the Government published the following criteria which outlines how first homes differentiate from market housing and other types of Affordable Housing:

- They must be discounted by a minimum of 30% against the market value
- The person/persons buying this product should meet the first homes eligibility criteria. [First Homes - GOV.UK \(www.gov.uk\)](#)
- The first sale must be at a price no higher than £250,000 after the discount has been applied.

2.11 First Homes are the Government's preferred discounted market tenure and should account for at least 25% of all Affordable Housing units delivered by developers through planning obligations.

Other Types of Affordable Housing

2.12 Build to Rent schemes are another type of Affordable Housing. The bullet points below define what these schemes are and outlines how these are distinct from other types of Affordable Housing.

2.13 Build to Rent schemes are:

- Purpose built schemes and are typically 100% rented out.
- They can form part of a wider multi-tenure development comprising either flats or houses, thus successfully address the Affordable Housing needs of many demographics in the District. Dwellings however should be contiguous with the main development.
- Affordable Housing on build to rent schemes should be provided by default in the form of affordable private rent. Affordable private rent homes are at least 20% less than the private market rent.

What isn't Affordable Housing

2.14 Defining and establishing what is and isn't Affordable Housing can be challenging at times as affordability is often subjective and average prices vary depending on the location in which the dwellings are situated. Affordable Housing is defined in NPPF and includes social and affordable rent, intermediate tenures such as First Homes, Discount for Sale and shared ownership. These tenures provide housing with a minimum of 20% discount up to 50% discount from a market dwelling. It is expected that housing meeting this definition will be owned and managed by Registered Providers except in the case of discount for sale of which the conditions will be set out in a legal agreement.

2.15 The tables below list the different types of Affordable Housing products and state the conditions which would make them 'unaffordable'.

Table 1: Conditions which would make Affordable Rented Products Unaffordable.

What conditions would make these affordable rented products unaffordable?			
Affordable rented	Immediate rented	Social rent	Build to Rent
If letting rates for these homes are not 20% or more below local market rents then they are not considered to be affordable.	If letting rates for these homes are not 20% or more below local market rents then they are not considered to be affordable.	Homes are not considered to be 'social rent homes' if they are not around 50% of market rents .	Dwellings on 'build to rent' schemes are not considered to be affordable if they are not at least 20% less than the private market rent .

Table 2: Conditions which would make Affordable Home Ownership Products Unaffordable.

What conditions would make these affordable home ownership products unaffordable?	
Homes committed by developers to be sold at a discount	Discounted homes for first-time buyers
If the property being sold is not being sold at least 20% below local market value , the property is not 'affordable'	If the property being sold isn't 30% to 50% below market value , then it is not considered to be an 'affordable first home'.

Newark and Sherwood District Council Community Plan 2023-2027

2.16 The Council's Community Plan sets out the objectives for sustaining the strength of the District's community and outlines how these will be achieved. One of the key

objectives in the plan is to *'increase the supply, choice, and standard of housing'*. Newark and Sherwood District Council Community Plan for 2023-2027:

[12.12.23-Community-Plan-2023v16-Appendix-1.pdf \(newark-sherwooddc.gov.uk\)](#)

Housing Strategy and Delivery Plan 2023-2028

- 2.17 The Housing Needs Strategy sets out how the Council will continue to deliver high quality housing and housing services for all residents in Newark and Sherwood. The document sets out 4 key priorities. Priorities 2 and 3 are of relevance for this document. The Housing Strategy and Delivery Plan for 2023-2028 can be viewed following the link:

[Housing-Strategy-Draft-April-23.pdf \(newark-sherwooddc.gov.uk\)](#)

- 2.18 Priority 2 is to *'delivering Affordable Housing to meet local need'*. The objectives for ensuring that this priority is met are:

- Understand the need for a full range of Affordable Housing in the District including type, tenure and location.
- Deliver a range of affordable homes that meet the needs of local residents and workers.
- Work in partnership with registered providers, private developers and local landowners to accelerate delivery of rural Affordable Housing.
- We will explore opportunities to continue to deliver our Housing Revenue Account new build programme to provide additional affordable homes to add to the 350 due to be completed since 2018.

- 2.19 Priority 3 aims to focus on meeting people's housing needs. The objectives for ensuring that this priority is met are:

- Support residents to have a suitable home where they can live independently.
- Consider how the strategy will address the varied housing needs of different groups i.e., older people, refugees, support for armed force.
- Increase opportunities for people to access low-cost home ownership.

Neighbourhood Plan Policy Context

- 2.20 Those creating Neighbourhood Plans can take the following measures to help shape the provision of Affordable Housing in their area:

- Writing local Affordable Housing policies- providing these are in general conformity with strategic policies in the rest of the Development Plan;
- Undertake a Local Housing Needs Survey to identify the nature of need in the locality; and
- Consider allocating land for Affordable Housing

- 2.21 The Affordable Housing policies in a Neighbourhood Plan become part of the Development Plan once the Plan is made. Details of current made Neighbourhood Plans can be found at [Made Neighbourhood Plans | Newark & Sherwood District Council \(newark-sherwooddc.gov.uk\)](#).

3 AFFORDABLE HOUSING NEED IN NEWARK AND SHERWOOD

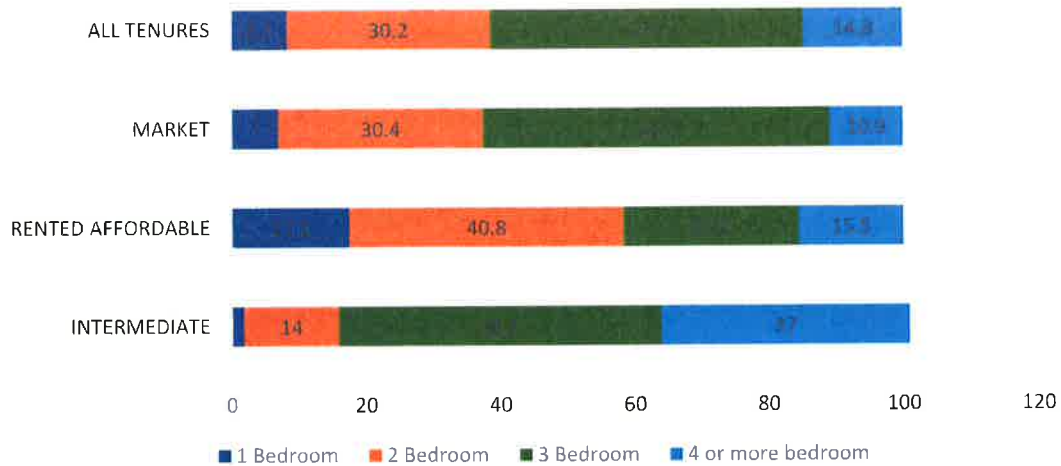
- Establishing Housing Need in Newark & Sherwood**
- 3.1 The Council has published two documents related to housing needs in the District. These include the Arc4 District Wide Housing Needs Assessment 2020 and the Arc4 Sub Area Summaries of Housing Needs Assessment 2020. In addition, the Council has a programme of Parish Housing Needs surveys to provide evidence at a small settlement level. The documents provide up to date evidence to inform the strategies, policies and decisions of the council and its partners.
- 3.2 **The District Wide Housing Needs Assessment** states that there is a need for 243 affordable homes each year across the District, with shortfalls in all sub-areas. This compares with an average of 109 being built between 2018/19. This Assessment can be viewed below:
[Housing-Needs-Study---Final-Report-2021.pdf \(newark-sherwooddc.gov.uk\)](#)
- 3.3 The table below shows the number of affordable dwellings which have been completed since 2019. As seen, there has been a shortfall in delivery, however the contribution levels sought through local planning policy remain the maximum which can be justified in viability terms. This delivery is accompanied by the separate activity of the District Council and Registered Providers.

Table 3: Number of Affordable Dwelling Completions since 2019

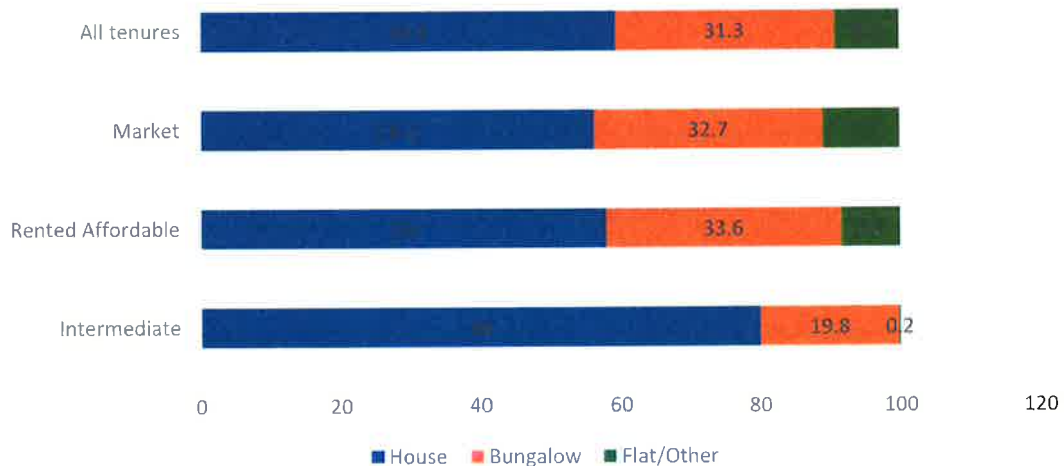
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Affordable Housing Units Completed	134	195	124	32	127

- 3.4 The current Development Plan has set a target for 454 dwellings each year. The report recommended that the current target for 70% market and 30% affordable dwellings is maintained, with the Affordable Housing split between 60% rented and 40% intermediate.
- 3.5 The charts below highlight the District's future development priorities for tenure, number of and dwelling type. Chart 1 indicates that the overall focus for the District's future development should be 2 and 3 bedroom properties. For intermediate (affordable home ownership), the strongest need is for properties with 3 or more bedrooms.

**Chart 1: Future dwelling mix and future development priorities:
tenure and number of bedrooms**



**Chart 2: Future dwelling mix and future development priorities:
tenure and dwelling type**



- 3.6 Chart 2 identifies the strongest need for houses but a considerable need for bungalows which reflects the needs, aspirations, and expectations of the aging population across the District, both for market and affordable homes. Housing should be delivered to meet the need which indicates that 30% of all schemes should provide bungalows (with a smaller percentage for intermediate housing). Below, you can find information summarising which sub area require bungalows the most.
- 3.7 These figures should be considered by the Local Planning Authority and developers, so that the local needs of the District can be met.
- 3.8 The following findings may also be relevant to the form of Affordable Housing required in the District:

- an additional supply of 1,344 units specialist older person accommodation needed by 2033.
 - a minimum of 1% of new dwellings should be built to M4(3) wheelchair accessible standard; and a minimum of 23% all new dwellings should be built to M4(2) accessible and adaptable standard.
 - over the period 2019 to 2031, there are expected to be an additional 2,418 people aged 65 and over with a mobility problem.
- 3.9 This evidence should be considered by developers in producing schemes for development. Where there is no robust more localised information over housing need available then it will also assist in implementing policies within the Development Plan.
- 3.10 Key Strategic Messages from the Housing Needs Assessment:
- New development needs to reflect the needs of an ageing population whilst continuing to develop housing for younger age groups and a range of income groups to support economic growth ambitions. Increased provision of bungalows is essential.
 - There is a need to improve the delivery of Affordable Housing to address identified need. The current 30% target remains appropriate although in recent years the level of affordable delivery has improved. Affordable home ownership options for key workers should also be considered given the affordability challenges across the District.
 - The majority of older people want to remain in their own home with help and support when needed. There is therefore a need to improve support services available to older people across all tenures. Additionally, there is a need to increase the specialist older persons housing provision, for instance extra care and retirement housing.
 - There is a need to regularly review the needs of different groups and the impact of physical disability and mental health on housing need. There is a specific need to deliver 1% of new dwellings to M4(3) wheelchair accessible standard and a minimum of 23% of new homes to M4(2) accessible and adaptable standard.
- Sub Area Affordable Housing Needs**
- 3.11 The data for the sub area Affordable Housing needs data has been taken from the Arc4 District Wide Needs Assessment (2020) and the Sub Area Summaries of Housing Needs Assessment (2020). These documents provide information on the amount and types of Affordable Housing needed and can be found in the Appendices of this SPD.
- 3.12 When examining specific sub-areas, the order of demand, from highest to lowest, is as follows: Newark, Mansfield Fringe, Sherwood, Southwell, Rural South, Collingham, Sutton On Trent, and Nottingham Fringe. This should be considered when deciding where to prioritise the Affordable Housing development activities of the District Council and Registered Providers
- 3.13 Further breakdown for each housing unit type is contained in the tables below.

Table 4: Priority Need By Area And Type- Affordable Rented- Numbers Per Annum								
Dwelling Type Sub Area	1/2 bed house	3 bed house	4 or more bed house	1 bed flat	2 or 3 more Bed flat	1 bed Bungalow	2 or 3-bed bungalow	Total
Newark	18	23	30	11	0	32	42	156
Collingham	11	4	3	0	0	0	1	19
Sutton-on-Trent	4	0	2	0	1	1	5	14
Rural South	15	2	0	0	0	0	4	21
Southwell	8	14	0	0	0	0	10	32
Nottingham Fringe	0	7	0	0	0	0	2	9
Sherwood	23	9	0	3	0	5	14	54
Mansfield Fringe	0	29	22	7	0	0	9	67
Total								372

Source: Arc4 Housing Needs Survey 2020

3.14 A comprehensive analysis of Table two on affordable rental housing across the District reveals a pronounced demand for three-bedroom houses, followed by two to three-bedroom bungalows. In contrast, there is comparatively lower demand for two to three-bedroom flats.

Table 5: Priority Need By Area And Type- Intermediate Rented and Affordable Home Ownership- Numbers Per Annum									
Dwelling Type/ Sub-Area	1/2 bed house	3 bed house	4 or more bed house	1 bed flat	1 bed Bungalow	2 bed bungalow	3 bed or more bungalow	Other	Total
Newark	12	15	20	7	21	28			103
Collingham	7	3	2						12
Sutton-on-Trent	2		1		1	2	2		8
Rural South	10	1				3			14
Southwell		9			5	2		6	22
Nottingham Fringe		5				1			6
Sherwood	15	6		2	3	7	3		36
Mansfield Fringe		19	15	5		6			45
Total									246

Source: Arc4 Housing Needs Survey 2020

4 APPLYING THE AFFORDABLE HOUSING POLICY



Amount of Affordable Housing and thresholds

- 4.1 Core Policy 1 in the Amended Core Strategy (2019) identifies the following qualifying thresholds:

- All housing proposals of 11 units or more or those that have a combined gross floor space of more than 1000sqm.

- 4.2 As explained in Chapter 1, this qualifying threshold has been superseded by changes to the NPPF. Since these changes we have been securing Affordable Housing based on National Policy, namely:

- All housing proposals of 10 units or more or those that have a site area of 0.5 hectares or more.

Type

- 4.3 Core Policy 3 in the Amended Core Strategy (2019) sets out that the District Council will seek to secure new housing development which adequately addresses the housing need of the District, namely:

- Family housing of 3 bedrooms or more
- Smaller houses of 2 bedrooms or less.
- Housing for the elderly and disabled population

- 4.4 Particular emphasis will be placed on securing smaller houses of 2 bedrooms or less and those for housing the elderly and disabled population.

- 4.5 Since the Amended Core Strategy (2019) was adopted, the Housing Need Assessment has been updated and as detailed in Section 4 above, new priorities have emerged. As set out in Core Policy 3, this up-to-date information should inform the type of Affordable Housing provided.

- 4.6 The District Council will seek to secure an appropriate mix of housing types to reflect local housing need. Such a mix will be dependent on the local circumstances of the site, the viability of the development and any localised housing need information. The Council has identified that an emphasis on 2 and 3 bedroom family housing, greater provision of bungalows on appropriate large sites and support for specialist housing such as extra care and retirement housing will be priorities going forward.

Tenure

- 4.7 The District Council will seek to secure a tenure mix of Affordable Housing to reflect local housing need and viability on individual sites. This target set out in Core Policy 1 is:

- 60% social rented/affordable rented;
- 40% affordable home ownership product.

4.8 National Policy has introduced a requirement to deliver 25% First Homes as part of Affordable Housing provision. This can be accommodated within current policy and the affordable home ownership product element of the contribution (40%) will comprise the overall national 25% First Homes with the remaining 15% made up of other affordable home ownership products based on an up-to-date assessment of local need. First Homes should secure a minimum discount of 30% against market value.

Distribution, Design and Layout Requirements

- 4.9 To achieve mixed, inclusive and sustainable communities, and comply with 'Promoting healthy and safe communities' policies of the NPPF, the affordable units should be 'pepper potted' throughout the site.
- 4.10 'Pepper potting' is the dispersal of affordable homes across a development site within individual groups, rather than in one distinguishable block where the residents of Affordable Housing are separated from residents within open market housing. The size of these groups will depend on the size of the development and the percentage of Affordable Housing expected in that location, but it is expected that they will not exceed 10 units.
- 4.11 Affordable homes should be well integrated within and indistinguishable from those market units and built using the same materials, form and quality of design to ensure that it makes a positive contribution to local character and distinctiveness. In other words, the design quality of the Affordable Housing should be as good, if not better, than the private market housing.
- 4.12 In some cases however, Registered Providers may find it convenient for management purposes to have their stock in clusters. Small grouping of affordable homes (usually no more than 10 homes) will be accepted if it can be demonstrated to the Council's satisfaction that there is a management reason for this approach i.e. the leasehold of flats. Early discussion with the purchasing registered provider will assist in locating affordable homes to ease management and avoid social division.
- 4.13 Plans submitted to the Council for planning consideration should clearly show the position of all affordable units within the development, except in outline applications where only illustrative plans are submitted and the exact locations identified within subsequent reserved matters planning applications.
- 4.14 In addition, adopted and emerging Neighbourhood Plans may also contain design policies, and these may well also need to be taken into consideration, depending on where in the District the proposed dwellings are located.
- 4.15 The majority of residents of Affordable Housing are car users. Parking for Affordable Housing should meet the Council's current parking standards at the time of submitting

a planning application. The Council expects the same parking provision to be made available for affordable and market housing of the same size. Garages are often not provided for affordable homes. The Residential, Cycle and Car Parking Standards SPD sets out the District's recommended approach in relation to parking standards and design of parking provision for new residential development:

[Residential-Cycle-and-Car-Parking-Standards-and-Design-Guide-Supplementary-Planning-Document.pdf \(newark-sherwooddc.gov.uk\)](#)

- 4.16 The diagrams below illustrate the Council's expectations on how Affordable Housing units should be integrated into developments.

Figure 1: Acceptable examples showing Affordable Housing integrated into the development



Figure 2: Unacceptable grouping of Affordable Housing on a development



- 4.17 The Council will not accept the concentration of affordable homes in areas of lower environmental quality for example next to main roads or overhead power lines.
- 4.18 The Council expects Affordable Housing units to provide sufficient internal floorspace to support an acceptable standard of residential amenity. Registered providers may have their own requirements in order to purchase the housing and applicants should

consult them at an early stage in the planning process. This is generally reflected by schemes which seek to achieve nationally described space standards, the use and application of design codes, and the importance of landscaping and nature conservation in design.

- 4.19 Homes England, which may fund purchases by Registered Providers, also require Affordable Housing to be a minimum of 85% of Described Space Standards. Therefore, it may be necessary to ensure affordable homes are built to at least Nationally Described Space Standards where this is compatible with the need for affordable homes to be indistinguishable from homes for sale on the open market within the same development.
- 4.20 The Council may issue additional up to date guidance on the size and type of affordable homes required as well as more area or site specific guidance in certain cases, for example on the very large sites. The guidance will be based on:
- Overall housing needs across the District;
 - The needs of registered applicants on the Council's Choice Based Lettings system;
 - Needs for properties of a particular size or facilities to meet an identified special need;
 - The requirements of the purchasing Registered providers.
- 4.21 Generally a mix of sizes and types will be sought to meet local housing needs. Developers are also encouraged to open early discussion with the Council and the purchasing Registered provider to determine the mix of type and size needed.
- 4.22 Where a requirement for flats is identified as part of an Affordable Housing mix, applicants should consider that registered providers would require ownership of the freehold. Therefore, it is important to enter into early discussions with Registered Providers and the District Council to understand the housing need for the area and how this can be addressed where one or two bedroom dwellings are required.

Viability

- 4.23 In circumstances where the viability of the scheme is in question, the developer will be required to demonstrate, to the satisfaction of the District Council, that this is the case. Viability will be assessed in accordance with **Policy DM3 – Developer Contributions and Planning Obligations** of the Allocations and Development Management DPD (July 2013).

Policy DM3 Developer Contributions and Planning Obligations

- The delivery of planned growth set out in the Core Strategy is dependent upon the availability of infrastructure to support it.
- The required infrastructure will be provided through a combination of Community Infrastructure Levy (CIL), Planning Obligations, Developer Contributions and where appropriate funding assistance from the Council.
- Planning applications will be expected to include appropriate infrastructure provision.

In implementing this policy the Council will:

- Work with Nottinghamshire County Council, neighbouring Local Authorities and infrastructure partners to ensure that development is supported by the timely, and where appropriate phased, provision of necessary physical, social and green/blue infrastructure and where appropriate its maintenance.
- Seek to ensure the provision of appropriate infrastructure to ensure the development of sustainable communities. Development that does not adequately address its impact will not be regarded as sustainable development.
- Seek to ensure that where on-going maintenance and management of infrastructure is required, a management plan will be required to ensure the quality of the provision remains in the long term. This will be agreed through a S106 agreement or any other suitable mechanism.

4.24 Full, policy compliant contributions should be provided unless there is suitable, sufficient and justifiable evidence to depart from this. Any departure from this will require the applicant or their agent to demonstrate circumstances that justify the need for a viability assessment. This may include:

- Where development is proposed on unallocated sites of a wholly different type to those used in the viability assessment that informed the plan;
- Where further information on infrastructure or site costs is required;
- Where types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or
- Where significant economic changes have occurred since the plan was brought into force.

4.25 Where the need for a viability assessment can be demonstrated, the District Council expects this to be prepared in line with the requirements of the NPPF and Planning Practice Guidance. It should take the form of a written report that includes appropriate and relevant evidence in relation to build costs, infrastructure requirements including land acquisition and future sales values. This should link back to the typology assumptions contained within the Newark & Sherwood Whole Plan Viability Appraisal.

4.26 The PPG indicates:

“Potential risk is accounted for in the assumed return for developers at the plan making stage. It is the role of developers, not plan makers or decision makers, to mitigate these risks. The cost of fully complying with policy requirements should be accounted for in benchmark land value. Under no circumstances will the price paid for land be relevant justification for failing to accord with relevant policies in the plan.

For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies.”

4.27 Evidence submitted should be sufficient to provide a convincing case on whether the obligations being sought would make the development unviable or not. Other than in exceptional circumstances, any viability assessment that is submitted will be made available in the public domain. Viability assessments will be subject to independent review and the applicant will be required to bear the council’s costs for undertaking this work.

4.28 The Council’s decision as to whether the findings of the viability assessment are accepted will be based upon the outcome of the independent appraisal of the viability assessment. As set out in the planning practice guidance:

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.”

4.29 The Council will also have regard to whether it would be in the interest of the local community to refuse the application until adequate mitigation can be secured for the site in the future.

4.30 The District Council may agree to the provision of lower rates of contribution for a particular site if the viability assessment is accepted as being an accurate assessment of the cost and liabilities and shows that the development cannot proceed without reduced or revised financial obligations. This will be on the condition that the loss of planning obligations is not so significant that the development is no longer acceptable in planning terms.

4.31 Where the above circumstances arise, it may be acceptable to forego on-site provision of Affordable Housing and accept a commuted sum which is less than the cost of providing a policy compliant number of units on-site. Providing that the commuted sum will provide a competitive return and no more, and not accepting an appropriate commuted sum would prevent the development coming forward.

- 4.32 Where a level of Affordable Housing secured by a planning permission (either on site provision of units or financial contribution for off-site provision) is below the requirement set out in Core Policy 1 due to a viability case based on site specific circumstances, the Council will require an overage clause to be inserted in Section 106 Agreements.

Phasing

- 4.33 Control of the processes of construction and occupation of the required Affordable Housing will normally be linked to the operation of those processes on the remainder of a development site. Accordingly, construction of the Affordable Housing should be commenced before 40% of the market housing is commenced and, in addition, the Affordable Housing should be available for occupation before 60% of the market housing is completed. Where a commuted sum is acceptable in place of Affordable Housing provision on an individual site, the Council will normally require payment to be made prior to the commencement of development on the site but will have regard to phasing and viability which will be proportional to the scale and complexity of the development.

Review / Clawback Mechanisms

- 4.34 The PPG indicates that review mechanisms can be used by authorities to recover reduced or removed requirements arising from planning policies where viability improves during the lifetime of a project. Viability appraisals will remain valid until such time as it is considered by the council that significant changes have occurred which require an update of the appraisal to be undertaken. These changes could relate to factors such as realised construction costs being less than initially anticipated, an economic upturn which serves to increase sales values above initial expectations, and abnormal costs originally allowed for are no longer deemed necessary due to alternative construction solutions.
- 4.35 Any planning application, which fails to deliver a policy compliant scheme due to viability should be subject to a review (with the timing of the review dependent on the scale of the scheme), based on the actual costs and values generated by the scheme (i.e. an 'open book' basis for all costs and values). In accordance with the advice in the PPG, the review will only apply to uplifts in compliance with planning policies over the lifetime of a project. Unless otherwise agreed with the council, the section 106 agreement will contain review mechanisms, at the applicant's expense, and at trigger point(s) / times agreed with the council (for example, completion or occupation of the development) when construction contracts have been agreed to ascertain the extent of any changes in these values and costs.
- 4.36 Where a viability appraisal review is triggered, a base appraisal will be used (in line with the agreed viability position as determined at the planning application stage). The only elements subject to change will be sales values and build costs. This is considered to be a clear process that provides greater certainty of delivery for developers and their funders and is easier for all parties involved to understand.

Commuted Sums

- 4.37 The District Council's preferred approach would normally expect Affordable Housing provision to occur on site. However, it is recognised that in some circumstances off site provision or contributions may be more appropriate, because of the characteristics of the scheme proposed or because it may help to deliver Affordable Housing provision more efficiently elsewhere in the locality. The District Council will require a financial contribution of equivalent value to that which would have been secured by on-site contribution.
- 4.38 With regard to commuted sums, Core Policy 1 of the Amended Core Strategy sets out:
- "The District Council's preferred approach is to seek such [Affordable Housing] provision on site. However, it is recognised that in some circumstances off site provision or contributions may be more appropriate, because of the characteristics of the scheme proposed or because it may help to deliver Affordable Housing provision more efficiently elsewhere in the locality. The District Council will require a financial contribution of equivalent value to that which would have been secured by on site contribution."*
- 4.39 The payment of commuted sums will be considered acceptable in the following circumstances:
- When no Registered Provider is willing or able to take on the affordable homes required on-site (subject to sufficient evidence being provided by the developer).
 - Where on-site provision is satisfactorily demonstrated not to be justified; or
 - Where off-site contributions can be shown to contribute to the successful development of other Affordable Housing schemes within the District.
- 4.40 Developers are required to offer Affordable Housing to appropriate Registered Providers (RP's). Where it is demonstrated, to the satisfaction of the Council, that no RPs are willing or able to take on the affordable homes, a commuted sum will be accepted instead. Sufficient evidence must be provided by the developer to demonstrate that all reasonable efforts were made to dispose of the properties to RPs. A cascade clause will be included in the section 106 agreement to set this out. Robust evidence will be required before this approach is accepted.
- 4.41 The financial contribution will be paid into a ring-fenced fund which will be used to contribute to the overall Affordable Housing provision in the District through a range of projects such as supporting the development of temporary sites for homeless people, rural Affordable Housing (within exception sites), enabling specialist housing provision such as supported housing, and empty homes / refurbishments. This is not an exhaustive list, and the fund can be used to support new innovative ways to contribute to increasing Affordable Housing. It is expected that any commuted sum will be subject to repayment provisions, and these will be set out within the Section 106 Agreement.

4.42 To calculate the commuted sum payment in a consistent and transparent way, the Council will rely on the principle that the developer of a scheme should be no better or worse off financially whether they provide Affordable Housing on site or as a commuted sum. Secondly, the scheme being considered is viable for the percentage of Affordable Housing being tested. The commuted sum needs to reflect the uplift in market housing provision on the site that results from offsite provision. This is because the developer will be able to sell additional market units as no Affordable Housing provision is made on site. The calculation of the commuted sum will be informed by:

- the particular circumstances of the site;
- the residential scheme proposed;
- current construction and finance costs;
- current house prices and land values;
- current national and local policy requirements, including Community Infrastructure Levy and Affordable Housing requirements;
- Registered Provider offers.

Unviable Proposals

4.43 Where a scheme is demonstrated to be unviable, the Council considers it acceptable to forego on-site provision of Affordable Housing and accept a commuted sum which is less than the cost of providing a policy compliant number of units on-site. Providing that the commuted sum will provide a competitive return and no more, and not accepting an appropriate commuted sum would prevent the development coming forward.

Vacant Building Credit

4.44 Across Newark and Sherwood there are an estimated 53,115 households and 57,392 dwellings, of which 2.4% of dwellings being vacant- (District Wide Housing needs assessment, pg. 46).

4.45 The NPPF provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any Affordable Housing contribution which will be sought. Affordable Housing contributions may be required for any increase in floorspace. For example:

Scenario

- A building with a gross floorspace of 8,000 square metre building is demolished
- The proposed new development has a gross floorspace of 10,000 square metres (a 20% increase)

Financial credit required

- Any Affordable Housing contribution should be 20% of what would normally be sought
- The vacant building credit does not apply to properties which have been abandoned
- The courts have held that, in deciding whether a use has been abandoned, account should be taken of all relevant circumstances such as:
 - the condition of the property
 - the period of non-use
 - whether there is an intervening use; and
 - any evidence regarding the owner's intention

Each case will be judged on its own merits.

Occupancy and Nominations

- 4.46 The Council considers it important to ensure that properties provided by developers on-site as Affordable Housing are available to those in housing need, initially and in the long term (or in perpetuity in the case of rural exception sites).
- 4.47 Affordable Housing will be open to those who are in housing need and normally allocated through the Council's Allocation Scheme. The Council will require 100% nomination rights on the first lets/sales of all affordable homes, potentially dropping to 75% for subsequent re-lets. This allows Registered Providers to determine the allocation of a proportion of the properties in accordance with their own objectives and statutory requirements. However, in practice, many Registered Providers locally continue to accept nominations from the Council on all future re-lets. On Rural Exception Sites Affordable Housing will remain affordable in perpetuity (including sites in protected areas).

Local Connection and Cascade Mechanism

- 4.48 The Council will seek to ensure that the first and subsequent occupancy of all new Affordable Housing with a S106 agreement is determined in accordance with a 'cascade' approach. This means on the occasion of each vacancy, the individual dwellings are advertised through the Council's Allocation scheme and preference is given in the first instance to people with a local connection to the parish or ward (*dependant on the where the development is, i.e. rural or urban*) in which the development is located and thereafter to people in housing need elsewhere in the District. In operating the cascade approach, the Council will take into account the particular circumstances of the site and will not impose requirements which would result in properties remaining vacant for an unreasonable period of time.
- 4.49 The S106 agreement will require homes to be let at affordable rents or discounted sales prices, that the homes are affordable in perpetuity and that they remain the sole or main dwelling of the occupant. It is also likely to require that occupants should have a need for affordable homes and be unable to buy or rent homes in the parish on the open market. It may also include a local lettings requirement to ensure that they are offered to local people or those with a strong local connection in the first instance. "Local connections" could include:
- a. Those who have lived in the settlement or parish for at least the last 12 months.
 - b. Those who have previously lived in the settlement or parish for at least ten years and wish to return.
 - c. Those who have to work in the settlement or parish.
 - d. Those who have immediate family in settlement or parish, who have lived there for at least the past five years.
 - e. Those who need to live in the parish or settlement because they are in receipt of essential support or because they are providing essential support to a permanent resident.
- 3.30 If necessary, the Council must be provided with evidence to verify that potential occupants meet the criteria.

Self and Custom Build housing

- 4.50 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of CSB housebuilding. A link to this definition is provided below:

Right to Build Task Force Custom and Self-Build Planning Guidance PG3: Provision of Affordable Housing, including Exception Sites, March 2021 [PG3v1.pdf \(righttobuild.org.uk\)](#), pg. 6

'(A1) In this Act "self-build and custom housebuilding" means the building or completion by—

(a) individuals,

(b) associations of individuals, or

(c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals.’-

- 4.51 The Government is promoting self and custom build developments with the statutory requirement to maintain a self-build register and provide an appropriate number of serviced plots to meet identified needs. Most self-build plots will come forward on an individual basis or in some cases as a small group if it involves a self-build collective. Rarely would a self-build scheme involve 10 or more units in a single planning application, however, it may do so if a landowner applies for an outline application for a site or custom build plots.
- 4.52 Local and national policies do not differentiate between small scale developments and self-build in terms of Affordable Housing provision, with no specific exemption for self-build schemes from making a contribution. Consequently, self-build sites of 10 or more will be subject to Affordable Housing requirements. As with ‘traditional’ forms of housing developments, self build proposals may not circumvent requirements by artificially subdividing sites.

Supported and Wheelchair Accessible Housing

Supported Housing

- 4.53 Supported Housing is defined by Local Government Association as ‘*a housing service where housing, support and/or care services are provided to help people to live as independently as possible. Supported housing provides homes for a wide range of people including older people, people with a learning disability and autistic people, people with mental health related needs, vulnerable young people and people who have experienced homelessness*’. (Specialised supported housing: guidance for local Government and NHS commissioners | Local Government Association)
- 4.54 Government Guidance states that working collaboratively to deliver this type of accommodation is crucial.

‘We would encourage providers to engage with their local council to demonstrate the safety, quality and value of their service.

All organisations involved in the delivery of supported housing have a role to play in achieving safe and high quality housing, including:

- **providers**, in making sure housing is safe, well managed, of a good standard and costs are fair
- **local councils**, in assuring themselves of the suitability, safety and quality of accommodation (in both commissioned and non-commissioned provision) and monitoring costs
- **bodies making referrals**, including where these are made to other areas or where they have not commissioned or funded directly

It is important that residents are consulted and content with the placement. We would also encourage referring bodies to follow up with individuals or their representatives after individuals are placed in accommodation to ensure that the accommodation meets their expectations and needs’.

Supported Housing: National Statement of Expectations, GOV.UK: [Supported housing: national statement of expectations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/531222/national-statement-of-expectations.pdf)

- 4.55 In line with the NPPF, new residential development to provide a proportion of Affordable Housing if they exceed the threshold for contributions. In accordance with a recent High Court judgement¹, this requirement applies to both proposals within Use Classes C2 (residential institutions) and C3 (dwelling houses). Consequently, proposals for C2 retirement accommodation which provide on-site care will also be expected to make an Affordable Housing contribution in accordance with the Local Plan depending on the self-containment of the residential dwellings and the scale of independent living they provide.
- 4.56 With regard to the type of C2 scheme, if the units can be used as independent dwellings (in this case they each had their own front door and private facilities), they can be considered as “dwellings”, irrespective of whether an element of care is provided. Affordable Housing provision is therefore required on such schemes in these circumstances, as per the High Court legal decision in Rectory Homes v SSHCLG & SODC (31st July 2020).
- 4.57 Use Class C2 also includes nursing homes, hospitals, residential colleges and training centres, however as these do not comprise separate self-contained dwellings, they are not required to make a contribution.
- 4.58 As nursing homes are excluded from this requirement, the Council will determine, on a case-by-case basis, whether the residential development comprises individual self-contained dwellings that provide independent retirement accommodation and therefore where a contribution is required or if it is a nursing home, where it is not. Elements to consider when making the judgement include:
- Built form of the development (e.g. scale, facilities provided such as private kitchens and/or lounge, dwelling types, dwelling features (e.g. individual front doors), building standards);
 - Provision of meals (either within a communal dining area or provided to residents’ rooms) and other services (is it linked to the needs of the individual’s personal care);
 - Provision of communal facilities (kitchen, social areas, therapy rooms, offices and other areas for staff); and
 - Whether residents individually own their accommodation or are contracted for a specific room.

¹ Rectory Homes Limited v SSHCLG and South Oxfordshire District Council [2020] EWHC 2098

Wheelchair and Specialist Accommodation

4.59 The District Wide Housing Needs Assessment 2020 indicates that there is an increase in the elderly population and that the District's housing will need to be adaptable to meet the needs of these residents.

4.60 Wheelchair and Specialist Accommodation are defined as:

'M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement)

M4(2) Category 2: Accessible and adaptable dwellings

M4(3) Category 3: Wheelchair user dwellings'

Housing for older and disabled people - GOV.UK (www.gov.uk)

4.61 As part of the Plan Review process the Council is proposing:

- On sites of 10 dwellings or more provision of 23% of new homes to M4(2) accessible and adaptable standard will normally be required.
- On sites of 50 dwellings or more 1% of new dwellings will normally be required to meet M4(3) wheelchair accessible standard and should be provided as part of the Affordable Housing delivered on site'.
- These requirements recognise that site specific factors such as vulnerability to flooding, site topography, and other circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step free access is not viable, neither M4(2) or M4(3) would be applied.

4.62 At present this is not a something we can request as part of new development however we encourage developers to consider such dwelling types as part of delivering housing schemes reflective of local need.

Specialist Accommodation

4.63 Paragraph 63 of the NPPF indicates that within the context of establishing housing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require Affordable Housing; families with children; older people (including those who require retirement housing, housing-with-care, and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

4.64 Development required to meet specialist needs, including those of the elderly or disabled, will normally be required to contribute to Affordable Housing where it provides self-contained units of accommodation, even where support and communal

facilities are offered. It will be expected that the level of care and access to facilities for occupants of Affordable Housing will be the same as residents in the market housing within the scheme.

4.65 Demand for specialist accommodation is likely to rise as the population ages. The private sector has a key role in meeting some of this need. Case law confirms that development of this type may be required to provide Affordable Housing if the dwellings provided within the development are self-contained units of accommodation, providing all the facilities needed for day to day living, even if shared amenities and care is provided centrally. This will include developments such as:

- Age restricted general market housing or other market housing designed for specialist needs. These may include shared amenities but not support or care services.
- Retirement living or sheltered housing. Purpose built dwellings with limited communal facilities with some support to enable residents to live independently (for example a 24-hour alarm system or house manager). Extra care housing, housing with care, retirement communities. Purpose built dwellings where residents can live independently but with access to a medium to high level of care if required and meals etc at a communal facility.
- Residential care homes, nursing home or other facilities where residents have individual rooms within a residential building with care meeting all their daily needs (such as all meals provided by staff rather than cooked by residents and shared toilet and bathing areas) are excluded from this requirement.
- Developers should provide details of the type of accommodation to be provided as part of an Affordable Housing statement so that officers can judge whether a contribution is required. It is accepted that transferring ownership of some accommodation to a Registered Provider may not be practical in this type of development and in these circumstances a commuted sum may be negotiated.
- It is recognised that some provision may be made by charitable trusts who provide homes for older or disabled individuals meeting specific criteria. Although some may fall into the definition of dwellings, the Council will adopt a flexible approach to requirements for Affordable Housing for development by charitable trusts.

Section 106 Agreements

4.66 Affordable Housing will be secured in the long term (or in perpetuity in the case of rural exception sites) by a planning obligation under Section 106 of the Town and Country Planning Act 1990 or by an alternative form of equally effective provision. S106 agreements are usually associated with a planning permission and they bind the

land subject to the Agreement then also run with the land-and apply to successive owners (with some exception).

4.67 The Council will expect S106 agreements (Heads of Terms) to be submitted for approval (if available) to be presented in draft form (ready to sign) with both full and outline applications or the application may be deemed invalid. They will normally specify:

- the numbers, type, tenure and location on the site of the Affordable Housing provision; if this information is available;
- the timing of the construction of the Affordable Housing provision (the aim would be to have the Affordable Housing finished at agreed stages in relation to the overall development);
- the arrangements to ensure that such provision is affordable for both initial and subsequent occupiers;
- the occupancy criteria to be used for determining the identity of prospective and successive occupiers of the Affordable Housing and the means by which such occupancy criteria shall be enforced (where rural exception sites are concerned this will be in line with an agreed local lettings policy);
- the control and management of the housing (which will usually be by the transfer of the affordable homes to a Registered Housing Provider) and any hand-over arrangements.

4.68 In the case of an outline application, on which insufficient details of the application are provided to allow agreement on some of the above matters, it will be normal practice to include a clause within the s106 Agreement requiring the submission of the relevant information at reserved matters stage.

4.69 The Council will require agreement for our legal costs and evidence of ownership of the site subject to the application (as identified in the Site Location Plan) and once this has been received the Council will provide a draft agreement including the obligations relevant to the site.

4.70 Excluding rural exception sites, the Council will consider the use of Mortgagee in Possession clauses in S106 agreements when a Registered Provider is involved with the application. The Council will be guided in its judgement on this by the needs of the Registered Provider and the practicality of securing successful delivery of the Affordable Housing units. The wording of any Mortgagee in Possession clause should ensure that if a Registered Provider is unable to repay its private loan, the Council or another Provider has the opportunity to take over the Affordable Housing units (and financial liability) before the units could be sold on the open market.

Index Linking

4.71 All financial contributions will be index linked to ensure that the value of contributions within Section 106 Agreements are maintained from the date of the decision to grant permission through until the date that the development commences or, as specified in the agreement, a later payment date.

Legal and Administration Costs

- 4.72 Applicants are required to pay the Council's reasonable legal costs for preparing and completing the Section 106 Agreement and where appropriate, those of third parties such as Nottinghamshire County Council. Applicants will also be required to cover any abortive legal fees and expenses. Applicants will also be required to pay the Council's fees for administering and monitoring the Agreement

Use of Financial Contributions for Off-Site Provision

- 4.73 The financial contributions for off-site Affordable Housing will be pooled and spent on delivering Affordable Housing as deemed appropriate by the Council. The Council will seek to spend the commuted payment as soon as possible but there will be no time limits in which to do so.
- 4.74 Other options for the delivery of Affordable Housing where off-site contributions are available could include regeneration activities and the purchase of existing homes or other properties for sale on the open market including the potential to buy back former social housing.

5 SECURING RURAL AFFORDABLE HOUSING

- 5.1 Provision of Affordable Housing contributes towards the creation of healthy and sustainable rural communities. Recognising the difficulty in delivering Affordable Housing schemes in such locations, National Policy enables local authorities to have policies that support the release of small sites for Affordable Housing provision in exceptional circumstances where land would not otherwise be allocated for housing (Rural Affordable Housing Exception Sites). The Council operates an 'Exceptions Site' Policy through Core Policy 2 of the Amended Core Strategy (2019). Under certain circumstances this allows for development, which would otherwise be inappropriate, on the edge of existing settlements.
- 5.2 Core Policy 2 in the Amended Core Strategy (2019) allows only for the granting of planning permission for small rural Affordable Housing schemes and will be expected to deliver 100% Affordable Housing, to remain affordable in perpetuity. The limited circumstances where cross subsidy could be appropriate is detailed in paragraph 5.5 below. Schemes involving shared ownership or in designated protected areas will normally have stair casing limits placed at a maximum 80% ownership or make provisions for the registered provider to re-purchase.

Exception Sites

Homes built on exception sites are intended for those most in housing need in the local area. The Council and provider should agree a means to ensure that:

- a) Homes are kept affordable in perpetuity.
- b) They remain the sole dwelling of the occupant.
- c) Local connection criteria will be used to ensure homes are for local people in housing need.

Rural Affordable Exception Sites

- 5.3 The District Council will proactively seek to secure the provision of Affordable Housing on rural Affordable Housing 'Exceptions Sites.' Such sites should be in or adjacent to villages and meet the requirements set out in Spatial Policy 3 (Rural Areas) relating to Scale, Need, Impact and Character of Development. Within the Green Belt Settlements development must be in line with Spatial Policy 4 Green Belt. The Spatial Policies can be read here: Newark and Sherwood District Council Amended Core Strategy 2019: [amended-core-strategy-DPD.pdf \(newark-sherwooddc.gov.uk\)](#)
- 5.4 The Council will work with communities to identify and meet the need for affordable homes in rural settlements. The need for such housing must be demonstrated by an appropriately constituted Parish Housing Needs Survey. The Council has agreed that information from the Council's housing register can be included to determine an

accurate level of need. The Council will allow the need from other adjacent settlements to be combined to allow a site to come forward where that need cannot be met in its own settlement.

Cross Subsidy on Exception Sites

- 5.5 In seeking to address the issue of funding of such exception schemes in rural areas, the District Council will take the lead from the NPPF, paragraph 82 which states that:

“Local planning authorities should support opportunities to bring forward rural exception sites that will provide Affordable Housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.”

- 5.6 In some circumstances therefore, the Council may consider allowing a cross subsidy scheme on an exception site whereby a small number of market housing may be allowed that will contribute towards funding the Affordable Housing, but only where other funding mechanisms will not support the total development costs.

- 5.7 Where the Council accepts that it is not possible to deliver an entirely Affordable Housing scheme on an exception site then it will be permissible for some market housing to be provided to cross subsidise the Affordable Housing. This will be on the basis that:

- An open book approach will be taken with the Council having full access to all relevant financial information for the scheme in question. The minimum amount of market housing needed to allow the delivery of the Affordable Housing will be permitted and no more.
- The Affordable Housing should always be the majority of the overall scheme.
- Land values will remain in line with typical exception sites values and the Council will not allow market housing on exception sites where it is evident that the land price exceeds the Council's evidence and experiences of typical exception site land value.
- To ensure maximum funding is provided by the market housing to cross-subsidise the Affordable Housing the Council reserves the right to make a judgement based on the circumstances of the particular scheme and the Council's own evidence as to what will be an acceptable return for the development of the market housing.
- The property size of market housing provided should normally reflect the property size of the Affordable Housing.

Housing Need in Rural Areas

- 5.8 Before the Council will grant planning permission for Affordable Housing on a Rural Exception Site, it must be satisfied that there is an evidenced need for Affordable Housing in the locality, traditionally gained from the completion of a Parish Housing needs survey. However, in the absence of a Housing Needs Survey, the Council may choose to use other sources of evidence to illustrate local need. The Council will expect rural exception sites to:

- comply with local and national planning policy;
 - have consulted the Parish Council and local residents;
 - demonstrate that the Affordable Housing could not reasonably be provided elsewhere on a site allocated for residential development;
 - be situated within or physically adjoining the development boundary of settlements as defined within the Core Strategy and be reasonably accessible to village services and facilities; and
 - be of a scale appropriate to the size and character of the individual village concerned and the level of services and facilities available in the village.
- 5.9 The housing mix and tenure split of Affordable Housing on rural exception sites will be determined by the particular local need identified in the village or local area it serves. Any permission will be subject to conditions and/or a legal obligation to ensure that initial and all subsequent occupancy is restricted to members of the local community in need of Affordable Housing. For the purposes of this policy, a 'local connection' is defined as:
- 1) was born in the settlement; and/or
 - 2) Lives in the settlement; and/or
 - 3) Has family members who are resident with the settlement (family members include parents, those with parental responsibility or guardianship, grandparents and siblings);
 - 4) Has lived in the settlement but has been forced to move away because of lack of Affordable Housing;
 - 5) Whose work provides important services and who needs to work closer to the local community.
- 5.10 If no one falls within categories 1 – 5, then those categories shall be read as if the word Settlement was deleted and replaced in turn by adjacent settlements. Persons with a connection to the place earlier in the list will take priority over persons with a connection to a place later in the lists.
- 5.11 If no person qualifies under the requirements above, then the Registered Provider may offer to grant a tenancy or shared ownership lease of the Affordable Housing unit in question to a person living within the District of Newark and Sherwood who is in housing need.
- 5.12 In preparing the SPD feedback from Registered Providers has shown the availability of suitable land to be a key barrier to the delivery of Affordable Housing, with scarcity also acting to drive up land price. In addition, other policy constraints such as flood risk can further limit the availability of suitable land in some locations, where a need has been shown. The importance of an active rural Affordable Housing programme is recognised, and so further detail over how relevant policy requirements will be interpreted is provided below. Under certain circumstances this could allow for the 'clustering' of villages in order to deliver rural Affordable Housing.
- 5.13 'Clustering' would result in Affordable Housing need identified in one location being met in another. The approach followed should be tiered- with the preference that the

need for rural Affordable Housing, identified in line with Core Policy 2 of the Amended Core Strategy, is satisfied in the location it arises wherever possible. But that where following a robust search for suitable and deliverable land, this is not possible, then consideration will be given to the potential for this to be met on site in or adjacent to an alternative village.

- 5.14 However, it is important that the housing can be reasonably said to be capable of addressing Affordable Housing needs present within the original village. Core Policy 2 of the Amended Core Strategy also refers back to the need criterion of Spatial Policy 3 'Rural Areas', which seeks new housing to support community facilities and local services. Therefore, where it is proposed to meet rural Affordable Housing through the 'clustering' of villages, then a functional relationship between the location and the original village should be present. For instance, this could include being within the same Primary School catchment or one of the villages having a concentration of local services and facilities which serves the wider area. Appropriate occupancy criteria will be set to ensure that the housing is made available the intended purpose of meeting Affordable Housing needs in the clustered area.
- 5.15 Where 'clustering' is being considered then it would not necessarily need to be limited to two villages. There may be 'chains' of settlements with a relationship to one another, and where constraints mean there are fewer opportunities to deliver rural Affordable Housing to meet identified local needs. Scale, impact and character will though be important additional considerations where 'clustering' is proposed, and schemes should be demonstrated as being acceptable when considered against the relevant criteria in Spatial Policy 3. As outlined above, there will also be an expectation that consultation is undertaken with Parish Councils and local residents where 'clustering' of rural villages is being explored.

Exception Sites and the Green Belt

- 5.16 For sites within the Green Belt, Spatial Policy 4B (Green Belt Development) of the Amended Core Strategy sets out that:

"In or adjacent to the main built up area designated protected areas of the following villages, consideration will be given to the development of Rural Affordable Housing Exceptions Sites to meet local Housing Need:

Bulcote, Caythorpe, Epperstone, Gonalston, Gunthorpe, Hoveringham, Lowdham and Oxtun.

Proposals should be in line with Core Policy 2: Rural Affordable Housing. "Development should be small scale in nature, should not have a detrimental impact on the character of the village or on the openness of the Green Belt."

- 5.17 Given the very special circumstances which development is considered appropriate in the Green Belt, as outlined in the NPPF, cross market subsidy (i.e. market housing) is not deemed appropriate in the Green Belt.

Designated Protected Areas

- 5.18 Designated Protected Areas (DPA) came into being on the 7th September 2009 (Under the Housing and Regeneration Act 2008) with the aim of ensuring that shared ownership properties can be retained in rural locations where they would be difficult to replace if stock is lost and therefore remain 'in perpetuity'.
- 5.19 Where a development site lies within an area designated under the Designated Protected Areas Order, a Registered Provider granting a shared ownership lease must, if the scheme is grant funded or not (S106), include one of two DPA fundamental clauses, either to:

DPA Clauses for shared ownership properties

- Restrict equity shared to a maximum of 80%; or
- Ensure that if the owner does staircase to 100% equity, the registered provider commits to purchase the back at any future re-sale and re-market it as a shared ownership property to a person in housing need. Any recovered grant (known as Recycled Capital Grant Funding) is usually used to re-invest in the development of replacement Affordable Housing (non S106) to ensure future need is addressed.

- 5.20 The majority of the District's smaller rural areas (under 3,000 pop) have been designated as DPA's including parts of Southwell and Bulcote which have been designated by Map, see Appendix 1 for details.

APPENDIX 1 DESIGNATED PROTECTED AREAS IN NEWARK & SHERWOOD

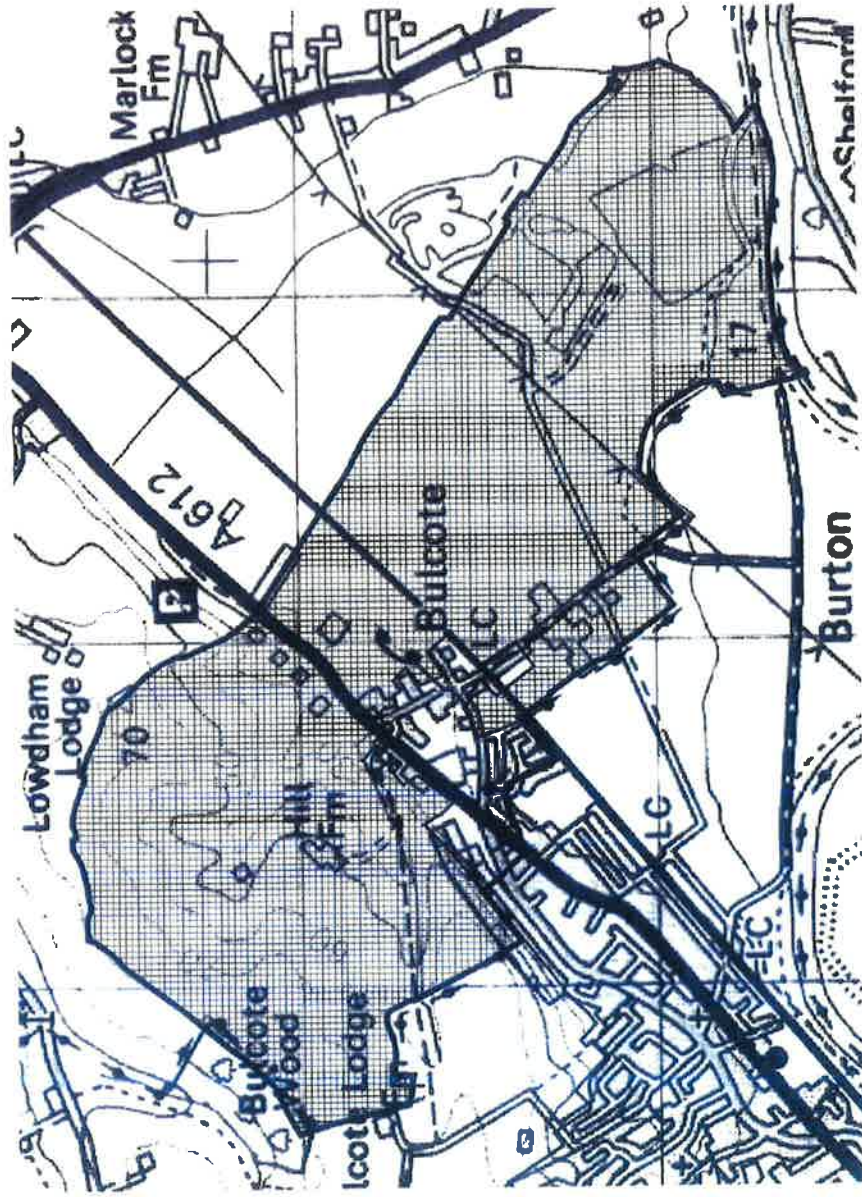


Parishes which are Designated Protected Areas in Newark & Sherwood are as follows:

Alverton, Averham,
Barnby-in-the-Willows, Bathley, Besthorpe, Bilsthorpe, Bleasby,
Carlton-on-Trent, Caunton, Caythorpe, Clipstone, Coddington, Collingham, Cotham,
Cromwell,
Eakring, East Stoke, Edingley, Egmanton, Elston, Epperstone,
Farndon, Farnsfield, Fiskerton cum Morton,
Girton, Gonalston, Grassthorpe, Gunthorpe,
Halam, Halloughton, Harby, Hawton, Holme, Hoveringham,
Kelham, Kersall, Kilvington, Kirklington, Kirton, Kneesall,
Laxton and Moorhouse, Lindhurst, Lowdham,
Maplebeck, Meering,
North Clifton, North Muskham, Norwell,
Ompton, Ossington, Oxton,
Perlethorpe cum Budby,
Rolleston, Rufford,
South Clifton, South Muskham, South Scarle, Spalford, Staunton, Staythorpe, Sutton-on-Trent, Syerston,
Thorney, Thorpe, Thurgarton,
Upton,
Walesby, Wellow, Weston, Wigsley, Winkburn, Winthorpe.

Also within the Parishes of Bulcote and Southwell parts of the parish have been designated by Map. Please see overleaf.

Bulcote Civil Parish, Nottinghamshire

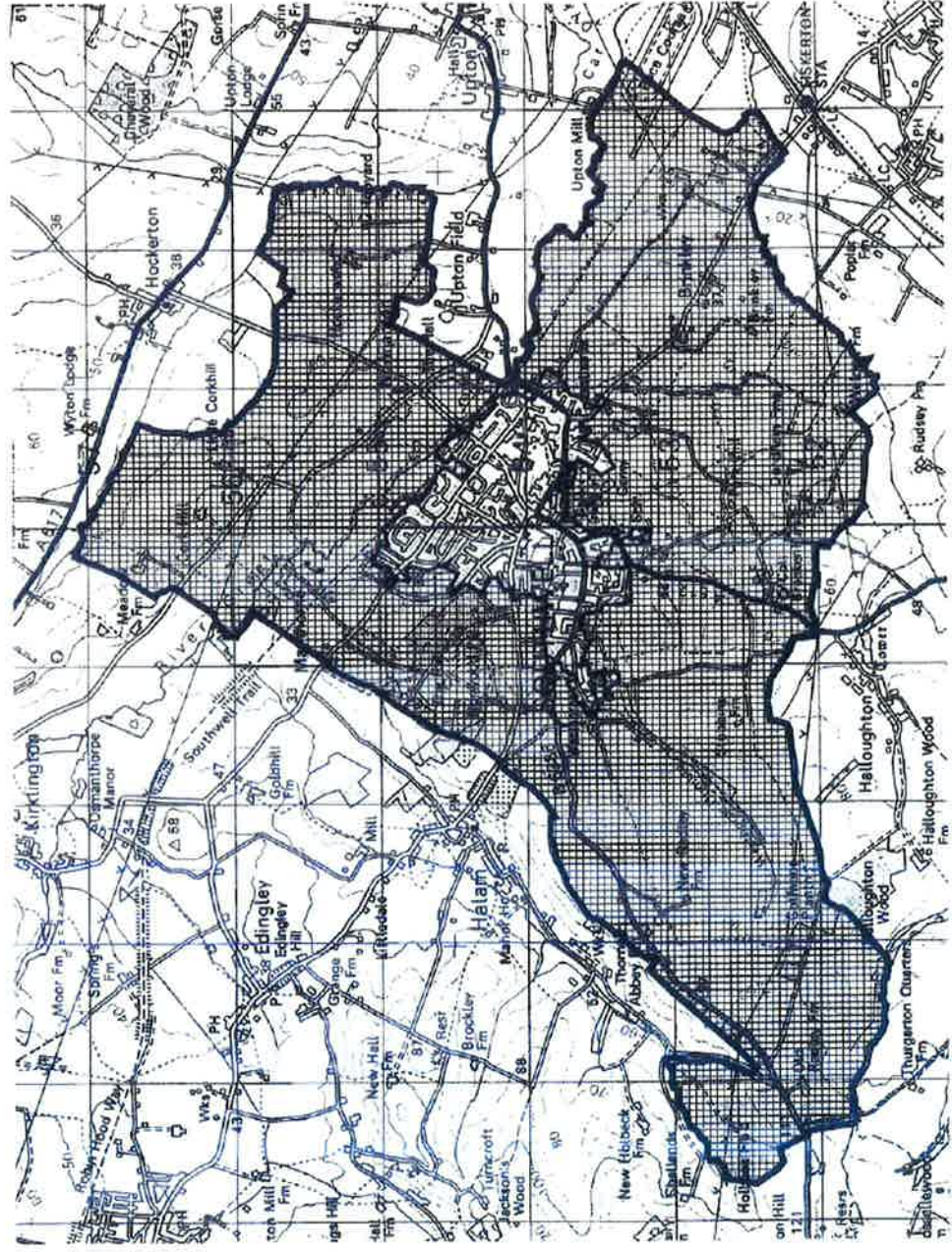


Parish area - included
 Parish boundary

Parish rural area - exempt

Crown Copyright 1996
 Map produced by the DoE Census Unit
 Boundaries as at 1991

Southwell Civil Parish, Nottinghamshire



Parish area - included



Parish rural area - exempt



Parish boundary

Crown Copyright 1996

Map produced by the DoE Census Unit.

Boundaries as at 1991