



Woking Borough Council Local Development Documents

Affordable Housing Delivery Supplementary Planning Document

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Woking Borough Council

Affordable Housing Delivery SPD

Executive summary	5
<i>Status of this document.....</i>	<i>6</i>
1.0 Introduction.....	7
2.0 Affordable housing need in Woking Borough	9
3.0 Policy context	12
3.1 National context	12
Housing and planning policy	12
3.2 Borough context	12
Woking Community Strategy.....	12
Woking Economic Strategy 2012 – 2017.....	12
Woking Housing Strategy 2011- 2016.....	12
Woking Tenancy Strategy 2013 – 2017.....	13
Woking 2027 Core Strategy.....	13
Emerging Delivery DPD.....	15
Statement of Community Involvement.....	15
Evidence base studies.....	15
Community Infrastructure Levy and affordable housing	16
Supplementary planning documents.....	16
Affordable Housing and Neighbourhood Planning.....	16
4.0 Affordability	18
4.1 Definition of affordable housing	18
4.2 Local affordability issues.....	18
4.3 Acceptable forms of affordable housing.....	19
Social Rent.....	19
Affordable Rent	19
The Council's position on Affordable Rents	20
Intermediate Housing.....	21
Shared Equity.....	21
Intermediate Rent.....	21
Shared Ownership	21
Housing not classed as affordable housing	22
Agricultural workers' dwellings	22
Other accommodation types allowed social housing relief from CIL.....	22
Affordable Traveller accommodation.....	22

5.0	Requirements for affordable housing provision	23
5.1	<i>When and how much affordable housing is required?</i>	23
5.2	<i>Greenfield site definition.....</i>	27
5.3	<i>Financial contributions from non-residential developments</i>	30
5.4	<i>Land in public private ownership</i>	30
5.5	<i>Priority places and major allocated development sites</i>	30
5.6	<i>Exceptional circumstances.....</i>	31
5.7	<i>Protection of existing affordable housing stock</i>	32
5.8	<i>Number of net additional dwellings</i>	32
5.9	<i>Calculating number of units – rounding up</i>	33
5.10	<i>Site area.....</i>	33
6.0	Planning process.....	34
6.1	<i>The planning process and affordable housing</i>	34
6.2	<i>Section 106 procedures.....</i>	34
7.0	Delivery of affordable housing on site and on alternative sites	36
7.1	<i>Types and sizes of homes.....</i>	36
7.2	<i>Tenure mix</i>	39
7.3	<i>Design, integration and community cohesion</i>	39
7.4	<i>Affordable housing development partners</i>	40
7.5	<i>Nominations</i>	41
7.6	<i>Scheduling of affordable housing delivery.....</i>	42
7.7	<i>Maintaining accommodation as affordable housing.....</i>	42
7.8	<i>Recycling of receipts</i>	42
7.9	<i>Funding of affordable housing.....</i>	43
7.10	<i>Affordable housing scheme</i>	43
7.11	<i>Effective distribution of affordable housing</i>	44
8.0	Delivery of affordable housing off site – financial contributions	45
8.1	<i>When is a financial contribution required and how is it calculated?</i>	45
	<i>Calculating the financial contribution from a residential development</i>	45
8.2	<i>Financial viability</i>	49
	<i>Viability appraisals</i>	49
	<i>Definition of viability</i>	49
	<i>Basis of viability assessment.....</i>	50
8.3	<i>Overage</i>	52
8.4	<i>Price of land</i>	52
9.0	Delivery of Affordable Housing	53
10.0	Management and monitoring	54

10.1	Monitoring	54
10.2	Review of SPD	54
10.3	Accountability	54
11.0	Appendices	55

Figures

Figure	Content
1	Core Strategy affordable housing requirements (Policy CS12)
2	Defining Greenfield land
3	Summary of the planning application process
4	Financial contribution calculation (from residential development)

Tables

Table	Content
1	Rent levels and property size
2	Level 1 affordable housing equivalent property sizes

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Executive summary

This Affordable Housing Delivery Supplementary Planning Document (SPD) forms part of Woking Borough Council's Local Development Documents. It provides guidance and information on the Council's approach to securing affordable housing through the planning process. The SPD comprises the following:

Section 1 – Introduction

- provides an explanation of the role and purpose of the SPD
- explains how to use the document, and the different kinds of appraisal process used to inform and improve the document (sustainability appraisal, habitat regulations and equalities assessments).

Section 2 – Affordable housing need in Woking Borough

- the need for affordable housing in Woking Borough and targets for its provision.

Section 3 – Policy context

- how the document links with national and local strategies, policies and research, including emerging neighbourhood plans and the Community Infrastructure Levy (CIL).

Section 4 – Affordability

- sets out the definition of affordable housing
- identifies local affordability issues
- defines what are acceptable forms of affordable housing, and
- describes the Council's approach to rents in its Tenancy Strategy.

Section 5 – Requirements for affordable housing provision

- when and how much affordable housing is required
- details the site thresholds (based on the number of dwellings) for affordable housing
- provides a definition of greenfield sites
- explains the approaches for calculating financial contributions (commuted sums) from residential development schemes
- gives a position statement on the Council's current approach on seeking affordable housing provision from non-residential development schemes
- the approach to land in joint public private ownership, to priority places and major allocated development sites
- explains protection of existing affordable housing stock, and
- illustrates the calculation of net additional dwellings and rounding conventions.

Section 6 – Planning process

- gives an overview of the planning application process, including a list of issues included in a typical affordable housing legal agreement

Section 7 – Delivery of affordable housing on site and on alternative sites

- provides detailed guidance for Developers required to deliver affordable homes on their development site or on an alternative site within Woking Borough (where agreed with the Council).
- the advice covers: the type and sizes of homes; tenure mix; design integration and community cohesion; affordable housing development partners; nominations; scheduling of

affordable housing delivery; maintaining accommodation as affordable housing; recycling of receipts; funding of affordable housing; the affordable housing scheme; and the effective distribution of affordable housing.

Section 8 – Delivery of affordable housing off site – financial contributions

- explains the circumstances in which a financial contribution is required from a residential development and how it is calculated
- clarifies the Council's approach to viability assessment, including overage and the price of land.

Section 9 – Delivery of Affordable Housing

- Commentary on the mechanisms used to deliver affordable housing in the Borough.

Section 10 – Management and monitoring

- explains the timescale for future review and monitoring of the SPD
- provides information about accountability.

Section 11 – Appendices

A glossary of terms is provided at **Appendix A**.

Status of this document

This is an adopted Supplementary Planning Document (SPD). It was adopted by the Council on 23 October 2014. Public consultation took place from 27 March to 8 May 2014. Responses to the consultation were taken into account in preparing this final document. The Consultation and Adoption Statements for this SPD are available on the Council's Woking 2027 website.

An SPD does not have the same status as a development plan document (DPD) like the Core Strategy, and it is therefore not subject to independent examination. This SPD is being prepared in line with the provisions of The Town and Country Planning Act (Local Planning) (England) Regulations 2012 and the Council's adopted [Statement of Community Involvement](#).

This SPD supersedes the Affordable Housing Supplementary Planning Guidance note (adopted 13 May 2004) and the Interim Guidance for the Calculation of Affordable Housing Developer Financial Contributions (approved for use by Full Council on 5 December 2013). Both are hereby withdrawn from use.

1.0 Introduction

The need for Affordable housing in Woking Borough is great¹ and Woking Borough Council is committed to doing all it can to address this need. The Council does this through a variety of means, including requiring developers to make provision towards affordable housing. This requirement is set out in the Core Strategy which provides the framework of future development in the Borough.

Core Strategy Policy CS12 - *Affordable housing* (see **Appendix B**) sets out the circumstances in which new affordable housing will be delivered through the planning system in Woking Borough. Policy CS12 states that the Council will prepare a Supplementary Planning Document (SPD) to provide detailed information about how the policy will be implemented. This is to provide a clear framework for the Council's Officers, elected Members, Developers and the Public to understand how affordable housing will be delivered.

This Affordable Housing Delivery SPD sets out this information. It explains what is required by the Council to determine if a development proposal aligns with the policies of the Core Strategy and explains the processes involved.

1.1 Purpose

The Woking 2027 Core Strategy, adopted in October 2012, sets out the overall strategic vision for the spatial planning and management of development in the Borough up to 2027. It sets out the planning policy that seeks to help to deliver affordable housing:

Policy CS12	<i>Affordable housing</i>	Page 70 Core Strategy
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The following other policies of the Core Strategy are also relevant to the delivery of affordable homes:

Policy CS1	<i>A spatial strategy for Woking Borough</i>	Page 29
Policy CS10	<i>Housing provision and distribution</i>	Page 63
Policy CS11	<i>Housing mix</i>	Page 68
Policy CS13	<i>Older people and vulnerable groups</i>	Page 75
Policy CS14	<i>Gypsies, Travellers and Travelling Showpeople</i>	Page 78

A Supplementary Planning Document (SPD) is a document which contains additional detail and guidance on how the local planning authority (the Council) will interpret and apply a specific policy in its Core Strategy.

The purpose of this SPD is to provide detailed guidance on the application of Policy CS12 – *Affordable housing*, to help Applicants make successful applications and aid the delivery of high quality, affordable housing in Woking Borough.

The Affordable Housing Delivery SPD will support this Core Strategy policy by providing guidance on the following matters:

- details of the size and type of affordable units that the Council will expect to be delivered on-site.

¹ taking account of re-lets and resale supply there is a need for 499 additional affordable units each year, based on dealing with the backlog of need to 2027.

- details of the distribution of affordable housing across developments (e.g. approach to ‘pepper potting’ and ‘clustering’).
- a formula for calculating financial contributions in lieu of on-site provision.
- the Council’s approach to rounding.
- details of any exceptional circumstances.
- advice on the open book approach to viability assessments.
- details on the requirement for affordable units to be secured in affordable tenure in perpetuity through the use of Section 106 agreements.
- details of Registered Providers.
- guidance on what constitutes greenfield development.

1.2 How to use this document

An adopted SPD is a material consideration in the determination of planning applications. It is therefore recommended that Applicants refer to this document for detailed guidance in the early stages of feasibility reviews, site negotiations, project planning and site design, with cross-reference to other planning policies in the Local Development Documents.

This document provides guidance on implementing Policy CS12 - *Affordable Housing* in the Core Strategy. It provides important advice on how to meet the criteria set out in this policy. By following the advice in this document, your planning application has a greater chance of gaining planning permission as it should be in line with the policies in the Borough’s development plans.

1.3 Appraisals

This SPD will form part of the Woking Local Development Documents (LDD). This Affordable Housing Delivery SPD provides guidance relating to the operation of Policy CS12 of the Core Strategy. This SPD does not introduce any additional requirements, but sets out the detail of how Policy CS12 will be applied in practice.

It has not been necessary to prepare a sustainability appraisal as there is no requirement to do so under current Regulations². On the basis of a screening process (see **Appendix C**), including consultation with the statutory consultation bodies, the Council determined in July 2012 that this SPD does not require a Strategic Environment Assessment (SEA) as there will be no significant environmental effects arising from its implementation; and that it supplements Core Strategy Policy CS12, which has been subject to a comprehensive sustainability appraisal and Habitats Regulations Assessment.

Habitats Regulations Assessment (HRA) is required to determine whether a plan or project would have significant adverse effects upon the integrity of internationally designated sites of nature conservation importance, or Natura 2000 sites. The need for HRA is set out within the EC Habitats Directive 92/43/EEC and transposed into British Law by Regulation 102 of the Conservation of Habitats and Species Regulations 2010. The screening (**Appendix C**) found Appropriate Assessment of the Affordable Housing Delivery SPD is not required.

In accordance with the Equality Act 2010, an Equality Impact Assessment (EIA) has to be carried out for all services and policies delivered by Local Authorities. A key part of the Act is the public sector Equality Duty, which has three aims. It requires public bodies to have due regard to the need to: (i) eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act; (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it; and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

² Section 19(5) of the Planning Act 2008 removed the requirement for a sustainability appraisal report to be prepared for all SPDs.

Having due regard means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. This means it is important to understanding the potential effects of policies and activities on different groups.

EIA's are a way of recording this process. They highlight the likely impact of the strategy and policies on the target groups and to take action to improve the policies where appropriate as a result.

An Equality Impact Assessment (2011) informed preparation of the Core Strategy. The Equalities Impact Assessment (2011) assessed the draft Core Strategy policies to ensure they would not negatively discriminate against any particular sector of the community. This concluded that Policy CS12 – *Affordable Housing* was likely to have a beneficial impact on certain groups, with the potential to exclude other community groups from the likely benefits of these policies being introduced. The policy is particularly relevant to lower income groups, young people, ethnic minorities, older people and disabled people.

A copy of the Core Strategy Equalities Impact Assessment can be viewed on the Council's website at <http://www.woking.gov.uk/planning/policy/ldfresearch/wokinggovukplanningeia>

An EIA also has to be submitted with every report going to a Woking Borough Council Committee. The EIA for the earlier draft of this supplementary planning document is available on the Council's website, accompanying the 20 March 2014 Executive committee report; please see www.woking.gov.uk/council/meetings/executive.

2.0 Affordable housing need in Woking Borough

2.1 Affordability

Woking is a relatively affluent borough and is placed within the top 20% of wealthiest local authorities nationally. However, affordability is a key issue; the ability for people to get on the property ladder. Affordability is a measure of whether housing can be afforded by certain groups of households and is defined by the relationship between local incomes and the local general housing market. The ability of a household to satisfy its own housing requirement is fundamentally a factor of the relationship between local house prices and household income.

High average incomes and high employment rates conceal inequalities in the distribution of wealth within the Borough. There are small pockets of relative deprivation, with Maybury and Sheerwater being the most deprived ward in Surrey and Lakeview Estate in Goldsworth Park recorded as the fifth most deprived area in Surrey.

The high cost of home ownership in Woking Borough has always presented an issue of affordability for many of the Borough's residents and leaves many people unable to afford market housing. In addition the high cost of renting on the open market leaves many local people unable to afford this tenure without dependency on benefits to meet rental levels. This increases the demand for the provision of affordable housing.

To also address this issue and to increase the overall provision of affordable housing in the Borough, the Council requires that all new residential development makes a contribution towards delivering affordable housing. In most cases, this contribution will be through on-site provision on larger schemes, on-site provision or a financial contribution for mid-sized schemes, or a financial contribution on the smallest schemes. Applicants are however advised to read Policy CS12 in full, as well as this guidance, to confirm the required form and scale of provision for their development proposal.

2.2 The facts

The following provides some key facts about affordable housing need and provision in the Borough, taken from the Core Strategy, the Land Registry and other sources.

Housing market and incomes

The Land Registry:

- Between 2002 and 2007 the average property price in Woking increased by 56%, comparing with an increase of 51% in the South East as a whole and 16% nationally.
- The mean average house price in the Borough (in Q2, 2012) was £353,826, which is consistently higher than the mean of £280,259 for the South East and £238,638 for England and Wales.
- The median house price (in Q2 2012) is lower at £265,000 for Woking Borough but is still significantly higher than the median for England and Wales at £180,000.
- The average house price in the Borough is £249,000 (2 bedroom property) and £372,000 (3 bedroom property).

From other sources:

- Average open market rents are £266 per week for 2 bedroom properties, compared to £98.00 for social rent.
- The need for a 20% deposit is the main affordability problem for those wishing to buy. A deposit of around £24,000 to £30,000 would be needed to buy 1 and 2 bedroom flats and £35,000 to £39,000 for 2 to 3 bedroom terraced houses in the Borough.
- The entry level (cheapest) costs in the for sale/private rented sector vary by location within the Borough. As at 2007, these were £142,000 /£156 per week for 1 bed properties, £214,000/£208 for 2 bed properties, £256,000/£266 for 3 bed properties and £423,000/£415 for 4 bed properties.
- The median income in the Borough in 2011 was £36,342.
- The median level of savings for all households is around £7,000, while the average level of equity was estimated to be £283,346.

Population growth

Office for National Statistics (ONS):

- The Borough population of 99,198 (2011 Census) is forecast by the ONS to increase by 10.61% between 2012 and 2027 with an increase across all population age groups.
- The most significant growth is in the over 65 age group which is set to increase by 4,600 (+33%).
- By 2033 it is estimated that the number of one person households will increase by 58% and account for 39% of all households (compared to 31% in 2008).

Need for affordable housing

Core Strategy:

- Taking account of re-lets and resale supply there is a need for 499 additional affordable units each year, based on dealing with the backlog of need to 2027.

The Council's Housing Register:

- in November 2013, there were 1617 households with active applications for affordable housing in Woking Borough, taking into account the Council's new housing allocations policy.

Affordable housing provision

Core Strategy and Strategic Housing Market Assessment (SHMA):

- The Core Strategy recognises that the need for affordable housing for those who cannot afford to obtain housing on the open market is considerable. The Council seeks to provide a target of 1,737 new affordable units within the plan period to 2027, secured on the back of new developments (equivalent to an overall target of 35%).
- The Council also recognises that this level of provision is insufficient in the context of local need which is estimated at around 499 new affordable homes a year. This figure rises to 594 new homes every year when taking into account demand. However, given the extent of environmental constraints present in the Borough, it was considered that the provision of an average of 292 dwellings per annum represents a reasonable level of housing growth for Woking and is deliverable. The Council's sustainability appraisal evidence, which assessed the impacts of alternative housing targets, supported this position. Provision of 1,737 new affordable units secured (an average of 35%) is what can realistically be achieved without constraining the overall delivery of housing in the Borough. This is the approach taken by the adopted Core Strategy.

Property type and size targets

- Core Strategy and Strategic Housing Market Assessment (SHMA): The SHMA (2009) identifies shortages across all property types, with the majority of demand within the social rented tenure is for smaller dwellings, although the requirement for social rented dwellings with 3 or more bedrooms makes up almost 40% of the demand.
- In the case of intermediate housing, the main requirement is for smaller dwellings.
- A majority of this unmet need is for family housing (2+ bedrooms). The Core Strategy explains this significant need; 92% of need is for 2+bedroom social rented units and 54% of need is for 2+ bedroom intermediate units. The Core Strategy recognises that this significant need for family homes, including affordable family homes, cannot all be met in high density flatted accommodation in the main urban centres of the Borough. Greenfield sites at Moor Lane and Brookwood Farm, and potential future release of Green Belt land, will help to address the need for family homes.
- The SHMA identifies that there is a need for 70% of new affordable dwellings to be in the rented tenure (social and affordable) and 30% at intermediate level (including shared ownership). The Core Strategy (Policy CS12) expects developments to provide an appropriate tenure mix that meets the needs of local residents, as evidenced by the latest SHMA, and that is considered affordable based on local income levels.
- There is a growing need for elderly person's accommodation, particularly for opportunities for down-sizing from existing 3 bedroom + social rented houses to smaller dwellings. Policy CS13 *Older people and vulnerable groups* protects existing specialist accommodation (unless it can be demonstrated that there is insufficient need/ demand for that type of accommodation). The Council will also allocate specific sites through the Delivery DPD to assist in bringing suitable sites forward to meet need.
- There is a need for accommodation for special needs groups. Policy CS14 *Gypsies, Travellers and Travelling Showpeople*, for example, provides for necessary additional pitches for Gypsies and Travellers and Travelling Showpeople in the Borough between 2017 and 2027.
- In the private market sector, the shortfall is for 3 bedroom dwellings although notable shortages are also shown for all mixes of accommodation (SHMA).

3.0 Policy context

3.1 National context

Housing and planning policy

The National Planning Policy Framework³ (NPPF) sets out the Government's commitment to significantly increase the supply of housing. Local authorities are expected to ensure their Local Plan (Local Development Documents) meets the full and objectively assessed needs for market and affordable housing in the housing market area, unless the adverse impacts of doing this would significantly outweigh the benefits when assessed against all the policies in Local Development Documents (LDD), or where LDD policies indicate that development should be restricted.

To ensure an area delivers a wide choice of high quality homes, to broaden opportunities for home ownership and create sustainable, inclusive and mixed communities, local authorities are expected to:

- plan for a mix of housing based on current and future demographic trends, market trends and needs of different groups in the community
- identify the size, type and tenure and range of housing required in different locations, reflecting local demand
- where a need for affordable housing is identified, set policies for meeting this need on-site, unless off-site provision or a financial contribution can be robustly justified, and contribute to creating mixed and balanced communities.

The Woking 2027 Core Strategy and emerging Delivery DPD fulfils these requirements.

3.2 Borough context

Woking Community Strategy

The Woking Partnership is a group of key organisations working together to improve life for the residents of Woking Borough. The Partnership has identified six broad themes in their long term vision for the Borough in the [Woking Community Strategy](#). Theme 4 is 'access to decent affordable housing for local people and key workers'.

Woking Economic Strategy 2012 – 2017

The [Woking Economic Strategy](#) identifies the provision of affordable housing as a priority action (priority A). It states that the Council will 'use both statutory and strategic powers to ensure there is an adequate provision of affordable housing, in the context of the approved ...Core Strategy'.

Woking Housing Strategy 2011- 2016

The Council's Housing Strategy sets out the Council's 5 year high level broad strategy for the provision and management of housing in the Borough. Its strategic objectives are to prevent homelessness and help people in housing need, help people to achieve independence and choice and make better use of all existing housing. Objective One of the Housing Strategy seeks to ensure that new homes are well-designed and affordable meeting people's needs.

In particular, its key priorities with regard to affordable housing are to:

³ The National Policy Planning Framework replaced PPS3: Housing in March 2012.

- optimise opportunities for increasing new affordable housing supply, particularly houses and family sized homes, and the range of affordable housing options through effective partnership working.
- meet the need for additional pitches for Gypsies and Travellers in conjunction with Planning Services.
- promote the effective physical and social integration of new affordable housing within existing communities.
- maximise funding opportunities for the delivery of new affordable housing.
- maximise opportunities for affordable housing delivery on Council-owned land.

Woking Tenancy Strategy 2013 – 2017

The Council's Tenancy Strategy (January 2013) provides an important strategic context for the SPD. It sets out the Council's expectations for Registered Providers (RP) of social housing operating in the Borough in order to meet the area's housing objectives set out in the Housing Strategy. In particular, the Tenancy Strategy advises on the kind of tenancies RP's should grant and the principles governing the application of Affordable Rent.

Woking 2027 Core Strategy

The Local Development Documents (LDD) of the Council comprise of the Core Strategy, the Delivery Development Plan Document (DPD) and a series of Supplementary Planning Documents (SPD). The Woking Core Strategy LDD was adopted in October 2012. The [Core Strategy](#) sets out a vision for the Borough and provides policies to guide the type, level and location of future development over the next 15 years to 2027. The programme for the preparation of the other Local Development Documents is set out in the [Local Development Scheme](#).

Amongst the key issues and challenges identified by the Core Strategy is the 'significant unmet need for affordable housing, which will have to be delivered in a period of severe public sector budget constraint and an economic downturn; The need to balance the priority to secure affordable housing with the viability of development schemes is challenging'.

Core Strategy Policy CS1 – A spatial strategy for Woking Borough advises 4,964 net additional dwellings will be delivered in the area between 2010 and 2027, with an overall affordable housing provision target of 35%. This equates to provision of 1,737 new affordable homes in the same period, an average of 102 additional affordable homes each year.

This target is substantially below the need identified locally but is one which the Council believes it can realistically deliver, having regard to:

- overall levels of development in the Borough
- the sites, and types of sites, likely to be developed
- financial viability of the policies and
- environmental constraints of the area.

Chapter five *Borough wide policies* address affordable housing from paragraph 5.79.onwards. [Core Strategy Policy CS12 – Affordable housing](#) is the main policy concerning provision of affordable housing.

CS12 requires provision of affordable housing from all new residential developments and in some cases also from non-residential developments. On-site provision of affordable housing is normally expected on larger sites (except where a proportion of provision off-site would help to ensure an effective distribution of affordable housing across the Borough). Provision from medium and small sites may be on-site or via an off-site financial contribution towards provision elsewhere in the Borough, depending upon the size and nature of the site and the development proposed.

Applicants are advised to read Policy CS12 in full, in addition to this guidance, to confirm the required form and scale of provision for their development proposal.

A copy of Policy CS12 is attached at **Appendix B**. The requirements of Policy CS12 are explained in greater detail later in this SPD (see **section 5**).

Developers should also take into account other relevant policies of the Core Strategy, including the following housing policies. Affordable housing provision within a wider development will be expected to reflect these requirements.

[Policy CS10 - Housing provision and distribution](#) provides details of the overall quantum, distribution and indicative density ranges.

[Policy CS11 - Housing mix](#) requires all residential proposals to provide a mix of dwelling types and sizes to address local needs. The appropriate percentage of different housing types and sizes for each site will depend upon the established character and density of the neighbourhood and the viability of the scheme. There is an identified significant need for more family homes in the plan period. The Council will not permit the loss of family homes on sites capable of accommodating a mix of residential units unless there are overriding policy considerations justifying this loss.

[Policy CS13 - Older people and vulnerable groups](#) supports the development of specialist accommodation for older people and vulnerable groups in suitable locations. Its requirements include the protection of existing specialist accommodation unless insufficient need/ demand is demonstrated and that new specialist accommodation should incorporate “Lifetime Homes” standards and be readily adapted to meet the needs of those with disabilities and the elderly.

[The requirements of Policy CS13](#) apply to the provision of affordable as well as market housing accommodation.

Sheltered accommodation provides a valuable accommodation resource. In particular it allows under occupying social tenants to move to smaller good quality accommodation with the reassurance that support is there when it is needed. The Council therefore believes that rents for sheltered accommodation should be set relative to existing social rent levels for sheltered accommodation in the Borough.

In respect to other forms of supported or specialist accommodation the Council will expect that registered providers will agree rents and service charges with the Council. Whilst the Council would support the use of Affordable Rent tenancies, care needs to be taken in determining rents and service charges to ensure that the overall charge remains affordable to tenants in line with the guidance given in this document and that charges from a Housing Benefit perspective are and continue to be seen to be reasonable. In this respect rents relative to social rent are most likely to be acceptable.

[Policy CS14 - Gypsies, Travellers and Travelling Showpeople](#) provides for additional pitches for Gypsies and Travellers and Travelling Showpeople. Any site considered for allocation must be deliverable (including affordable to its intended occupiers) to ensure that needs are met.

In addition, [Policy CS16 - Infrastructure delivery](#) recognises affordable housing is a form of infrastructure (see paragraph 5.132), whilst CS16, [Section six Implementation and monitoring of the Core Strategy](#), and [Appendix five Delivery and monitoring](#) provide more detail about affordable housing delivery.

Emerging Delivery DPD

The Delivery Development Plan Document (DPD) is currently being drafted but will also contain policies relevant to the provision of new affordable housing development. For example, linked to design and sustainability requirements. Applicants will be expected to have regard to these early on in preparing their proposals.

The emerging Delivery DPD will also allocate specific deliverable sites to deliver the requirements of the Core Strategy, including affordable housing. It is scheduled for adoption in 2016.

The proposed policies will replace the currently saved policies in the Woking Borough Local Plan (1999) once adopted. For more information please visit www.woking2027.info/

Statement of Community Involvement

In line with the Council's Statement of Community Involvement (SCI), some Applicants will be expected to carry out pre-application consultation, commensurate to the scale of the proposed development.

Evidence base studies

The Affordable Housing Delivery SPD draws on four key evidence base studies.

- A [Strategic Housing Market Assessment](#) (SHMA) for the Borough was completed in 2009. The SHMA provides an analysis of the whole of the West Surrey housing market area, including Woking Borough. The assessment contains information about housing costs (market, rental and affordable), incomes, population growth, affordable housing, and housing need.
- The [Economic Viability Assessment](#) (July 2010) considered and confirmed that the requirements of Policy CS13 Affordable Housing (together with the other policies of the Core Strategy) will not compromise the viability of development coming forward.
- The [Community Infrastructure Levy Viability Study](#) (January 2013). This is a viability assessment of the Community Infrastructure Levy (CIL) the Borough's proposed charging rate, to ensure that they are set at a reasonable level in order not to undermine the provision of affordable housing.
- **Considering Affordable Housing Financial Contributions: Small sites calculations / levels 2013** provides viability advice regarding the range of methodologies for calculating affordable housing financial contributions (October 2013). This is available upon request.

Community Infrastructure Levy and affordable housing

The Council is currently preparing its Community Infrastructure Levy (CIL) Charging Schedule. This is at an advanced stage. The Council has received the Examiner's report (July 2014) and will take a decision later this year regarding future steps to bring CIL into effect. CIL requires payment of a CIL charge on most new developments as the primary means of securing developer contributions towards infrastructure provision in the Borough. These requirements are set out in the Council's submitted draft Charging Schedule.

CIL will be charged per square metre net additional increase of floor space. It will apply to most new buildings, but affordable housing and any development for charitable purposes will be exempt from the charge. Contributions for these will continue to be sought through a Section 106 planning obligation. This means that, within a mixed tenure housing schemes, it is the market dwellings only that will be liable for the CIL payments.

Affordable housing will be exempt from the CIL charge. Affordable housing provision / contributions will continue to be sought through a Section 106 planning obligation.

The CIL charging rates are supported by robust evidence of viability to ensure positive viability of development. The Charging Schedule takes into account the affordable housing requirements of the Core Strategy (Policy CS12) and the methodology used for the viability assessment also takes into account development costs of previously developed land. Relevant studies are:

- [Community Infrastructure Levy Viability Study](#), Dixon Searle Partnership, January 2013
- [Economic Viability Assessment, Adams Integra](#), 2010

On the basis of the above evidence, the Council is satisfied that the introduction of CIL should not undermine the delivery of the affordable housing requirements of the Core Strategy.

For more information, visit <http://www.woking2027.info/infrastructure>

Supplementary planning documents

This Affordable Housing Delivery SPD should also be read in conjunction with relevant other supplementary planning guidance, including:

- **Design SPD:** the Council is preparing a Design SPD, which will have a direct bearing on the design of all new development in the Borough, including affordable housing. It will provide guidance on design principles for development in key areas of the Borough and how to design to meet Lifetime Homes standards. You can learn more about this at <http://www.woking2027.info/supplementary/designspd>
- **Climate Change SPD (2013):** the Council has prepared a Climate Change SPD to explain what developers need to do to meet the requirements of Core Strategy Policies CS22 Sustainable construction and CS23 Renewable and low carbon energy generation. You can read more about this <http://www.woking2027.info/supplementary/climatechangespd>

Affordable Housing and Neighbourhood Planning

The Borough wide affordable housing planning policy is provided by Core Strategy Policy CS12 *Affordable Housing*. However, plan-making does not stand still. In the future the development

plan for this area will also include adopted Neighbourhood Plans. A number of communities in Woking Borough are already working to prepare a neighbourhood plan for their area.

A Neighbourhood Plan - sometimes called a Neighbourhood Development Plan - is a way of helping local communities to influence the planning of the area in which they live and work. A Neighbourhood Plan can be used to: develop a shared vision for a neighbourhood; choose where new homes, shops, offices and other development should be built; identify and protect important local green spaces; and/or influence what new buildings should look like.

In this way, a Neighbourhood Plan can decide where and what type of development should happen in the neighbourhood. It can promote more development than is set out in the Council's Local Development Documents (LDD), but must not conflict with LDD strategic policies. So, for example, a neighbourhood plan could not adopt its own affordable housing policy if that neighbourhood policy would conflict with Policy CS12 of the adopted Core Strategy.

A community may wish to use their Neighbourhood Plan to seek to provide more affordable housing in their area, for example to help to meet housing needs of young people in their own community.

Core Strategy Policy CS12 requires developers of market housing schemes to provide affordable housing as a condition of planning permission. The Core Strategy therefore supports the delivery of affordable housing across Woking Borough and this does not need to be duplicated in Neighbourhood Plans. However, Neighbourhood Forums may wish to allocate sites specifically for affordable housing or to write more specific policies on the subject for their area.

It is possible to allocate sites solely for affordable housing in a local area, to satisfy local housing needs identified in the evidence (research) underpinning the Neighbourhood Plan.

The Government's principal agency for delivering affordable housing is the Homes and Communities Agency (HCA). The HCA provides funding to affordable housing providers that have registered with them (Registered Providers) and at the same time ensure the homes provided are affordable, of a high quality and meet local needs.

Affordable housing can be delivered by working with private land owners, developers, local authority owned housing companies and Registered Providers such as housing associations.

Affordable homes might be provided through new build affordable housing development, conversion of existing buildings, or the bringing back into use of empty or derelict homes within the Neighbourhood Area. Affordable housing provision might also be encouraged as an integral part of market housing or mixed use development.

The Localism Act 2011 also gives communities the ability to prepare a Community Right to Build Order (CRTBO), which is a type of Neighbourhood Development Order. This can allow small-scale development on a specific site to be brought forward, without the need for planning permission. A CRTBO could therefore potentially be used to develop a site for affordable housing to meet a proven local need. Please note that CRTBO are subject to some exclusions and, like Neighbourhood Plans, are subject to testing by an independent examination and a community referendum before they can be adopted.

Communities interesting in delivering affordable housing through a Neighbourhood Plan or CRTBO are encouraged to contact the Council's Planning Policy Team for more information and advice.

4.0 Affordability

4.1 Definition of affordable housing

The Core Strategy provides a definition of 'affordable housing' as follows:

"In relation to housing, 'affordable' means accommodation which meets 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; and include provisions for:

- 1. the home to be retained for future eligible households; or*
- 2. if these restrictions are lifted, for any subsidy to be recycled for alternative affordable housing provision.*

In the Council's Housing Strategy, this is taken to mean housing which meets and continues to meet the needs of people on low and middle incomes who would otherwise not be able to attain housing locally on the open market. Affordable housing is that which can be afforded where the dwelling has the smallest number of rooms appropriate to meet the needs of a household which cannot afford to buy or rent on the open market without some form of subsidy.

The preferred means of delivery of affordable housing in order of preference is:

- *Social housing either for rent, or through shared equity schemes.*
- *Subsidised low cost market housing for sale or rent (65-80% market)*
- *Off site provision - This is only considered suitable in exceptional circumstances, and can be offered via land, buildings, or financial contribution. This will be controlled with a planning obligation.*

Annex 2 of the NPPF provides the definition of affordable housing tenures."

4.2 Local affordability issues

The affordability of affordable housing is a primary issue and should be borne in mind in setting rents and sales prices.

Affordable housing is provided to "*eligible households whose needs are not met by the market*⁴". It therefore follows that affordable housing must be as affordable as possible to households on the lowest incomes, particularly those that are working and have no recourse to benefits.

The Borough is one of the most unaffordable areas of the country, both for rented and property purchase. Affordability is therefore a particular issue in Woking Borough.

The Council is concerned to ensure that the new affordable housing provided in the Borough is affordable to the greatest number of households on the Council's Housing Register and the HomeBuy Agent's List⁵.

The Council introduced a revised Housing Allocations Policy in November 2013. This sets out the requirements and circumstances for eligible persons to be registered within one of the five bands on Hometrak, the Council's Housing waiting list system. More information on the Council's Housing Allocations Policy and Hometrak can be found at <http://www.woking.gov.uk/housing/hometrak>.

⁴ National Planning Policy Framework

⁵ The HomeBuy Agent for this area is Bedfordshire Pilgrims Housing Association (BPHA)

4.3 Acceptable forms of affordable housing

Housing that is affordable can take a variety of forms. Those which the Council accept as affordable are:

Social Rent

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

Affordable Rent

Until April 2011 the main affordable rented tenure was Social Rent (see definition above). Rents were fixed by each Registered Provider in accordance with the National Rent Regime and the Registered Providers' own target rents. In April 2011 the Government, through the Homes and Communities Agency (HCA), introduced a new affordable rented tenure, "Affordable Rent", as part of the overall changes to the funding and delivery of affordable housing ([2011-2015 Affordable Homes Programme AHP](#)).

The [HCA guidance](#) states the maximum rental level for Affordable Rent should be no more than 80% of gross market rent (inclusive of service charges). This means that the Affordable Rent can be up to 80% of the local Market Rent.

The HCA advice expects Affordable Rent to be the main affordable housing product delivered through its current programme. The HCA advises that schemes which include Affordable Rent at less than 80% of local market rent will be considered for funding in very specific circumstances, such as where an Affordable Rent at 80% of local market rent would exceed the Local Housing Allowance, in other cases it will expect providers to charge rents of up to 80% of market rents to maximise financial capacity.

The Council recognises that in a time of limited grant funding from the Government Affordable Rent can be a valuable resource for Registered Providers to fund development. However Woking Borough experiences some of the highest private rents in the country, and so Affordable Rent poses a particular problem in this area as it will prove unaffordable to many local residents.

Table 1 illustrates the large increase in rent between Social Rent and maximum Affordable Rent. The impact is particularly significant on larger, family sized properties. These figures suggest that the introduction of the new Affordable Rent will lead to an increase of over 224% (around £290 per week) in the rent for a 4 bedroom house and 97% (around £82 per week) for a 1 bedroom property in real terms.

Table 1: Rent levels and property size

	Average weekly Social Rent (excluding charges) *	Average Market Rent (Median)**	80% Market Rent (maximum cost of Affordable Rent allowed)	Weekly difference
1 bedroom	£84.06	£207.62	£166.09	£82.03
2 bedroom	£101.96	£285.30	£228.24	£126.28
3 bedroom	£116.01	£349.37	£279.49	£163.48
4 bedroom	£129.76	£525.69	£420.55	£290.79

*Average rents for RP and Woking Borough Council accommodation in the Borough. Taken from [CORE](#) data. Information Q4 2012. Data only available for 1, 2 and 3+ bedrooms (3+bedrooms not broken down into 3, 4, 5 beds etc.)

**Market rents taken from www.zoopla.co.uk October 2013. A median average, rather than a mean average has been taken because there is a large range of asking rents on the private market, depending on location and property type.

The [HCA Guidance](#) recognises the need to cap some Affordable Rents, for example “*Where a rent at 80% of market rent would exceed the relevant Local Housing Allowance (LHA) cap or place the rent close to the cap*”. The current LHA rates for the Borough are shown in **Appendix D**.

The Council's position on Affordable Rents

It is acknowledged that all Registered Providers bid to the Homes and Communities Agency (HCA) for grants to deliver affordable housing are based on 80% of local market rents. However it is the Council's view that, when setting rents, housing providers should be mindful of the impact of the new Universal Credit system and associated benefit cap, which limits the total amount of benefit available to families to £500 per week. Housing Benefit can not be expected to fill the gap created by higher rent levels; nor should this dependency on benefits be encouraged.

The Council wants to ensure that Affordable Rent levels in Woking remain affordable. It will therefore expect housing providers to avoid setting rent levels that risk households being unable to afford to rent. To help to achieve this, the Council recommends that rent levels for properties of 3 or more bedrooms are no higher than 60% of the equivalent market rent level. This approach was agreed by the Council through adoption of the Tenancy Strategy (January 2013).

The Tenancy Strategy recommends the following principles for Registered Providers when applying Affordable Rent in the Borough:

- Affordable Rent should ideally not be more than local LHA levels
- Affordable Rent for properties with 3+ bedrooms should not be higher than 60% of market rents.
- Affordable Rent should not be set on sheltered accommodation because tenants will have a fixed income.

The Council acknowledges that the differential between Social Rent and Affordable Rent is less for 1 and 2 bedroom properties.

In summary, the Council recommends that Affordable Rents on new developments that are part of the Homes and Communities Agency's 4 year development plan should be:

- up to a maximum of 80% of market rent for properties of 1 or 2 bedrooms,
- and up to a maximum of 60% of market rent for properties of 3 bedrooms or more,

as long as the actual rent charged is **affordable** and not above the housing benefit cap (to ensure clients who are eligible for housing benefit will be able to claim the full rental amount).

The HCA Guidance is clear that Affordable Rent is now the principal affordable rental approach; however, there is still limited scope for Social Rent. The two tenures therefore co-exist; this is reiterated in the definitions of Affordable Housing in the National Planning Policy Framework.

Therefore, for proposed rented properties, the Council:

- a) will require social rented properties to be set at national target rents, unless there is a robust financial justification for moving to another form of rented tenure.
- b) will only accept Affordable Rents where there is a robust financial justification for doing so based on the circumstances of the specific site (or phase within a larger site), and
- c) where the Council is satisfied that there is justification for moving to Affordable Rents (or some other rented tenure), the Council recommends that rents should be set at no more than the Local Housing Allowance, or 60% and up to 80% of local market rent dependant on the number of bedrooms in the property, whichever is the lower, subject to the HCA's funding requirements.

The tables in **Appendix D** set out the current maxima and suggested rents for each Broad Rental Market Area (BRMA) of the Borough by type and size of property.

Intermediate Housing

This is housing for sale or rent provided at a cost above Social Rent, but below market levels subject to the criteria in the Affordable Housing definition above. This can include shared ownership and shared equity, other forms of affordable ownership and intermediate rent, but not affordable rented housing. Common models for intermediate housing include shared equity, intermediate rent and shared ownership housing:

Shared Equity

This is where the purchaser acquires the whole property but effectively only pays a proportion of the value, the remaining value is secured by an equity loan.

Intermediate Rent

Intermediate rent is housing available at a rent above Social Rent costs but below Market Rent levels. Generally these properties are reserved for specific groups of tenants and are let on short term tenancies.

Shared Ownership

The purchaser buys a proportion of the value of the home (25% upwards, usually no more than 70%) and the remaining share is kept by the freeholder, which is usually a Registered Provider. A subsidised rent is paid for the remainder of the equity.

Shared ownership housing must be:

- for eligible households with a maximum household income of £60,000, who cannot afford to purchase on the open market, and
- significantly more affordable than existing similar second hand market properties in the same area of the Borough, and
- affordable to the majority of Applicants on the HomeBuy List who live or work in the Borough.

In 2011 the Homes and Communities Agency (HCA) issued guidance on the purchase of shared ownership properties. The HCA expects households to purchase as high a percentage of initial equity as possible, based on their affordability criteria. Each individual household is assessed by the Registered Provider using the [HCA's affordability toolkit](#). If they can afford to purchase more than 25% they will be expected to do so. The above affordability criteria for shared ownership housing will also be applied to any other form of affordable home-ownership, including shared equity.

Housing not classed as affordable housing

Dwellings that do not meet any of the above definitions of affordable housing tenures, such as "low cost market" housing, will not be considered as affordable housing for planning purposes. This is in accordance with the National Planning Policy Framework definition of affordable housing.

Agricultural workers' dwellings

Agricultural workers' dwellings (or similar self-contained accommodation) that would demonstrably address an identified essential accommodation need and of which occupancy would be tied to that use in perpetuity will be considered to already meet an affordable housing need and will, for the purposes of Policy CS12, be considered affordable housing, as will any property let by a private registered provider of social housing, a registered social landlord or a local housing authority on an assured agricultural occupancy⁶.

Other accommodation types allowed social housing relief from CIL

Other housing types benefitting from social housing relief under the CIL Regulations 2010 (s.49) will also be considered affordable housing for the purposes of interpreting Policy CS12.

Affordable Traveller accommodation

The Council is committed to providing appropriate housing to meet the needs of the whole community. This includes provision of sufficient suitable sites for the Gypsy and Traveller and Travelling Showpeople community, which is at an affordable price.

A key objective of the Woking Housing Strategy 2011- 2016 is to meet the need for additional affordable pitches for Gypsies and Travellers. This is also the objective of [Core Strategy Policy CS14 - Gypsies, Travellers and Travelling Showpeople](#). Where provision or a contribution towards affordable Traveller accommodation is sought from a development, this will be as a part of and not in addition to the affordable housing contribution required by Policy CS12.

⁶ The Community Infrastructure Levy Regulations, England and Wales, 2010 (2010 No. 0000)

5.0 Requirements for affordable housing provision

5.1 When and how much affordable housing is required?

Earlier this year the Government consulted on a proposal to introduce into national planning policy a threshold for affordable housing provision, of 10 homes or more and/or over 1,000 combined gross floor space.. For details see [Planning performance and planning contributions: consultation](#) (CLG, March 2014). The implications of any future changes to national planning policy for Woking Borough will be considered at that time and, if appropriate, the Council will publish information to clarify its effects on the application of Core Strategy Policy CS12: Affordable Housing and the guidance set out in this document.

Policy CS12 applies to all types of residential development sites including change of use (conversion), mixed use sites that incorporate an element of residential development, older persons housing such as sheltered and extra care schemes and any other development where there is a **net increase** in the number of Class C3⁷ residential units on the site.

The Council will not seek an affordable housing contribution from specialist, non-Class C3 residential developments such as traveller accommodation (a sui generis use), any C2 uses such as nursing/residential care homes as on-site provision is often not suitable and as the Council wishes to encourage the provision of these specialist forms of accommodation where an identified need exists. However, if the extent of care is limited in a nursing home, such a use will be treated as a C3 use, which will require affordable housing provision.

Policy CS12 does not apply to developments where there will be no net increase in the number of dwellings on the site.

Where additional homes are being provided on a site where there are existing units that will remain, Policy CS12 will apply to the net increase only.

Care homes and nursing homes (Use Class C2) that generally provide non-self contained accommodation are not required to provide affordable housing. However the circumstances of each case will be considered based on the level of self-containment.

Live-work units will be treated as a residential unit for the purposes of applying Policy CS12.

Renewals of an existing planning permission for a residential development will be assessed against the most up to date planning policy requirements, including the requirement to make an affordable housing contribution under Policy CS12.

Agricultural workers' dwellings (or similar self-contained accommodation) that would demonstrably address an identified essential accommodation need and of which occupancy would be tied to that use in perpetuity will be considered to already meet an affordable housing need and will not be expected to contribute further under Policy CS12. Any property let by a private registered provider of social housing, a registered social landlord or a local housing authority on an assured agricultural occupancy⁸ will similarly be considered to already meet a housing need. However, if an application is received in the future seeking to amend a condition

⁷ see Use Classes Order 1987 (as amended)

⁸ The Community Infrastructure Levy Regulations, England and Wales, 2010 (2010 No. 0000)

or legal agreement to lift such a tie or allow alternative occupation of the property, appropriate planning benefits will be expected, including in relation to Policy CS12.

To support the delivery of affordable homes in accordance with Policy CS12, the Council will expect a site that has been sub-divided into smaller development schemes to provide the appropriate level of affordable housing that would have been achieved had the whole site come forward as a single scheme.

Similarly, the Council will resist development proposals which seeks permission for a development lower than that characteristic of the area, where this would fail to make efficient use of land and avoids otherwise greater affordable housing policy requirements under Policy CS12.

The requirement for affordable housing will be applied to the conversion or change of use of any building, whether or not it is already in residential use. The policy will not apply to residential accommodation which is to be used as incidental to the main dwelling or to staff / student accommodation provided this is clear in the planning application.

The Core Strategy sets out policies and a target for the delivery of affordable housing through residential developments. Contributions towards the provision of affordable housing will be either through the on-site provision of affordable homes or by financial contribution – depending on the size of the scheme. The provision of affordable housing or financial contributions will be secured through an appropriate legal agreement or undertaking (see section 6.2 Planning process).

The sliding scale in Policy CS12 (see **Appendix B**) seeks to:

- maximise affordable housing provision
- meet the Council's affordable housing target
- ensure that all sites, however small, make a contribution to the provision of affordable housing
- ensure that the affordable housing sought will not undermine development viability.

Figure 1 summarises the requirements of Core Strategy Policy CS12 - *Affordable Housing*.

The policy requirement differs depending on the number of **net additional units** to be developed on the site:

- on sites of 15 or more dwellings, or on-sites of over 0.5 ha (irrespective of the number of dwellings proposed), the Council will require 40% of dwellings to be affordable.
- on sites providing between 10 and 14 dwellings, the Council will require 30% of dwellings to be affordable.
- on sites providing between five and nine dwellings, the Council will require 20% of dwellings to be affordable or a financial contribution equivalent to the developer of providing 20% of the number of dwellings to be affordable on-site, which will be negotiated on a case by case basis.
- on sites providing fewer than five net dwellings, the Council will require a financial contribution equivalent to the developer providing 10% of the number of dwellings to be affordable on-site.
- all new residential development on greenfield land (see definition provided at paragraph 5.2) and land in public ownership will be required to provide 50% of the dwellings as affordable housing, irrespective of the site size or number of dwellings proposed.

Note:

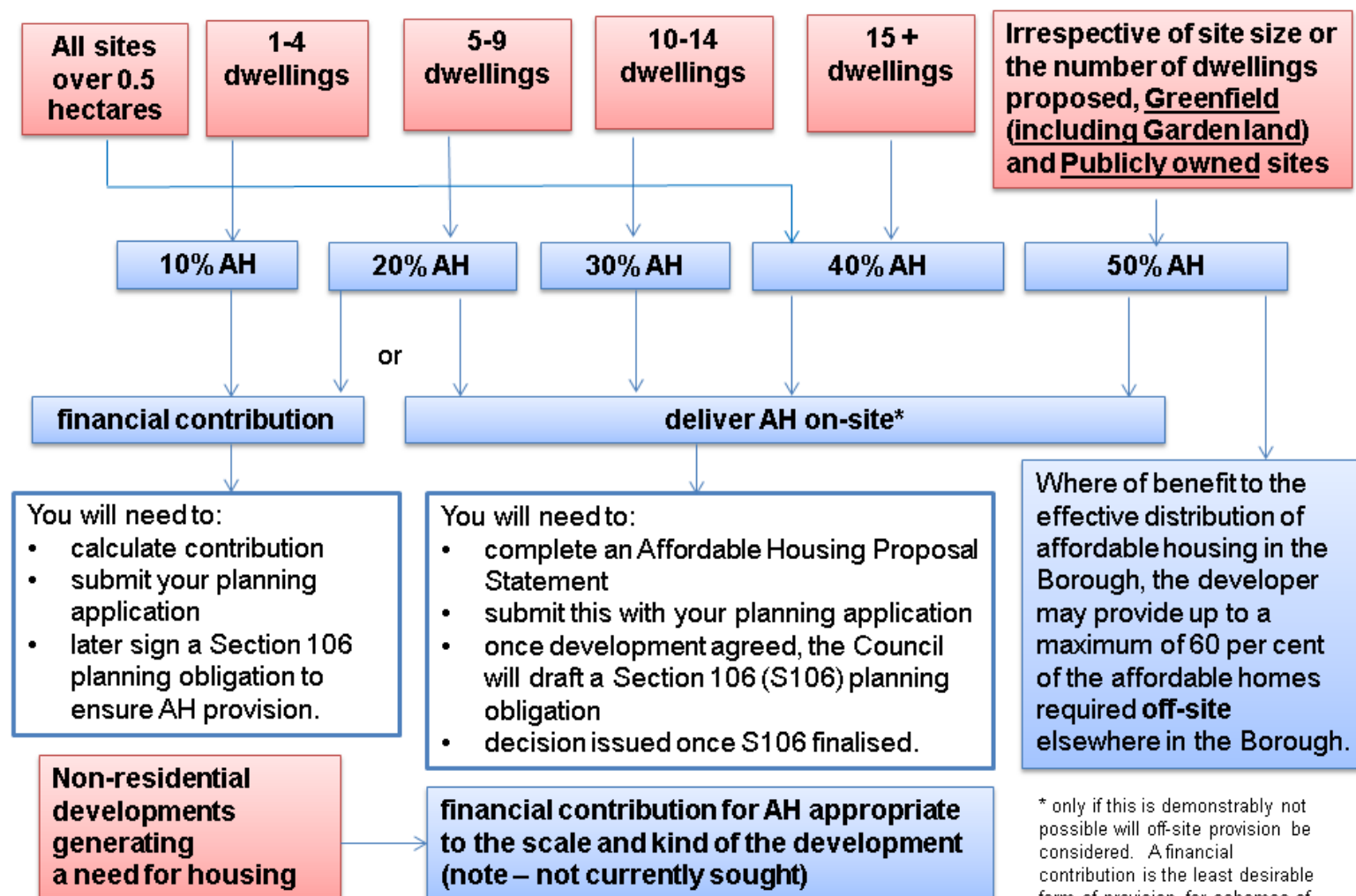
- on sites where the Council is seeking a 50% affordable housing contribution, generally, the Council's preference will be to provide all of the 50% affordable housing in-situ as part of the development. However, one of the Council's overriding objectives is to ensure an effective distribution of affordable housing across the Borough. In this regard, it is prepared to negotiate for a percentage of the 50% target to be provided off-site if that will ensure a more effective distribution of affordable housing across the Borough. The actual level of off-site provision will be determined on the merits of individual schemes that come forward. As a guide, the Council will seek to ensure that 40% of the provision is secured on-site.

This policy applies to all sites where new residential development is proposed, including mixed use schemes and proposals where there is a net increase in the number of units on a site. This will include sheltered and extra care accommodation and other forms of residential accommodation where relevant.

Detailed requirements for the provision of on-site affordable housing within schemes are given in **section 7** of this SPD.

All planning applications requiring affordable housing provision on site or those providing financial contributions for provision in an alternative off-site location should be supported by a Statement of Affordable Housing Proposals - see template attached at **Appendix E**. Applications not containing a Statement of Affordable Housing Proposals - and a Financial Viability Appraisal if appropriate (see **section 8**) - will not be registered as valid. This is reflected in the Council's local validations requirement list, available online at <http://www.woking.gov.uk/planning/makeplanningapplication>

Figure 1: Core Strategy Affordable Housing requirements (Policy CS12)



* only if this is demonstrably not possible will off-site provision be considered. A financial contribution is the least desirable form of provision for schemes of this size.

5.2 Greenfield site definition

Policy CS12 requires that Greenfield sites make a 50% affordable housing contribution.

Core Strategy paragraph 5.60 defines back garden land as 'Greenfield' land, in line with the National Planning Policy Framework (NPPF). The NPPF specifically excludes private residential gardens from the definition of 'Previously Developed Land' (PDL).

Accordingly the Council must treat **garden land** to the front, side and rear of an existing dwelling as **Greenfield land** and seek a 50% affordable housing provision from any development scheme (infill or redevelopment) that would deliver a net increase in dwellings on such a site.

When determining the affordable housing provision needed from a particular development, **the Council will take a view on whether the new development is proposed on garden land.**

If a site is garden land, the Greenfield requirement will apply: to provide 50% affordable housing on site or an equivalent financial contribution dependant upon the scheme size, unless this would demonstrably render the development unviable. If this is the case, the Applicant must provide evidence of viability to demonstrate why the contribution will make the scheme unviable (see **section 8.2**).

This will be a matter for judgement on a site by site basis, taking into account the following advice.

In the Council's view:

- the footprint of any permanent structure(s) on the site, including dwellings and significant permanent ancillary outbuildings such as garages fall within the NPPF's definition of PDL and are not Greenfield land
- small sheds, summerhouses, greenhouses, temporary car ports and similar structures are not permanent structures. These are not PDL and remain Greenfield land
- side passageways where these are over-sailed by a permanent structure will be treated as PDL and not Greenfield land
- land that is hard surfaced with tarmac, aggregate or similar is not PDL
- the Council will pay equal regard as PDL both existing permanent structures and those permanent structures largely but not wholly removed (for example, where foundations remain)
- land that was previously developed but where the remains of the permanent structure or fixed surface structure have since been wholly removed or which have blended into the landscape in the process of time are no longer PDL. These will be treated as Greenfield land for the interpretation of Policy CS12.
- the size of the development proposal (the net additional dwellings proposed) will not influence the Council's judgement of the site's status as Greenfield or PDL land
- where a proposed development would sit partly on PDL and partly on garden (Greenfield) land, the Council will take a view on which of these the development would predominantly lie. The appropriate affordable housing requirement will then apply to the whole scheme. For example, if 50% or more of the development footprint would be on

PDL, the whole development will be treated as PDL for the purposes of applying Policy CS12.

In the case of large schemes (those of 100 net additional dwellings or more in this context) the Council will require plans and calculations from the developer showing the extent and percentages across the entirety of the site that are Greenfield and PDL respectively. The Council will advise on the level of affordable housing required which it will apply to the whole scheme, having regard to this information and the requirements of Policy CS12.

- In the interests of good design, the Council may on occasion need to request an Applicant re-sites a proposed development to a position partially or wholly away from the existing footprint of permanent structure(s). In some cases this could change the view on whether the development site is Greenfield or PDL. In such cases the Council will use its discretion to advise reasonably on the appropriate affordable housing requirement to apply, whilst ensuring consistency with any other similar cases elsewhere in the Borough.

The above points are summarised in **Figure 2**.

The Council recognises that the interpretation of circumstances on a given site and in light of a given development proposal are matters of judgement.

Prospective Applicants are encouraged to seek [pre-application advice](#) from the Council before purchasing land or submitting a planning application.

Figure 2: Defining Greenfield land

Greenfield Land

All garden land.

Including:

- lawns
- paths and other hard standing (tarmac, aggregate, etc.)
- small sheds
- summerhouses
- greenhouses
- temporary car ports
- similar structures
- land that was previously developed but where the remains of the permanent structure or fixed surface structure have since been wholly removed or which have blended into the landscape in the process of time.

Previously Developed Land (PDL)

Footprint of any permanent structure(s) e.g. dwelling(s)

Significant permanent ancillary outbuildings such as garages

Side passageways where over-sailed by a permanent structure

Applies to both:

- existing permanent structures and
- permanent structures largely but not wholly removed (for example, where foundations remain)

The interpretation of circumstances on a given site and in light of a given development proposal are **matters of judgement**. Prospective applicants are encouraged to seek [pre-application advice](#) from the Council before purchasing land or submitting a planning application.

Where a proposed development would sit partly on PDL and partly on Greenfield land, the Council will take a view on which of these the development would predominantly lie and apply the appropriate affordable housing requirement to the whole scheme.

E.g. if 50% or more of the development footprint would be on PDL, the whole development will be treated as PDL for the purposes of applying Policy CS12.

5.3 Financial contributions from non-residential developments

Commercial development can put added pressure on the local housing market as new employees move to the Borough for work who may otherwise not have done so. Many commercial developments employ a wide range of employees and inevitably some of these will be on low incomes and in housing need.

Over the next 20 years there will be significant new commercial development in the Borough, particularly in Woking Town Centre, which will put added pressure on the local housing market and the need for affordable housing.

Core Strategy Policy CS12 indicates that the Council will require proposals for non-residential development that generate a need for additional housing to make an appropriate contribution to affordable provision, where market pressures are especially strong and the need for affordable housing is acute, and provided development viability would not be compromised.

The Council will seek a financial or other contribution appropriate to the scale and kind of the development and subject to an assessment of financial viability, when the above economic conditions are met.

At this stage, it is not thought that affordable housing contributions will be sought on the back of non-residential development:

Affordable housing need is acknowledged to be acute in the Borough.

However, the Council recognises that market forces are not currently strong. For this reason, affordable housing provision from non-residential development will not be requested until further notice.

At such time as the economy strengthens in the future, the Council will wish to begin seeking such provision in line with the Core Strategy.

At that time, the Council will prepare an addendum to this supplementary planning document. This will explain when and what level affordable housing provision will be sought from relevant non-residential developments. The addendum will be the subject of consultation before it is finalised, adopted and affordable housing is sought from non-residential developments generating a need.

5.4 Land in public private ownership

Like greenfield land, land in public ownership is required to provide 50% of the dwellings as affordable housing, irrespective of the site size or number of dwellings proposed.

Where site ownership is mixed - for example where a site is in joint public-private partnership - the Council (as Local Planning Authority) will take a view on the appropriate affordable housing requirement to apply, whilst ensuring consistency with similar instances elsewhere in the Borough.

5.5 Priority places and major allocated development sites

Policies CS1 and CS5 of the Core Strategy note that the ward of Maybury and Sheerwater and Lakeview Estate of Goldsworth Park are identified as Priority Places for specific proactive

actions to make a positive contribution towards addressing the challenges in these areas. In Maybury and Sheerwater, this is envisaged to involve some redevelopment, as set out in Policy CS5.

The Delivery Development Plan Document (DPD) will allocate other major development specific deliverable sites for the proposed development in the Borough.

The Council will allow some flexibility to the on-site requirements for affordable housing in the Council's regeneration areas and on other major allocated sites, where the Council considers there is an issue of tenure imbalance in the existing community.

In these circumstances the Council may decide on an alternative tenure mix, lower or higher percentage provision, provision of affordable housing on an alternative site, and/or a financial contribution. In all cases the decision will be at the Council's sole discretion based on the tenure mix of the existing community.

5.6 Exceptional circumstances

The text supporting Core Strategy Policy CS12 – *Affordable housing* explains that: *'On a limited number of occasions, the Council has approved applications for residential development which are exceptions to the adopted policies. On any future exception sites the Council will expect a substantially higher percentage of affordable housing as the primary benefit to balance the policy objection. The details will be determined on a site by site basis through negotiation. The proportion of affordable housing should not prejudice the provision of other planning elements necessary and reasonably related to the scheme. This will not override the objective of achieving sustainable development in the Borough.'* (paragraph 5.89). The Core Strategy indicates that the AHD SPD will provide details of any exceptional circumstances.

The Core Strategy provides a robust strategic planning framework for development in Woking Borough to 2027. As such, occasions whereby a residential development will be approved as an exception to adopted policies will be rare.

As stated clearly in the Core Strategy, the Council will not approve development that would conflict with the overriding objective of achieving sustainable development or which would fail to provide the infrastructure or other planning elements made necessary by the development. Where a residential proposal is recommended for approval as an exception to the adopted policies, this will be as a departure from the development plan.

Exceptional circumstances in the context of Policy CS12 *Affordable Housing* paragraph 5.89 will be those instances where a benefit(s) that a particular development will provide would significantly improve the environment, economy or quality of life in the area or wider Borough. For example, a scheme that would provide a substantial additional public open space/Suitable Accessible Natural Greenspace (SANG), would facilitate the removal of an existing historic use causing major amenity concerns, or one which would contribute significantly over normal policy requirements to help to address local needs (e.g. a 100% Affordable Housing scheme).

5.7 Protection of existing affordable housing stock

The Council will expect that the existing number of affordable homes on a site will be safeguarded and reflected in any redevelopment. This is predicated on the basis that the Core Strategy seeks to increase the amount of affordable housing in the Borough to take account of identified need. Whilst redevelopment of a site which replaces older affordable housing stock with new is often to be welcomed, this cannot be supported at the expense of a reduction in the overall number of affordable homes on the site.

In most cases the Council would expect the same number, size, and tenure, of units to be re-provided on-site or to be provided on an alternative site in parallel. The replacement units will be secured through a legal agreement or undertaking, which will specify the timing/phasing of provision include relevant trigger point(s).

In exceptional circumstances the Council may not require all of the existing units to be replaced, for example:

- Where the location of the site is not considered suitable or sustainable for affordable housing,
- Where the existing affordable housing is vacant and has been for a considerable time and the Council considers there is no reasonable prospect of it coming back into re-use,
- Where a better balance of size of affordable units is required.

Where replacement is not required the Council may negotiate a financial contribution in lieu of replacement.

5.8 Number of net additional dwellings

The number of net additional dwelling is the number of proposed dwellings less the number of existing dwellings to be demolished (see examples below). Any dwelling with a separate Council Tax registration is counted as a dwelling.

Examples of calculation of net figure

The number of net dwellings on a site will be calculated as follows:

- total number of dwellings to be provided
- less number of dwellings to be demolished or lost by conversion

Example 1: Proposal to build four houses on the rear gardens of four houses	Net dwellings
Total dwellings to be provided	4
Total dwellings to be demolished	0
Net number of dwellings to be developed	4

Example 2: Proposal to demolish one large detached house, replace with seven apartments and five houses	Net dwellings
Total dwellings to be provided	12
Total dwellings to be demolished	1
Net number of dwellings to be developed	11

Example 3 : Proposal to demolish one detached house previously converted to 2 flats and replace with 6 semi-detached houses	Net dwellings
Total dwellings to be provided	6
Total dwellings to be demolished	2
Net number of dwellings to be developed	4

5.9 Calculating number of units – rounding up

In calculating the number of units to be provided by a development, the Council will always round to the nearest number of whole units.

A standard mathematical approach to rounding will be taken. Where applying 30 per cent (or any other target that the development will stand, higher or lower) achieves 0.5 or more of a dwelling, the approach will be to round up. For example, in a scheme of 15 dwellings, applying 30% gives 4.5 dwellings, which would be rounded up to a requirement for 5 affordable homes. Anything below 0.5 will be rounded down. For example, in scheme of 18 dwellings, applying 30% gives 5.4 dwellings, which would be rounded down to 5 homes.

5.10 Site area

Policy CS12 seeks a 40% affordable housing provision for all sites of 0.5 ha or more in size. This is the total, gross area of the application site. No areas are to be discounted when assessing the size of a development site for the purposes of Policy CS12.

6.0 Planning process

6.1 The planning process and affordable housing

This section provides guidance on the planning application process for different sized developments, sets out the requirements for documentation to accompany planning applications, and the Council's approach to financial viability. It is essential that planning applications to which Policy CS12 applies address the requirements set out in this section.

Figure 3 illustrates the planning application process for all residential applications and other applications involving affordable housing provision.

All planning applications requiring affordable housing provision on site or those providing financial contributions for provision in an alternative off-site location should be supported by a Statement of Affordable Housing Proposals – see template attached at **Appendix E**. Applications not containing a Statement of Affordable Housing Proposals - and a Financial Viability Appraisal if appropriate (see **section 8.2 and Appendix F**) - will not be registered as valid.

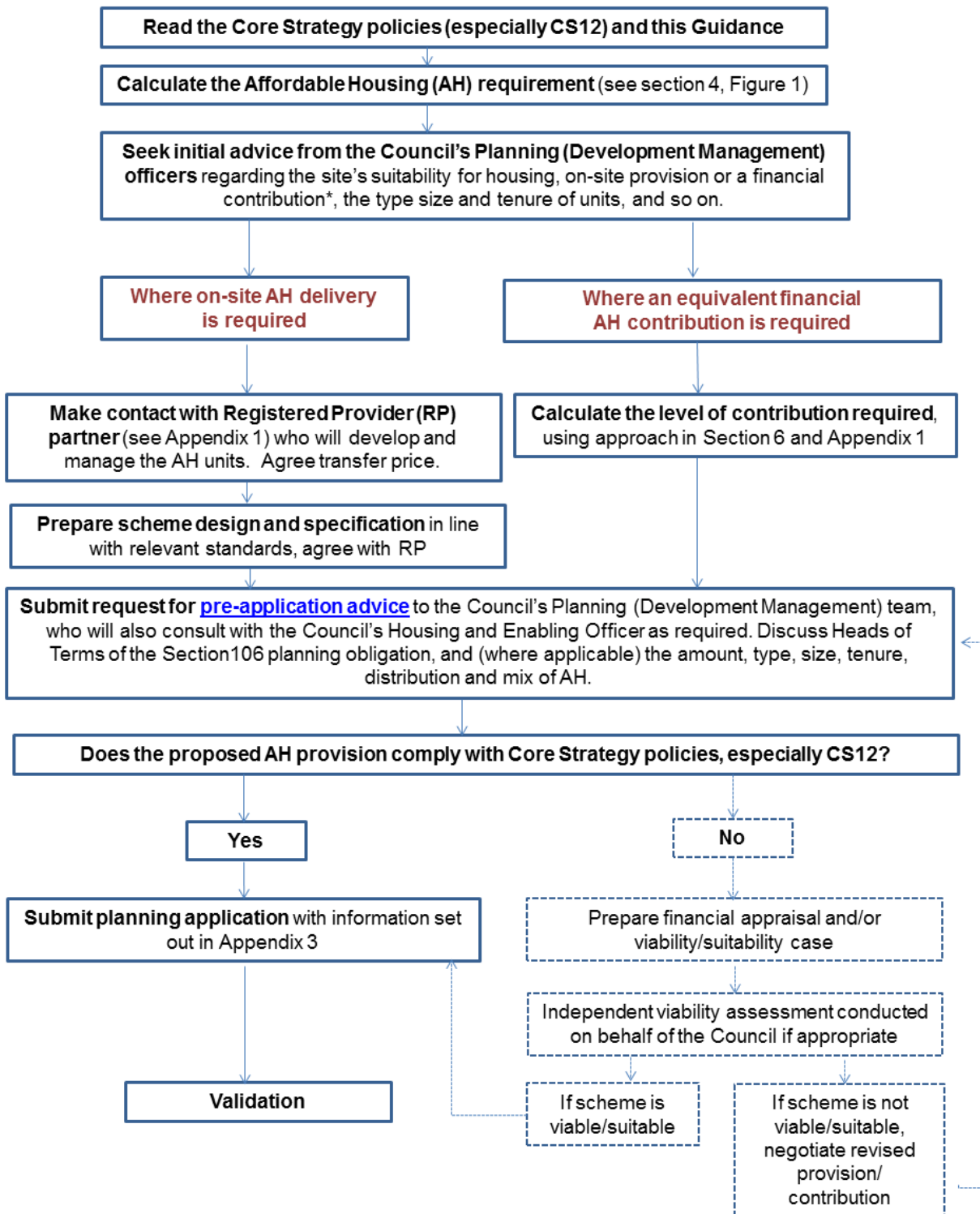
6.2 Section 106 procedures

The Council will expect the developer to enter into an appropriate Section 106 Agreement covering all aspects of the delivery of affordable housing outlined above. The content of the agreement can vary considerably from site to site so the Council does not have a standard Section 106 agreement; however **Appendix G** lists the main issues that will be included in most agreements.

The Council will draft an appropriate agreement for which a fee is payable. The fee will depend on the complexity of the agreement. An estimate of the fee payable can be obtained from the Council's Legal Services (see contacts, **Appendix K**).

Figure 3: Summary of the planning application process

Affordable housing in the planning process



7.0 Delivery of affordable housing on site and on alternative sites

This section outlines the requirements for the delivery of affordable housing within the development site (on-site) or on an agreed alternative site elsewhere in the Borough. It covers the practicalities of site delivery including: tenure mix; types and sizes of homes; affordable housing provider; affordability; affordable housing scheme; and the Section 106 legal agreement.

7.1 Types and sizes of homes

Key characteristics of a mixed community are a variety of housing types, tenures and price, and a mix of households such as couples, single person households, families with children and older people. The Council is planning for a mix of housing based on the different households that are likely to need housing over the plan period. The Council has particular regard for current and future demographic trends and profiles, the accommodation needs of specific groups such as older people and the need to balance the stock profile.

Core Strategy Policy CS11 expects developments to provide a mix of housing types to reflect the most recent Strategic Housing Market Assessment (SHMA):

1 bed	2 bed	3 bed	4 bed
19%	28%	39%	14%

The Council will expect developments to deliver this mix, however where the developer provides evidence that site viability would be compromised, or the proposed design of the development means the target mix is undeliverable the Council may negotiate an alternative size and type mix.

There is also a significant need for new affordable family (2+ bedroom) homes in the Borough. 92% of need is for 2+bedroom units, with 58% of the need for 3 bedroom properties. For intermediate units 54% of need is for 2+ bedroom units.

The Council will therefore require that a higher proportion of new affordable homes should be family homes.

Notwithstanding the above, the expectation is that affordable housing types will be delivered pro rata with the market housing – not skewed towards smaller units. So on a mainly flatted market development the affordable housing may be flats, but on developments of houses the affordable housing should also be predominantly houses.

On some sites where local need can be demonstrated, the provision of specialist or supported housing may be required. For example homes designed specifically for wheelchair users, older people (for example extra care housing), people with learning disabilities or other special needs groups. These facilities should be well located in areas of high accessibility. Subject to the specialist provision meeting identified local need the Council may, in some circumstances, agree a revised affordable housing requirement to reflect the generally higher costs of providing specialist housing.

Is it important that affordable homes are well designed and of sufficient size to enable a good living environment.

The Government has announced that it intends to publish new national space standards in Summer 2014, with implementation scheduled in early 2015. The Council will update this guidance in the future to ensure that it is always applying the latest national space standards when calculating contributions required under Policy CS12: *Affordable Housing*.

The Council does not wish to be too prescriptive on the floor area of new affordable homes; achieving good design is as important as property size. However properties do need to be of practical proportions. Conversely, if too large, the rents or sale prices will be higher than necessary⁹ Until the Government introduces any new housing space standards, the Council will use the minimum Level 1 sizes set out in the Housing Standards Review consultation document as a measure. The Council will look to ensure:

- The minimum floor area for the unit type and number of bed spaces proposed are met (set out in Table 2 next), unless there is a very robust reason for smaller sizes and the affordable housing provider has agreed to the smaller sizes prior to determination of the details of the scheme;
- the maximum floor areas should be no more than 10% above the minimum; and
- all bedrooms should be large enough to accommodate at least one adult in accordance with the room standards in the Housing Act 1985.

Table 2: Level 1 equivalent affordable housing property sizes

Note – bed spaces are the number of people that can be accommodated within the bedroom. For example, a double / twin bedroom provides two bed spaces, a single bedroom provides one bed space.

⁹ Both affordable and social rents are based on (different) calculations arising from the value of the property. Affordable housing that is larger than it needs to be will result in higher rents and/or sale prices for shared-ownership.

Unit type / No. of bedrooms	Space standard: minimum floor area (sqm)	No. of bed spaces / persons	Space standard: minimum floor area (sqm)
Flats Or Other Dwellings On One Floor			
Studio	38	1 bed spaces	38
1 bedroom	47	2 bed spaces	47
2 bedrooms	60	3 bed spaces	60
		4 bed spaces	69
3 bedrooms	73	4 bed spaces	73
		5 bed spaces	84
		6 bed spaces	93
4 bedrooms	88	5 bed spaces	88
		6 bed spaces	97
		7 bed spaces	106
		8 bed spaces	115
5 bedrooms	101	6 bed spaces	101
		7 bed spaces	110
		8 bed spaces	119
2 Storey Houses Or Other Dwellings On Two Floors			
2 bedrooms	68	3 bed spaces	68
		4 bed spaces	77
3 bedrooms	81	4 bed spaces	81
		5 bed spaces	90
		6 bed spaces	99
4 bedrooms	94	5 bed spaces	94
		6 bed spaces	103
		7 bed spaces	112
		8 bed spaces	121
5 bedrooms	107	6 bed spaces	107
		7 bed spaces	121
		8 bed spaces	125
6 bedrooms	120	7 bed spaces	120
		8 bed spaces	129
3 Storey Houses Or Other Dwellings On Three Floors			
3 bedrooms	86	4 bed spaces	86
		5 bed spaces	95
		6 bed spaces	104
4 bedrooms	99	5 bed spaces	99
		6 bed spaces	108
		7 bed spaces	117
		8 bed spaces	126
5 bedrooms	112	6 bed spaces	112
		7 bed spaces	121
		8 bed spaces	130
6 bedrooms	125	7 bed spaces	125
		8 bed spaces	134

The above requirements are intended to guide the design of affordable housing provision that will be sensitive to the character of the area and will assist in addressing local housing need. They are not intended to be prescriptive. The Council will also take into account the individual

circumstances of a proposed development site and will negotiate the most appropriate housing mix in each case.

7.2 Tenure mix

The Council will require 70% of new affordable units to be provided at Social Rent/Affordable Rent levels, and 30% as intermediate housing (affordable market, including shared ownership) in line with the Core Strategy Policy CS12.

The Council will expect developments to deliver this mix, however where the developer provides evidence that site viability would be compromised, the Council may negotiate an alternative tenure mix.

The Council will expect individual sites to deliver the target tenure mix. However, on smaller sites the Council may negotiate a revised mix having regard to the overall target and the site specifics. This may mean that some sites will be expected to deliver a single tenure in order to meet this Borough-wide target.

Policy CS12 confirms that the proportion of affordable housing to be provided by a particular site will take into account 'the need to achieve a successful housing development in terms of the location and mix of affordable homes'.

In terms of rented affordable housing the Council expects Social Rented to be provided, but will accept Affordable Rent where there is a robust justification and subject to rents being affordable and within the benefits cap (see **section 4** Affordability).

For intermediate affordable housing, the Council would normally expect this to be delivered as shared ownership housing, subject to its affordability (see **section 4** Affordability).

7.3 Design, integration and community cohesion

In designing affordable housing, account should be taken of the following design requirements:

- The affordable housing should be delivered in parallel to the market housing, i.e. not significantly in advance of, or later than the remainder of the development.
- Where on-site infrastructure or services are required (e.g. new bus route, schools etc.) the affordable housing should not be delivered until these facilities have been provided.
- Car parking spaces should be allocated to the affordable homes on the same ratio as for market housing units.
- The affordable housing should be spread around the whole development – not just in one location. Clusters of affordable housing are preferred rather than “pepper-potting”.
- The affordable housing should have good access to local or new, transport facilities, shops, play space etc.
- Affordable housing needs to be integrated into the new development, its appearance in terms of design, materials and appearance and layout should not differentiate it from the remainder of the development.
- Affordable homes should meet the latest design and quality codes and standards set out by the Homes and Communities Agency or other relevant body, as well as national guidance:

- The [Design SPD](#) will have a direct bearing on the design of all new forms of development in the Borough, including affordable housing. It will provide guidance on design principles for development in key areas of the Borough and how to design to meet Lifetime Homes standards. You can learn more about this at <http://www.woking2027.info/supplementary/designspd>
- [Design and Quality Standards](#) April 2007 (as replaced or amended from time to time)
- [Housing Quality Indicators](#)
- [Sustainable Homes Code](#)
- Indicate floor area and person number parameters for range of property types – table (HQIs)
- Codes of Guidance or Good Practice (e.g. for wheelchair housing).

Lifetime Homes

Lifetime Homes are homes designed to incorporate 16 Design Criteria that can be universally applied to new homes at minimal cost. Each design feature supports the changing needs of individuals and families at different stages of life. Lifetime Homes are all about flexibility and adaptability

Through the Core Strategy, the Council encourage new developments to incorporate the principles of Lifetime Homes. [Policy CS13 - Older people and vulnerable groups](#) requires that new specialist accommodation should incorporate “Lifetime Homes” standards and be readily adapted to meet the needs of those with disabilities and the elderly. Policy CS21 – *Design* states that all new development should be designed in an inclusive way, to be accessible to all members of the community, regardless of any disability.

These requirements apply to the provision of affordable homes.

The forthcoming Design Supplementary Planning Document (SPD) will provide guidance on design principles for development in the Borough, including how to design to meet Lifetime Homes standards.

For more information see <http://www.lifetimehomes.org.uk/pages/lifetime-homes.html>

7.4 Affordable housing development partners

The Council’s preference is for affordable housing to be provided and managed by Registered Providers (RPs) or through local authority owned housing companies with similar rent structures.

Appendix H provides contact details of Registered Providers and other development partners with housing stock or development activity in the Borough. The Council makes no recommendation regarding these organisations and it is for the developer to make their own choice regarding which organisation to proceed with, although the Council’s Housing Enabling Team is willing to broker discussions and offer advice as necessary.

It is important that developers provide details of how they intend to dispose of the affordable units as part of their planning application, to ensure confidence in delivery. This list includes those RPs practised in providing specialist as well as the more mainstream affordable accommodation types.

Whilst there are very good reasons for Registered Providers active in the Borough to be the affordable housing provider on the new developments, the Council cannot be prescriptive on this issue.

If a developer wishes to provide the affordable housing other than through a local Registered Provider, the Council will give careful consideration taking account of a number of matters, including:

- whether the organisation has any other affordable housing in the Borough,
- past commitment and performance in the Borough
- local management base and arrangements for interaction with tenants
- management arrangements for external amenity space
- rent levels
- nomination arrangements
- agreement to the Local Lettings Policy arrangements
- participation in community initiatives; and other criteria
- track record in delivering and funding affordable housing

In all cases the provider of on-site affordable housing will be required to meet the requirements in this SPD.

The provision of affordable units within developments requires developers to have an agreement in place for the acquisition and future management of the affordable units by a Registered Provider (RP) or other suitable organisation.

Chapter 9 explains more about the mechanisms used to deliver affordable housing in Woking Borough.

7.5 Nominations

Policy CS12 is intended to meet identified local housing need, it is therefore important that households with an established local connection with the Borough¹⁰, are given priority for the affordable housing provided through these policies.

Providers of affordable housing will be required to enter into a nomination agreement with the Council. The Council's usual requirement is to include a "nominations protocol" in the Section 106 agreement signed by the landowner or developer. The Council will normally require:

For rented housing:

- initial lets – 100% nominations
- relets – 75% nominations
- and all lettings not subject to nominations being given priority for local households

For homeownership:

- initial sales – 100% nominations
- resales – 100% nominations
- and any sales not subject to nominations to be given priority for local households.

¹⁰ Local Connection is defined in the Council's Housing Allocations and Nominations Policy.

Nominations will normally be made from within the Council's Housing Register, via the Hometrak system, or for homeownership, from the HomeBuy Agents List. In some cases the Council will agree a local lettings policy with the provider to meet particular needs or local circumstances. In all cases, allocations or prioritisation for affordable housing will be in accordance with the Council's Housing Register and Allocations Policy.

The nomination obligations will be required to be passed to any future owners of the affordable dwellings, or be provided elsewhere (see: Maintaining Accommodation as Affordable Housing and Recycling of Receipts next). A summary of the main issues to be included in Nominations Agreements is given in **Appendix I**.

7.6 Scheduling of affordable housing delivery

To ensure that the affordable housing is delivered before the market housing is completed; the Council will normally include a number of triggers in the legal agreement.

These may vary from site to site, but would usually be:

- Not to allow or permit occupation of more than 25 per cent of market dwellings until a contract has been entered into with a Registered Provider to deliver the affordable housing in accordance with an Affordable Housing Scheme approved by the Council.
- Not to allow or permit occupation of more than 50 per cent of market dwellings until the affordable housing has been completed and transferred to the Registered Provider and is ready and available for occupation e.g. with all access roads and paths completed and safe for use.

7.7 Maintaining accommodation as affordable housing

The definition of Affordable Housing in the NPPF makes it clear that affordable housing must remain affordable into the future. It therefore follows that there must be safeguards that either preserves the status of the affordable housing, or if it is no longer used for affordable housing, for it to be replaced or for resources to be recycled to replace the dwellings.

Affordable housing provided through the Council's planning policies must be maintained as affordable housing or replaced (see also next).

The Council will therefore require provisions in the Section 106 agreement that:

- Keep the units within the definition of affordable housing, and
- Require any purchaser (other than an occupier) to preserve the accommodation as affordable housing, or replace it within the Borough like for like, and
- Require any purchaser to take on the obligations in the nomination agreement or enter into a replacement nomination agreement.

7.8 Recycling of receipts

There are a number of reasons why affordable housing dwellings may be lost, for example a tenant's statutory acquisition of a rented dwelling, shared ownership staircasing to 100%, discharge of the charge on a shared equity dwelling etc. In all cases the Council expects the dwelling to be replaced within the Borough, or at the very least any resources arising from the disposal of the dwelling to be recycled to provide further affordable housing in the Borough.

The Section 106 agreement will contain requirements relating to:

- Continued use of affordable dwellings in perpetuity.
- The retention of obligations relating to the affordable dwellings.
- Requirements to replace the affordable dwellings.
- Requirement to recycle any receipts or Grant arising from the disposal of all or part of an affordable dwelling.

All the above requirements concerning recycling of receipts are subject to there being no conflict with current HCA policies or requirements. In the event of a conflict of these requirements with the HCA, the obligations will be amended as appropriate.

7.9 Funding of affordable housing

In formulating proposals for affordable housing, Applicant's should be aware of the limitations on the funding of affordable housing and the price that affordable housing providers can pay for affordable housing dwellings.

The HCA's Guidance¹¹ makes it clear that the provision of affordable housing through planning policies requirements should be delivered at nil Grant, and the *"assumption is that the price paid [by the provider to the developer] will be no more than the capitalised value of the net rental stream"*.

Subject to the above, the Council's latest Affordable Housing Viability Study indicates that providers may be able to pay developers in the region of 30 to 40% Market Value for social rented properties, 50 to 60% for social rented properties where the provider has a HCA grant, 50 to 60% for affordable rented properties and 65 to 70% for shared ownership properties. However developers must also take into account the Council's affordability criteria outlined in **Section 4**.

Applicants should also be aware of the full requirements of the Homes and Community's Agency's (HCA) Affordable Housing Programme, which are detailed in the HCA's Prospectus for those preparing funding bids¹¹. For example, it is the HCA's policy that refurbishing and upgrading existing homes will always be the first and preferred option; demolition should always be the last option. The HCA will expect any demolition proposals to be robustly justified within exceptional circumstances.

The Council understands that up to 75% of the AHP funding is allocated in the first bid round, the remainder being allocated through a process of Continuous Market Engagement later in the programme. For further details on the AHP see <http://www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18>.

7.10 Affordable housing scheme

Generally all of the above matters covered in this Section should be included in a Section 106 Agreement.

An Affordable Housing Scheme should be submitted where affordable housing is to be delivered on-site. It should set out how the Applicant proposes to achieve on-site affordable housing delivery working with a Registered Provider.

The most common details to be provided in the Affordable Housing Scheme (AHS) are listed in **Appendix J**.

¹¹ See <https://www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18>

There may be circumstances - particularly in the case of outline planning applications - where the details of all the relevant matters may not yet to be finalised. In such cases of on-site affordable housing delivery, the Section 106 will contain a requirement for the submission and approval of an Affordable Housing Scheme (AHS). The AHS would normally need to be submitted and approved prior to the commencement of the development or the affordable housing units; and in the case of Outline applications, prior to, or as part of, the Reserved Matters application.

7.11 Effective distribution of affordable housing

Generally the Council's preference is to secure the affordable housing in-situ on those sites where the Council is seeking a 50% affordable housing contribution. However the Council is prepared to negotiate for a proportion of affordable housing required to be provided off-site, if that will ensure a more effective distribution of affordable housing across the Borough.

In such cases the actual level of off-site provision will be determined on the merits of individual schemes that come forward. As a guide, the Council will seek to ensure that at least 40% of the provision is secured on-site.

In reaching a view, the Council will have regard to:

- the character of the areas in the vicinity of the development site and elsewhere in the Borough.
- the spatial pattern of affordable housing need across the Borough (to consider where needs are greatest, having regard to the best available evidence¹²) and the nature of those needs (for family homes (2+ bedrooms), for smaller units (1 bedroom), specialist accommodation and so on).
- the desire, wherever possible, to locate affordable housing within the same local area as the parent development funding this.
- the availability of land for housing development, including its planning status (for example, if a site already has planning permission for housing development or is allocated in the development plan for housing development).
- accessibility to local services and infrastructure, including schools, health centres and other community assets.
- the existing distribution of affordable housing across the Borough.

¹² For example Hometrak, the Council's housing waiting list system

8.0 Delivery of affordable housing off site – financial contributions

This section outlines the requirements for the provision of affordable housing off-site, using developer financial contributions. It explains how the Council will calculate the contribution required from a given development and how it will consider the issue of viability.

8.1 When is a financial contribution required and how is it calculated?

Only in a limited range of circumstances will it be appropriate for a scheme that proposes ten or more net additional dwellings to make an off-site affordable housing contribution in lieu of on-site provision. For example, for clear housing management reasons or in the interests of the effective distribution of affordable housing across the Borough.

Policy CS12 allows for off-site contributions to be made in these limited circumstances. Financial contributions are also required of all small schemes (those providing one to four net additional dwellings) and, assessed on a case by case basis, may also be sought (in place of – on-site provision) from schemes of five to nine dwellings. These requirements are summarised in **Figure 1** and explained in Section 5 above.

Contributions will be ring-fenced and used to provide affordable housing elsewhere in Woking Borough. Where possible this will be in the same locality as the development making the contribution, however contributions may be directed to other schemes which make a positive contribution to facilitating delivery of affordable homes through other mechanisms.

The Council will seek a financial contribution, that will allow affordable housing providers to secure the land in lieu of and equivalent to on-site provision.

Calculating the financial contribution from a residential development

The Council will use the following ‘residual land value’ formula to calculate financial contributions where these are required and appropriate.

This approach involves approximating the land value that needs to be replaced elsewhere and allowing for the cost of acquiring and servicing that land e.g. providing access and utilities. The applicable affordable housing percentage (according to Policy CS12) is then applied to this figure.

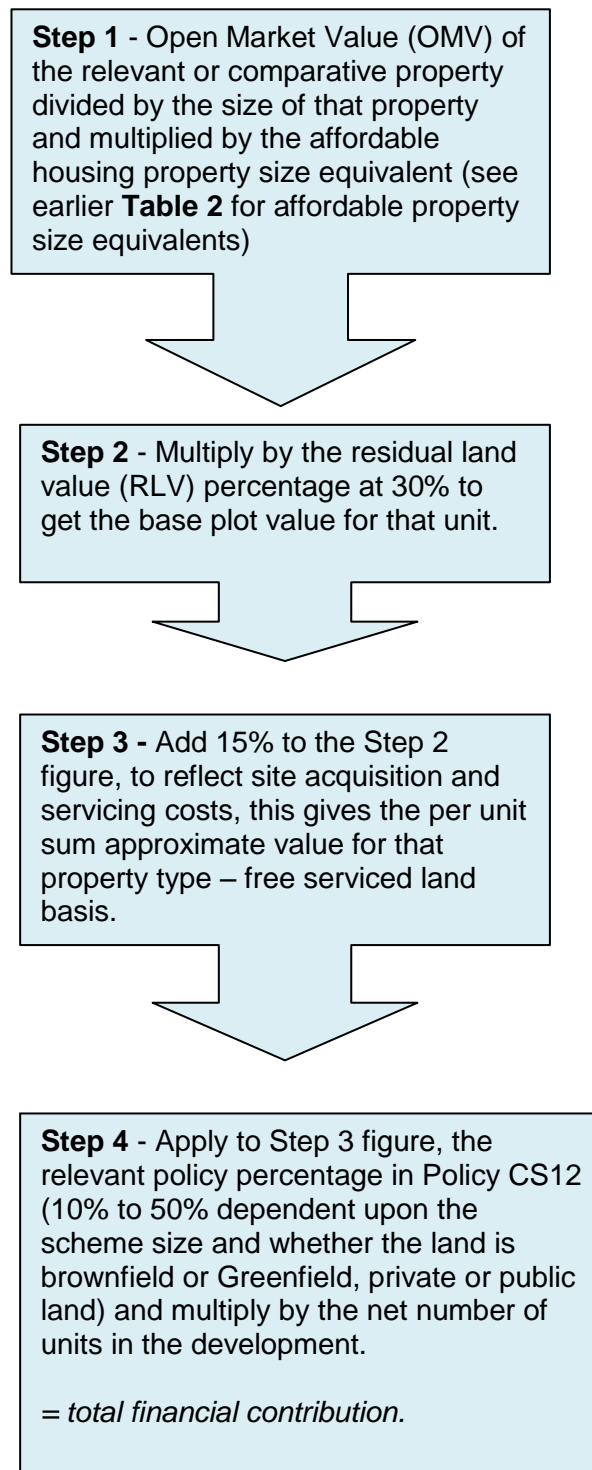
This method of calculation is widely used in Surrey and increasingly nationally. It is that recommended by the Council’s viability advisers on this matter, the Dixon Searle Partnership.

It is recognised that this approach represents only one method of calculating such contributions. It is recommended that you seek advice from a suitably qualified independent surveyor should you wish to put forward an alternative method of calculation. The Council will consider all alternatively calculated contribution figures in the context of its viability assessment evidence¹³. Any calculations producing contribution figures less than those generated by the Council’s formula approach will be questioned.

The Council will usually require financial contributions to be paid on commencement of the development.

¹³ those for the Core Strategy, Community Infrastructure Levy and advice regarding approaches to the calculation of affordable housing contributions

Figure 4: Financial contribution calculation (from residential development)



Worked examples

Please note that the figures and assumptions used to calculate these examples are notional / indicative only and are subject to changes in the economic context.

The Council recognises that values vary across the Borough. Applicants are advised to seek independent valuation advice on the Open Market Value (OMV) of their proposal to inform the calculation of contributions.

If you are preparing a planning application, you are advised to contact officers of the Council who will be happy to discuss the appropriate up to date assumptions to use in your affordable housing calculation, informed by any independent valuation advice available.

Example A: Calculating the 20% financial contribution required for sites of 5 to 9 dwellings (brownfield site)

Proposed 5 unit scheme on a site of less than 0.5 ha in area: 1 x 3 bed house and 4 x 4 bed houses

1 x 3 bedroom house (5 bedspaces) 108 sqm OMV: £378,000
Guide size for relevant or comparative affordable home = 90sqm

4 x 4 bedroom houses(6 bedspaces) 125 sqm OMV: £437,500 x 4 = £1,750,000
Guide size for relevant or comparative affordable home = 103 sqm

Step 1: Open Market Value (OMV) of a relevant or comparative development

Market value of proposed property / size of the property x affordable housing size that would have been required to be provided on-site.

3-bed house: £378,000 / 108 sqm = £3,500 per sqm

£3,500 x 90 sqm = £315,000

4-bed house: £437,500 / 125 sqm = £3,500 per sqm

£3,500 x 103 sqm = £360,500 x 4 units = £1,442,000

Total OMV of relevant or comparative development = (£315,000 + £1,442,000) = £1,757,000

Step 2: Multiply the OMV (Step 1) by the residual land value percentage (30%)

£1,757,000 x 30% = £ 527,100

Step 3: Add 15% of the result of Step 2 to reflect site acquisition and servicing costs

£527,100 + 15% = £606,115 (= base plot/land value of affordable unit)

Step 4: Apply the affordable housing policy percentage from Policy CS12 (i.e. Step 3 x 20% for brownfield development sites of 5 to 9 dwellings)

£606,115 x 20% = £121,233 Affordable Housing Financial Contribution.

Example B: Calculating the 50% financial contribution required for a Greenfield site.

Proposed 3 unit scheme: 2 x 4 bed houses and 1 x 3 bed house.

1 x 4 bedroom house (6 bedspaces) size: 125 sqm OMV: £437,500
Guide size for relevant or comparative affordable home – 103 sqm

1 x 4 bedroom house (6 bedspaces) size: 125 sqm OMV: £437,500
Guide size for relevant or comparative affordable home – 103 sqm

1 x 3 bedroom house (5 bedspaces) size: 108 sqm OMV: £378,000
Guide size for relevant or comparative affordable home – 90 sqm

Step 1: Open Market Value (OMV) of a relevant or comparative development

Market value of proposed property / size of the property x affordable housing size that would have been required to be provided on-site.

4 bed house: £437,500 / 125 sqm = £3,500 per sqm

£3,500 x 103 sqm = £360,500 x 2 units = £721,000

3 bed house: £378,000 / 108 sqm = £3,500 per sqm

£3,500 x 90 sqm = £315,000

Total OMV of relevant or comparative development = (£721,000 + £315,000) = £1,036,000

Step 2: Multiply the OMV (Step 1) by the residual land value percentage (30%)

£1,036,000 x 30% = £310,800

Step 3: Add 15% of the result of Step 2 to reflect site acquisition and servicing costs

£310,800 + 15% = £357,420 (= base plot/land value of affordable unit)

Step 4: Apply the affordable housing policy percentage from Policy CS12 (i.e. Step 3 x 50% for Greenfield development)

£357,420 x 50% = £178,710 Affordable Housing Financial Contribution.

Example C: Calculating the 20% financial contribution required for a brownfield site comprising 3 x 1 bedroom flats and 5 x 2 bedroom flats

Proposed 8 unit scheme: 3 x 1 bed flats and 5 x 2 bed flats.

3 x 1 bedroom flat (2 bedspaces) size: 52 sqm OMV: £175,000
Guide size for relevant or comparative affordable home – 47 sqm

5 x 2 bedroom flat (3 bedspaces) size: 62 sqm OMV: £210,000
Guide size for relevant or comparative affordable home – 60 sqm

Step 1: Open Market Value (OMV) of a relevant or comparative development

Market value of proposed property / size of the property x affordable housing size that would have been required to be provided on-site.

1 bed flat: £175,000 / 52 sqm = £3,365 per sqm

£3,365 x 47 sqm = £158,173 x 3 units = £474,519

2 bed flat: £210,000 / 62 sqm = £3,387 per sqm

£3,387 x 60 sqm = £203,226 x 5 units = £1,016,130

Total OMV of relevant or comparative development = (£474,519 + £1,016,130) = £1,490,649

Step 2: Multiply the OMV (Step 1) by the residual land value percentage (30%)

£1,490,649 x 30% = £447,194

Step 3: Add 15% of the result of Step 2 to reflect site acquisition and servicing costs

£447,194 + 15% = £514,274 (= base plot/land value of affordable unit)

Step 4: Apply the affordable housing policy percentage from Policy CS12 (i.e. Step 3 x 20% for brownfield site of between 5- 9 units

£514,274 x 20% = £102,855 Affordable Housing Financial Contribution.

8.2 Financial viability

Viability appraisals

The Council has tested its affordable housing policy for viability through the Affordable Housing Viability Assessment undertaken by Adams Integra for the Core Strategy. However Policy CS12 makes it clear that the application of the policy is subject to the individual site being able to sustain the costs of the affordable housing requirement (either on-site provision or a financial contribution).

There may be exceptional circumstances where the application of the Policy in full makes the site financially unviable, in these circumstances the Applicant will need to prove that the site is unviable by submitting a Financial Viability Appraisal (FVA).

The Government, through the [Growth and Infrastructure Act 2013](#), introduced the right of review and appeal of existing Section 106 agreements for affordable housing. The accompanying guidance document [Section 106 affordable housing requirements Review and Appeal](#) Annex A (April 2013) sets out principles of viability testing. Although this guidance applies to **existing** planning consents, the principles of viability can also be usefully taken into account for proposed developments. These principles are set out in **Appendix F** of this SPD.

Definition of viability

The national Local Housing Delivery Group provides a useful definition of development viability:

“An individual development can be said to be viable if, after taking into account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the

developer to ensure that the development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed”¹⁴.

If an Applicant wishes to submit a Financial Viability Assessment (FVA) this must be submitted as part of their planning application (see **section 8.2 and Appendix F** of this SPD).

Tests of financial viability need to be robust, firstly to ensure the delivery of the affordable housing target and secondly to be fair to the developers of other sites.

Basis of viability assessment

If a FVA is submitted it must meet the minimum requirements outlined next and in **Appendix F**. A FVA should comprise:

- A **Summary** clearly stating the exceptional reasons that make the site unviable; a request to vary the usual affordable housing requirements, and a summary of the main costs, revenues and assumptions etc.
- A **Detailed Appraisal** containing the information in **Appendix F** as a minimum together with supporting evidence.

The following should also be noted:

- each cost, value, revenue, assumption etc. must be evidenced from an independent expert or source
- any assumptions must be explained in detail – in line with the [Viability in Planning](#) guidance document (RICS, 2012), please provide a written summary in the application correspondence describing the viability figures provided, giving evidence for all assumptions made, and identifying all information sources.
- the Council will assume that:
 - the cost of meeting the affordable housing requirements in Policy CS12 should be reflected in the price paid, or price to be paid, for the land, and should be based on:
 - no public subsidy or grant
 - payment by the provider of the affordable housing should meet current HCA Guidance, i.e. less than market value.
- abnormal site costs should be reflected in the price paid, or to be paid, for the land.

The Council will carry out an assessment of the Financial Viability Appraisal to determine whether the information and data submitted supports the Applicant's request to vary the Affordable housing requirements on the basis of financial viability.

The Council will seek independent professional advice on submitted viability assessments where agreement cannot be reached on the projected costs and values of a proposed scheme, and its resultant viability. This professional advice is also required on completion of a development where an overage clause is employed to check and substantiate the final costs

¹⁴ Viability Testing: Local Plans, advice for planning practitioners (Local Housing Delivery Group) June 2012

and values. In accordance with Core Strategy paragraph 5.88, the developer will be asked to pay for the Council's reasonable costs in relation to independent expertise. As an indication, a typical independent viability costs £800-1,000.

The applicant's written agreement to pay these reasonable costs will be required before the Council appoints an independent professional adviser. If that written agreement is not received within the time specified by the case officer, the Local Planning Authority will proceed to determine the application on its current merits.

The application process, including any FVA must be open and transparent. However the Council recognises that some of the information or data in a FVA may be commercially sensitive. In some instances views may differ on whether a piece of information should be treated as confidential. If the Council wishes to put information into the public domain that an Applicant deems to be confidential, as a matter of procedure, the Council will notify the Applicant of its intention to publish before doing so.

The Applicant must make it clear which, if any, information or data is commercially sensitive. The Council will make a judgement as to which information is placed in the public domain. Generally the Council will put the Summary in the public domain and treat the Detailed Appraisal as confidential; however there may be exceptions to this.

A Financial Viability Appraisal is only current at the time it is made. Financial viability will change over time and with the changing economic and property markets. On large sites, that are expected to build or sell over a number of years, and particularly where the planning application is in outline, a FVA may be required for each phase and will need to be updated when the Reserved Matters application is made or prior to the commencement of each phase.

The Council would not expect such considerations to result in any renegotiation of contributions already agreed, through the outline decision, towards other types of infrastructure.

However the Council may advise in cases where viability to meet all development requirements is demonstrably not possible that the provision of affordable housing is more important than provision of other non-essential infrastructure. In such cases, the Council will negotiate to revise contributions towards those other infrastructure elements whilst continuing to require the full affordable housing provision / contribution.

Where the Council is satisfied that the usual policy requirements for affordable housing cannot be met in full due to financial viability, the Council will decide on:

- a reduced affordable housing requirement, or
- a reduced affordable housing requirement, coupled with claw back of the remaining affordable housing financial contribution through an overage clause if the development of the site proves to be more financially viable than the original Financial Viability Appraisal suggests, or
- no affordable housing requirement but claw back of the full affordable housing financial contribution through an overage clause if the development of the site proves to be more financially viable than the original Financial Viability Appraisal suggests
- if the Council considers affordable housing the priority, it will seek to renegotiate other non-essential infrastructure requirements of the Core Strategy to ensure that that levels of the affordable housing delivery are maintained. (This will only

apply to those elements of infrastructure requirements secured under Section 106, not the Community Infrastructure Levy).

8.3 Overage

Where the viability of a development scheme is demonstrably affected by the Borough's affordable housing requirement and is reduced through negotiation as a result, the Council may elect to require an overage clause.

If the Council decides that an overage claw back arrangement is required this will be incorporated into a Section 106 Agreement and will usually be based on the, final revenues (Gross Development Value) of the completed development compared with the Financial Viability Appraisal submitted with the application, taking into account what is generally accepted within the industry to be a reasonable developer profit level, (presently typically 20% of Gross Development Value¹⁵).

If the development has generated "excess" value, then the Council will claw back the surplus value above the originally predicted GDV, on a basis of 50% to the Council for affordable housing delivery purposes and 50% basis to the Applicant. This will be up to a ceiling of the full affordable housing requirement. This is considered the most equitable approach in the circumstances, having regard to the requirements of adopted Policy CS12.

The final values will be independently checked by an external consultant chosen by the Council at the Applicant's expense.

8.4 Price of land

Development schemes can often prove unviable if the costs of planning policies such as Policy CS12 Affordable Housing have not been taken into account early on and these used to inform a realistic purchase price for the land.

The policies of the Core Strategy came into effect on 25 October 2012. A thorough programme of public consultation informed preparation of the Core Strategy 2009-2012. Information regarding the Council's affordable housing policies has therefore been known for some time before the Core Strategy was adopted. The policies of the Core Strategy has been in effect for over 12 months. In this regard, the Council will expect developers and landowners to consider the overall cost of development prior to negotiating the sale or purchase of land or the acquisition or sale of an option. For this reason, **the price of land will not be accepted as a ground for non-viability where the site has been purchased since 25 October 2012.**

Appendix F explains the information the Council will require showing the purchase price.

¹⁵ It should be noted that what is currently considered to be a reasonable developer profit may reduce in the future as market conditions improve. Accordingly the Council may in future use a lower developer profit percentage level than the current 20% in its overage negotiations.

9.0 Delivery of Affordable Housing

Affordable housing is provided in Woking Borough through a range of approaches. The key delivery mechanisms are:

On-site provision

Affordable homes provided under Core Strategy Policy CS12 Affordable Housing, on a development site by the developer. For more information about on-site developer affordable housing provision, please see section 7.

Off-site provision

Affordable homes provided under Core Strategy Policy CS12 Affordable Housing, on a site elsewhere in the Borough other than the development site. These may be homes built by the developer on the alternative site or built by the Council or a partner organisation on its behalf, funded by the developer's affordable housing financial contribution.

Affordable housing developer financial contributions are employed by the Council to deliver affordable homes in the Borough. This is typically achieved through the Council's local housing companies Thamesway Housing Limited (formerly known as Woking Borough Homes) and New Vision Homes.

For more information about off-site developer affordable housing provision, please see section 7. For more information about financial contributions (commuted sums), see section 8 or the relevant delivery organisation's website.

In addition to reviewing local planning policy through the Core Strategy to require higher levels of affordable housing when new development takes place, the Council's other affordable housing delivery mechanisms include:

- Reviewing the suitability of the Council's own land holdings for the delivery of affordable housing.
- Working with private developers and housing associations to build homes which are let to households on Hometrak.
- Working with owners of empty homes to bring them back into use.
- Working with private landlords to secure long-term lets for their properties, such as through the Private Rented Scheme and Private Sector Leasing Scheme.
- Working with Thamesway Housing Limited (formerly Woking Borough Homes) to continue its property acquisition programme, purchasing market properties for use as affordable homes.
- Potentially also work with other organisations that are Registered Providers to delivery affordable homes, through property acquisition or new development.
- Priority Homes - Putting Affordable Housing First, a Housing Private Finance Initiative (PFI) project on a site north of Moor Lane to help Woking Borough Council to meet its priority of providing affordable housing homes.
- In partnership with its housing management partner, New Vision Homes, Woking Borough Council is putting forward plans to regenerate Sheerwater (subject to planning permission). The project will provide new private and affordable family-sized homes (two or more bedrooms).
- Working pro-actively to prevent homelessness through our Housing Options team.

10.0 Management and monitoring

10.1 Monitoring

The Council will monitor the operation of Core Strategy Policies CS1, CS10, CS11, CS12, CS13 and CS14 and this SPD guidance through the Annual Monitoring Report (AMR), which the Council publishes each year.

The Council will monitor the:

- number of net additional affordable dwellings permitted and completed, by location
- size, type and tenure of net additional affordable dwellings provided
- level of commuted payments collected by the Council
- amount of commuted sums collected towards affordable housing provision
- and the per cent of schemes providing affordable units on-site, off-site or via a financial payment in lieu.

10.2 Review of SPD

The Council will keep under review the SHMA to ensure that provision meets local needs. Should local evidence of need and demand through the SHMA change, the Council will consider the review of the relevant Core Strategy policy and/ or this Affordable Housing Delivery SPD as appropriate.

A review of this SPD will be scheduled into the Council's work programme if monitoring shows this would be helpful to better support the delivery of affordable homes in the Borough.

The appendices of this SPD will be revised as the information in them requires updating. Updating of information in the appendices will not be subject to consultation. The latest appendices at any time will be available on the Council's website, at <http://www.woking2027.info/supplementary>.

As described in Section 5.3, at such time as the economy strengthens in the future, the Council will wish to begin seeking affordable housing provision from non-residential development schemes, in line with Policy CS12. At that time, the Council will prepare an addendum to this SPD.

10.3 Accountability

The Council is accountable for the implementation of the Section 106 affordable housing financial contributions that are raised through the application of Policy CS12.

The Council publishes an Annual Monitoring Report (AMR) in December each year. This provides commentary on the planning contributions levied through the use of S106 powers (currently) for enabling affordable housing development in the Borough. For more information see <http://www.woking.gov.uk/planning/policy/ldf/amr>

11.0 Appendices

Appendix	Content
A	Glossary of key terms
B	Core Strategy Policy CS12 - <i>Affordable housing</i>
C	Sustainability appraisal and Habitat Regulations s Assessment screening
D	Local Housing Allowance and Affordable Rents
E	Statement of Affordable Housing Proposals
F	Financial Viability Appraisals
G	Summary of heads of terms for Section 106 agreements
H	Key contacts including Registered Providers
I	Nominations Agreements
J	Affordable Housing Scheme
K	More information

Appendix A: Glossary of key terms

Adoption: the formal approval or acceptance of planning documents by the Council.

Affordability: the ability of people to get onto the property ladder, whether households can access or sustain costs of private sector housing. Affordability is defined by the relationship between local incomes and the local general housing market.

Affordable Housing Scheme: the information an Applicant should provide to the Council with their planning application, setting out how they intend to procure the affordable homes on their development site. For example, enquiries they have made at this early stage with Registered Providers regarding the sale and management of the affordable homes proposed. See also Appendix J.

Affordable homes / housing: homes with an element of public subsidy provided by either the private or public sector to make costs affordable for households on a low or moderate income. Includes social rented, intermediate, and affordable rent housing.

Affordable Rent: a form of affordable housing charged at up to 80% of local market rent (including service charges where applicable). However, see section 4.3 of this document for local interpretation.

Annual Monitoring Report (AMR): the Council produces an AMR each year to assess the performance and effects of the Local Development Documents.

Broad Rental Market Area (BRMA): an area defined by the Valuation Office Agency as an area of residential accommodation within which a person could move and still have access to similar services of a similar standard. Woking Borough falls across two Broad Rental Market Areas (Guildford and Walton) and each is defined by specific postcodes. Each Broad Rental Market Area has its own set of Local Housing Allowance (LHA) rates.

Clustering: the location of small groups of affordable homes within a larger development scheme.

Community: usually refers to those living within a specific area but can be any group with shared needs or interests living in the Borough.

Community Infrastructure Levy (CIL): a standard charge set by a local authority levied on new development. For example, the CIL may be levied as a certain amount per square metre of development. The money would be used to pay for transport, schools and health centres, flood defences, play areas, parks and other green spaces.

Community Strategy: the Borough's long-term vision for improving the quality of people's lives, with the aim of improving the economic, social and environmental well-being of the Borough. Also referred to as a Sustainable Community Strategy.

Compulsory Purchase Order: the purchase of a house or other property by a local authority or government department for public use or to make way for development, irrespective of whether or not the owner wishes to sell.

Core Strategy: sets out the long-term vision for the Borough. The [Core Strategy for Woking Borough](#) was adopted in October 2012. It provides the main strategic policies and proposals to deliver that vision.

Deprivation: deprivation covers a broad range of issues and refers to unmet needs caused by a lack of resources of all kinds, not just financial. The Council uses the [English Indices of Deprivation](#), which identify areas of deprivation. The English Indices of Deprivation attempt to measure a broader concept of multiple deprivation, made up of several distinct dimensions, or domains, of deprivation.

Development Plan: a document setting out the local planning authority's policies and proposals for the development and use of land and buildings in the authority's area. This includes adopted Local Plans and neighbourhood plans.

Delivery DPD: a DPD which Woking Borough Council is preparing to provide detailed development management planning policies, and site allocations to specify exactly where new development will take place in accordance with the policies set out in the Core Strategy.

Development Plan Document (DPD): Local Development Documents (LDD) documents containing the core planning policies and proposals. These are subject to independent examination. Woking Borough Council is intending to prepare the following DPDs: Core Strategy, Delivery DPD, and Proposals Map.

Examination: formal examination of Local Development Document (LDD) documents by an independent inspector appointed by the Secretary of State. SPDs are not subject to examination.

Equalities Impact Assessment: a transparent assessment of the impact of a local authority's decisions on equality.

Equity share: the owner owns a percentage of the property and the remainder is owned by a third party (landowner, developer or employer). No rent is charged on the unsold equity, but the purchaser may be expected to buy at the market value at a specified time in the future.

Extra care accommodation: very sheltered housing or assisted living apartments.

Family home: a property with 2 or more bedrooms.

Financial contribution: payments to the Council through a Section 106 Agreement, usually on completion of a development. A financial contribution (payment) made by the planning Applicant (usually a developer / house builder) under the terms of a planning agreement (section.106 / s.106 agreement).

Greenfield development: see full explanation provided in section 5.2 of this SPD.

Gross Development Value (GDV): the open market value of the completed unit or units. If a certain site has a proposed development scheme containing multiple dwellings/units, the GDV of that property/site will be the figure based upon the total value possible from the sale of all the units within that proposed development

Habitat Regulations Assessment (HRA): also known as Appropriate Assessment. HRAs are used to determine whether a plan or project would have significant adverse affects upon the integrity of internationally designated sites of nature conservation importance, or Natura 2000 sites. The need for HRA is set out within the EC Habitats Directive 92/43/EEC and transposed into British Law by Regulation 102 of the Conservation of Habitats and Species Regulations 2010.

HomeBuy: a Government initiative that assists eligible individuals and families seeking a home ownership or rental solution to find solutions that meet their current needs. The Government has appointed a number of HomeBuy Agents throughout England to help those who are seeking to live in specific areas; the HomeBuy Agent for this area is Bedfordshire Pilgrims Housing Association (BPHA). For more information please see <http://www.woking.gov.uk/housing/options/homebuy>

Hometrak: the Housing Register / waiting list on which people in housing need register for affordable housing, and are placed in bands of priority. In Woking the register is managed through a system called Hometrak. More information on the Council's Housing Allocations Policy and Hometrak can be found at <http://www.woking.gov.uk/housing/hometrak>.

Homes and Communities Agency: the Homes and Communities Agency is the national housing and regeneration agency for England. Find out more at <http://www.homesandcommunities.co.uk/>

Housing Associations: also known as Registered Providers, regulated by the Homes and Communities Agency, providing affordable homes for rent or sale.

Housing Register / waiting list: the list on which people in housing need register for affordable housing, and are placed in bands of priority. In Woking the register is managed through a system called Hometrak.

Housing Strategy: the Council's adopted document for addressing housing issues in the Borough, adopted in 2011, and to be reviewed in 2015.

Infrastructure: Includes transport, affordable housing, education, health, social and community facilities, public services, utility services, flood alleviation measures, and green facilities such as parks and gardens. A full definition is provided in the Woking 2027 Core Strategy at paragraph 5.132.

Inspector: representative from the Planning Inspectorate, which is an impartial government agency. Leads the examination of the Core Strategy.

Intermediate housing: see section 4.3.

Leasehold accommodation: where the purchaser takes a lease on a property rather than acquiring the freehold, and pays a ground rent to the owner for the upkeep of certain common areas.

Legal agreements: see planning obligations.

Lifetime Homes (standards): Lifetime Homes are ordinary homes designed to incorporate 16 Design Criteria that can be universally applied to new homes at minimal cost. Each design feature supports the changing needs of individuals and families at different stages of life. Lifetime Homes are all about flexibility and adaptability. For more information see <http://www.lifetimehomes.org.uk/pages/lifetime-homes.html>

Local Development Documents (LDD): documents providing the framework for planning in the Borough and guiding planning decisions. Comprises development plan documents, supplementary planning documents and Statement of Community Involvement i.e. both statutory and non-statutory documents.

Local Development Scheme (LDS): three-year project plan for the production of Local Development Documents. The latest Local Development Scheme for Woking Borough available on the Council's [Woking 2027 website](#).

Local Housing Allowance (LHA): rates applicable in a Broad Rental Market Area (BRMA).

Local Housing Delivery Group: a cross-industry group involving a broad group of stakeholders with an interest in home building in England. For more information see http://www.local.gov.uk/environment-planning-and-housing/-/journal_content/56/10180/3619786/ARTICLE

Low cost housing: general term for sub-market housing, including affordable homes.

Market housing: open market housing for private sale or rent with no subsidy

Mix: the range of different types and size of dwellings within a development, for example, the proportion of flats and houses within a scheme and their respective number of bedrooms.

Mixed tenure: developments where there is a mix of units that are for sale or rent on the open market, and units which are affordable usually for rent or shared ownership sale.

National Planning Policy Framework (NPPF): sets out the coalition Government's proposed vision for sustainable development through a set of economic, environmental and social planning policies.

Net additional: the extra dwellings provided by a development scheme. For example, if two houses are to be demolished and six built on the same site, four net additional homes will be provided by the development.

Nominations: method by which councils are able to put forward people from their Waiting List for affordable homes, usually provided through means of a section 106 agreement with developers and Registered Providers.

Nursing home: residential accommodation falling within Class C2 Residential institutions of the Use Classes Order 1987 (as amended).

Pepper potting: the distribution of affordable units within a development so as to avoid affordable homes being physically segregated from the open market dwellings.

Perpetuity: in an affordable housing context, homes secured as affordable into the future, for example by planning restrictions on the resale of affordable housing so that it cannot be lost to the market.

Planning Inspectorate (PINS): the Planning Inspectorate holds independent examinations to determine whether or not DPDs are 'sound'. The Planning Inspectorate also handles planning and enforcement appeals. SPDs are not subject to examination.

Planning obligations: legal agreement between a local planning authority (council) and a developer, or undertakings offered unilaterally by a developer, that ensure that certain extra works related to a development are undertaken. For example, the provision of a certain number of affordable homes at a given time. Sometimes also called Section 106 legal agreements, pursuant to section 106 of the Town & Country Planning Act 1990.

Previously Developed Land (PDL): Also known as brownfield land. Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it

should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or has been occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures; land in built-up areas such as private residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape in the process of time. See also section 5.2 of this SPD.

Proposals Map: a part of the Local Development Documents showing the location of proposals in all current development plan documents on an ordnance survey base map. Can be a development plan document itself or part of another. Also referred to as the Policies Map.

Public ownership: ownership of an asset (such as land or building) by a part of the Government. For example, ownership by a local authority (Borough / District or County Council) or the Ministry of Defence (MOD).

Open Market Value (OMV): the price of a home on the open property market, its value on the housing market.

Overage: a type of arrangement incorporated into a Section 106 Agreement that seeks to claw back 'excess' profits generated by a development, in comparison with those estimated in the original financial viability appraisal. See also section 8.3 of this document.

Registered Provider (RP): also commonly known as Housing Associations, and previously called Registered Social Landlords, which are regulated by the Homes and Communities Agency to manage and build affordable homes.

Relet: the allocation of an affordable home to a new occupier(s).

Representations: general comments or responses to a consultation which support or object to proposals.

Resale: the resale of an affordable property.

Residual Land Value (RLV): meaning land value and referred to as a residual because it is the amount remaining after a calculation that deducts from the Gross Development Value (GDV) the various costs of development (e.g. usually comprising of costs including build costs and contingencies, professional fees, site purchase costs, finance costs, developer's profit, marketing and sales expenses). The amount left over (hence 'residual') indicates the land price that can be justified by the calculation and the assumptions used within it.

Scoping Report: this report details the scope and level of detail to be included within the Sustainability Appraisal (SA), including the sustainability effects and options which need to be considered, the assessment methods used, and the structure and contents of the SA report.

Section 106 legal agreements: see planning obligations.

Shared ownership: a scheme aimed at providing first time buyers, who cannot afford to buy outright a home suited to their needs. The buyer purchases a part of the equity, paying rent on the remainder, which is usually retained by a Registered Provider.

Sheltered housing: housing specifically for older and/or disabled people. Includes a block or group of homes with resident or visiting warden, and individual homes, bungalows and flats, which receive support from a mobile warden or pendant (emergency) alarm service.

Site specific allocations: allocation of sites for specific or mixed use development.

Social rented homes: affordable housing provided for rent at or close to rents below market levels to eligible groups on housing waiting lists. Provided and managed by local authorities (councils), Registered Providers or other bodies.

Sound/soundness: describes where a DPD is considered to 'show good judgement' and also to fulfil the expectations of legislation, as well as conforming to national and regional planning policy.

Spatial policies: location specific policies addressing issues such as the natural environment, the Green Belt and housing.

Specialist accommodation: dwellings for people with special needs, including elderly persons, persons with mental or physical needs or temporary accommodation. There are certain types of residential accommodation, which cater for sectors of the community with specific needs. These are often related to the more vulnerable members of society, or those who would benefit from a higher level of on-site support. This need can be divided into two broad groupings – the growing elderly population, and those who may need specialist social support.

Special needs housing: housing to meet the needs of groups of people who may be disadvantaged, such as elderly, the disabled, students, young single people, rough sleepers, the homeless, those needing accommodation, key workers, travellers and occupiers of mobile homes and houseboats.

Statement of Community Involvement (SCI): sets out the Council's standards for involving the community in the preparation, alteration and review of Local Development Documents and the consideration of planning applications.

Statement of Community Involvement (SCI): a key document within the Local Development Documents prepared, which sets out how the local community and stakeholders will be involved in the preparation of LDD documents. It also sets out arrangements for involving the community when considering planning applications and major proposals for development.

Statement of Affordable Housing Proposals: see section 5.1 and Appendix E.

Strategic Environment Assessment (SEA): an environmental assessment of plans and programmes, including Development Plan Documents. A system of incorporating environmental considerations into policies, plans and programmes. It is sometimes referred to as Strategic Environmental Impact Assessment. The specific term Strategic Environmental Assessment relates to European Union policy.

Strategic Housing Land Availability Assessment (SHLAA): research that identifies specific deliverable and developable sites, to demonstrate how the level of housing supply set out in the adopted Core Strategy is to be achieved.

Strategic Housing Market Assessment (SHMA): an assessment of the estimated demand for market housing and need for affordable housing in a defined geographical area, in terms of distribution, house types and sizes and the specific requirements of particular groups and which considers future demographics.

Subsidy: for Registered Providers grant funding from the Homes and Communities Agency through its Affordable Homes Programme to enable dwellings to be provided at below open market rent or sale for people in housing need.

Supplementary Planning Document (SPD): non-statutory documents that expand upon policies and proposals in development plan documents (DPDs), guiding the delivery of development and the principles set out in the Core Strategy. Unlike Development Plan Documents, SPDs do not form part of the statutory development plan.

Sustainability appraisal: a social, economic and environmental assessment primarily used for DPDs, incorporating the requirements of the Strategic Environmental Assessment (SEA) Directive. Sustainability appraisal assesses the economic, environmental and social effects of a plan from the outset of the preparation process to allow decisions to be made that accord with sustainable development.

Sustainable development: the core principle underpinning the planning system, as set out in the National Planning Policy Framework (NPPF). This means meeting the needs of the present without compromising the ability of future generations to meet theirs.

Tenure: the nature of the structure by which people own or rent their home. For example – owner occupied, private rented, Registered Provider or council rented.

Threshold: the number of dwelling units that triggers, for example, the affordable housing requirement on a market housing scheme.

Traveller: the term ‘traveller’ is used to refer to Gypsies, Travellers, and Travelling Showpeople

Trigger point: the point in time or in the construction of a development at which a particular planning contribution is required to be undertaken. For example, the payment of an affordable housing financial contribution.

Viability: the economic viability of a scheme, assessed through a financial appraisal process of costs and values. A full definition is given in section 8.2.

Woking Partnership: represents the residential, business, statutory and voluntary interests of the area. Members include the Police and Crime Commissioner’s Office, Surrey and Sussex Probation Service, Surrey Police, Surrey County Council, Woking Chamber of Commerce, Woking Association of Voluntary Service, Community Learning Partnership, and Woking People of Faith.

Appendix B: Policy CS12 – Affordable housing

CS12: Affordable housing

Between 2010 and 2027 the overall target for affordable housing is 35% of all new homes, equivalent to 1,737 new affordable homes.

All new residential development on previously developed (brownfield) land will be expected to contribute towards the provision of affordable housing in accordance with the following criteria.

- On sites providing 15 or more dwellings, or on sites of over 0.5ha (irrespective of the number of dwellings proposed), the Council will require 40% of dwellings to be affordable.
- On sites providing between 10 and 14 new dwellings, the Council will require 30% of dwellings to be affordable.
- On sites providing between five and nine new dwellings, the Council will require 20% of dwellings to be affordable or a financial contribution equivalent to the cost to the developer of providing 20% of the number of dwellings to be affordable on site, which will be negotiated on a case-by-case basis.
- On sites providing fewer than five new dwellings, the Council will require a financial contribution equivalent to the cost to the developer of providing 10% of the number of the dwellings to be affordable on site.

The mechanisms for calculating financial contributions in lieu of on site provision will be set out in the Affordable Housing Delivery SPD.

The affordable housing threshold and targets will apply to all new homes that are being proposed.

All new residential development on Greenfield land and land in public ownership will be required to provide 50% of the dwellings as affordable housing, irrespective of the site size or number of dwellings proposed.

On sites where the Council is seeking a 50% affordable housing contribution, generally, the Council's preference will be to provide all the 50% affordable housing in-situ as part of the development. However, one of its over-riding objectives is to ensure an effective distribution of affordable housing across the Borough. In this regard, it is prepared to negotiate for a percentage of the 50% target to be provided offsite if that will ensure a more effective distribution of affordable housing across the Borough. The actual level of off-site provision will be determined on the merits of individual schemes that will come forward. As a guide, the Council will seek to ensure that 40% of the provision is secured in-situ.

The proportion of affordable housing to be provided by a particular site will take into account the following factors.

- The need to provide an appropriate tenure mix that meets the needs of local residents, as evidenced by the latest SHMA, and that is considered affordable based on local income levels.
- The requirement for significant provision of new affordable family homes.
- Constraints on the development of the site imposed by other planning objectives.
- The need to achieve a successful housing development in terms of the location and mix of affordable homes.
- The costs relating to the development; in particular the financial viability of developing

the site (using an approved viability model).

If a site allocated or identified for housing is sub-divided so as to create two or more separate development schemes one or more of which falls below the relevant threshold, the Council will seek an appropriate level of affordable housing to reflect the provision that would have been achieved on the site as a whole had it come forward as a single scheme for the allocated or identified site.

The delivery of affordable housing will be provided in accordance with the following order of priority.

- On-site as part of the development and distributed across the development as much as is reasonable and practical to create a sustainable, balanced community.
- On an alternative site, only if provision would result in a more effective use of available resources or would meet an identified housing need, such as providing a better social mix and wider housing choice.
- A financial payment to be utilised in providing affordable housing on an alternative site.

Non residential developments which generate a need for housing will be required to provide a financial contribution towards the provision of new affordable housing which will be appropriate to the scale and kind of the development and subject to an assessment of financial viability.

Planning conditions and/or obligations will be used to ensure that the affordable housing will remain at an affordable price for future eligible households, or for the subsidy to be recycled to alternative affordable housing provision.

Full details of how this policy will be implemented will be set out in an Affordable Housing Delivery SPD.

Reasoned justification

The Strategic Housing Market Assessment (SHMA) has found that 58% of households are likely to require market housing and 42% are likely to require affordable housing over the Plan period. Table 3 next shows the likely profile of households requiring market and affordable housing over the Plan period.

Table 3: Likely profile of households requiring market and affordable housing

	Market housing	Affordable housing
Multi-person households (including families with children)	55%	25%
Couples	30%	26%
Single persons	15%	49%

The Council will seek to make provision for a target of 1,737 new affordable units secured on the back of new developments (equivalent to a headline target of 35%). The Council recognises that the level of provision set out above is insufficient in the context of local need which is estimated at around 499 new affordable homes a year, however, this is what can realistically be achieved without constraining the overall delivery of housing in the Borough.

This policy applies to all sites where new residential development is proposed, including mixed use schemes and proposals where there is a net increase in the number of units on a site. This

will include sheltered and extra care accommodation and other forms of residential accommodation where relevant.

Hierarchy of provision – alternative sites

The Council will expect new affordable housing to be provided on site in the first instance. If, in accordance with the policy, a case is advanced justifying provision on an alternative site, it will be the responsibility of the Applicant to identify a suitable alternative site. To ensure no overall loss of affordable units, the alternative site will be expected to deliver those units foregone on the original site plus any affordable units that would be required should the alternative site in itself also trigger the requirement to provide affordable housing. In such circumstances the Council will require an amount of affordable housing commensurate with that which could have been secured had the site come forward in its own right in addition to the quantum of affordable housing to be provided to secure compliance with obligations for the original site.

Contributions from non-residential developments

Commercial development can put added pressure on the housing market as new employees move to the Borough for work who may otherwise not have done so. Many commercial developments employ a wide range of employees and inevitably some of these will be on low incomes and in housing need. The Council will require proposals for non-residential development which generates needs for additional housing to make an appropriate contribution to affordable provision, where market pressures are especially strong and the need for affordable housing is acute. Over the Plan period, there will be significant new commercial development in the Borough, particularly in the town centre, which will put added pressure on the local housing market and the need for affordable housing. Where a need for affordable housing is directly related to a commercial development, the Council will seek a financial or other contribution appropriate to the scale and kind of the development. Full details will be set out in the Affordable Housing Delivery SPD.

Tenure split

The Council will expect that new affordable dwellings should be delivered in accordance with the tenure split as evidenced in the latest SHMA. The SHMA (2009) identifies that there is a need for 70% of new affordable dwellings to be in the rented tenure (social and affordable) and 30% at intermediate level (including shared ownership).

Affordable housing mix

Policy CS11: Housing mix seeks to secure a sustainable range of dwellings in order to create balanced communities in the Borough. The dwelling mix required by the policy is based on the evidence provided by the current SHMA for all new housing. The SHMA also identifies, however, that there is a significant need for new affordable family (2+ bedroom) homes (92% of need is for 2+ bedroom social rented units and 54% of need is for 2+ bedroom intermediate units). The Council will therefore require that a higher proportion of new affordable homes should be family homes.

Viability

In exceptional circumstances, where the provision of affordable housing in accordance with this policy is not economically viable, the Council will expect the submission of financial appraisal information alongside the planning application. Applicants will be expected to pay for an independent review of the information submitted. If the Council is satisfied that affordable housing cannot be provided in accordance with this policy, it will seek to negotiate alternative provision. Further details on this matter will be set out in the Affordable Housing Delivery SPD.

Exceptional circumstances

On the basis of the results of the SHMA and the SHLAA, it is clear that the Council will not be able to deliver sufficient affordable housing to meet the level of identified need. The Council will therefore explore opportunities to deliver affordable housing from other sources of sites. On a

limited number of occasions, the Council has approved applications for residential development which are exceptions to the adopted policies. On any future exception sites the Council will expect a substantially higher percentage of affordable housing as the primary benefit to balance the policy objection. The details will be determined on a site by site basis through negotiation. The proportion of affordable housing should not prejudice the provision of other planning elements necessary and reasonably related to the scheme. This will not override the objective of achieving sustainable development in the Borough.

Delivery strategy

This policy will be delivered through working in partnership with developers, landowners, Registered Social Landlords and the Homes and Communities Agency (HCA) to bring sites forward to ensure maximum affordable housing provision.

Through the Annual Monitoring Report the Council will keep under review the affordable housing trajectory, and monitor delivery against target provision. Monitoring provision in this way will enable the Council to react at an early stage to any problems with delivery and the consideration of actions which may include the allocation of additional land to meet affordable housing needs or the use of Compulsory Purchase Order powers, in accordance with the Implementation and Delivery Plan.

Financial contributions collected by the Council in lieu of on site provision will be used to fund new affordable homes through the following mechanisms:

- Woking Borough Homes.
- The provision of grant funding to Registered Social Landlords.
- The provision of grant funding directly to a developer.

The Council will prepare and keep under review an Affordable Housing Delivery SPD which will provide detailed information regarding the implementation and delivery of this policy. Specifically, the SPD will include:

- A formula for calculating financial contributions in lieu of on site provision.
- Details of the size and type of units that the Council will expect to be delivered on site.
- Details of the distribution of affordable housing across developments (e.g. approach to 'pepper potting' and 'clustering').
- The Council's approach to rounding.
- Details of any exceptional circumstances.
- Advice on the open book approach to viability assessments.
- Details on the requirement for affordable units to be secured in affordable tenure in perpetuity through the use of section 106 agreements.
- Details of the Council's preferred RSL partners.
- Details of design standards for new affordable homes.

The Council will keep under review the SHMA to ensure that provision meets local needs. Should local evidence of need and demand through the SHMA change, the Council will consider the review of this policy and/ or the Affordable Housing Delivery SPD as appropriate.

Monitoring and review

The policy will be measured against the following indicators and targets annually through the AMR to enable the Council to effectively manage affordable housing delivery:

- Number of net additional affordable dwellings provided.
- Size, type and tenure of net additional affordable dwellings provided.

- Level of commuted payments collected by the Council.

Key evidence base

Strategic Housing Market Assessment (SHMA), 2009 produced by Fordhams Research.

Economic Viability Assessment 2010, produced by Adams Integra.

Appendix C: Responses from statutory consultees regarding screening opinion



**Woking Borough Council
Local Development Documents**

Affordable Housing Supplementary Planning Document (SPD)

**Strategic Environmental Assessment
SCREENING STATEMENT**

**Determination under Regulation 9 of the Environmental Assessment of Plans and
Programmes Regulations 2004**



5 July 2012

1. Introduction

1.1. This statement sets out the Council's determination under Regulation 9 (1) of The Environmental Assessment of Plans and Programmes Regulations 2004 on whether or not a Strategic Environmental Assessment is required for the Affordable Housing Supplementary Planning Document (SPD).

Strategic Environmental Assessment

1.2. Under the requirements of European Union Directive 2001/42/EC (Strategic Environmental Assessment (SEA) Directive)) and the Environmental Assessment of Plans and Programmes Regulations (2004), specific types of plans that set the framework for the future development consent of projects must be subject to an environmental assessment.

1.3. There are exceptions to this requirement for plans that determine the use of a small area at a local level and for minor modifications if it has been determined that the plan is unlikely to have significant environmental effects.

1.4. In accordance with the provisions of the SEA Directive and the Environmental Assessment of Plans and Programmes Regulations (2004) (Regulation 9 (1)), the Council must determine if a plan requires an environmental assessment. Where the Borough Council determines that SEA is not required then under Regulation 9(3) the Council must prepare a statement setting out the reasons for this determination. This statement is the Borough Council's Regulation 9(3) statement.

Sustainability Appraisal

1.5. Under separate legislation (the Planning and Compulsory Purchase Act 2004 and associated Regulations), the Council is required to carry out a Sustainability Appraisal (SA) for all Development Plan Documents. This considers the social and economic impacts of a plan as well as the environmental impacts.

1.6. In accordance with current Regulations (Town & Country Planning (Local Planning) (England) Regulations 2012) SA is not required to be carried out for SPD. However, despite this, it is still necessary to determine the need for SEA.

Habitats Regulations Assessment

1.7. Habitats Regulations Assessment (HRA) is required to determine whether a plan or project would have significant adverse effects upon the integrity of internationally designated sites of nature conservation importance, or Natura 2000 sites. The need for HRA is set out within the EC Habitats Directive 92/43/EEC and transposed into British Law by Regulation 102 of the Conservation of Habitats and Species Regulations 2010.

1.8. The Directive states that any plan or project not connected or necessary for a sites management, but likely to have significant effects thereon shall be subject to appropriate assessment. As the Affordable Housing SPD will not set the framework for future plans or projects there is no pathway (either direct or indirect) for significant effects to arise. **As such, it is considered that Appropriate Assessment of the Affordable Housing SPD is not required.** Moreover, it is for individual planning applications or plans that set the framework for those applications to undergo HRA.

The SEA Screening Process

1.9. The process for determining whether or not an SEA is required is called screening. In order to screen, it is necessary to determine if a plan will have significant environmental effects using the criteria set out in Annex II of the Directive and Schedule I of the Regulations. A determination cannot be made until the three statutory consultation bodies have been consulted: The Environment Agency, Natural England and English Heritage.

1.10. Within 28 days of making its determination the authority must publish a statement, such as this one, setting out its decision. If it determines that an SEA is not required, the statement must include the reasons for this.

Background to the proposed SPD

1.11 Core Strategy policy CS12: Affordable Housing sets out the circumstances under which new affordable housing will be delivered through the planning system in Woking Borough. Policy CS12 states that the Council will prepare SPD to provide detailed information regarding how the policy will be implemented in order to provide a clear framework for Council Officers, Elected Members, developers and the public to understand how affordable housing is to be delivered. Importantly, policy CS12 has been subject to a comprehensive sustainability appraisal (including SEA) and HRA and any potential effects on the social, environmental and economic indicators have been addressed through the Core Strategy. The SPD will not introduce any additional requirements, but will set out the detail of how CS12 will apply in practice.

1.12. Specifically, the SPD will set out:

- A formula for calculating financial contributions in lieu of on-site provision.
- Details of the size and type of units that the Council will expect to be delivered on site.
- Details of the distribution of affordable housing across developments (e.g. approach to 'pepper potting' and 'clustering').
- The Council's approach to rounding.
- Details of any exceptional circumstances.
- Advice on the open book approach to viability assessments.
- Details on the requirement for affordable units to be secured in affordable tenure in perpetuity through the use of section 106 agreements.
- Details of the Council's preferred RSL partners.
- Details of design standards for new affordable homes.

1.13. The SPD will not in itself set the level of development or allocate land.

SEA Determination and reasons for determination

1.14. In accordance with the regulations, before making a determination under Regulation 9, the three statutory consultation bodies were consulted. The responses received are summarised in the following table.

Consultation body	Response
English Heritage	Agree with the Council's opinions that Strategic Environmental Assessment is not required under the SEA Directive and Environmental Assessment of Plans and Programmes Regulations (2004) for the proposed Supplementary Planning Document on Affordable Housing.
Environment	No response received at 5 July 2012.

Agency	
Natural England	<p>Strategic Environmental Assessment Based on the information provided Natural England does not consider the proposed Supplementary Planning Document's (SPD) potential impacts to be significant to the natural environment. The LPA should however seek their own legal guidance on the application of the SEA Directive and take into account the responses of other statutory consultees at the screening stage, before making a decision on the requirement to prepare an SEA.</p> <p>Habitats Regulations Assessment Provided that the affordable housing is delivered in accordance with the measures set out to protect the Thames Basin Heath Special Protection Area (SPA) in Woking Core Strategy and that this SPD will not introduce new policies or proposals to those set out in the Core Strategy, Natural England concurs with the screening conclusion that the SPD will not have a likely significant effect on European sites including Thames Basin Heaths SPA.</p>

1.15. Appendix 1 sets out the process for determining if the SPD will have significant environmental effects using the criteria set out in Annex II of the Directive and Schedule I of the Regulations.

1.16. On the basis of the screening process **it is the Council's opinion that the Affordable Housing SPD does not require an SEA** under the SEA Directive and Environmental Assessment of Plans and Programmes Regulations (2004). This is because there will be no significant environmental effects arising from its implementation and that it supplements Core Strategy policy CS12: Affordable Housing.

1.17 **This determination has been made on 5 July 2012.**

Appendix 1 – SEA Screening for the Affordable Housing SPD

Criteria (Annex II of SEA Directive and Schedule I of Regulations)	Woking Borough Council response
<i>Characteristics of the plan or programme</i>	
(a) The degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources.	The framework is guided by national policy and determined locally through Core Strategy policy CS12: Affordable Housing. The SPD will supplement CS12 to ensure successful implementation at a local level. The SPD will not set the framework for the allocation or levels of development within the Borough over the plan period.
(b) The degree to which the plan or programme influences other plans and programmes including those in a hierarchy.	The SPD will provide detailed information on the practical implementation of Core Strategy policy CS12, which has been prepared in accordance with national planning policy.
(c) The relevance of the plan or	The SPD has no significant relevance to

Criteria (Annex II of SEA Directive and Schedule I of Regulations)	Woking Borough Council response
programme for the integration of environmental considerations, in particular with a view to promoting sustainable development.	the integration of environmental considerations. The SPD seeks the promotion of sustainable development in that it provides information required to ensure the provision of new affordable homes within the Borough.
(d) Environmental problems relevant to the plan or programme.	None.
(e) The relevance of the plan or programme for the implementation of Community (EU) legislation on the environment (for example, plans and programmes linked to waste management or water protection).	None.
<i>Characteristics of the effects and of the area likely to be affected</i>	
(a) The probability, duration, frequency and reversibility of the effects.	The proposed SPD will not in itself set out or bring forward development. It will purely set out the mechanisms for interpreting Core Strategy policy CS12 in practice.
(b) The cumulative nature of the effects	Given the nature of the SPD, it is considered that no cumulative effects will arise.
(c) The trans boundary nature of the effects	Given the nature of the SPD, it is considered that no trans boundary effects will arise
(d) The risks to human health or the environment (for example, due to accidents)	None
(e) The magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected)	The SPD will form part of Woking's Local Development Documents. As such the SPD is a Borough-wide document that will affect all planning applications for new residential development, in accordance with policy CS12.
(f) The value and vulnerability of the area likely to be affected due to: i) Special natural characteristics or cultural heritage; ii) Exceeded environmental quality standards or limit values; iii) Intensive land use.	Given the nature of the document: i) None ii) None iii) None
(g) The effects on areas or landscapes which have recognised national, Community or international protection status.	None

Appendix D: Local Housing Allowance and Affordable Rents

A) April 2014 Local Housing Allowance areas in the Borough:

Town/Area	Weekly Rent (Including service and management charges)			
	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Guildford BRMA	£168.98	£214.38	£265.38	£346.15
Walton BRMA	£166.74	£213.19	£273.93	£367.92

B) Suggested maximum Affordable Rents (Including all service and management charges)

Weekly Rent (Including service and management charges)					
1 bedroom flat	2 bedroom flat	2 bedroom house	3 bedroom flat	3 bedroom house	4 bedroom house
Market Rent £208.00	Market Rent £230.00	Market Rent £265.00	Market Rent £300.00	Market Rent £350.00	Market Rent £525.00
80% max	80% max	80% max	70 % max	60% max	60% max
£166.40	£184.00	£212.00	£210.00	£210.00	£315.00

Appendix E: Statement of Affordable Housing Proposals

Applications requiring affordable housing provision on site or those providing financial contributions for provision in an alternative off-site location should be accompanied by a Statement of Affordable Housing Proposals (SAHP) outlining the proposed methods of meeting the affordable housing requirements outlined in this SPD and in particular the issues listed in section 5.1.

The Applicant is advised to seek [pre-application advice](#) with the Council on their proposals for the affordable housing.

The statement should cover the following issues. If any information is unknown at the time of the application the reason for this should be stated below in the relevant section.

Statement of Affordable Housing Proposals	
Application site	
Application Description	
Has the Applicant read the Affordable Housing Delivery Supplementary Planning Document?	Yes / No
Has the Applicant had discussion concerning the affordable housing provision with the Council, if so who?	Yes/No Officer:
Calculated number of net additional units	
Proposed Affordable Housing Registered Provider	
Number of affordable housing units to be provided	
Type and tenure of proposed affordable housing	
Any other information re the affordable housing requirements or proposals	

Appendix F: Financial Viability Appraisals

Background information on financial viability and Financial Viability Appraisals is given in section 8.2. The following requirements should to be read in conjunction with that section. The Financial Viability Assessment should contain as a minimum the following information and data:

- a) the methodology used for the appraisal and details of any appraisal software or toolkits used.
- b) land values, both current and at the time of purchase (if different)
- c) Residual Land Values (RLV) and Gross Development Value (GDV)
- d) price paid for the land; and costs taken into account when arriving at the price paid for the land (if the land is not owned by the Applicant – details of any option agreements or agreements to purchase)
- e) gross and net area of development
- f) number size and type of units
- g) build costs (per square metre)(and comparison with appropriate published RISC data)
- h) abnormal or exceptional costs not reflected in the land value/price (and reasons why)
- i) other costs (design, legal, consultants, planning etc.)
- j) cost of any other planning obligations including infrastructure requirements and financial contributions
- k) build programme and phasing
- l) interest rates, cap rates, loan costs, cash flows
- m) developers profit and an explanation of its make up, and any company or financiers requirements
- n) anticipated phasing
- o) marketing and legal costs (and as a % of Gross Development Value (GDV)
- p) anticipated sales price for each unit type, and current assumed value of each unit type
- q) anticipated phasing of sales
- r) ground rents and services charges payable
- s) proposals for on-site affordable housing if required in meeting the requirements of the SPD
- t) anticipated price to be paid by the affordable housing provider, and the assumption on which this is based.
- u) substitution values and revenues for less or no affordable housing on-site
- v) depending on individual site circumstances and the size of the proposed development, further information may be required, this may include:
 - developers Market Analysis Report
 - copy of cost plan
 - details of company overheads
 - copy of financing offer/letter
 - Board Report on scheme
 - letter from Auditors re: land values and write offs
 - sensitivity analysis showing different assumption options (e.g. low, medium and high)

For mixed use schemes similar information and data will be required on the non residential uses. All information and data should be evidenced from an independent expert or source, and be benchmarked.

The following should also be noted:

- each cost, value, revenue, assumption etc. must be evidenced from an independent expert or source
- any assumptions must be explained in detail – in line with the [Viability in Planning](#) guidance document (RICS, 2012), please provide a written summary in the application correspondence describing the viability figures provided, giving evidence for all assumptions made, and identifying all information sources.
- the Council will assume that:
 - the cost of meeting the affordable housing requirements in Policy CS12 should be reflected in the price paid, or price to be paid, for the land, and should be based on:
 - no public subsidy or grant
 - payment by the provider of the affordable housing should meet current HCA Guidance, i.e. less than market value.
- abnormal site costs should be reflected in the price paid, or to be paid, for the land.

Appendix G: Summary of heads of terms for Section 106 agreements

The Council does not use a standard Section 106 agreement as the agreement is tailored to the individual circumstances of the site. However sections 5 and 6 provide the background to the requirements for the provision of affordable housing; the following is intended as an indication of the matters likely to be included in any agreement. This is not a definitive list – other matters may be required depending on the site circumstances.

Summary of common matters to be included in Section 106 agreements:

- a) details of the planning application
- b) details all parties with an interest in the land (including mortgagees)
- c) a site location plan
- d) definition of affordable housing
- e) number of affordable dwellings, the mix, size, type and tenure
- f) design, standards and location on-site etc.
- g) affordability criteria
- h) details of the affordable housing Provider
- i) phasing of delivery of the affordable housing
- j) obligation to complete an Affordable Housing Scheme
- k) obligation to enter into a Nomination agreement
- l) triggers for the commencement and completion of the affordable housing
- m) limitation on occupation of the units, and maintaining them for affordable housing
- n) recycling of receipts from disposal of affordable housing
- o) mortgagee in possession clause
- p) cascade arrangements (if any)
- q) funding issues (if any)
- r) registration of the Agreement as a Local Land Charge
- s) payment of the Council's costs in drawing up the agreement

Appendix H: Key contacts including Registered Providers

Woking Borough Council contacts

If you have any questions, please contact the relevant Woking Borough Council officer:

Colin Hall
Housing Strategy and Enabling Officer
Tel: 01483 743656
Email: colin.hall@woking.gov.uk

Tracey Haskins
Planning Policy Team
Tel: 01483 743871
Email: planning.policy@woking.gov.uk

Registered Providers

ABILITY HOUSING ASSOCIATION Specialist accommodation for vulnerable tenants www.ability-housing.co.uk	The Coach House , Gresham Road, Staines, Middlesex TW18 2AE
ACCENT PEERLESS LTD www.accentpeerless.co.uk	Station House 1 Pembroke Broadway Camberley, Surrey GU15 3DX 01276 852915
AFFINITY SUTTON www.affinitysutton.com	Affinity Sutton PO Box 850 Bromley BR1 9BU 0845 688 7717
A2 DOMINION www.a2dominion.co.uk	40 London Road, Staines upon Thames Middlesex TW18 4HD 020 8825 1477
BRACKNELL FOREST HOMES www.bracknellforesthomes.org.uk	Berkshire Court, Western Road Bracknell RG12 1RE 01344 382847
GREENOAK HOUSING ASSOCIATION LTD www.greenoakha.org	155 Goldsworth Road Woking Surrey GU21 6LS 01483 747900

<p>GUINNESS TRUST</p> <p>www.guinnesspartnership.com</p>	<p>2nd Floor, Beulah Court Albert Road Horley Surrey RH6 7HP 01293 874204</p>
<p>HYDEMARTLET</p> <p>www.hydemartlet.co.uk</p>	<p>Martlet House Southern Gate Chichester PO19 8SG 0800 085 4195</p>
<p>MOUNT GREEN HOUSING ASSOCIATION LTD</p> <p>www.mountgreen.org.uk</p>	<p>33 Bridge Street Leatherhead Surrey KT22 8BN 01372 379555</p>
<p>PARAGON HOUSING ASSOCIATION</p> <p>www.paragonchq.co.uk</p>	<p>Case House, 85-89 High Street Walton-on-Thames Surrey KT12 1DZ 01932 235979</p>
<p>PLACES FOR PEOPLE LTD</p> <p>www.placesforpeople.co.uk</p>	<p>Stanley House The Boulevard Clarence Dock Leeds West Yorkshire LS10 1PZ 0113 285 8900</p>
<p>SOUTH NEIGHBOURHOOD: L&Q HOUSING TRUST</p> <p>www.lqgroup.org.uk</p>	<p>467 Garratt Lane London SW18 4SN 08444 069000 Ext 5502</p>
<p>THAMES VALLEY HOUSING ASSOCIATION</p> <p>www.tvha.co.uk</p>	<p>Premier House 52 London Road Twickenham TW1 3RP 0800 358 7767</p>
<p>TRANSFORM Specialist accommodation for vulnerable tenants</p> <p>www.transformhousing.org.uk</p>	<p>Bradmere House Brook Way Leatherhead Surrey KT22 7NA 01372 387100</p>

Other Affordable Housing Providers

THAMESWEY HOUSING LTD. Woking Borough Council's local housing company. Formerly known as Woking Borough Homes. http://www.thameswegroup.co.uk/what-we-do/affordable-housing-and-sustainable-house-building/	Thameswey Group 2nd Floor, Gloucester Chambers Jubilee Square, Woking, Surrey GU21 6GA 01483 749040
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Affordable Housing Managing Agents

NEW VISION HOMES http://www.nvhwoking.co.uk/	Civic Offices Gloucester Square Woking Surrey GU21 6YL Tel: 0300 373 0373
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HomeBuy Agency

BEDFORDSHIRE PILGRIMS HOUSING ASSOCIATION (BPHA) http://www.bpha.org.uk/	bpha Limited Customer Service Centre 4 Horne Lane Bedford MK40 1NY Customer service number 0330 100 0272
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Appendix I: Nominations Agreements

The Registered Provider or Alternative Affordable Housing Provider ('Provider') will be expected to enter into a Nomination Agreement with the Borough Council that shall contain, as a minimum, the following principles:

1. General

- 1.1 The Provider will give the Borough Council reasonable notice of all vacancies, sales and re-sales.
- 1.2 The Borough Council will have a reasonable period in which to nominate households.
- 1.3 All requests for nominations and resulting nominations will be in writing (including email and fax) and contain appropriate information concerning the property, the sale or tenancy terms and the household nominated.
- 1.4 In many instances the Borough Council will nominate more than 1 (one) household for each property, where this is the case the Borough Council will put the households in priority order and the Provider will only make offers in that priority order.
- 1.5 The Borough Council may, at its sole discretion, allow other local authorities and/or public organisations to take up some of the Borough Council's nominations. In this case the Borough Council shall notify the Provider of the nomination arrangements.
- 1.6 In selecting nominees the Borough Council will have regard to the reasonable priorities and policies of the Provider.
- 1.7 The Provider will not unreasonably refuse to make an offer to a nominee.
- 1.8 Where the Borough Council fails to make a nomination within a reasonable time, or a reasonable number of nominees for a property have not resulted in a tenancy or sale of the property, the Provider shall be free to let or sell the property to a household of their choice subject to the cascade in paragraph 1.11.
- 1.9 The Provider will seek the Borough Council's approval of any marketing or publicity material for the units.
- 1.10 The Provider will have reasonable regard to the Borough Council's policies, in particular policies on waiting lists, nominations, key workers, and choice based lettings etc.

- 1.11 In any circumstance where the Provider is able to offer a property to someone who is not a nominee of the Borough Council, the Provider will seek to allocate tenancies or sales in the following order:
- Households who reside, work or have close family living in the Borough Council's area.
 - Households on the Housing Registers or Waiting Lists of adjacent local authorities in Surrey.
 - Households who reside, work or have close family living in the areas of adjacent local authorities in Surrey.
 - Any other household with links to the local area.
- 1.12 The Provider will keep the Borough Council informed during the nomination process including regular updates on the progress of nominees, sales and lettings and the results of nominations.
- 1.13 The Provider and the Borough Council will agree appropriate arrangements for the monitoring of nomination processes.

2. Social Rented Housing (including any Extra Care Housing)

- 2.1 The Borough Council will have the right to nominate to 100% of all the initial lettings, and 75% of all re-lets in perpetuity.

3. Shared Ownership Housing (including any Extra Care Housing)

- 3.1 The Borough Council will have the right to nominate 100% of all sales in perpetuity (or until such time as the property is sold outright).
- 3.2 The Provider will ensure that the lease (or similar) for each property requires the leaseholder to seek nominations from the Borough Council (via the Provider) if they wish to sell their share of the property.
- 3.3 The Provider will comply with the affordability criteria set out in the main agreement for initial sales.
4. Similar nomination arrangements will be required for tenures other than those specifically mentioned above.

Appendix J: Affordable Housing Scheme

The Affordable Housing Scheme should generally meet the requirements outlined below.

It is anticipated that the Developer and Registered Provider and/or Affordable Housing Provider will submit the Affordable Housing Scheme jointly. It is agreed by the Parties that where any of the information required below is not available at the time of submitting the Affordable Housing Scheme such information shall be submitted or resubmitted (where an amendment is required) for approval prior to commencement of construction of any Affordable Housing Unit within the relevant Sub Phase.

1 All Affordable Housing Units

- 1.1 The total number of affordable units in the Sub Phase as a percentage of the total units in the Sub Phase.
- 1.2 The anticipated tenure, size and type of each of the units.
- 1.3 A site layout showing the location of the units.
- 1.4 Plans showing the indicative internal layout of each type of unit.
- 1.5 Confirmation that the units meet all the requirements set out in this Deed or any approved amendments to such requirements.
- 1.6 Details of the proposed Registered Provider or Alternative Affordable Housing Provider that will deliver the units.
- 1.7 Confirmation that all of the units will be rented or sold in accordance with the provisions of the Nominations Protocol.

2 Rental Units

- 2.1 Details of the proposed rent and any service charge for each type of unit and confirmation that these met the affordability requirements set out in this appendix.
- 2.2 Details of the management arrangements.

3 Shared Ownership

- 3.1 Details of the anticipated: price; percentage equity to be sold; mortgage payments; rent; service and management charge for each type of unit; and confirmation that these meet the affordability requirements set out in this Deed.
- 3.2 Details of the shared ownership lease and arrangements for resales under which the units will be sold.
- 3.3 Indicative marketing arrangements

- 4. Similar details will be required for any tenure not specifically mentioned above.

Appendix K: More information

If you have any questions, please contact the relevant Woking Borough Council officer:

Colin Hall
Housing Strategy and Enabling Officer
Tel: 01483 743656
Email: colin.hall@woking.gov.uk

Tracey Haskins
Planning Policy Team
Tel: 01483 743871
Email: planning.policy@woking.gov.uk

For guidance specifically about the form a S106 legal agreement should take in Woking Borough, please contact:

Christine Pippett
Legal Officer
Tel: 01483 743037
Email: christine.pippett@woking.gov.uk

The following documents may also be of assistance:

Considering Affordable Housing Financial Contributions: small sites calculations / levels, Dixon Searle Partnership, September 2013: available on request from the Council.

[Economic Viability Assessment, Adams Integra, 2010](#)

[HCA 2015-2018 Affordable Housing Programme and related Prospectus and other guidance](#)

[Housing Strategy 2011 - 2016](#)

[National Planning Policy Framework \(NPPF\)](#)

[North Surrey Gypsy and Traveller Accommodation Assessment, 2007](#)

[Strategic Housing Market Assessment \(SHMA\), 2009](#)

[Strategic Housing Land Availability Assessment, 2011](#)

Supporting People Programme: details available on request from the Council

Tenancy Strategy; details available on request from the Council.

[Viability in Planning](#) (RICS, 2012)