

## Notice of Meeting

# Cabinet

**Date:** Wednesday 17 April 2019

**Time:** 5.30 pm

**Venue:** Upper Guildhall, High Street, Andover, Hampshire, SP10 1LP

**For further information or enquiries please contact:**

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**Legal and Democratic Service**

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This is formal notice under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that part of this meeting may be held in private because the agenda and reports for the meeting may contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it.

**PUBLIC PARTICIPATION SCHEME**

*If members of the public wish to address the meeting they should notify the Legal and Democratic Service at the Council's Beech Hurst office by noon on the working day before the meeting.*

### Membership of Cabinet

**MEMBER**

**WARD**

Councillor P North (Chairman)

Alamein

Councillor N Adams-King (Vice-Chairman)

Blackwater

Councillor P Bundy

Chilworth Nursling And  
Rownhams

Councillor D Drew

Harewood

Councillor M Flood

Anna

Councillor P Giddings

Bourne Valley

Councillor G Stallard

Anna

Councillor A Ward

Kings Somborne And  
Michelmersh

**Cabinet**

Wednesday 17 April 2019

**AGENDA**

**The order of these items may change as a result of members  
of the public wishing to speak**

- 1 Apologies**
- 2 Public Participation**
- 3 Declarations of Interest**
- 4 Urgent Items**
- 5 Minutes of the meeting held on 13 March 2019**
- 6 Recommendations of the Overview and Scrutiny Committee 5**  
  
Recommendations of the Overview and Scrutiny Committee held on 20 March 2019.
- 7 Write Off of Uncollectable Debts 6 - 9**  
  
**Finance**  
To seek approval for the write off of uncollectable debts
- 8 Budget Carry Forwards 10 - 13**  
  
**Finance**  
To consider the carry forward of unspent revenue items budgeted in 2018/19 into the 2019/20 revenue budget.
- 9 Member Development Strategy and Member Role Descriptions 14 - 35**  
  
**Corporate**  
To seek approval of a Member Development Strategy including additional Councillor role descriptions.



## **ITEM 6 Recommendations of Overview & Scrutiny Committee**

### **6.1 Overview & Scrutiny Committee – 20 March 2019**

#### **6.1.1 Report of the Task and Finish Panel – Car Parking**

Consideration was given to a report of the Lead Member of the Parking (Car Park and Streets) Panel which had reviewed the issues of residential parking; public car vision, standards, location and enforcement. The Panel recommended several actions with the intention of improving the car parking provision on residential schemes and for residents and visitors to Andover and Romsey, in the future. The report also identified topics which the Panel considered to be potential areas for future reviews.

The Committee were keen that the recommendations were passed on to Cabinet for their endorsement.

#### **Recommended:**

- 1. That the parking standards and minimum dimensions of spaces currently set out in the adopted Revised Local Plan (2016) be reviewed as part of the next local plan review.**
- 2. That the next local plan review consider what practical steps could be taken to influence the design and layout of future parking within residential schemes.**
- 3. That the Council write to Government to highlight the issue of large commercial vehicles parking in residential areas and request steps are taken to enforce possible restrictions.**



- 2.4 Up to the point that the companies entered liquidation / administration the Council had pursued its normal recovery procedures, including agreeing repayment plans with the businesses and engaging enforcement agents where necessary.
- 2.5 The debts recommended to be written off are summarised in the following table.

Business	Reason for Write-Off	Amount £
SLS Metalworks Ltd	Company in Liquidation	29,526
Arensis Energy Ltd	Company in Administration	58,337
Account 790579	An individual in Bankruptcy	26,282
Warren-Morrison Valves Ltd	Company in Administration	33,842
Account 791712	Failed to bill in accordance with Regulations	36,026
Brantano Retail Ltd	Company Dissolved	59,547
QA Logistics Ltd	Company Dissolved	67,415
<b>Total</b>		<b>310,975</b>

- 2.6 Due to Data Protection Regulations, the individual whose debt is recommended for write-off is not named in this report.
- 2.7 In one case, the Council failed to bill in accordance with Regulations. Professional advice was sought following identification of this error that confirms there is little chance of any recovery if the amount owed is pursued through the Courts. The company has not been named in the report because it continues to trade and the non-collectability was not the fault of the business concerned.

### **3 Options**

- 3.1 The debts recommended to be written off relate to businesses that are in liquidation or bankruptcy / have been dissolved at Companies House or where the Council has no realistic prospect of being able to recovery amounts outstanding.
- 3.2 The Council has registered its position as a creditor of the companies in liquidation / administration but there is no realistic prospect of any distribution to creditors.
- 3.3 There are no alternative options available to continue recovery action for these debts.

#### 4 Risk Management

- 4.1 An evaluation of the risks indicates that the existing controls in place mean that no significant risks have been identified at this time.
- 4.2 The circumstances that led to the failure to bill in accordance with Regulations have been investigated. This has identified the error as an isolated incident and changes have been made to internal systems to ensure that a similar error does not occur in the future.

#### 5 Resource Implications

- 5.1 Each year, as part of the preparation of the Collection Fund (the statutory account through which Council Tax and Business Rates are administered) the Council makes an allowance for uncollectable debts. The allowance reflects that it is not possible to collect 100% of bills raised due, for example, to company failure.
- 5.2 The impact of writing off business rates debts is shared between the Council, central government, Hampshire County Council and Hampshire Fire and Rescue.
- 5.3 The bad debt allowance calculation is based on a number of factors, including the age of the debt and the recovery stage to which the debt has been progressed. The bad debt allowance at 31 March 2018 included £60,200 in respect of these debts, of which the Council's share was £24,080.
- 5.4 The remaining value of the debts has been included in full in the bad debt allowance as at 31 March 2019.
- 5.5 The impact on the Council's budgets is shown in the table below.

	£
Total value of debts to be written off	310,975
Other bodies' share of total debt (60%)	(186,585)
<b>Council share of bad debt (40%)</b>	<b>124,390</b>
Less: Amounts already provided in previous years' accounts	(24,080)
Reduced levy on business rates growth in 2018/19	(50,155)
<b>Net reduction in business rates growth in 2018/19</b>	<b>50,155</b>

- 5.6 The net cost of the bad debts recommended for write-off can be contained within the bad debt allowance for 2018/19, so there is no additional budget pressure arising as a result of the recommendations in this report.



5.7 To put the above figures into context, the total estimated business rates payable in 2018/19 was £56.35M. After allowing for amounts already taken into account in previous years, the amount recommended to be written off is 0.4% of the total estimated income.

**6 Equality Issues**

6.1 This report does not identify any issues related to equality.

**7 Conclusion and reasons for recommendation**

7.1 The report identifies seven debts for which there is no reasonable prospect of recovery. It is recommended that they are written off in the Council's accounts.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	0	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Carl Whatley	Ext:	8540
Report to:	Cabinet	Date:	17 April 2019

## ITEM 8

## Budget Carry Forwards

Report of the Finance Portfolio Holder

### Recommended:

**That the items shown in the Annex, totalling £50,250, be approved for carry forward into the 2019/20 revenue budget.**

#### SUMMARY:

- Each year there are items included within the original estimates and forecasts that Services are unable to spend before the end of the financial year.
- This report seeks approval to carry forward the more significant of these items into the 2019/20 revenue budget.

### 1 Introduction

- 1.1 The forecasts for 2018/19 were approved by Council on 25 February 2019.
- 1.2 Due to timing differences and factors beyond the control of Services, some items for which budgetary provision was made in the forecasts were not spent in the 2018/19 financial year.
- 1.3 This report seeks approval to carry forward the more significant of these items in to the 2019/20 revenue budget.

### 2 Background

- 2.1 In order to qualify as a carry forward, an item should meet the following criteria.
  - The budget should have been for one-off or specific expenditure in the year.
  - There should be an appropriate reason for the delay.
  - There are no specific sources of funds to meet the expenditure in the next financial year.
- 2.2 The items contained in the Annex represent those items that are put forward for approval. An explanation as to why each of these items is requested to be carried forward to 2019/20 is also included.

### 3 Resource Implications

- 3.1 The items recommended to be carried forward were included in the forecasts for 2018/19 and have not been spent. This means there will be a positive variance on Service estimates in 2018/19, providing no other areas of the Service are overspent.

- 3.2 The resultant increase in balances at 31 March 2019 will mean sufficient funds are available to enable these items to be added to the 2019/20 revenue budget.
- 3.3 The reason for bringing this report before the final revenue account position is known is to let Services know as soon as possible the decision as to whether or not the funds will be carried forward. This should prevent further delays in committing the expenditure.
- 3.4 The latest budget position has been taken into account in preparing these carry forward requests. If, following the year end, there is insufficient budget to carry forward the amounts requested, a verbal update will be provided at the meeting.
- 3.5 The recommended amount of £50,250 to be carried forward into the 2019/20 revenue budget will be equal to the variance on these items in 2018/19. Assuming all other items remain on budget in the 2018/19 revenue accounts, there will be no additional resource implications.

#### **4 Risk Management**

- 4.1 An evaluation of the risks associated with the matters in this report indicates that further risk assessment is not needed because the changes/issues covered do not represent significant risks.

#### **5 Equality Issues**

- 5.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination has been identified, therefore a full EQIA has not been carried out.

#### **6 Conclusion and reasons for recommendation**

- 6.1 This report gives the Cabinet the opportunity to consider including unspent revenue items from the 2018/19 estimates in the current year's budget.
- 6.2 The annex shows a small number of projects that were expected to be completed in 2018/19 but are now planned for delivery in 2019/20. The budget for these projects is available to carry forward without impacting on future service delivery. For this reason the budget carry forwards are recommended for approval.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Finance) Councillor Giddings			
Officer:	Jenni Carter	Ext:	8236
Report to:	Cabinet	Date:	17 April 2019

**UNSPENT REVENUE ESTIMATES FROM 2018/19**  
**TO CARRY FORWARD TO 2019/20**

Detail	Amount £	Reason for requesting carry forward
<b>Chief Executive's</b> Corporate Training	3,500	The Learning to Lead course and the Mock Tribunal were planned to be delivered in 2018/19, however, due to trainer and room availability they have been scheduled to take place in April 2019.
<b>Corporate</b> Emergency planning equipment	1,100	This budget was earmarked in 2018/19 for the purchase of emergency radio equipment, but it has not been possible yet to procure this. There is a budget for equipment in 2019/20 but it will be used to purchase other items of equipment identified as a result of the Ocado incident.
<b>Estates and Economic Development</b> Recruitment fee	10,000	Agency fees for recruitment payable in 2019/20 are requested to be funded from salary savings from vacant posts in 2018/19.
<b>Finance</b> Public Sector Internal Audit Standards assessment	4,000	Due to resourcing issues in 2018/19, the PSIAS assessment will not take place until April 2019.
<b>Housing &amp; Environmental Health</b> Relocation expenses	5,000	A relocation package payable in 2019/20 is requested to be funded from salary savings from vacant posts in 2018/19.
Hand held devices for mobile working	10,500	The decision on the replacement of hand held devices for mobile working will follow the review currently underway of the corporate approach to mobile devices.
<b>Planning and Building</b> Works to listed building	10,000	Urgent works are required to prevent further decay of a Grade II listed building.
Business objects software	6,150	The business objects software project has been started, but consultancy days and training will not occur until 2019/20.
<b>Total of Carry Forwards</b>	<b><u>50,250</u></b>	

## **ITEM 9            Member Development Strategy and Member Role Descriptions**

Report of the Corporate Portfolio Holder

### **Recommended:**

**That the Member Development Strategy and Member Role Descriptions as set out in the Annex to this report are approved.**

#### **SUMMARY:**

This report seeks approval of a Member Development Strategy including additional Councillor role descriptions.

### **1        Introduction and background**

- 1.1    The Member and Community Development Group is a cross-party group chaired by the Leader. The group has been in place for over nine years and was originally established to develop the role of Community Councillor with which we are all now familiar and which is woven into the fabric of the Council's way of working.
- 1.2    The Group's work over the years has also resulted in a number of initiatives such as Ward Grants and the Community Asset Fund.
- 1.3    The Member and Community Development Group also has a role in overseeing Members' training and development and as part of this work has produced a Member Development Strategy document, reflecting the Council's commitment to equipping Councillors with the skills and knowledge needed to fulfil their roles.
- 1.4    The proposed Members' Development Strategy sets out the future role of Member and Community Development Group in developing a Member Development Programme including promoting development, seeking feedback and providing insight and direction in relation to Member development and training issues.
- 1.5    The Strategy also highlights that a dedicated Member Training Budget exists and describes the types of training available. The Strategy directs Members as to how to access that funding and how they may obtain assistance with identifying their training and development needs.
- 1.6    Underpinning the Strategy are the Councillor role descriptions. There are a number of role descriptions for Members currently in use. The first set of role definitions was brought into use at the Council in 2001, setting out the expectations of members in particular roles.

- 1.7 Role definitions currently exist for the roles of Leader, Deputy Leader, Portfolio Holder, Chairman of Overview and Scrutiny Committee and Committee Chairman (General Role Description).
- 1.8 Added to that list in January 2017 was the Community Councillor role description. Also on that date permission was given for all other existing Councillor role descriptions to be reviewed and if necessary updated.
- 1.9 In producing the Strategy the Member and Community Development Group identified a need to refresh the Councillor role descriptions and that further roles would benefit from role descriptions.
- 1.10 To this end, new role descriptions have been prepared for the following roles: member of Overview and Scrutiny Committee, Development Management Committee and General Purposes Committee.
- 1.11 In October 2017 the role of Member Champions was established and a role description for that position has also been prepared.
- 1.12 The four new proposed role descriptions are also contained in the Annex to this report, along with the existing role descriptions.

## **2 Corporate Objectives and Priorities**

- 2.1 The role of elected representatives underpins all of the Council's work and therefore contributes to all of the Corporate Priorities.

## **3 Consultations/Communications**

- 3.1 The Strategy and role descriptions have been produced within the Member and Community Development Group.

## **4 Options**

- 4.1 To approve the Member Development Strategy and Councillor role descriptions attached.
- 4.2 Alternatively, not to approve the Strategy and descriptions meaning that the roles of member of Overview and Scrutiny Committee, Development Management Committee, General Purposes Committee and Member Champion would be without role descriptions.

## **5 Option Appraisal**

- 5.1 It is recommended that the Member Development Strategy and Councillor role descriptions attached are approved to codify the Council's approach to member development and to put in place role descriptions setting out the responsibilities of those appointed to certain roles.

## **6 Resource Implications**

- 6.1 None identified.

**7 Legal Implications**

7.1 There are no legal issues identified.

**8 Equality Issues**

8.1 No equality issues are identified as a result of the recommendation contained in this report.

**9 Conclusion and reasons for recommendation**

It is recommended that the Member Development Strategy including new Councillor role descriptions attached to this report are approved to outline the Council's positive approach to developing its Councillors.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
Portfolio: Corporate. Councillor Flood			
Officer:	Karen Dunn	Ext:	8401
Report to:	Cabinet	Date:	17 April 2019



## **Test Valley Borough Council**

### **Members' Development Strategy**

#### **Introduction**

The Council wishes to encourage people from a range of backgrounds to stand for election to become Borough Councillors. We have worked hard to make the Councillor's role one which is rewarding and fulfilling. At the same time we have put a number of things in place to help Councillors make a really positive contribution to the communities they serve. The role that our councillors play in their communities as community leaders has received national recognition.

The Council underwent a Local Government Association Peer review in October 2018. The review team commented that "the council's community councillor model is well-resourced and highly regarded. Each councillor has access to a dedicated geographically-focused officer to help address local issues. In addition, the council has invested £1.5 million of New Homes Bonus funding into a councillor community grant scheme and a community asset fund to support local initiatives to get off the ground. The community councillor initiative has received national recognition and the council has actively sought to share its learning, including through its collaboration with De Montfort University." It is a great time to be a councillor in Test Valley!

Nevertheless, the council appreciates the important and often complex role councillors have to play. It is vital that they are given the opportunity to acquire the knowledge and skills to best serve their communities. Borough Councillors are often the most local of the democratically elected office holders serving our communities. As a result they are often people's first port of call.

Training and development is important for all members; those who are newly elected as well as the more established members. Induction for new members is crucial as they begin their roles and equips them with the tools that will help them be an effective councillor. Whilst existing councillors have more experience, continued training helps to ensure an updated skill set.

This strategy sets out the ways in which we intend to help our councillors in that journey.

### ***The Member and Community Development Group***

The development of the Member Development Strategy has been led by the Member and Community Development Group. The Group is a cross-party group chaired by the Leader of the Council.

The Group will:

Develop the annual member development programme in consultation with officers.

Provide guidance and insight to all councillor training and development issues.

Promote and encourage the benefits of participating in the Member development process amongst councillors

Seek feedback from councillors about the impact of training and future requirements.

Undertake “horizon scanning” to ensure that the development programme is fit for purpose.

### ***The Annual Member Development Programme***

The Annual Member Development programme will be built on the skills, knowledge and behaviours that are required to undertake the various roles described in the Annexes to this strategy. At its core will be the role of the Community Councillor and the Council’s Corporate Plan aspirations. The Council has developed role descriptions for the various functions that Councillors will undertake as part of their duties.

An annual questionnaire to Councillors about the development needs they require to undertake their various roles will also help shape the programme.

The Council will provide a comprehensive induction package for incoming elected councillors. The current induction programme has been developed over a period of time in conjunction with the Member and Community Development Group. It is appended as an Annex to this Strategy.

### ***How members can access training opportunities***

The Democratic Services Manager will assist Members in identifying their training and development needs. In particular this will consider the skills and knowledge required to undertake the positions described in the role descriptions.

The Council also has an annual Members' Training Budget which exists to help members fulfil their development needs. Members can put proposals forward to access this budget by contacting the Democratic Services Manager and highlighting the development need the proposed training will assist them with.

***The approaches to learning***

The Council will provide a range of different opportunities for attendance at various informal and formal learning events, including conferences, seminars, training courses, briefings and workshops. Feedback on each training opportunity will be provided so that the Member and Community Development Group can assess effectiveness to inform the development of the Annual Member Development Programme.

The Council recognises the need for knowledge as well as training. There will be a number of briefings, seminars and workshops held that will provide information in respect of local and national issues. There will also be a range of other events that councillors may wish to nominate themselves to attend, or be invited to attend by officers/service areas, and these events may include external conferences.

## **CABINET**

### **Leader**

**The Leader will have the following responsibilities over and above those of an ordinary member of Council:**

#### **Overall Role**

- To provide visible political leadership in relation to citizens, stakeholders and partners in the overall co-ordination of Council policies, strategies and service delivery.
- To lead the Cabinet in its work to develop the policy framework and budget and to take overall political control of the authority within an agreed policy framework.
- To contribute actively to the formation and scrutiny of the authority's policies, budget, strategies and service delivery.
- To lead the development of local, regional, national and European policy and strategic partnerships.

#### **Main Responsibilities:**

- To provide leadership to the Council and its political administration.
- To appoint and remove a Deputy Leader
- To establish Portfolios, determine their composition and appoint Portfolio Holders.
- To represent the Council in the community and in its discussions with regional, national and international organisations and others to pursue matters of interest to the authority and its communities.
- To direct, manage and chair meetings of the Cabinet and to take responsibility, individually and/or collectively for any specific portfolio, including providing a political lead in proposing new policy, strategy, budget and service standards, as well as acting as spokesperson for the authority.
- To participate in scrutiny or performance reviews of services.
- To be in regular contact with the Chief Executive, Directors and other senior officers, as appropriate, to consider and recommend action within approved policies and strategies.
- To ensure regular contact with non-Cabinet Councillors, community representatives and other local stakeholders and to take account of their view in shaping recommendations on policies, strategies and budgets.
- To maintain professional working relationships and establish mutual respect with all members and officers.

**I confirm that I accept the responsibilities set out above in my capacity as Leader of Test Valley Borough Council.**

**Name** .....

**Signed** .....

**Dated** .....

## **CABINET**

### **Deputy Leader**

**The Deputy Leader will have the following responsibilities over and above those of an ordinary member of Council.**

#### **Overall Role**

To support the Leader and, in his or her absence, carry out his or her responsibilities.

#### **Main Responsibilities:**

- To assist the Leader in the formal processes and matters of leadership of the authority.
- To carry out the responsibilities of the Leader in his or her absence.
- As a member of the Cabinet, to participate in the decision-making process on matters within the Cabinet's remit, in accordance with Council policy.
- In the absence of a Portfolio Holder and at the request of the Leader to carry out the duties of a specific Portfolio Holder.

**I confirm that I accept the responsibilities set out above in my capacity as Deputy Leader of Test Valley Borough Council.**

**Name** .....

**Signed** .....

**Dated** .....

## **CABINET**

### **Portfolio Holders**

**A Portfolio Holder of the Cabinet will have the following responsibilities over and above those of an ordinary member of Council:**

#### **Overall Role**

- To take responsibility within the Council for a portfolio of services or functions of the authority relating to those matters in the portfolio.
- To contribute actively, through the portfolio and membership of the Cabinet, to the formation of the authority's policies, budget, strategies and service delivery.

#### **Main Responsibilities:**

- To participate in the Cabinet and take responsibility for any portfolio allocated by the Council, including providing a lead on and proposing new policy, strategy, programming, budget and service standards and leading performance reviews.
- To have a clear understanding of the respective portfolio, the scope and range of the relevant services for which he/she is responsible and an awareness of current agreed policies in respect of those services.
- To consult and communicate with all members of the Council, Council Officers and key partners, as appropriate, to ensure decisions are well informed and that Council policies are widely understood and positively promoted.
- To act as spokesperson within and outside the authority for the matters within the portfolio, including ensuring links between the Council and national and regional bodies.
- To have responsibility for liaison with Chief Officers and other Senior Officers responsible for the services within the portfolio.
- To answer and account to the Council and the community for matters within the portfolio.
- To participate in scrutiny or performance reviews of services.
- In the absence of another Portfolio Holder and at the request of the Leader to carry out the duties of a specific Portfolio Holder.
- Whenever a Portfolio Holder establishes a working group the group leaders be informed of the membership.

**I confirm that I accept the responsibilities set out above in my capacity as a Portfolio Holder of Test Valley Borough Council.**

**Name** .....

**Signed** .....

**Dated** .....

## **CHAIRMAN OF OVERVIEW & SCRUTINY COMMITTEE**

**The Chairman of the Overview & Scrutiny Committee will have the following responsibilities over and above that of other Committee Chairmen and ordinary Members.**

### **Overall Role**

To chair the Overview & Scrutiny Committee and develop and maintain a working knowledge of the practices, procedures, services and functions which fall within the terms of reference of the Committee and to monitor the progress of the work programme.

### Main Responsibilities

- To lead the Overview and Scrutiny Function of the Council.
- To take a lead role in scrutinising policy decisions and in liaison with appropriate senior officers to contribute to the agenda for the meetings.
- To contribute actively to the formation and scrutiny of the authority's policies, budget strategies and service delivery.
- To lead the scrutiny of policy proposals referred to the committee by the Council or Executive by guiding the committee in obtaining preliminary background information and determining a timetable of scrutiny.
- To develop a balanced work programme for the committee and to ensure that programme is delivered.
- To report on progress against the work programme to Council and others as appropriate/required.
- To promote the role of Overview and Scrutiny within and outside the Council.
- To provide agreement where appropriate for special urgency decisions to be implemented.

**I confirm that I accept the responsibilities set out above in my capacity as the Chairman of Overview & Scrutiny Committee of Test Valley Borough Council.**

**Signed .....**

**Dated .....**



## **Councillor Role Definition All Members**

The Council's purpose is to meet the needs of the community, to improve the quality of life for local residents and to keep the Borough of Test Valley as an attractive place in which to live and work.

The Council is committed to a high standard in everything it does, shaping its behaviours and building its reputation. The Council will seek to achieve its aims by carrying out its work in accordance with the following values: accountability, ambition, empowerment, integrity and inclusiveness.

The Council is democratically accountable. Borough Councillors are elected by local people, they shape what the Council does and bring together the needs and expectations of the communities they represent in order to make balanced decisions.

Councillors will work to help the Council to achieve its aims and values while upholding high standards of probity and integrity.

*In carrying out their Council work, all councillors are expected to commit themselves to the following minimum duties and responsibilities:*

### **Community Facilitation and Leadership**

- To respond to queries from individual members of the public and manage casework that arises within their ward.
- To provide community leadership, acting as community catalysts for change by connecting with individuals and groups to encourage communities to reach their full potential.
- To help improve community capacity and resilience to help them 'to do more for themselves'.
- To ensure that a representative cross-section of the community has the opportunity to participate and give their opinion.
- When working with a community, Councillors should seek to understand all views within a community and ensure that these contribute towards any local prioritisation or community planning.



- To represent the interests and needs of local people to the Council or appropriate organisations, ensuring that those views are considered in the decision-making process.
- To ensure that the opinion of local communities is used where appropriate to inform the development of service provision and ways of working.
- To engage with Parish and Town Councils and work with them to understand the needs and priorities of the local community, developing community plans where appropriate to address issues and plan for the future.
- To assist communities in planning for the future, for example through the development of community plans, to better understand where they need help and support, and to influence the future allocation of resources.
- To signpost communities to appropriate internal and external resources to help them action their plans.
- To promote the Council's activities to local people and enable them to participate in how they are governed.
- To be aware of, share and promote good practice and opportunities relating to community engagement.
- To monitor the provision of services within their ward and to seek to ensure best value services for local people.

### **Decision making**

- As a holder of public office Councillors must observe the Council's Members' Code of Conduct and uphold the highest standards of probity and integrity. Councillors must uphold the following principles: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- To endeavour to attend all meetings of the Council and all other committees of which they are members and to prepare before meetings by reading the agenda and undertaking any other research necessary. To actively participate in the business being considered at committee.
- To inform debate at, and effectively contribute to Council and other committees, representing the views of the community in the decision making process where appropriate.
- To represent the Council on outside bodies and any local organisations or groups they are invited to participate in as a Borough Councillor.
- As a Member of the Council, Councillors have a shared responsibility for:
  - The formal approval of the budget strategy, both revenue and capital, and for setting council tax levels.

- Setting the priorities and direction of the Council through the Corporate Plan.
  - Participating in discussions having regard, so far as it is possible, to the interests of the Borough as a whole.
  - Approving and amending the Council's Policy Framework, namely:
    - (i) the Community Safety Partnership Strategic Assessment;
    - (ii) plans and strategies which together comprise the Local Development Plan;
    - (iii) Licensing Authority Policy Statements under the Licensing Act 2003 and Gambling Act 2005;
    - (iv) Treasury Management Policy Statement;
    - (v) Capital Programme and Capital Strategy;
    - (vi) Housing Strategy;
    - (vii) any regulations proposed under section 32 of the Local Government Act 2000 to be adopted by the Council;
    - (viii) Medium Term Financial Strategy;
- To monitor the provision of services (Council and other bodies) in the Borough and to seek to ensure the best and most effective services for local people.

### **How Councillors will work**

To fulfil the responsibilities set out above Councillors will need to:

- Have a good understanding of relevant areas of the Council's Constitution such as the Member Code of Conduct and the Council Procedure Rules.
- Keep informed of Council business, developing and maintaining a good working knowledge of how the Council operates.
- Comply with the legal and local requirements placed on a Councillor
- To develop a good working relationship with other Councillors and officers across the Council.
- To take up opportunities for training and personal development that may be provided by the Council in order to better carry out their responsibilities as an elected member.
- Ensure that the principles of equality and diversity are integral to all actions and policies of the Council, and
- Make use of technology as a means of effective communication

**I confirm that I accept the responsibilities set out above in my capacity as a Member of Test Valley Borough Council.**

Name .....

Signed .....

Dated .....

## **MEMBER OF OVERVIEW AND SCRUTINY COMMITTEE**

**Members of Test Valley Borough Council's Overview and Scrutiny Committee will have the following responsibilities over and above those of an ordinary member of the Council.**

### **Overall Role**

To participate fully in the activities of the Overview and Scrutiny Committee and contribute to the Committee's planned approach to scrutiny.

### **Main Responsibilities are to:**

- Be familiar with the terms of reference, powers and duties of the Overview and Scrutiny Committee.
- Fulfil the role of "critical friend".
- Reflect the voice and concerns of local people and communities.
- Lead and own the Overview and Scrutiny process.
- Make an impact on service delivery.
- Assist in developing an effective work programme and agenda- setting.
- Effectively inform and influence decision-making.
- Oversee and review the Council's Audit function.
- Consider and make appropriate recommendations in respect of the following:-
  - Ombudsman reports;
  - decisions of the Council and its committees;
  - reports of statutory inspections;
  - draft policies, plans and strategies;
  - the draft Budget recommended to Council by Cabinet; and
  - reports of the Council's External Auditors.
- Establish and participate in task and finish groups to explore issues as required.
- Consider any matter referred to the Committee by Council or Cabinet and to make any appropriate recommendations.
- To consider risk management at the Council.
- To receive all evidence in an impartial manner and to demonstrate an objective and evidence based approach to the scrutiny function.
- To review those decisions of Cabinet which are subject to the 'Call-in' procedure and to implement the provisions of that procedure as appropriate.
- To promote transparency and opportunities for public engagement in scrutiny.

**I confirm that I accept the responsibilities set out above in my capacity as a Member of the Overview and Scrutiny Committee**

**Name:**

**Signed:**

**Date:**

## **MEMBER OF GENERAL PURPOSES COMMITTEE**

**Members of Test Valley Borough Council's General Purposes Committee will have the following responsibilities over and above those of an ordinary member of the Council.**

### **Overall Role**

To determine issues falling within the scope of the General Purposes Committee and its Sub-Committees.

### **Main Responsibilities**

- To be familiar with the terms of reference, powers and duties of the General Purposes Committee as set out in the Council's Constitution.
- Collectively and subject to the Council's constitution to exercise the powers of the Council in respect of the following matters:-
  - The approval of local negotiations relating to salaries and wages.
  - All matters of personnel policy relating to terms and conditions of employees.
  - Advising the Council on the adoption or revision of a Code of Conduct and monitoring its operation.
  - Assisting Members and Co-opted Members to observe the Members' Code of Conduct including advising, training, or arranging training.
  - Approving the Council's Statement of Accounts.
  - Appointing the Council's external Auditors.
- As required from time to time, to sit on Sub-Committees exercising the Council's functions in relation to the following matters:
  - The appointment of a Chief Officer (as defined in the Council's Officer Employment Procedure Rules) of the Council, or the dismissal of certain Chief Officers
  - To appoint an Independent Panel to advise and make recommendations to full Council in respect of potential dismissal of certain Chief Officers.
  - Safety, health and welfare of all employees.

#### Employment Appeals and Ethics Sub-Committee

- To assess and review complaints of failure to comply with the applicable Code of Conduct by Borough or Parish Councillors and to determine the appropriate course of action.
- To determine complaints following local investigation in respect of Borough or Parish Councillors.
- To hear appeals relating to dismissal of certain Officers.
- To determine appeals relating to early payment of a pension as a consequence of ill-health.

#### Redundancy Appeals Sub-Committee

- to determine appeals by staff against service of notice of dismissal on the grounds of redundancy.

**I confirm that I accept the responsibilities set out above in my capacity as a Member of the General Purposes Committee.**

**Name**

**Signed**

**Date**

## **MEMBER OF DEVELOPMENT MANAGEMENT COMMITTEES**

**Members of Test Valley Borough Council's Development Management Committees will have the following responsibilities over and above those of an ordinary member of the Council.**

### **Overall Role**

The Development Management Committees (North and South) consider local planning applications which are not otherwise delegated.

### **Main Responsibilities**

- To be familiar with the terms of reference, powers and duties of the Council's Development Management Committees.
- To have up to date knowledge and understanding of planning and development control law, regulations and local and national planning policy.
- To act at all times within the Council's Code of Conduct and Local Code for Members and Officers dealing with Planning Matters.
- To attend all necessary site visits.
- To attend internal and external training as provided by the Council.
- Collectively to deal with the following matters:
  - Determination of (subject to the exceptions set out in the Council's Constitution) all applications within their area.
  - Applications by or on behalf of Test Valley Borough Council.
  - Forming views on applications by Hampshire County Council or Notices of Proposed Development by any Government Department.
  - The forming of views on applications submitted by the Secretary of State for Energy, including overhead electricity lines.
  - Tree felling licences.
  - Diversions and stopping up of footpaths.
  - Enforcement actions
  - Challenge and prosecution in respect of unauthorised advertisement displays.
  - The forming of views on applications for the extraction of minerals where the Head of Planning and Building Services agrees with the stated view of the County Planning Officer.
  - Building Preservation Notices.
  - All matters pursuant to the Anti-Social Behaviour Act 2003 (High Hedges).
  - To authorise Offices Officers to enter land to carry out any included in legislation pertaining to the above powers and duties.

**I confirm that I accept the responsibilities set out above in my capacity as a Member of the Development Management Committee.**

**Name:**

**Signed:**

**Dated:**

## **MEMBER CHAMPIONS**

**Member Champions of Test Valley Borough Council will have the following responsibilities over and above those of an ordinary member of the Council.**

### **Overall role**

Within the Member Champion's specific area of responsibility or expertise to act in an advisory capacity to Cabinet in the development of ideas and policy. In particular in the development of ideas that will help deliver the aims of Test Valley Borough Council's Corporate Plan and Corporate Action Plan.

### **Main Responsibilities**

- Cabinet will commission Member Champions to:-
  - research good practice in other Authorities and organisations;
  - liaise with external bodies such as the Local Government Association to identify relevant research and ideas that could help further the Council's Corporate aims; and
  - to consider the impact of any proposed decisions or changes to Council policy on their specific area of responsibility.
  
- To bring any work the Member Champion might wish to instigate of their own volition to the attention of the Leader and relevant Portfolio Holder. If the Portfolio Holder is in support of the proposal, he or she will discuss the proposal with the relevant Head of Service or Corporate Director and then present the proposal to Cabinet. If endorsed by Cabinet, the Member Champion, Portfolio Holder and Head of Service/Corporate Director will meet to discuss progression of the proposal.

**I confirm that I accept the responsibilities set out above in my capacity as a Member Champion of Test Valley Borough Council.**

**Name:**

**Signed:**

**Date:**



Test Valley Borough Council

Members' Induction Programme 2019

Date	Time	Event	Venue	Those involved
Thursday 2 May		Borough Elections		
Monday 6 May		Bank Holiday		
Tuesday 7 May	2pm to 7pm	<p><u>The "start-up" session</u></p> <p>Official photographs</p> <p>Declaration and acceptance of office, IT policy etc.</p> <p>Receive IT equipment and basic instructions</p> <p>Community Councillor support Market place</p>	Conf Room 1 and 2, Beech Hurst, Andover	<p>Communications Team</p> <p>Legal and Dem</p> <p>IT/Dem Services</p> <p>Community/Dem/Policy</p>
	7pm	"Get to know one another" Buffet	Restaurant, Beech Hurst, Andover	Cex/Directors/HoS
Thursday 9 May	5.30pm	Introduction to the Planning Process	Conf Room 1, Beech Hurst, Andover	Head of Planning and Building
Saturday 11 May	9.30am – 12noon	<p><u>Induction for new members</u></p> <p>Breakfast</p> <p>Introduction to Test Valley and Local Govt - Cex</p> <p><u>Roundtable Discussions</u> Code of Conduct, The Clockwork, Intro to the role of the community councillor</p>	Crosfield Hall Annexe, Romsey	Leader, Dep Leader, Leader of the Opposition, Cex, Directors, Head of Legal and Democratic Services

Monday 13 May	11am	Annual Council Meeting	Crosfield Hall, Romsey	
Tuesday 14 May	5.30pm	Southern Area Planning Committee	Crosfield Hall, Romsey	
Thursday 16 May	5.30pm	Northern Area Planning Committee	Conf Room 1, Beech Hurst, Andover	
Monday 20 May	5.00pm	Training for new members of the Planning Control Committee	Crosfield Hall Annexe, Romsey	Head of Planning and Building
Tuesday 21 May	5.30pm	Planning Control Committee	Conf Room 1, Beech Hurst, Andover	
Wednesday 22 May	5.00pm  6.00pm	OSCOM - basic introduction to O&S session for new members of the committee  Overview and Scrutiny Committee	Leader's Mtg Room  Conf Room 1, Beech Hurst, Andover	Dem Services/Corporate Director
Monday 27 May		Bank Holiday		
Tuesday 28 May	5.30pm	Code of Conduct Training 1) Core 2) Workshop	Conf Room 1, Beech Hurst, Andover	Cex/Legal and Dem/Directors
Saturday 1 June	10.00am – 12 noon	<u>Members Development and the Community Councillor Role</u>  What are your development needs?  Community councillor exercise (including community planning tool kit)	Crosfield Hall Annexe, Romsey	Dem Services/ Policy/Community/ Planning Policy

Monday 3 June	5.30pm	Introduction to the Council's Housing responsibilities	Conf Room 1, Beech Hurst, Andover	Head of Housing and Environmental Health
Thursday 13 June	5:30pm	Introduction to Licensing for new Members	Conference Room 1	Dem Services
Date TBC		Tour of the District	Meeting point to be confirmed	Head of Community and Leisure/Head of Planning Policy
Monday 24 June	5.30pm	Introduction to the functions of the Council's Environmental Services	Portway Depot, Andover	Head of Environment Services
Monday 1 July	5.30pm	Local Government Finance	Conf Room 1, Beech Hurst, Andover	Head of Finance
Monday 22 July	5.30pm	Equalities (All councillors)	Crosfield Hall Annexe, Romsey	Policy/Legal/Corporate Director
Wednesday 4 September	4.00pm	All services market place following Council meeting (incorporating ceremony to hand over gifts to retiring councillors.)	Crosfield Hall Annexe, Romsey	Buffet  All HoS and Service reps.
Sept/Oct/ Nov	tbc	<u>Other training</u> - Other services (as required) - Safeguarding - OSCOM (incorporating away day)	tbc	tbc



The report sets out how ring fenced funding could be targeted to support aspects of local Social Inclusion Services and to support the Council to respond to identified pressures.

- The report therefore recommends targeting ring fenced MHCLG grant funding for the purposes of preventing and tackling homelessness, by investing in those accommodation related services within the Social Inclusion cluster that are at risk of closure, alongside ensuring local outreach capacity is available to work with people rough sleeping or at risk of rough sleeping.
- The report also recommends investing in targeted Resettlement Service provision, to be delivered in house, as part of the Council's Housing Options team. This will support the Council in light of increased demand and new statutory requirements, and builds on the recent evaluation of new approaches delivered as part of the 2018/19 Housing Options Developmental Pilot.

## **1 Introduction**

- 1.1 The Supporting People (SP) programme was introduced in 2003. The SP programme commissioned housing and community support ('floating support') services from district councils and third party providers, for three groups of people whose needs did not make them eligible for Adult Social Care. These groups included older people, people with disabilities and people who were considered to be "socially excluded", including homeless people.
- 1.2 The SP programme was subject to regular reviews until it was ultimately subsumed into the overall Adult Services commissioning programme. In 2015, the County Council undertook a review that reduced its investment in Social Inclusion Services by £2.75m.
- 1.3 As part of the County Council's Transformation to 2019 (T19) agenda, it has sought to achieve further savings of £2m (approximately 45%) against a £4.2m residual budget after the 2015 changes were implemented from April 2016.
- 1.4 Test Valley's Housing Service has been working with colleagues across the County to identify realistic options for future commissioning and models of service delivery, in light of the County Council's plans.
- 1.5 In Test Valley, the services within scope of the County's review included:
  - Dene Court ("stage 1" direct access hostel accommodation representing an 18-bed unit and associated outreach support for single homeless people)
  - Bridge House ("stage 2" move on accommodation representing an 8 - bed unit)
  - Stubbs and Turin Court ("stage 2" move on accommodation representing an 8-bed unit)
  - Community Support (previously known as 'floating support' or 'tenancy support' which supported 212 households between October and December 2018.

- 1.6 The County Council resolved the approach it would take in an Executive Member Decision on 5 December 2018. The decision was for the County Council to continue to invest £2.4m on homelessness support services to assist the most vulnerable people who are sleeping rough or who are at risk of rough sleeping. This represents an overall reduction in County Council spending of £1,825,146 (or 42%).
- 1.7 For the Lot comprising Test Valley, Winchester, Eastleigh and the New Forest, this decision represents a proposed annual spend from 1 August 2019 of £807,323. It is also a reduction across the Lot area of £595,614 (42%) compared to the current annual spend of £1,402,937.
- 1.8 The reduction in County Council funding for Social Inclusion Services in Test Valley raises concern about the local capacity to respond to the needs of vulnerable people.
- 1.9 The Council receives money from MHCLG to support it to meet local homelessness demand. The report considers how Flexible Homelessness Support Grant (FHSG) could be targeted to support local service delivery in light of both the Social Inclusion Services review outcome and pressures associated with the Homelessness Reduction Act 2017.

## **2 Background**

- 2.1 The Housing Service has engaged with commissioning leads at the County Council regarding joint commissioning. This has resulted in a general consensus across the County; that more can be achieved through robust partnership working.
- 2.2 Through negotiation, and working with our Lot partners, Test Valley has secured the following ongoing County Council investment:
  - Direct access hostel provision (Dene Court) (£330K), including a very limited outreach service provision for rough sleepers within the new model (and representing a £10k shortfall in outreach capacity moving forwards).
  - Stubbs and Turin Court Stage 2 supported move-on provision (£15K).
  - Limited Community Support restricted to single people with complex needs only, and to support move-on from Stage 1 (£29K).
- 2.3 The County Council has determined that they will no longer fund:
  - Loss of outreach capacity (£10K)
  - Stage 2 accommodation at The Bridge (£45K reduction)
  - Community Support for families (£80K)
- 2.4 County Council spending reductions will leave significant gaps in local services. This will have consequences for demand, affecting Test Valley's front line services along with its ability to meet relevant legal obligations under the expanded statutory homelessness framework.

- 2.5 Whilst it is clear the loss of any supported housing provision would be problematic locally, it is also apparent that in light of increasing demand, the borough requires appropriate outreach provision for rough sleepers and single homeless people, and some form of targeted work with families as the County will no longer be funding community support beyond August 2019 for this cohort.
- 2.6 Concurrent to the County Council Social Inclusion Services review, Test Valley has been evaluating its work on homelessness, and a recent report to Cabinet in March considered key aspects of that evaluation. The forthcoming changes to social inclusion services have been considered in this context. The recommendation contained in this report makes links across both aspects of our work on homelessness locally.
- 2.7 The Council has received 3 years FHSG determination up to and including financial year 2019/20. Indications from MHCLG are that this funding will continue, and continue to be ring fenced, yet we have no *certainty* after 2019/20 at the time of writing.
- 2.8 The FHSG currently funds two Housing Options Officers to assist with new duties under the Homelessness Reduction Act and supports an additional top-up to facilitate the work of the Housing Options Service to prevent and relieve homelessness in keeping with the Council's commitment. The basic funding profile, as approved by Cabinet in March 2018 and March 2019, is included in the table below:

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
FHSG	£ 168,124	£194,446	£201,000
Funding of Two Housing Options Officer	£41,250*	£59,860	£61,700
Top up for HRA pilot			£17,600
<b>Uncommitted Budget</b>	<b>126,874</b>	<b>£134,586</b>	<b>£121,700</b>

*\*Appointed August 2017 and pro rata for 8 months of 2017/18*

- 2.9 The recommendations of this report fit within the envelope of the existing service budget and that of the FHSG.

### **3 Corporate Objectives and Priorities**

- 3.1 Preventing and tackling homelessness is a priority for Test Valley Borough Council.
- 3.2 The Council is committed to putting residents' needs and their experience at the forefront of its thinking, and across a range of priority areas, building on principles such as meeting basic need to include employment, homes, and a supportive community. The Corporate Plan priorities of Live, Work, Enjoy and Contribute embody these aims with an increasing emphasis on investing in Test Valley to ensure it is a great place to live.

- 3.3 The emerging priorities for the Council, as part of the development of a new Corporate Plan, continue to emphasise the importance of supporting vulnerable people and helping people to secure settled homes. This has been borne out through resident consultation and is likely to remain one of a core set of priorities for the Council when looking to the future.
- 3.4 The recent transformation in Test Valley's approach to preventing and relieving homelessness, dovetails with these ambitions. Indeed, Cabinet recently approved ongoing investment for initiatives that have proven successful in preventing and relieving homelessness in 2018/19.
- 3.5 Homelessness Reduction Act compliance has been a key action in the Corporate Action Plan alongside adopting a new operating model. The recommendations in this report seek to complement this and have been developed in this wider strategic context.
- 3.6 Feeding into the Council's corporate aims, the Preventing Homelessness Strategy sets out a delivery plan to support the Council to build on its successes and meet new challenges. In March, Cabinet approved an interim Rough Sleeping Action Plan and this will be delivered alongside the Preventing Homelessness Strategy.
- 3.7 Housing and homelessness remain at the top of the national policy agenda, with a new national Rough Sleeping Strategy published in August 2018 and an ongoing emphasis on the importance of preventing homelessness and the role of local authorities in leading their communities to effectively deal with homelessness pressures.

#### **4 Consultations/Communications**

- 4.1 Operational staff have been engaged in the social inclusion services review and have been consulted about potential implications of the recommendations contained within this report.
- 4.2 Throughout the Social Inclusion Services review, an Advisory Group of key stakeholders has met on a regular basis to discuss matters arising and feed into both local and county-wide plans.
- 4.3 Local social inclusion service provider, Two Saints, has been part of discussions associated with the future of the service cluster.
- 4.4 As part of regular liaison meetings with Aster Group and Test Valley, the Social Inclusion Services review and potential implications have been discussed along with the options contained in this report.
- 4.5 Throughout the course of the review key elected members have been consulted and involved in steering the direction of travel.
- 4.6 Senior managers, including Heads of Service across the Council, have been consulted regarding the contents of this report.



## 5 Options

- 5.1 The Council's Housing Service has recently reported a 44% increase in footfall and we have seen increasing levels of rough sleeping over the past year, along with a rise in placements into bed and breakfast accommodation to relieve homelessness. The services within the Social Inclusion cluster are significant in their supporting role to prevent and relieve homelessness in Test Valley, particularly those that are accommodation based or delivered directly to people who may be rough sleeping or at risk of rough sleeping.
- 5.2 The Council has the option to work with the County Council on its commissioning process *without* putting forward any additional investment. This would result in the loss of some supported housing in the locality, along with outreach capacity and a reduction in available support for families. This would have a consequence for local demand, levels of homelessness and rough sleeping, and the number of households in temporary accommodation.
- 5.3 Alternatively, the Council could opt to invest in either some or all of the areas affected by the County Council forthcoming spending reductions. Investing in all the areas facing either closure or reduced capacity, would maintain the current local safety net for vulnerable homeless people and those at risk of homelessness. Considered in isolation, however, these options are somewhat binary.
- 5.4 In light of the recent evaluation of the Council's 2018/19 Developmental Pilot in Housing Options, an opportunity has been identified for Cabinet consideration that will meet identified needs.
- 5.5 In this context, the Council could also consider a hybrid position that sought to invest in key local services within the cluster, whilst making a strategic decision to target funding internally. This would be in the interests of developing the Housing Service so that it can deliver targeted resettlement services for people being supported under the statutory homelessness framework, including those who are homeless and those who are at risk of homelessness, and with a focus on temporary accommodation.
- 5.6 There are, therefore, 3 identifiable options:

### ***Option 1:***

- 5.7 The Council works with commissioning leads at the County Council to support a new model of service delivery but does not seek to invest its own funding in the new service cluster from August 2019.

### ***Option 2:***

- 5.8 The Council works with commissioning leads at the County Council to support a new model of service delivery and invests its own funding (up to £137K in total) to maintain local services and continue the existing capacity to meet locally identified needs. This includes contributing to the new service model and using FHSG to support the current provider, Two Saints, to deliver some of the services below:

- 5.9 Whilst the County Council will continue to fund a small amount of outreach within the modified contract from August 2019, there remains a £10K shortfall in this area per annum (pro rata for 2019/20 and for the complete year 2020/21). To maintain outreach capacity the Council will need to fund the additional £10k per annum (pro rata for 2019/20 and for the complete year 2020/21) using FHSG.
- 5.10 The County Council is clear that it will continue to fund move-on (stage 2) supported housing at Stubbs and Turin Court, but that it will no longer fund The Bridge. The withdrawal of funding by the County Council means that an additional investment by Test Valley Borough Council of £45K per annum (pro rata for 2019/20 and for the complete year 2020/21) from the FHSG would be required to retain this local provision.
- 5.11 Although the County Council will continue to fund Community Support for those people moving on from Dene Court into Stage 2 accommodation, they will no longer fund this support for families or households with medium or low level needs. To maintain this provision from August 2019, Test Valley Borough Council would need to contribute an estimated £82K per annum from the FHSG.

**Option 3:**

- 5.12 Option 3 would also make targeted use of FHSG during 2019/20 and 2020/21, and this would include funding the gap in outreach capacity along with the Stage 2 accommodation at The Bridge, as set out in paragraphs 5.9 and 5.10 above. This recognises the fundamental importance of accommodation based services, and services for the most socially excluded vulnerable single people in Test Valley.
- 5.13 Option 3 does not, however, propose the use of FHSG to support the ongoing provision of Community Support for families. The County are very clear that post August 2019, their priority is towards single vulnerable households with complex needs. The County Council has also suggested that the Family Support Service and Supporting Families Programme in Hampshire will pick up some of those households currently receiving Community Support.
- 5.14 Option 3 instead proposes that the Council targets £82K per annum (pro rata for 2019/20 and for the complete year 2020/21) of FHSG to support a minor restructure in the Council's Housing Options Service. This would be with a view to developing an in-house "Resettlement Service" to be introduced during 2019/20. The funding would be used to recruit 2.5 FTE "Resettlement Officers", working flexibly between Andover and Romsey offices, and with a specific remit to support the Council to deliver on Personal Housing Plans and work with families and single households in temporary accommodation provided by the Council to assist them to sustain accommodation and to move-on to settled housing solutions.
- 5.15 This builds on the recent evaluation of the 2018/19 Developmental Pilot and would aim to meet an identified need, maintaining a successful demand management approach, including the management and support for households experiencing homelessness, reducing the use of temporary accommodation and increasing access and options in the private rented sector for our customers.

- 5.16 Annex 1 sets out the current structure in Housing Options and the proposed new structure associated with recommended Option 3. Annex 2 sets out the financial implications of Option 3 including costs pro-rata for 2019/20 and for the full financial year 2020/21.
- 5.17 In summary, this report is recommending that Flexible Homelessness Support Grant funding of £346,200 is targeted at supporting social inclusion services to be delivered by Two Saints (outreach capacity and stage 2 supported accommodation), along with 2 FTE Housing Options Officers and a new Resettlement Service within the Council's Housing Services, during 2019/20 and 2020/21.

## **6 Option Appraisal**

### ***Option 1:***

- 6.1 Since April 2018, the Housing Service can evidence a significant increase in presentations (44%) including a 16% increase in those who are homeless or threatened with homelessness. It is also evident that single homelessness pressures have increased locally, and the autumn 2018 rough sleeping estimate represented a significant increase on the previous year; from 2 rough sleepers in 2017 to 9 in 2018.
- 6.2 Social Inclusion Services support the Council to meet the needs of vulnerable people in the borough who are homeless or at risk of homelessness. The potential loss of these services, and in particular accommodation based support services and services to vulnerable single homeless people and families, will result in further increasing pressures on the Council's front line. This will have corresponding impacts on costs to the Council in meeting its homelessness duties and wider commitments to the borough.
- 6.3 The Homelessness Reduction Act 2017 significantly extended the Council's homelessness duties, broadening the scope of those who must be supported and introducing more onerous duties to prevent and relieve homelessness.
- 6.4 On balance, Option 1 is not being recommended. Failure to invest in the cluster of Social Inclusion services will have negative consequences for local residents, including our most vulnerable citizens, and for the Council.
- 6.5 The government provides funding to support the Council to prevent and tackle homelessness, including ring fenced FHSG that could be targeted to minimise the impacts of County Council spending reductions in this vital service area.

### ***Option 2:***

- 6.6 To ensure the continued provision of Social Inclusion Services in Test Valley, and avoid the negative consequences referenced above, the Council could invest in local services in scope of the County Council's recent decision to reduce expenditure.
- 6.7 This means the funding would be used to support the ongoing delivery of services, in the following way:

- (a) £10K to maintain local outreach capacity (Two Saints)
- (b) £45K to maintain local Stage 2 accommodation capacity (Two Saints)
- (c) £82K to maintain Community Support for families (Two Saints)

*Total Funding Required to Support Option 2: £137K per annum (pro rata for 2019/20 and for the complete year 2020/21)*

- 6.8 At the time of writing, Two Saints are currently reviewing their business plan and model of delivery in light of the County Council's Social Inclusion Service review. In particular the decision around Community Support for families and their capacity to deliver this service going forward.
- 6.9 There is no *certainty* that the FSHG will continue beyond 2019/20, however - and whilst it has been drafted in the context of Option 3 below - Annex 2 demonstrates that the current position would facilitate a targeted investment for 2019/20 and 2020/21.
- 6.10 Option 2 would maintain the status quo and ensure the continuation of accommodation based support services and outreach capacity, however, it would miss an opportunity to invest directly in the Borough Council's portfolio of services, targeting TVBC investment away from Community Support and towards something more in keeping with identifiable pressures locally.
- 6.11 In light of the 2018/19 developmental pilot in Housing Options, and the levels of recent demand on the Council's front line housing services, Option 3 recommends an alternative approach that will also ensure a robust network of services can be maintained, whilst bolstering the Council's resilience and capacity to meet the demands of the new Homelessness Reduction Act framework.

***Option 3:***

- 6.12 Option 3 proposes an alternative approach requiring the same level of investment by the Council as that outlined in Option 2 above.
- 6.13 In light of the importance of accommodation based services in the local area, and increased demand for support services from single people experiencing homelessness, both the outreach capacity and stage 2 accommodation provided by Two Saints remain strategically relevant.
- 6.14 In the context of Community Support provision, the recent evaluation of the Council's Developmental Pilot in Housing Options suggests there may be opportunities to deliver something new from within the Council.
- 6.15 Option 3 does not, therefore, seek to replace the ongoing Community Support provision for families. Contract monitoring for the existing provision demonstrates the majority of families receiving Community Support are housing association tenants.

Increasingly, housing associations are developing in house support services to assist in managing tenancies, and in the interests of the health and wellbeing of their tenants. The Housing Service is encouraging housing association partners to note the implications of the County Council's recent decisions and to review their own provision in light of the potential loss of Community Support for families.

- 6.16 Additionally, the County Council is looking to its existing Family Support Service and the Supporting Families Programme to meet the needs of some of the present cohort of families receiving Community Support.
- 6.17 Test Valley Borough Council has significantly increased legal duties following the commencement of the Homelessness Reduction Act 2017, and has been experiencing increasing demands from both single people and families. To meet these demands, the approach to supporting people through Personal Housing Plans, and whilst they are residing in temporary accommodation provided under statutory homelessness duties, is becoming increasingly critical. Option 3 would ensure appropriate levels of support for both single and family households. It is in this context that Option 3 proposes the Council invests in its own front line service.
- 6.18 As set out in Annex 2, it is possible within the existing Housing and Environmental Health Service budget, plus the FHSG, to meet the costs of a new Resettlement Service as part of the housing options team, within available funding. To achieve this, a minor restructure may be necessary and staff have been consulted on a potential option included at Annex 1.
- 6.19 The proposal would facilitate targeted support for people in temporary accommodation, including generating increased throughput and resulting vacancies, plus the direct engagement of Resettlement Officer support in the delivery of Personal Housing Plans under the Homelessness Reduction Act.
- 6.20 The increased capacity within the Housing Service would build on existing operational achievements through the 2018/19 developmental pilot and further enable the service to prevent and relieve homelessness effectively.
- 6.21 Whilst the Resettlement Officers will be fulfilling a different function to the current Community Support Service, by working in partnership with a range of other agencies, including housing association support workers, and with proactive targeting of the resources available to the Housing Options team, it is anticipated that Option 3 will not result in a significant cohort of unsupported local residents with low to medium needs. At the same time, Option 3 will retain the current stage 2 accommodation provision and maintain historic levels of outreach support for single homeless people.
- 6.22 Option 3 is recommended to Cabinet. It will facilitate a more resilient and effective housing options service, meeting identified local need and contributing to the Council's approach to demand management. This proposal would require FHSG funding to be targeted in the following way:
  - (a) £10K to maintain local outreach capacity (Two Saints)
  - (b) £45K to maintain local Stage 2 accommodation capacity (Two Saints)
  - (c) £82K to introduce a Resettlement Service as part of the Council's Housing Options Service (Test Valley Borough Council)

*Total Funding Required to Support Option 3: £137K per annum (pro rata for 2019/20 and for the complete year 2020/21)*

- 6.23 More detail regarding the breakdown of the funding arrangements has been set out at Annex 2.

## **7 Risk Management**

- 7.1 A risk assessment has been completed in accordance with the Council's risk management process and has identified significant (Red or Amber) risks as detailed in the risk assessment. The required actions proposed to reduce these risks will incur additional control costs/insurance as outlined in the Resource Implications section of this report.
- 7.2 This report, and associated recommendations, has been produced in the interests of minimising the risks associated with a significant reduction in Hampshire County Council funding for Social Inclusion Services in Test Valley, and in the interests of investing in a model of service delivery that will be subject to further monitoring and review, including as part of contract monitoring arrangements with the County Council, and through internal performance monitoring within Test Valley Borough Council.

## **8 Resource Implications**

- 8.1 The Council has been awarded Flexible Homelessness Support Grant funding as part of a 3 year determination. This current determination is due to expire in 2019/20 and at the time of writing, whilst it is not anticipated that government will cease this grant, there is no certainty that it will be an ongoing funding stream.
- 8.2 The FHSG allocations for Test Valley for the 3 years are 2017/18 (£168K), 2018/19 (£194K) and 2019/20 (£201K). The Council has committed £162,810 of this funding since 2017/18 to fund 2 FTE Housing Options Officer posts.
- 8.3 A balance of £298,000 has been carried forward from 2018/19 and this with the 2019/20 allocation of £201,000 realises an uncommitted budget of £421,300.
- 8.4 The proposal in Option 3 will be funded through FHSG and the funding implications have been set out in Annex 2. For completeness, the table in Annex 2 provides a summary of all funding to be drawn from the Flexible Homelessness Support Fund, including that agreed by Cabinet in March 2019 with regards to ongoing commitments of Homelessness Reduction Act compliance.

## **9 Legal Implications**

- 9.1 The Council has statutory duties to assist those who are homeless or threatened with homelessness and must comply with the Homelessness Reduction Act 2017. The recommended option will support legal compliance.

- 9.2 The Council will work with Hampshire County Council to support a contract variation with the current provider, Two Saints, for the ongoing provision of direct access accommodation, stage 2 move-on accommodation, outreach support and targeted community support.

## **10 Equality Issues**

- 10.1 An Equalities Impact Assessment (EQIA) has been completed with regard to the recommendations of this report and issues arising.
- 10.2 The Council radically changed its working practices in 2018 to meet legal obligations and to go beyond what is required by law in the interests of preventing and relieving homelessness. This included providing services to a wider group of customers, whilst focusing on those at highest risk.
- 10.3 In March 2018, Cabinet approved a new Preventing Homelessness Strategy Action Plan, and in March 2019, Cabinet approved an interim Rough Sleeping Action Plan. Both action plans set out practical actions the Council would take in partnership to meet identified needs locally. The recommendations in this report build on these strategic and operational priorities.
- 10.4 Given the rural nature of Test Valley, this presents additional challenges and the EQIA has identified the potential for discrimination or adverse impact around social inclusion. The recommendations in this report seek to mitigate the risk of social exclusion resulting from recent decisions taken by Hampshire County Council and have been specifically designed to meet the needs of vulnerable people including people with protected characteristics.
- 10.5 In this context, the recommendations contained within this report do not create new equalities concerns. Rather they are targeted to mitigate potential negative impacts associated with Hampshire County Council spending reductions. This is to ensure that vulnerable people in Test Valley are able to receive appropriate services, that those services are accessible, and in the interests of proactively preventing and relieving homelessness for all residents.

## **11 Other Issues**

- 11.1 The Council will continue to work in partnership with the wider network of public services to develop a shared sense of responsibility for homelessness.
- 11.2 The Council's Communities Officers are already actively working with the Housing & Environmental Health Service to ensure local responses are adequate and proactive around social inclusion, particularly with regard to vulnerable single people who may be rough sleeping or at risk of rough sleeping.
- 11.3 All wards and communities are affected by the recommendations.

## **12 Conclusion and reasons for recommendation**

- 12.1 The funding changes approved by the County Council have significant implications for Test Valley.

- 12.2 Since the commencement of the Homelessness Reduction Act 2017 in April 2018, the Council has been under a significantly increased range of statutory duties associated with the provision of housing advice and homelessness services, and has experienced significantly increased demand for housing advice and support over the past financial year.
- 12.3 Innovative new ways of working within the Council's Housing Services during that time have proved effective. The report has highlighted a key opportunity associated with the County Council's decisions, to build on recent successes and consolidate a resilient and modern Housing Service.
- 12.4 The recommendations within this report are intended to meet locally identified priorities and maintain strong partnership arrangements in the interests of meeting the needs of vulnerable people in our communities. This can be achieved through the adoption of a costed approach to investment using existing service budget and ring-fenced government grants.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2	File Ref:	N/A
(Portfolio: Housing & Environmental Health) Councillor Bundy			
Officer:	Phil Turner	Ext:	8544
Report to:	Council	Date:	17 April 2019



**Housing Manager**

Existing Structure

**Senior Housing  
Options Officer  
Romsey (GD)  
Scale 8**

**Senior Housing Options Officer  
Andover (KT)  
Scale 9**

**HHC Manager  
(EW)  
Scale 10**

**Homelessness Officer (BW)  
Scale 8**

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- HOO (AD) Scale 6**
- HOO (KN) Scale 6**
- HOO (DH) Scale 6**
- HOO (GT/ST) Scale 6**
- HOO (LB) Scale 6**
- HHO (CM) Scale 6**

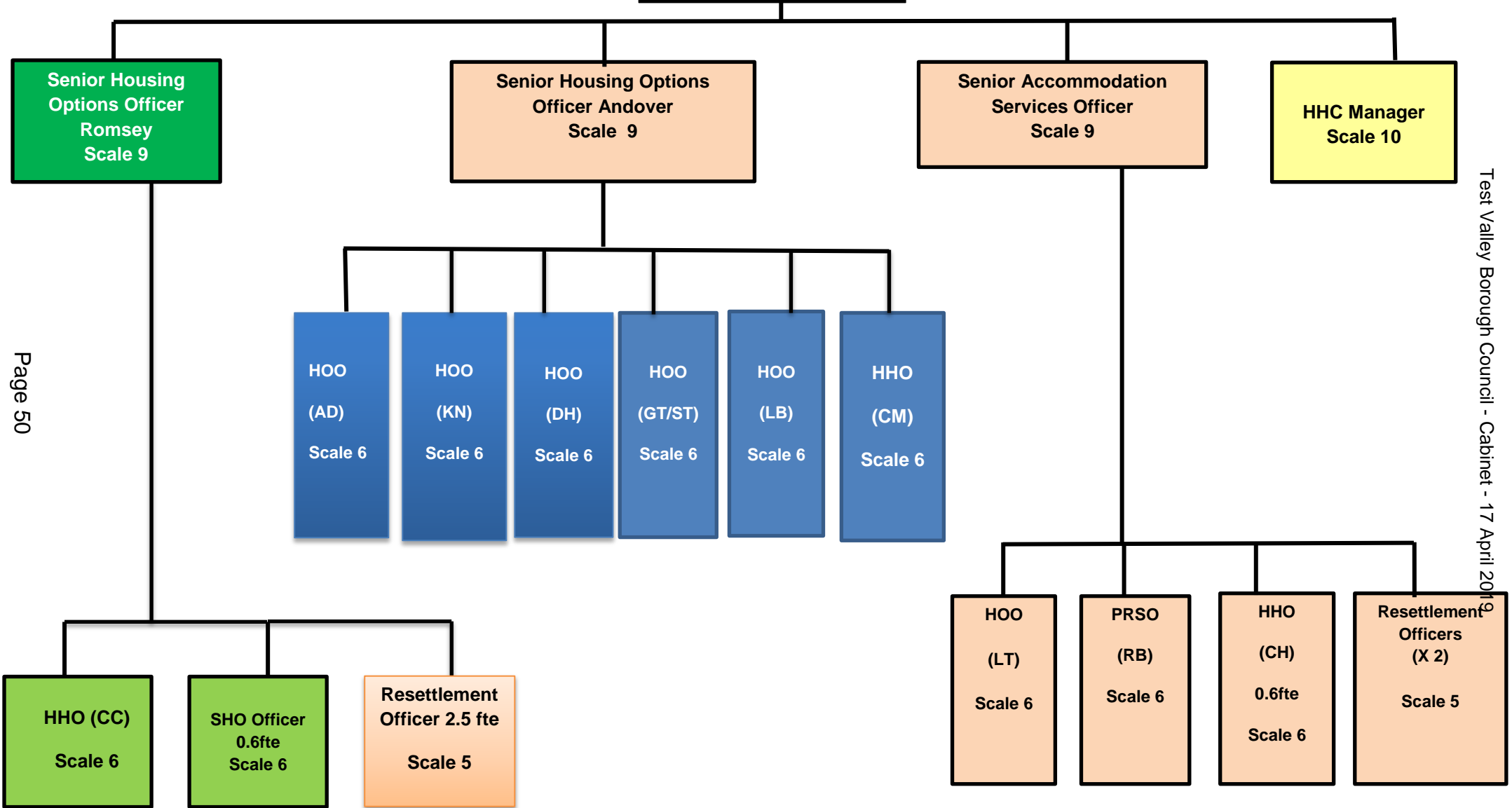
- HOO (LT) Scale 6**
- PRS Officer (RB) Scale 6**
- HHO (CH) 0.6fte Scale 6**

- HHO(CC) Scale 6**
- SHO Officer 0.6fte Scale 6**

Proposed

**Housing Manager**

**ANNEX 1(b)**



## Annex 2 – Summary of funding implications included in the scope of the recommendations of the report.

**Table 1: Homelessness Reduction Act and Housing Options (Subject of March 2019 Cabinet Report)**

	2017/18	2018/19	2019/20
Balance b/f	15140	175014	298000
<b>Income</b>			
New Burdens funding	33000	30400	32000
FHSG	168124	194446	201000
Special Projects	0	15000	0
<b>Total income</b>	<b>216264</b>	<b>414860</b>	<b>531000</b>
<b>Expenditure</b>			
Housing Options Officers	41250	59860	61700
Homelessness Prevention fund	0	15000	18000
MATT fund	0	13000	5000
Single Homelessness fund	0	5000	5000
Upgrade ICT system	0	9000	0
Prototyping	0	10000	17500
Training	0	5000	2500
<b>Total costs</b>	<b>41250</b>	<b>116860</b>	<b>109700</b>
Balance c/f	175014	298000	421300 *

*\*The uncommitted budget will be considered in a separate report to Cabinet, anticipated in April 2019, and associated with the forthcoming changes to Social Inclusion Services in Test Valley arising from the recent Hampshire County Council T19 review.*

**Table 2: Social Inclusion Services & Future Funding (April 2019 Cabinet Report)**

	2019/20	2020/21
		To be determined
FHSG allocation	201000	determined
Balance b/f	421,300	321,800
<b>Expenditure</b>		
Stage 2 and Outreach Service	38,000*	£55,000
Community/Resettlement Support	61,500**	£82,000
Housing Options Officers		£61,700
<u>HRA Compliance</u>		<u>£48,000</u>
<b>Total Costs</b>	<b>99,500</b>	<b>£246,700</b>
Balance C/F	321,800	75,100

\*pro rated for 8 months of 2019/20 - new social inclusion model from Aug 2019.

\*\*pro rata for 9 months of 2019/20 – Start July 2019

## **ITEM 11            ECO Flexibility Eligibility – Statement Of Intent**

Report of the Housing and Environmental Health Portfolio Holder

### **Recommended:**

- 1. That Cabinet note the change to Energy Company Obligation funding and that local authorities are required to issue a “Statement of Intent” in order for their residents to access some strands of ECO funding.**
- 2. That the recommended Option 1 be approved and the associated Statement of Intent at Annex 1 be adopted.**

### **SUMMARY:**

- Energy Company Obligation (ECO) funding was reviewed by the government in 2017, with a view to enabling greater flexibility in the way local authorities could engage with energy suppliers on how suppliers meet their obligations to install energy efficiency measures. Following the review, local authorities are now required to publish a “Statement of Intent” setting out eligibility criteria in order to access these funds. This enables local authorities to set their own priorities, in scope of the aims of the ECO, and with regard to associated guidance.
- This report seeks approval to declare and publish a Test Valley ECO LA-Flex ‘Statement of Intent’ (see Annex 1) allowing households living in residential private sector homes in Test Valley to access funding under the Energy Company Obligation: Help to Heat Programme (ECO3) 2018 – 2022. This funding provides energy efficiency improvements delivered by energy companies and their agents.
- The Statement of Intent has been drafted with due regard to guidance, and aims to support low income households living in Test Valley who are most likely to experience fuel poverty and those vulnerable to the effects of a cold home. The scheme will be subject to available funding and may close at any time. The scheme will be fully funded via energy suppliers obligated under Energy Company Obligation (ECO3).

## **1 Introduction**

- 1.1 Fuel poverty can cause low income and vulnerable households to live in unhealthy, cold homes potentially pushing them into debt due to high heating charges. In Test Valley in 2012<sup>1</sup> there were an estimated 47,584 households in total, of which 4,253 were considered to be in fuel poverty. This is likely to have increased along with rising fuel prices, and it is predicted to continue to rise over the coming years.**

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<sup>1</sup> Base Line Data for Test Valley Borough Council HECA Further Report 2015

- 1.2 The Energy Company Obligation (ECO3) is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy saving measures. Under ECO3, energy suppliers are able to meet up to 25% of their obligation under LA-Flex and the effectiveness of this scheme is likely to influence decisions about future energy efficiency schemes in England. ECO3 will continue until March 2022 and is focused on low income and vulnerable households.

## **2 Background**

### **Energy Company Obligation**

- 2.1 Following a review of the Government's ECO in 2017 a new revised scheme 'ECO Flexible Eligibility' was launched providing greater flexibility for local authorities to utilise funding from energy suppliers. This initiative allows local authorities to set their own qualification criteria for assistance to address local need. The funding can be accessed directly from an energy supplier or through a third party contractor and can be used to carry out energy saving measures to domestic properties.
- 2.2 The current ECO3 is an obligation on energy suppliers aimed at helping households cut their energy bills and reduce carbon emissions by installing energy savings measures. The majority of funding for affordable warmth measures now comes through this route.

### **Statement of Intent**

- 2.3 Local authorities (LAs) can only access this funding if a 'Statement of Intent' (SOI) has been published detailing their eligibility criteria for qualifying households and this statement has been published on the Council's website and the Department for Business, Energy and Industrial Strategy (BEIS) have been notified of its publication. The SOI can be an individual or joint statement across LAs. It is proposed that the Council has its own Statement of Intent for ECO LA Flexibility (Annex 1).
- 2.4 There are two main categories of private tenure household that government intends to be eligible through flexible eligibility. Fuel poor households, especially those on low income and not in receipt of ECO eligible benefits, and low income households that are vulnerable to the effects of living in a cold home.
- 2.5 Solid wall insulation (SWI) is eligible for certain 'in fill' properties. LAs are able to provide declarations for households that are not living in fuel poverty or on a low income and vulnerable to the effects of living in a cold home to encourage multi property SWI. This mechanism has been designed to help the delivery of SWI which benefits from economy of scale.
- 2.6 This SOI responds to the statutory requirements for the ECO scheme, sets out the criteria the Council will use in making declarations for qualifying residents under flexible eligibility and the delivery arrangements in place. The SOI defines the vulnerability, fuel poverty, and low income criteria, and sets out the criteria for requirements for property types under in-fill schemes.

- 2.7 The BEIS provides guidance to LAs on identifying eligible households and recommended income thresholds set out in Table 1 of the SOI. Income is defined as a household's disposable income after they have paid their rent or mortgage. LAs are able to exercise their discretion on where to set thresholds they consider appropriate.

#### Declaration

- 2.8 The SOI requires the LA to make a declaration for each installation prior to work being undertaken. This declaration demonstrates that the Council has been consulted on the proposed works and considers that the household meets the Council's eligibility criteria. It is proposed that the Head of Housing & Environmental Health, Housing Development Manager and the Principal Environmental Health Officer (Housing) will make these declarations on the Council's behalf.
- 2.9 The final decision on whether a household receives an ECO3 measure is made by the obligated energy suppliers or their agents/contractors. Inclusion in a Declaration made by the LA to the supplier will not guarantee installation of measures, as the final decision will depend on:-
- (a) The Survey carried out by the supplier's agent/contractor and installation costs calculated;
  - (b) The energy saving that can be achieved for a property
  - (c) Whether suppliers have achieved their targets or require further measures to meet their ECO3 targets.
- 2.10 Signed declarations under ECO3 will be valid for 18 months from the date of signature or until the 31 March 2022, whichever comes soonest.

### **3 Corporate Objectives and Priorities**

- 3.1 The proposed Statement of Intent supports the main themes of the current Corporate Plan; Investing in Test Valley 2015-2019.
- 3.1.1 Live: Making the best use of existing housing and improving standards
  - 3.1.2 Work: opportunities that will help support businesses in Test Valley
  - 3.1.3 Enjoy: increasing our green credentials and showing leadership in green energy initiatives where it makes good business sense to do so.
- 3.2 The SOI has also been drafted with regard to the results of the Council's consultation in 2019 on a future Corporate Plan, and is intended to fit within the Council's future aspirations for the borough and its residents.
- 3.3 The Statement of Intent also supports the current Housing Strategy 2016-2019 and HECA Action Plan by improving housing quality and addressing fuel poverty, and by delivering financial benefits to people on low income, will also make a contribution to the Council's Preventing Homelessness Strategy.

#### **4 Consultations/Communications**

- 4.1 BEIS along with the Association of Local Energy Officers, Local Authority Officer Group and Hampshire and Energy Efficiency Partnership, are recommending each LA publish their own SOI as a method of increasing the number of residents that can benefit from funding for energy efficiency measures to help reduce fuel poverty for residents.

#### **5 Options**

- 5.1 The options available to the Council are:-
- 5.2 Option 1: To make a declaration and publish a 'Statement of Intent' regarding flexible eligibility criteria, so qualifying households can potentially benefit from energy efficiency measures as part of the Government's ECO3 programme.
- 5.3 Option 2: Not to make a declaration or publish a 'Statement of Intent' regarding flexible eligibility criteria.

#### **6 Option Appraisal**

- 6.1 Option 1 is recommended. Making a declaration and publishing a 'Statement of Intent' will widen existing ECO criteria, thereby allowing Test Valley residents either experiencing fuel poverty or at risk of fuel poverty, access to funding that will benefit their lives.
- 6.2 Residents will be able to access insulation and heating upgrades specifically addressing energy inefficient (D, E, F and G rated) properties within the private sector.
- 6.3 The eligibility requirements under the LA-Flex element of ECO are optional and suppliers are not mandated to participate in order to meet their obligations. LAs participating under LA-Flex are, however, expected to follow the ECO3 2018 – 2022 Flexible Eligibility Guidance. This has been considered when drafting Annex 1 to this report and the associated recommendations herein.
- 6.4 Option 2 risks preventing local residents from receiving this assistance. There are no direct financial implications for the Council in making a SOI and therefore Option 2 is not recommended.

#### **7 Risk Management**

- 7.1 An evaluation of the risks indicates that the existing controls in place mean that no significant risks have been identified at this time.

#### **8 Resource Implications**

- 8.1 ECO3 is funding available direct to energy suppliers to install energy efficiency measures in homes. There is no additional funding being provided by the Council.

- 8.2 Officer time will be required to sign declarations and participate in annual reporting to BEIS, and this will be incorporated under the HECA Action Plan, however, this is manageable within existing resources.

## **9 Legal Implications**

- 9.1 The Statement of Intent has been drafted taking into account the requirements of LA Flex (Article 17) of the ECO Order 2018 ('Order').
- 9.2 There are no legal implications as the ECO3 funding is direct to the energy supplier and the energy supplier is required to maintain records of all declarations received from the LA to demonstrate eligibility.

## **10. Equality Issues**

- 10.1 Energy efficiency interventions will be available to all qualifying households as detailed in the Test Valley SOI (Annex 1). Qualification is primarily based on income, health vulnerabilities and the determination of living in fuel poverty.
- 10.2 The SOI is aimed at reducing inequalities in terms of living standards and health and wellbeing.

## **11. Other Issues**

- 11.1 Community Safety: none
- 11.2 Environmental Health Issues: improving the efficiency of homes will increase thermal comfort and wellbeing of residents.
- 11.3 Sustainability and Addressing a Changing Climate: creating more energy efficient homes will reduce the demand for energy and provides a sustainable approach.
- 11.4 Property Issues; covers private sector homes only.
- 11.5 Wards/Communities Affected: all

## **12 Conclusion and reasons for recommendation**

- 12.1 The Statement of Intent enables the Council to help households reduce their energy bills and carbon emissions by installing energy savings measures assisting in the delivery of the HECA Action Plan, Housing Strategy Action Plan and Environmental Sustainability Framework.
- 12.2 LA-Flex enables the Council to improve the health and wellbeing of our residents utilising government funding provided to Energy Company Suppliers.
- 12.3 This approach represents no risk to the Council and has no significant resource implications beyond officer time. It will deliver new opportunities for our residents to improve their homes.



<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Corporate Plan 2015 – 2019			
Housing Strategy 2016 – 2019			
HECA Action Plan 2018			
BEIS Energy Company Obligation: ECO3,2018 – 2022 Flexible Eligibility Guidance (Feb 2019)			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Housing & Environmental Health ) Councillor Bundy			
Officer:	Jane Windebank	Ext:	8620
Report to:	Cabinet	Date:	17 April 2019

**Energy Company Obligation (ECO3)**  
**Local Authority Flexible Eligibility Statement of Intent**

**Local Authority:** Test Valley Borough Council  
**Date of Publication:** April 2019  
**Version:** ECO3: v1  
**URL:** www.  
**Initial Contact:** Deborah Vincent, Principal Environmental Health Officer (Housing)

**1. Introduction**

Fuel poverty can cause low income and vulnerable households to live in unhealthy, cold homes potentially pushing them further into debt. In 2015, the Government launched the Energy Company Obligation (ECO) as an obligation on energy suppliers to assist households to reduce their carbon emissions and to tackle fuel poverty by installing energy saving measures.

Flexible Eligibility under ECO3 enables energy suppliers to achieve up to 25% of their obligation by installing energy saving measures in households declared eligible by Local Authorities (LA Flex). LAs are able to make declarations determining that certain households meet the eligibility criteria for a measure and can refer households to suppliers for support.

The aim is to work in a straightforward way, with a main focus on two documents from LAs; a Statement of Intent (this document) from an LA that they are going to identify households as eligible, and the criteria they are going to use; and a declaration that the LA has been consulted on the installation of measures in a home.

LA Flex is optional and neither energy suppliers nor LAs are mandated to participate.

There are two main categories of private tenure household that the Government intends to be eligible through LA Flex:-

- a. Fuel poor households, especially those that are not in receipt of ECO eligible benefits, and
- b. Low income households who are vulnerable to the effects of living in a cold home.

(‘In-fill’ properties for the purposes of solid wall insulation are eligible (please refer to 3 (d) for eligibility criteria)).

**2. Test Valley Borough Council and Context**

Fuel poverty in Test Valley was recorded at 8.4% in 2014. Although this is lower than the national average, the Council is actively working to improve the energy efficiency of our residents’ homes and reduce fuel poverty further through work on county-wide projects like, Hitting the Cold Spots and through partnership working with organisations like the Environment Centre (tEC).

Hitting the Cold Spots is a Hampshire County Council service designed to alleviate fuel poverty focusing on owner occupiers and private tenants in the region. The service is currently delivered by the Environment Centre (tEC) and households are supported through a Freephone advice line, home visits and events, to access help for reducing energy bills and funding for home energy efficiency works.

It should be noted that the final decision on whether any individual household will benefit from energy saving improvements rests with obligated energy suppliers or their contractors. Inclusion in a Declaration of Eligibility issued by the Council to a supplier will not guarantee installation of measures. The final decision will depend on:

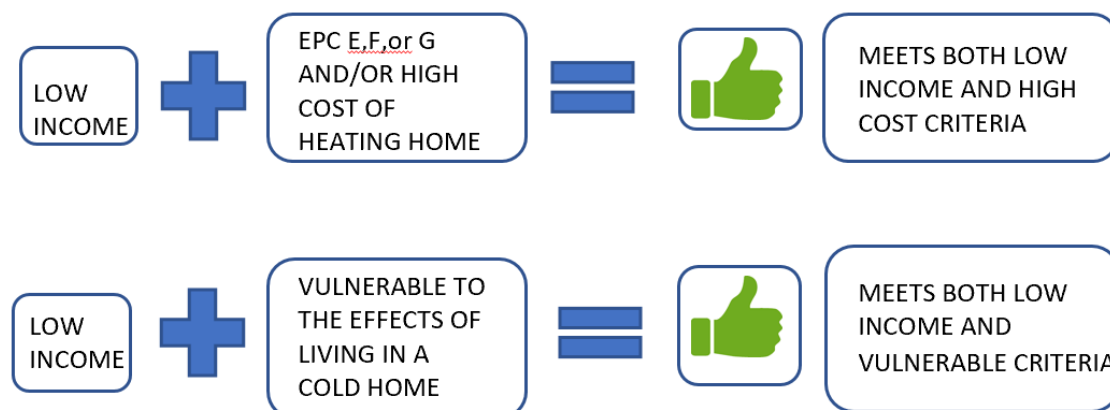
- i) identification of measures eligible under Help to Heat
- ii) the supplier's assessment of the cost-effectiveness of installing measures in relation to achieving its obligation, and
- iii) whether the supplier has achieved their targets or require further measures to meet their Energy Company Obligation targets.

Test Valley Borough Council (TVBC) welcomes the introduction of LA Flex and intends to utilise it for the purposes of reducing fuel poverty in the borough.

### **3. How Test Valley Borough Council intends to identify eligible households**

TVBC will declare eligible households that may benefit from the installation of measures under LA Flex as either those that are living on a low income **and**:

- living in fuel poverty and/or
- vulnerable to the effects of living in a cold home.



To identify a household as being in fuel poverty, TVBC adopts the following approach and requires that the household must satisfy one of the following criteria:-

- a) Meets the low income threshold and lives in fuel poverty
- b) Meets the low income threshold and the household suffers from vulnerability to cold
- c) Meets the low income threshold and lives in a Park Home
- d) Meets the low income threshold and is on an EPC Band Rating D, E, F or G.

- e) Meets the low income threshold and requires Solid Wall Insulation

For the purposes of low income, a household will have an income below the thresholds in Table 1. Income here is defined as a household's disposable income after they have paid their rent or mortgage.

<b>TABLE 1: After housing costs equivalised income thresholds by household composition (Feb 2017)<sup>1</sup></b>	
<b>Household Composition</b>	<b>Income after payment of rent or mortgage (2019)</b>
1 adult (18 years or over)	£9,300
1 adult and 1 child	£12,200
1 adult and 2 children	£15,000
1 adult and 3 children	£18,000
1 adult and 4 or more children	£21,000
2 adults	£15,200
2 adults and 1 child	£18,200
2 adults and 2 children	£21,100
2 adults and 3 children	£24,100
2 adults and 4 or more children	£26,800

The Council will reserve the right to flexibility when determining eligibility around thresholds and criteria set out above, where there is evidence that residents are struggling financially.

**a. Criteria for Identifying households in fuel poverty (FP)**

To identify a household as being in fuel poverty, TVBC adopts the following approach and requires that the household must satisfy the following criteria:

These are households:

- With an income below the threshold in Table 1 but not ECO Affordable Warmth eligible **AND**
- Living in a property with an EPC band of D, E,F or G **OR**
  - The property is hard to heat
  - The main wall type of the home is uninsulated solid wall or cavity wall
  - The primary heating source for the home is not mains gas network
  - No central heating
  - The property was built before 1964
  - The home is a flat above business premises
  - The household uses a pre-payment meter
  - Through disability, health or other condition the home is occupied for long periods or needs to be heated to abnormally high temperatures. (Note that most residents in this category will also qualify under the LIVC criteria set out below).

<sup>1</sup> BEIS: Energy Company Obligation: ECO3, 2018-22 Flexible Eligibility Guidance February 2017.

Where EPC data is unavailable a household will be asked standardised questions to determine whether the property is likely to be D, E,F or G rated.

b. **Criteria for Identifying low income and vulnerability to cold (LIVC)**

Legislation and guidance states that those households in private housing, combining low income with health, disability, age or other conditions that result in a vulnerability to the effects of living in a cold home should be eligible for FLEXI in this category. The income component of eligibility is set out in Table 1 above. The criteria to be used as indicators of vulnerability to cold reflect the National Institute for Health and Care Excellence (“NICE”) Guidelines NG6 and the NICE Quality Standard on Prevent excess winter deaths and illness associated with cold homes published March 2016<sup>2</sup>.

To identify a household as on a low income and vulnerable to living in a cold home, the Council adopts the following approach and requires that the household must satisfy the following criteria:

These are households:

- With an income below the threshold in Table 1 but not ECO Affordable Warmth eligible **AND**
- Where one or more occupant has one or more of the following vulnerabilities:
  - i. Cardiovascular disease (e.g. ischaemic heart disease, cerebrovascular disease)
  - ii. Respiratory conditions (e.g. Chronic obstructive pulmonary disease and childhood asthma)
  - iii. Mental health conditions
  - iv. Registered or registrable disabilities
  - v. Aged over 65 and older
  - vi. Children aged under 5
  - vii. pregnant women
  - viii. Cancer
  - ix. People with suppressed immune systems (e.g. from cancer treatment or HIV).
  - x. Terminally ill
  - xi. Haemoglobinopathies (sickle cell disease, thalassaemia)
  - xii. Long term disabilities
  - xiii. Autoimmune and immunodeficiency diseases (e.g. lupus, MS, diabetes, HIV)
  - xiv. Addictions (if living in private tenure)
  - xv. Attended hospital due to a fall (if living in private tenure)
  - xvi. Recent immigrants and asylum seekers (if living in private tenure)

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<sup>2</sup> <https://www.nice.org.uk/guidance/qs117/chapter/Quality-statement-2-Identifying-people-vulnerable-to-health-problems-associated-with-a-cold-home>

- xvii. Other illness exacerbated by cold
- xviii. Has acute or long term debt

TVBC reserves the right to flexibility when determining eligibility around the above criteria, this includes exercising discretion where a resident or households may be struggling due to unforeseen circumstances not covered in the above criteria and these exceptional cases will be considered on a case by case basis. For example, living in a cold home can cause or exacerbate mental or physical health problems. A household that cannot afford to heat its home is likely to be under stress, for example if they are forced to live in the only heated room.

**c. Park Homes**

Park Homes are renowned for being difficult and costly to heat, with their occupants likely to be in fuel poverty. Park home residents have been excluded from many past grant schemes and financial assistance initiatives, such as the Warm Homes Discount (WHD). The government has recently addressed some of these issues and it is now possible for park homes to have Energy Performance Certificates and residents to claim WHD. The Fuel Poverty Strategy for England: 'Cutting the Cost of Keeping Warm' (DECC, 2015) identified park homes as "high-cost homes" and those living in them as "badly affected by fuel poverty". The Government's provision of ECO Flexible-Eligibility is a further opportunity to deliver assistance.

Accordingly, TVBC intends to support projects which improve the energy efficiency of residential park homes and which will benefit the wellbeing of residents living in park homes.

**d. Criteria for Solid Wall Insulation (SWI) "in-fill" projects**

Where potential works have been identified, households who do not qualify under a. or b. above, may be able to qualify for funding for solid wall insulation under the in-fill category as set out in the Guidance issued by BEIS in February 2019, and subject to the rules and restrictions set out in those, or any subsequent guidance.

The Council intends to support projects where solid wall insulation is feasible, permitted under Planning legislation and can attract funding. The LA Flex criteria allow for households that are not in fuel poverty or vulnerable to be funded in these types of projects.

These households will be eligible if they are in the same terrace, in an immediately adjacent building or are in the same building as an eligible household.

The in-fill eligibility criteria must meet the minimum percentages as follows:-

Property Type	LA Declaration Requirements	In-Fill
<ul style="list-style-type: none"> <li>• Semi-detached or pair or properties.</li> <li>• Building containing no more than 2 domestic properties.</li> </ul>	50% of properties must be in FP or LIVC.  (i.e. at least one in two properties)	Adjacent property is eligible for solid wall insulation under in-fill criteria.
<ul style="list-style-type: none"> <li>• Terrace properties</li> <li>• Building containing multiple properties/flats</li> <li>• Building immediately adjacent</li> </ul>	66% of properties must be in FP or LIVC.  (i.e. at least two in three properties).	Up to one third of properties can be declared as eligible.

**e. Privately Rented properties with an EPC rating of D, E, F or G**

The private rented sector is well documented as being the hardest sector to improve in energy efficiency terms. “Amongst EPC F and G rated properties in the sector 45% of households are classified as fuel poor” (The Domestic Private Rented Property Minimum Standard – BEIS, 2019). This is being addressed by the implementation of the Minimum Energy Efficiency Standard, but further help is required. Accordingly, and in line with national targets to raise EPC ratings, the tenant of any privately rented property with an EPC rating of D, E, F or G is eligible for Declarations under this SOI.

**4. Acting on Behalf of Another Local Authority**

TVBC will not issue declarations on behalf of another local authority.

**5. Governance**

The Statement of Intent has been signed by TVBC’s Corporate Director, Andrew Ferrier.

Obligated Energy Company Suppliers will identify households who approach them who are eligible for funding through LA Flex and submit evidence to the Council’s Private Sector Housing Team to consider. If evidence provided demonstrates meeting the criteria for LA Flex, the declaration will be signed by the Principal Environmental Health Officer (Housing) or the Housing Development Manager or the Head of Housing & Environmental Health and returned to the Supplier to carry out the work.

***Responsible Officer***

The Officer below will be responsible for signing Declarations on behalf of the local authority.

**Job title:** Principal Environmental Health Officer (Housing) / Housing Development Manager / Head of Housing & Environmental Health  
**Address:** Test Valley Borough Council  
Beech Hurst  
Weyhill Road,  
Andover,  
Hampshire, SP10 3AJ  
**Telephone:** 01264 368000  
**Email:** [phousing@testvalley.gov.uk](mailto:phousing@testvalley.gov.uk)

## 6. Referrals

TVBC will identify eligible households through:

- a. Direct referral through on line registration
- b. Marketing activities such as articles in Test Valley News, local newspapers and newsletters; tweets and Facebook feeds by the Council.
- c. Direct contact with households
- d. Canvassing from installers to properties close to where installations are being carried out
- e. Targeted canvassing and marketing from obligated energy supplier
- f. Briefings to Council's frontline staff and internal teams
- g. Briefings to external agencies and local groups i.e. Citizen's Advice Bureau.

## 7. Evidence, Monitoring and Reporting

In identifying households as eligible under LA Flex, TVBC is seeking to enable residents to benefit from funding and the obligated energy supplier will seek the consent of households to include them in a declaration.

Data will be collected from residents by the obligated energy supplier in order to confirm eligibility and for TVBC to monitor effective targeting of the scheme. This may include proof of identity, evidence of household income and official letters in order to prevent fraud.

TVBC expects any obligated energy supplier, or contractor working on their behalf, to comply with the Data Protection Act and General Data Protection Regulations, to fully follow Ofgem requirements for the Energy Company Obligation Help to Heat, and to act in accordance with industry best practice in relation to consumer care and quality standards of any works that may take place. These are covered in a separate memorandum of understanding between TVBC and the obligated party.(Annex 1).

Households who have received a measure will be recorded for monitoring purposes, and any information stored will be done so securely and confidentially as detailed in the Council's retention schedule. Overall numbers of households who have benefitted will be reported to BEIS as required, currently biennially.



**Signature** .....

Andrew Ferrier  
Corporate Director  
Test Valley Borough Council

ANNEX 1

ANNEX – SAMPLE INFORMATION SHARING AGREEMENT

## ANNEX – SAMPLE INFORMATION SHARING AGREEMENT

BETWEEN

Local Authority (the "*Local Authority*")

&

Energy Supplier ("*Energy Supplier*")

\_\_\_\_\_

INFORMATION SHARING AGREEMENT

\_\_\_\_\_

This document requires the following approvals:

Date	Version	Name	Role

**PREAMBLE**

*[The local authority carries out a wide range of statutory functions to safeguard and promote the welfare and wellbeing of local authority residents. Under this agreement Energy Supplier will work with the Local Authority in assisting the wellbeing of residents in the borough...]*

**CONTENTS**

1. Purpose of the agreement
2. Specific purpose for sharing information
3. Legal basis for sharing
4. Description of arrangements including security matters
5. Agreement

**PURPOSE OF THE AGREEMENT**

*This agreement has been developed to:*

- a. *Define the specific purposes for which the parties have agreed to share information,*
- b. *Describe the roles and structures that will support the exchange of information between the parties.*
- c. *Set out the legal gateway through which the information is shared.*
- d. *Describe the security procedures necessary to ensure compliance with responsibilities under the Data Protection Act 1998 (the "DPA") and the specific security requirements of both parties.*
- e. *Describe how this arrangement will be monitored and reviewed.*

**SPECIFIC PURPOSE FOR SHARING INFORMATION**

**Summary**

- 1.1 *This agreement deals with the sharing of personal information between the parties following referrals of residents [to]/[by] the Local authority through the ECO Flexible Eligibility Scheme.*
- 1.2 *The success of the ECO Flexible Eligibility Scheme relies on the sharing of information about individual local authority residents who are referred to the ECO Flexible Eligibility Scheme... The parties are data controllers under the DPA and are committed to ensuring that information processed under this agreement complies with the provisions of the DPA.*

1.3 *The local authority will provide energy supplier with information including addresses and basic information of local authority residents for the determination of such measures as may potentially be installed pursuant to flexible eligibility at the premises of eligible residents so referred. Energy supplier or its intermediary may then contact those residents to offer relevant services and will confirm to the local authority the outcome...The parties agree to share the information in accordance with the procedure set out in this Agreement.*

**Objectives**

*The objectives of the Local Authority's energy efficiency/fuel poor scheme...adopting ECO flexible eligibility...are as follows:*

- *Offering a single point referral system enabling energy suppliers to provide residents with specified measures under... the Affordable Warmth and Flexible Eligibility schemes...*
- *Meeting objectives set out in the Local Authority's Statement of Intent and Affordable Warmth Strategy....*

*The scheme delivers the following benefits:*

- .....

***Resident benefits***

- ....

*How this information sharing arrangement will further those objectives:*

- *Due to the nature of the project, a single point referral system, the success of the scheme is down to the single point of contact and the sharing of relevant information that is necessary to deliver effective interventions for local authority residents...*
- *The data will be shared on a 'need-to-know' basis...*
- *The data collected and shared enables appropriate services to be identified and enables energy supplier to offer appropriate measures to local authority residents...*

***Information to be Shared***

*The following information about local authority residents will be sent by the local authority to the energy supplier...[How]...using [eg,a secure method of electronic transfer]:*

*[Identify information to be shared. Note if the customer has consented to the information being shared. In addition note confirmatory action and method of confirmation required of the energy supplier/installer]*

***Does this include personal data under the Data Protection Act 1998?***

Yes

**[LEGAL BASIS FOR SHARING**

1. *The resident [will approve]/[has given their consent to] the use of the data and it [will be]/[has been] made clear the purpose of the referral and the services to be provided.*
- 1.2 *The data shall be used for no other purpose.*
- 1.3 *Personal data shall be obtained only for the specified and lawful purpose, and shall not be further processed in any manner incompatible with that purpose or those purposes...*
- 1.4 *The purpose of the processing of the data is to ...*
2. *Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.*
- 2.2 *Only relevant information will be shared.*
- 2.3 *Personal data shall be accurate and, where necessary, kept up to date.*
- 2.4 *The local authority will use its best endeavours to provide energy supplier with accurate data and any inaccuracies should be notified to the energy supplier promptly.*
- 2.5 *Personal data processed for any purpose or purposes shall not be kept for longer than is necessary for that purpose or those purposes.*
- 2.6 *Personal data shall be processed in accordance with the rights of data subjects under this Act.*
- 2.7 *Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.*
3. *The local authority reserves the right to withdraw from data sharing on giving energy supplier reasonable notice.*
4. *The parties to this agreement will respond to any notices from the Information Commissioner that impose requirements to cease or change the way in which data is processed and will comply with subject access requests as defined by the DPA 1998.*

**DESCRIPTION OF ARRANGEMENTS INCLUDING SECURITY MATTERS.**

5. *Information about residents will be delivered via a secure online database.*
6. *All data shared will be recorded and held securely.*
7. *Should a security incident occur it must be notified to ...*

**AGREEMENT**

*The parties signing this agreement accept that the procedures provide a secure framework for the sharing of information between them in a manner compliant with their statutory and professional responsibilities.*

*We the undersigned agree that we will adopt and adhere to this information sharing agreement:*

<i>Agency</i>	<i>Post Held</i>	<i>Name</i>	<i>Signature</i>	<i>Date</i>
<i>Energy Supplier</i>				
<i>Local Authority</i>				

**ITEM 12 Ministry for Housing, Communities and Local Government's (MHCLG) Private Rented Sector Access Fund & Future Homelessness Funding Rounds**

Report of the Housing and Environmental Health Portfolio Holder

**Recommended:**

- 1. That the receipt of MHCLG funding and the conditions attached to it as set out in the Annex be noted.**
- 2. That the Head of Housing and Environmental Health be authorised to deliver the joint project as set out in paragraphs 2.4 and 2.5 of the report including incurring expenditure from the MHCLG bid fund not exceeding £74,000.00 for the purposes of recruitment to the posts of Landlord Liaison Officer and Tenancy Liaison Officer on 12 month fixed term contracts.**

**Recommended to Council:**

- 3. That monies received from this and any future successful bids be transferred to the Homelessness Reserve, and the Head of Housing & Environmental Health, in consultation with the Housing & Environmental Health Portfolio Holder and the Head of Finance, be given delegated authority to draw from this reserve to deliver specific projects where funding is awarded by MHCLG for this purpose.**

**SUMMARY:**

- Test Valley Borough Council has been successful in securing £177K to deliver a project aimed at improving access to the Private Rented Sector (PRS) across Test Valley and Winchester.
- Test Valley Borough Council is the lead authority and will manage the project.
- This report sets out the content of the successful bid and MHCLG expectations associated with the funding.
- Test Valley Borough Council has signed up to a Memorandum of Understanding with MHCLG as part of the funding award.
- MHCLG funding rounds are generally accompanied by challenging deadlines, and require rapid mobilisation and delivery following funding awards.
- To ensure Test Valley Borough Council is well placed in the future to respond to these opportunities and to deliver associated projects, Cabinet is being asked to consider recommendations that will not only facilitate the delivery of the PRS Access Fund Project, but that will ensure internal processes can accommodate rapid mobilisation of new funding achieved in this context.

## **1 Introduction**

- 1.1 In October 2018, the MHCLG set out a prospectus inviting bids from local authorities who wanted to secure a share of a £20M “Private Rented Sector Access Fund” to fund schemes that will enable better access and sustainment of tenancies for people who are, or are at risk of becoming, homeless. The prospectus suggested preference would be given to bids that included more than 1 local authority.
- 1.2 This targeted fund recognises that some people experience difficulties in accessing and sustaining private rented sector tenancies, particularly those on low incomes. This can lead people to become homeless, or remain in temporary accommodation. The private rented sector plays an important role in offering a route out of homelessness and rough sleeping, and is a vital part of delivering a range of housing options at a local level.

## **2 Background**

- 2.1 The Council, along with colleagues at Winchester City Council, agreed to bid for funds to deliver a joint project across the 2 areas, with Test Valley being the lead authority. The bid was successful and the MHCLG has awarded the Council £177,000 from the PRS Access Fund to deliver the project across the two local authority areas.
- 2.2 This funding will be delivered in two tranches. The first tranche (£115k) was received at the end of March 2019. The Council will receive the second tranche (£62k) in 2019/20 dependent upon performance in year 1 of the project.
- 2.3 Temporary posts forming part of the project will be created within Test Valley Borough Council’s Housing Service to work across both Test Valley and Winchester areas.
- 2.4 The bid outlined that in addition to the pre-existing work in both Test Valley and Winchester, the proposed scheme would:
  - As an umbrella term for various initiatives, launch “local lettings agency” models, including:
    - Deliver dedicated landlord/dedicated tenant support.
    - Provide “tenant-finder”/ “landlord-finder” handholding services.
    - Provide landlord/tenant hotlines, and dedicated email hotline.
    - Provide standard agreements, inventories, check-in/check-out visits, plus periodic tenancy MOTs.
    - Indemnify landlords with bonds while retaining capacity to offer deposits.
    - Mediate in disputes.
    - Bring health, safety and licensing expertise into the local landlord offer.
    - Promote energy efficiency.
    - Provide bespoke HMO service including supporting landlords considering HMO options for empty properties.
    - Create bi-annual landlord steering groups and the same for tenants.



- Provide PRS advertising through Hampshire Home Choice sub-regional Choice Based Lettings.
  - Provide basic repairs/maintenance for landlords accommodating people in receipt of Universal Credit.
  - Work directly with DWP to trouble-shoot Universal Credit/employment issues.
  - Incentivise longer tenancies for households moving out of temporary accommodation (minimum 12 months, cash incentive for 24).
  - More effective use of PRS to end Part 7 homelessness duties.
  - Deliver direct pre-tenancy training and support for vulnerable single people.
  - Dedicated “arrears scheme” providing interest free loans to PRS tenants at risk.
  - PRS support for all customers regardless of duty.
  - Actively encourage PRS landlords and their agents to contact the Councils *before* serving NTQ.
  - Build on launch to incorporate PRS move-on from supported housing for former rough sleepers.
  - Explore linking the scheme to the TVBC housing company.
- 2.5 The dedicated landlord and dedicated tenant support will be delivered through the creation of 2 posts; Landlord Liaison Officer and Tenancy Liaison Officer respectively. These roles will be full-time and employed by Test Valley Borough Council (as lead authority) to work across both boroughs.
- 2.6 The “local letting agency” reference will become a catch all to encompass a range of work with landlords and tenants, and in the interests of meeting local housing need. Various elements associated with the bid have been costed and with the total MHCLG funding delivering them. The Council also committed to match funding in the bid. This match funding reflects the Council’s approach to Housing Options, making the outgoing developmental pilot “business as usual”, as considered and approved by Cabinet in March.
- 2.7 Some elements of the bid require working up further and a significant amount of set up work is required to get processes in place.
- 2.8 This report is also considering the broader implications of the Council’s involvement in future MHCLG funding opportunities, and makes recommendations to facilitate rapid mobilisation. This is intended to support Test Valley in future, to put forward ambitious bids and deliver quickly on those that may be successful, without associated delays that may otherwise impact delivery, in the event that appropriate delegations were not already in place.
- 3 Corporate Objectives and Priorities**
- 3.1 Preventing and tackling homelessness is a priority for Test Valley Borough Council.

- 3.2 The emerging priorities for the Council, as part of the development of a new Corporate Plan, continue to emphasise the importance of supporting vulnerable people and helping people to secure settled homes. This has been borne out through resident consultation and will remain one of a core set of priorities for the Council when looking to the future.
- 3.3 The recent transformation in Test Valley's approach to preventing and relieving homelessness, dovetails with these ambitions.
- 3.4 Housing and homelessness remain at the top of the national policy agenda, with a new national Rough Sleeping Strategy published in August 2018 and an ongoing emphasis on the importance of preventing homelessness and the role of local authorities in leading their communities to effectively deal with homelessness pressures.
- 3.5 This targeted fund sits alongside other work the Council is committed to in the Preventing Homelessness and Rough Sleeping Strategy, in order to tackle homelessness and rough sleeping and ensure vulnerable people receive the support they need to navigate housing options at a local level.

#### **4 Consultations/Communications**

- 4.1 The Housing Team hosts a twice yearly Private Landlords and Letting Agents Forum (PLLAF) which is well attended with over 60 private landlords and letting agencies attending. At the last PLLAF we engaged with our private sector landlords and discussed ways in which the Council could increase access to accommodation for our customers. This included incentives, our offer to landlords and tenants, and informed the bid to the MHCLG for Private Rented Sector Access funding.
- 4.2 The Council has consulted with colleagues at Winchester City Council in the preparation and submission of this bid.

#### **5 Outcomes**

- 5.1 The project will improve the local offer for both PRS landlords and their tenants, in the interests of preventing and relieving homelessness, including developing a 'local letting agency model' in both Test Valley and Winchester.
- 5.2 Local authorities were required to include performance data relating to how many households they would assist through the various elements of the scheme, both through preventing or relieving homelessness, and in the context of moving households on or preventing them going into, temporary accommodation. As part of the government's rough sleeping strategy, the bid also required local authorities to set out the number of single people who would be supported.
- 5.3 For Test Valley and Winchester, we have proposed that the total number of households supported through the scheme will be an indicative 285, with 115 households prevented or relieved from homelessness (and within that, 63 single people approximately will be helped).

- 5.4 We have also estimated an indicative minimum of 70 households will be moved on from temporary accommodation.
- 5.5 The recommendations of this report also seek to ensure the Council is well placed to submit ambitious bids for future funding, and to ensure the relevant delegations are in place to enable urgent delivery to meet MHCLG expectations.

## **6 Risk Management**

- 6.1 An evaluation of the risks indicate that the existing controls in place mean that no significant risks have been identified at this time.

## **7 Resource Implications**

- 7.1 The Council has been allocated £177k funding from the MHCLG Private Rented Sector Access Fund. This is ring fenced for the purpose of enabling better access and sustainment of tenancies in the private rented sector for people who are, or who are at risk of, becoming homeless. The proposed scheme can be delivered using MHCLG Private Rented Sector Access Funding and existing budgets in Test Valley and Winchester Housing Services.
- 7.2 The bid also commits to recycling elements of the scheme where possible to ensure the MHCLG funding benefits as many households as possible. Any savings achieved through the funding will also be reinvested in the scheme.
- 7.3 Receipt of the second tranche of funding (£62k) is dependent upon performance in year 1 of the project.
- 7.4 The recommendations contained in this report include delegations to ensure that the Council can respond quickly to future funding opportunities and deliver rapidly mobilised projects in the event that bids may be successful.
- 7.5 The Council's budgetary framework is designed to prevent expenditure being incurred where no authorised budget exists, and funding achieved from MHCLG homelessness bid rounds sits outside this framework and may only be spent in scope of the intended purpose, in accordance with MHCLG requirements.
- 7.6 The report recommends that all monies received from successful bids are transferred to the Homelessness Reserve with delegated authority to draw from this earmarked reserve as may be necessary to deliver projects where funding is awarded by MHCLG for the purposes of delivering specific projects.
- 7.7 **Legal Implications**
- 7.8 The Council has statutory duties to assist those who are homeless or threatened with homelessness and must comply with the Homelessness Reduction Act 2017. This funding will assist the Council to discharge its main homelessness duties with Private Rented Sector Offers.

## **8 Equality Issues**

- 8.1 An Equalities Impact Assessment (EQIA) has been completed with regard to the Homelessness Reduction Act and Future of the Developmental Pilot Report to Cabinet on 13 March 2019. The EQIA identified a potential for discrimination or adverse impact around social inclusion and this funding will support the Council's new way of working and all opportunities to promote equality are being taken.

## **9 Other Issues**

- 9.1 Community Safety - None
- 9.2 Environmental Health Issues - None
- 9.3 Sustainability and Addressing a Changing Climate - None
- 9.4 Property Issues – None
- 9.5 Wards/Communities Affected – None

## **10 Conclusion and reasons for recommendation**

- 10.1 The Council has successfully secured additional resources for local residents in need in both Test Valley and Winchester Council areas.
- 10.2 The Private Rented Sector Access Fund project must now be delivered and this report and associated recommendations will facilitate mobilisation and delivery.
- 10.3 The recommendations in this report will support the Council to meet its legal duties to prevent and relieve homelessness, and further builds on the Council's recent innovations in the way it delivers services to people who are homeless or at risk of homelessness.
- 10.4 MHCLG funding rounds require urgent participation and rapid mobilisation. This report provides detail associated with a specific project yet its recommendations seek to ensure that the Council is well placed to submit further ambitious funding bids and to deliver on those bids in future, by ensuring the right delegated power is in place.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1	File Ref:	N/A
(Portfolio: Housing & Environmental Health) Councillor Bundy			
Officer:	Phil Turner	Ext:	8544
Report to:	Cabinet	Date:	17 April 2019

Private Rented Sector Access Programme: Memorandum of Understanding

Test Valley Borough Council

Agreed: [date]

**Signatories**

**SIGNED** for and on behalf of

**SIGNED** for and on behalf of

The Secretary of State for the Ministry of  
Housing, Communities and Local  
Government

Test Valley Borough Council

Name

Name

Position

Position

Signature

Signature

Date

Date

## 1. Purpose of the Memorandum of Understanding

1. This Memorandum of Understanding has been drafted to set out the principles and practices that will apply to the working relationship between the Ministry of Housing Communities and Local Government (MHCLG) and Test Valley Borough Council with regard to delivering a Private Rented Sector (PRS) Access Programme (“the Programme”).
2. This Memorandum of Understanding sets out the monitoring arrangements and responsibilities, accountability, governance structures and financial arrangements for the Programme.
3. This memorandum guides future relationships and is subject to review where appropriate to ensure that it continues to reflect activity on the ground.
4. While this Memorandum of Understanding is not a legal or binding agreement, all parties are committed to honoring it. This Memorandum of Understanding will need to be updated to take account of any possible future changes in the wider relationship between the parties involved.
5. This Memorandum of Understanding outlines the actions which are necessary to provide Government and local partners with assurance that decisions over funding are proper, transparent, and that they deliver value for money. In performing their respective roles, the parties will continue to ensure that they act in a manner that is lawful, transparent, evidence based, consistent and proportionate.
6. To satisfy the requirements of MHCLG, Test Valley Borough Council must:
  - Offer a comprehensive service that meets local need and provides help for those who are homeless, or at risk of homelessness, and rough sleeping, and need additional support to access the private rented sector;
  - Provision could include:
    - Incentives;
    - Procurement;
    - Staff;
    - Tenancy sustainment support.

## 2. Funding Composition and Payment Mechanism

7. Total funding of £177,000 (£115,000 in 2018-19 and £62,000 in 2019-20) will be paid directly to Test Valley Borough Council for this Programme, provided by MHCLG, via a Section 31 Grant Determination. Funding for 2018-19 will be paid in March 2019.
8. The provisional allocation of £62,000 for financial year 2019/20 is dependent on the appropriate delivery and financial management by Test Valley Borough Council of the Programme set out in their bid(s) for funding from the Programme. MHCLG will periodically assess and rate the delivery and financial management of the programme with a RAG rating. Future payments will be made to Test Valley Borough Council where a RAG rating of green or amber/green from MHCLG is achieved. This RAG rating will be based on whether MHCLG is confident (i.e. expected actions are being delivered on time and to budget) that the Programme that Test Valley Borough Council is committed to deliver meets, and will continue to meet, the original policy intent as detailed in the sections below and in the published prospectus.
9. 2019/20 funding will be paid at two points, Q1 and Q3, subject to continuing to achieve a RAG rating of green or amber/green.
10. Funding will be withheld where a RAG rating of amber/red or red is achieved until Test Valley Borough Council is able to make adjustments to the delivery of the Programme to enable it to achieve a revised rating of green or amber/green.
11. This funding is for the sole purpose of delivering the Programme in Test Valley Borough Council.
12. It is Test Valley Borough Council's responsibility to provide assurance to their MHCLG account manager that funding is accounted for and is only applied to the delivery of the programme in this local authority and any other partner authorities.



### 3. Governance, Monitoring and Reporting

#### Governance

13. MHCLG's Principal Accounting Officer is accountable to Ministers and Parliament for the funding and MHCLG will, therefore, require Test Valley Borough Council to provide performance reports about the Programme referred to in this Memorandum of Understanding.
14. In MHCLG the funding Programme set out in this Memorandum of Understanding will be managed at a strategic level by the Homelessness Delivery Team.
15. Where Test Valley Borough Council identifies significant risks or issues of financial or delivery under-performance these must be escalated to the Deputy Director for Homelessness and Rough Sleeping Delivery in MHCLG for resolution.
16. Test Valley Borough Council and MHCLG will hold quarterly monitoring meetings to discuss progress and performance across the Programme in this Memorandum of Understanding, informed by a quarterly monitoring and performance report from Test Valley Borough Council.
17. We expect local authorities to attend events as required by MHCLG to share learning and feedback.

#### Monitoring and Reporting

18. Test Valley Borough Council will appoint an account manager who will be responsible for providing a quarterly monitoring and performance report, designed and agreed between MHCLG and local authorities, covering the following areas at the end of each quarter, broken down by single people households and families where applicable:
  - A summary of progress made on the funded Programme set out in this Memorandum of Understanding, setting out recent actions and achieved outcomes;
  - Financial performance - breakdown of spending to date and forecast of future spending;
  - Status of recruitment, where relevant (number of FTEs);
  - Current risks and how they are being mitigated;
  - Baseline and outcomes data;
    - Number of properties procured and let to households in same quarter 2018-19;
    - Number of households in TA at end of same quarter 2018-19;

- (where relevant) number of family households in B&B at end of same quarter 2018-19;
  - Number of new properties procured and let this quarter;
  - Number of households in TA at end of this quarter;
  - (where relevant) number of family households in B&B at end of quarter;
  - Number of new PRS properties procured and let to households under;
    - Prevention duty
    - Relief duty
    - Main duty
  - Number of households where homelessness prevented for at least 6 months, helped to stay in current property (i.e. homelessness prevented);
  - Number of new PRS properties procured and let to households with;
    - 6 months tenancies;
    - 12 months tenancies;
    - 12+ months tenancies;
      - Of which, 36+ months tenancies;
  - Tenancy sustainment outcomes:
    - Number of individuals retaining new PRS tenancies after 6 months;
    - Number of individuals retaining new PRS tenancies after 6-12 months;
    - Number of individuals retaining new PRS tenancies after 12+ months;
  - Number of failed tenancies and reason for failure;
19. Test Valley Borough Council and MHCLG, during the delivery of the Programme, will conduct an evaluation (detail to be agreed) to inform future local and Government initiatives and enable learning to be shared elsewhere. Test Valley Borough Council is expected to provide data and information to the evaluators as required. This includes, but is not limited to, the information outlined above. MHCLG will also explore with Test Valley Borough Council the possibility of identifying this data for the quarter before intervention begins.

## **4. Data Protection**

21. MHCLG, Test Valley Borough Council, and any partners will co-operate with one another to enable each party to fulfil its statutory obligations under the General Data Protection Regulation (EU) (2016/679) as amended, superseded or replaced from time to time.
  
22. For the purpose of the evaluation, it may be necessary to establish data sharing agreements between MHCLG, Test Valley Borough Council and partners and for Test Valley Borough Council to issue privacy notices to service users. MHCLG and Test Valley Borough Council will cooperate to ensure all GDPR obligations are met to enable this data sharing to take place.

Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party as the agent of the other party, nor authorise either of the parties to make or enter into any commitments for or on behalf of the other party.

## **ITEM 13      Draft Affordable Housing Supplementary Planning Document**

Report of the Planning Portfolio Holder

### **Recommended:**

- 1.      That the Draft Affordable Housing Supplementary Planning Document be published for public consultation.**
- 2.      That the Draft Housing Advice Note (to accompany the Draft Affordable Housing Supplementary Planning document) be published for public consultation.**
- 3.      That the Head of Planning Policy to be given delegated authority to make changes of a minor nature, in consultation with the Planning Portfolio Holder.**

### **SUMMARY:**

- The Revised Local Plan (2016) includes policies on affordable housing, particularly Policy COM7 Affordable Housing.
- Many changes to the local and national policy context have occurred since the existing Affordable Housing Supplementary Planning Document was adopted in 2009.
- It is proposed that a new draft Affordable Housing Supplementary Planning Document, together with accompanying Housing Advice Note, be published for public consultation.

## **1      Introduction**

- 1.1      The combination of high house prices and low household incomes in the Borough means that a high proportion of households are in housing need as they are unable to access the housing market. To help face that challenge the Council approach is to secure additional affordable housing within new development, support rural exception schemes and support community led development,
- 1.2      The purpose of the Draft Affordable Housing Supplementary Planning Document (SPD) is to provide advice on how the Council's affordable housing policy, as set out in Local Plan Policy COM7 Affordable Housing is to be implemented. It also provides additional detail on how the Council will consider schemes that are proposed under Policy COM8 Rural Exception Affordable Housing and Policy COM9 Community Led Development, as the latter also has the potential to deliver affordable housing. It will provide detail on how the Council will interpret and implement existing planning policy, rather than create new policy requirements.

## **2 Background**

- 2.1 Test Valley is a popular place to live, work and visit. However, the Borough has a contrast of areas of high affluence and some areas of deprivation where residents can experience inequality in terms of access to suitable housing. The evidence used to inform the Local Plan, Housing Strategy and Corporate Plan highlights the pressures from an increasing population; high property prices; pockets of poor quality housing; and the challenge of bringing forward all forms of affordable housing across the Borough.
- 2.2 Test Valley needs an additional 588 homes per year to keep up with the number of new households. It is estimated that up until 2029, 206 of these additional homes per annum should be affordable homes. The Council has been successful in reaching its target of 200 homes. However as part of the commitment to exploring all opportunities for the delivery of affordable homes the Council is revising its Affordable Housing SPD in order to help deliver even more.
- 2.3 The existing AH SPD was adopted in 2009. Since that time, the Revised Local Plan has been adopted, the National Planning Policy Framework (NPPF) has been published (necessitating amendments to the adopted affordable housing policy) and the market within which affordable housing is being delivered has changed. This necessitates the Council developing a new AH SPD setting out the Council's approach to assessing, negotiating and delivering affordable housing. Consultation and subsequent changes to national guidance, for example technical guidance on Starter Homes and the introduction of new affordable housing tenures, coupled with challenges to the Government's approach, has meant that the drafting of the SPD has been delayed. To have progressed earlier may have meant abortive work and an early review. The issues surrounding the Government's approach have now been resolved.
- 2.4 The approach taken in the draft SPD is to provide additional detail to the Local Plan affordable housing policies and sets out what the Council expects for the requirements of affordable housing sought under Policy COM7 Affordable Housing as well as Policy COM8 Rural Exception Affordable Housing and Policy COM9 Community Led Development to be met. The approach is to be as clear as possible for developers, parish councils and other interested parties as to how the Council will deal with requests, pre-application enquiries and planning applications, but also to foster early engagement, particularly where viability issues are present, and to encourage working with the Council to provide the best scheme possible.
- 2.5 This is particularly important as the starting point in Policy COM7 of a mix of 70% affordable rent/social rent and 30% intermediate affordable housing tenures is just that. Early engagement and an understanding of site specific circumstances maximises opportunities to secure and importantly, successfully deliver, an appropriate mix of affordable housing to meet local need and to maximise the delivery of social rented accommodation, especially for the larger properties where affordability can be an issue.

- 2.6 Policy COM7 also sets out that where there are viability issues with providing the full amount of affordable housing on site, that the Council will take the viability evidence into consideration. The draft SPD sets out that the thresholds and tenure mix for proposals from which affordable housing is sought are the starting point in the policy. However, it provides more detail on the circumstances in which viability evidence will be required, the content and format of viability assessments and how the Council will deal with it. This is reinforced in national Planning Practice Guidance (PPG) and early engagement avoids unnecessary delays in determining planning applications where a viability assessment is considered necessary. The potential of a review mechanism to reflect that viability may change over time is also introduced.
- 2.7 The draft AH SPD sets out how the Council will secure affordable housing on site and use financial contributions towards affordable housing provision. This approach clearly sets out what the developer or applicant can expect from the Council and is in line with PPG.
- 2.8 If provision of affordable housing on an alternative site is accepted, the draft SPD sets out the criteria that needs to be met for the provision of a suitable serviced plot, including its definition.
- 2.9 The draft AH SPD also sets out the circumstances in which applicants can apply for capital grants from the Council's Affordable Housing Programme. The Council is also required to calculate a vacant building credit and the draft SPD sets out how this is calculated, which assists in working out a site's residual land value, informing how much it is worth.
- 2.10 For rural area of the Borough, the draft AH SPD provides information on changes the Council has made regarding how developers can apply for waivers to allow occupants to 'staircase' up to 100% ownership in Designated Protected Areas (DPA). This is to prevent shared ownership properties in rural areas from being lost to the market but the waiver process allows for a wider range of affordable products to be considered and makes the financing of shared ownership by lenders more attractive.
- 2.11 Policy COM8 is a mechanism to provide for 100% affordable housing schemes in rural areas. The draft AH SPD goes further than the existing AH SPD 2009 in setting out what the Council will do in working with developers and landowners to bring forward rural exception sites and how they will be secured in perpetuity. The Council can facilitate in providing evidence of local housing need, through our work with partners such as Hampshire Home Choice, Action Hampshire and the Hampshire Alliance for Rural Affordable Housing (HARAH), and important advice on the requirements and methodologies for working with local communities to understand, not only the overall housing need, but also specifically the type and size of housing required to meet that need.

- 2.12 Policy COM9 seeks to bring forward development for housing, commercial or employment uses that is led by the community and is aimed at rural communities to help to sustain their settlement. Proposals for residential development, dependent on the number of homes or site size, will need to be compliant with Policy COM7 and provide the appropriate quantity of affordable housing. The draft SPD adds detail to the requirement in the policy to demonstrate that the community has been involved and supports any community led proposal. Further details about the types of engagement that can be used are referenced in the accompanying Housing Advice Note, which supports the draft AH SPD.
- 2.13 This draft AH SPD (Annex 1) does not form part of the Development Plan and will not be subject to independent examination. However, once adopted, the AH SPD will be a material consideration in planning decisions. It would then also supersede the existing SPD 2009 and the Policy COM7 Planning Advice Note 2017.
- 2.14 The accompanying Draft Housing Advice Note (Annex 2) details the Council's expectations in relation to the delivery of affordable housing and should be read alongside the AH SPD and Local Plan. The intention is that in future the Housing Advice Note could be amended separately to the AH SPD as necessary.
- 2.15 The rationale for having an advice note in support of the draft AH SPD is predominately two-fold: to enable the Council to issue advice without affecting the AH SPD, particularly where technical advice from Government is anticipated to change, and to differentiate between what applicants must do and what they could do when considering proposals that require affordable housing, therefore promoting good practice. Secondly, the advice note is an appropriate mechanism to set out the Council's procedures and processes, such as applying for a waiver. Where appropriate readers of the SPD are signposted to the supporting advice note for further information.
- 2.16 An executive summary of the key changes and additions made to guidance on affordable housing (within both the draft AH SPD and accompanying draft Housing Advice Note) are set out in Annex 3.

### **3 Corporate Objectives and Priorities**

- 3.1 The draft AH SPD will contribute to delivering the corporate objective of 'people' in the new 2019-2023 Corporate Plan, in delivering homes to meet housing needs.

### **4 Consultations/Communications**

- 4.1 It is a legal requirement to undertake public consultation on a SPD for a minimum period of 4 weeks. Consultation will be undertaken in early summer for a period of not less than 4 weeks. This will be in accordance with the Council's adopted Statement of Community Involvement.

## **5 Options**

- 5.1 The first option would be to not produce a new AH SPD. This would mean up to date guidance would not be provided in relation to the Local Plan affordable housing policy, since the existing AH SPD 2009 does not reflect policy changes which have occurred in the intervening period and as such, whilst still relevant, it is becoming increasingly out of date.
- 5.2 The second option would be to publish the AH SPD together with the accompanying Housing Advice Note in order to provide additional up to date guidance on the interpretation and implementation to Local Plan affordable housing policy, particularly Policy COM7. It would also allow for the interim Planning Advice Note 2017 to be incorporated into an AH SPD.

## **6 Option Appraisal**

- 6.1 The first option of not adopting a new AH SPD would not provide for fully up to date guidance which takes account of the current policy context as this is not reflected in the existing SPD from 2009.
- 6.2 The second option would be to publish the AH SPD to ensure there is a relevant up to date guidance which fully takes into account the latest policy context. It would also allow for the interim planning advice note to be incorporated into the AH SPD. The proposed accompanying Housing Advice Note would also further provide details on the Council's expectations in relation to the delivery of affordable housing.
- 6.3 Option two is recommended.

## **7 Risk Management**

- 7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

## **8 Resource Implications**

- 8.1 Undertaking the public consultation exercise can be met within existing resources.

## **9 Legal Implications**

- 9.1 Once adopted as an SPD the document will form part of the Council's suite of planning documents. In order to achieve the status the necessary regulations have been complied with.

## **10 Equality Issues**

- 10.1 An EQIA screening has been completed and no potential for unlawful discrimination and/or low level of minor negative impact identified. A full EQIA has not been carried out.



## 11 Other Issues

- 11.1 Community Safety – none.
- 11.2 Environmental Health Issues – none.
- 11.3 Sustainability and Addressing a Changing Climate – none.
- 11.4 Property Issues – none.
- 11.5 Wards/Communities Affected – All wards

## 12 Conclusion and reasons for recommendation

- 12.1 It is considered that the Draft Affordable Housing SPD (Annex 1) , together with accompanying Draft Housing Advice Note (Annex 2), should be published for public consultation. This will help provide more detailed and up to date guidance on the interpretation and implementation of Local Plan policy on affordable housing, particularly Policy COM7 and on the Council’s expectations in relation to the delivery of affordable housing, respectively.

### Background Papers (Local Government Act 1972 Section 100D)

1. Test Valley Borough Revised Local Plan DPD Adopted Local Plan 2011-2029 (2016) Test Valley Borough Council
2. Affordable Housing SPD 2009
3. Planning Advice Note Revised Local Plan Policy COM7 Affordable Housing Financial Contributions 2017

### Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	3	File Ref:	pp5
(Portfolio: Planning) Councillor Adams-King			
Officer:	David Bibby	Ext:	8105
Report to:	Cabinet	Date:	17 April 2019

**Test Valley Borough Council**  
**Affordable Housing SPD draft 2019**

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## 1. Introduction

1. Test Valley is a predominantly rural borough covering 62,758 hectares on the western side of Hampshire. In 2015 there was an estimated 51,263 households within the Borough with an estimated increase to 53,818 households by 2019. <sup>1</sup>
2. The Borough needs an additional 588<sup>2</sup> homes a year to keep up with the increased prediction of new households. It is estimated that in each year up until 2029 that 206 of these additional homes should be affordable homes.
3. The average property price in Test Valley is 8.5 times the average salary for the area (2014)<sup>3</sup>. A household is considered able to afford to buy a home if it costs 3.5 times the gross household income<sup>4</sup>. At a time when government funding for the delivery of affordable homes is being reduced, it is important that affordable housing continues to be delivered to provide opportunities for a good quality of life and mixed and sustainable communities in Test Valley.
4. The ability to access a home that is affordable is an important factor in reducing reliance on the expensive private rented sector and reducing potential recruitment challenges for employers in areas of high house prices, enabling businesses to grow.
5. Good quality homes lie at the core of a good quality of life. Through Test Valley Borough Council's Corporate Plan 2015 – 2019, the Council is committed to investing in Test Valley to ensure that the Borough remains a great place to:
  - Live** where the supply of homes reflects local need
  - Work** and do business
  - Enjoy** the natural and built environment
  - Contribute** to and be part of a strong community.
6. The Council is currently developing the next Corporate Plan for the period 2019 to 2023<sup>5</sup>. [To be updated]

### Scope of this document

7. The purpose of this Supplementary Planning Document (SPD) is to provide advice on how the Council's affordable housing policy, as set out in Policy COM7: Affordable Housing of the Test Valley Borough Revised Local Plan DPD 2011 –

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<sup>1</sup> Test Valley Borough Council's Corporate Plan 2015- 2019

<sup>2</sup> Test Valley Borough Revised Local Plan DPD 2011 - 2029

<sup>3</sup> Housing Strategy 2016 - 2019

<sup>4</sup> Review of Housing Evidence Base and Assess Housing Need in Test Valley July 2016

<sup>5</sup> 13 March 2019 Cabinet

2029 (RLP), is to be implemented. It should not introduce new policy but supplement existing policies in the Council's adopted RLP.

8. A key aim of this Policy COM7 is to increase the amount of affordable housing delivered through the planning system. This document provides advice for landowners, developers, including housing associations and other registered providers and planning agents. This SPD should be used to inform pre-application proposals and planning applications to ensure high quality and successful applications are made which deliver affordable housing reflecting local needs.
9. The SPD sets out the mechanism for securing affordable housing on residential development sites and financial contributions for affordable housing to be secured off-site where required. Guidance on the criteria for affordable housing, including thresholds and percentages applicable also forms part of this document.
10. This document explains what the Council will expect from a viability assessment, so that the requirement for affordable housing is embedded into land values. It also sets out how public subsidy should be used to ensure affordable homes are delivered where there are viability issues.
11. The SPD also provides advice on Section 106 agreements (s106), which will be used to secure the provision of affordable housing on new residential development proposals.

### **Status and use of this document**

12. In accordance with relevant legislation, this SPD will be subject to consultation, review of feedback received and then formally adopted by the Council. It will supplement Test Valley Borough Local Plan 2016 and, when adopted, will be a material consideration in the determination of planning applications. It should be taken into account during the preparation of proposals for residential and mixed use development from the inception stages and therefore when negotiating site acquisitions and undertaking development feasibility.

## **2. Legislative and policy context**

1. Local Authorities have a statutory duty to provide housing for households in local housing need and to seek to prevent homelessness and help to provide relief where homelessness does occur.

### National Planning Policy Framework

2. The National Planning Policy Framework (NPPF) provides the overarching national requirements for planning policy, which local planning documents must be in conformity with. The NPPF provides a definition of affordable housing.
3. The National Planning Policy Framework (NPPF) 2018 defines affordable housing as:
 

*“Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers) as defined in the NPPF Glossary.”*
4. The NPPF seeks to significantly boost the supply of housing<sup>6</sup> to achieve healthy, inclusive and safe places<sup>7</sup>. Specifically, paragraph 62 of the NPPF requires local planning authorities to identify where affordable housing is needed and set policies for meeting this need on site, unless off-site provision or a financial contribution can be robustly justified and that this leads to creating mixed and sustainable communities.
5. To encourage re-use of brownfield land, any affordable housing contribution due will be off-set by the amount of existing gross floor space, provided that the vacant building has not been abandoned.
6. On strategic sites at least 10% of the affordable homes planned for on the site should be available for affordable home ownership as part of the overall quantity of affordable housing being sought on the site, although there are some exceptions to this<sup>8</sup>.

### Test Valley Borough Revised Local Plan DPD 2011 - 2029

7. The Test Valley Borough Revised Local Plan DPD 2011 – 2029 (RLP) sets out a vision for the future development of the Borough. The objectives of the RLP are to:
  - Provide for the future housing needs, types and tenures within the Borough
  - Promote the appropriate scale of development in settlements in keeping with their size, character and function
  - Create sustainable communities, locating development where daily needs for employment, shopping, leisure, recreation, education, health and other community facilities are accessible by sustainable modes of transport

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<sup>6</sup> Paragraph 59, NPPF

<sup>7</sup> Paragraph 91, NPPF

<sup>8</sup> Paragraph 64, NPPF

8. To enable these objectives to be met, the RLP includes three policies related to the delivery of affordable housing. They are:

*Policy COM7: Affordable Housing*

*Policy COM8: Rural Exception Affordable Housing*

*Policy COM9: Community Led Development*

### 3. How affordable housing is delivered in Test Valley

The following diagram sets out how affordable housing is delivered in Test Valley and the roles of the various partners involved.

#### DELIVERY OF NEW HOMES





#### 4. Housing need in Test Valley

1. Government guidance on Strategic Housing Market Assessments sets out a model for assessing housing need (known as the Basic Needs Assessment Model). This model was used in the 2013 Test Valley Borough Council Strategic Housing Market Assessment (SHMA 2013). Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.
2. There are around 2,250 households in Test Valley living in unsuitable housing (across all tenures). This figure is consistent with data from the Council's Housing Register which as of December 2018, there were 2,100 households on the register and in need.<sup>9</sup>
3. Up to 2031 it is anticipated that an estimated 557 households are expected to fall into housing need. These are households that are not able to afford to buy their own home or afford market rents and are living in unsuitable accommodation.
4. Local Housing Allowance (LHA) was introduced in 2008 to calculate the amount of housing benefit families and individuals living in private rented accommodation would be entitled to. There has been a reduction in Local Housing Allowance with a cap introduced in 2011 on what claimants can receive, dependant on the number of bedrooms the property has. LHA has been reduced from 5 bedrooms and is now limited to a maximum of 4 bedrooms. Under the LHA rules, eligible individuals under the age of 35 can receive the Shared Accommodation Rate (SAR). The SAR is the maximum amount of housing benefit an individual can receive when renting a room in a shared house from a private landlord. This type of accommodation does not constitute Affordable Housing.
5. From 1 April 2013, if a housing association tenant is assessed as having more bedrooms than is necessary for the household, they will be considered as under-occupying the accommodation. When calculating Housing Benefit or Housing Costs as part of Universal Credit the eligible rent will be reduced by 14% for one spare bedroom and 25% for two or more spare bedrooms.
6. LHA applies irrespective of what type of support a claimant receives, whether it is housing benefit or universal credit. During Prime Minister's Questions on 25 October 2017,<sup>10</sup> Theresa May announced that LHA rates would not be applied to supported housing, nor would they be applied to general needs social housing.

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<sup>9</sup> Hampshire Home Choice December 2018

<sup>10</sup> Parliament Briefing Paper Number 07833 13 Nov 2017

## 5. What is affordable housing?

1. Affordable Housing is formally defined in the NPPF to provide a number of different types of housing to meet the needs of those who cannot afford to buy on the open market or rent privately.
2. The definitions of the types of affordable housing which will be secured through planning obligations are set out in the National Planning Policy Framework. At the time of writing, the NPPF (Feb 2018) defines a number of different types of affordable housing including affordable housing for rent, starter homes, discount market sales housing and other routes to home ownership such as shared ownership homes.

### Affordable and Social Rented Homes

3. For those households on the lowest incomes and those to whom the Council owes a re-housing duty (including those on the Council's Housing Register), the Council requires an element of affordable housing to be provided as social rent and/or affordable rented housing. Affordable and social rented housing is housing let by registered providers to eligible households via the Council's Housing Register - Hampshire Home Choice.
4. The Council accepts both social rent and affordable rented homes owned and managed by registered providers as meeting this need.
5. Social rented housing is owned and managed by registered providers for which guideline target rents are determined through the national rent regime and should be made available in perpetuity.
6. The affordable rent must not exceed 80% of the local market rent, inclusive of service charges and must not exceed the Local Housing Allowance (LHA) for the relevant property type in the relevant location and should be made available in perpetuity.
7. The Valuation Office Agency (VOA) is responsible for calculating the LHA. They apply a list of rents that are paid for private sector tenancies across the broad rental market area for each property category.
8. The Council generally welcomes new registered providers working in the area. However, due to the need to achieve viable developments and reflecting the geographical position of Test Valley, the Council's preference is for one of the Test Valley Preferred Registered Partners to be appointed. Please refer to

Affordable Housing Advice Note 1 for the list of the Councils preferred Registered Partners.

9. Should a new registered provider wish to work in Test Valley, the Council will typically seek additional requirements for the delivery of rented housing as follows:-
- Be a registered provider with Homes England (or its successor)
  - Be eligible to bid for and receive housing subsidy
  - Have experience of managing the relevant or a similar tenure type
  - Where a registered provider does not have an existing local management presence, it can demonstrate how an effective local housing management and maintenance service will be provided
  - Be willing to enter into nomination arrangements or let their homes in accordance with Hampshire Home Choice register to ensure homes are provided for the benefit of the local community
10. For these reasons, the Council would expect to see planning obligations provide a right to approve a registered provider against the above criteria.

### **Starter Homes**

11. Starter Homes are designed to meet the housing needs of young first time buyers by being offered to buyers at a minimum of 20% below their open market value and less than the price cap set for the Local Authority which for Test Valley is £250,000. The properties are expected to be offered to people who have not previously owned their own home and are between the ages of 23 and 40. Provisions regarding eligibility have been introduced through the Housing and Planning Act 2016 and secondary legislation is awaited regarding detailed eligibility criteria. This document will be updated accordingly when secondary legislation comes into force.

### **Discount Market Sales Homes**

12. Discount markets sales housing is a route to affordable home ownership where the property is discounted by at least 20% below local market levels. It is essential to ensure that homes are genuinely affordable to local people, based on incomes and house prices.
13. To ensure the discount market homes are affordable and remain so, a restriction on the disposal price to an amount not exceeding a specified percentage of the market value will be imposed, together with an obligation requiring any subsequent purchaser to enter into a similar restriction. This is achieved through the S106 agreement which will effectively require subsequent purchasers to enter a deed of adherence to the terms of the s106 agreement. A note may also be registered on the title of the property at the Land Registry requiring a certificate

from the Council that the relevant terms of the S106 agreement have been complied with before a new owner's interest can be registered.

14. Eligible households for first and future purchasers of Discount Market sales homes must be registered and eligible on the Help to Buy South register, or any successor organisation, being the register of low costs home ownership need maintained by the Zone Agent.
15. The Council will also seek to ensure that Discount Market Homes are the only residence of the applicant and are not sub-let. Discount Market Homes are not available to assist buy-to-let investors or those who will own any property other than their Discount Market Home after completing their purchase. If the applicant is a home owner, they will need to have a sale in place before they can reserve on the Discount Market scheme and the home must be sold at the time of completion of their purchase. Discount percentages from open market will be set in S106s rather than a fixed price.
16. Developers are encouraged to consider the level of discount necessary to ensure affordability at an early stage in the development process and advice in this respect can be provided at pre-application stage by the Housing Development Team. The Housing Development Team will advise Developer of the required maximum price of a property on a site by site basis. For avoidance of doubt, discounted market housing does not include properties merely because they are at the cheaper end of the market or because they are otherwise sold at less than market value, as generally they would still be more expensive than those in housing need can afford.

#### **Private Intermediate Rented Homes (Including Build to Rent and Rent Plus schemes)**

17. Intermediate rented homes can be provided by private sector housing, including Build to Rent. Such homes should be made available in a form which is equivalent to Affordable Rented homes provided by registered providers in terms of affordability. The monthly rent is capped at 80% of market rents or the Local Housing Allowance, whichever is the lowest in perpetuity.
18. Build to Rent is purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control. Affordable rented homes provided by registered providers remains the Council's preference for meeting the needs of households seeking rented housing as this provides long term assured tenancies and the

administration and management arrangements are transparent and subject to national government regulations setting minimum standards.

19. However, private sector providers, under the NPPF, are able to deliver affordable private rented homes. Schemes proposing private intermediate rent may be supported by the Council. Please refer to Affordable Housing Advice Note 1 for the Council's preferred approach to securing and managing private intermediate rented homes.

### **Shared Ownership**

20. There are a number of shared equity products delivered by registered providers and private developers.
21. Shared ownership enables the occupant to purchase an equity share in their home, starting at 25% of the equity, via a conventional mortgage. Rent will then be charged upon the unsold equity and shall not exceed 2.5% of the value as specified by Homes England. This is so that parity is maintained between the value and the rent of the property. Purchasers are able to acquire additional shares up to 100% of the equity. However, in Designated Protected Area, this will be limited to 80% of the equity, unless the registered provider covenants to repurchase the home.
22. Nominations are via Help to Buy South or its successor as the Zone Agent.
23. Given the typical income levels of prospective purchasers in Test Valley and the high open market values for shared ownership properties, especially in rural areas, the Council will seek to establish the total monthly costs, including the rent element. Shared Ownership homes must be genuinely affordable based on local incomes. The mechanism for delivery will be secured through the S106.

### **Shared Equity**

24. Shared equity enables the occupant to purchase an equity share in their home via a conventional mortgage. The registered provider retains a mortgage or charge on the property for the remaining equity and there is no rent or interest charged on this share. Purchasers are able to staircase to 100% ownership.
25. Upon resale, if the purchaser has not staircased to 100% ownership, the equity loan is repaid to the registered provider in relation to the percentage share retained. For instance, if 75% share purchased and 25% Equity Charge to the registered provider, 25% of the resale value at the time of the sale, would be payable to the registered provider.

### **Older Persons and Specialist Housing**

26. The Council is required to meet the needs of residents who require specialist forms of housing as well as general needs housing. For example, fully adapted accommodation for wheelchair users, housing for older people including extra care and supported housing for young people.

27. Proposals for types of specialist and age-targeted housing, for example sheltered or extra care will generally (but not always) fall within Class C3 as set out below and will be subject to affordable housing requirements and should:-

- Be individual self-contained units of accommodation
- Be individual occupancy rights as tenant or leaseholder
- Provide housing management services to all residents
- Provide communal facilities within the development
- Provide access to 24 hour care and support services available to meet the need of the individual resident.
- Be based on housing needs and demographic data indicating an increasing requirement for housing suitable for older people, including those with physical disabilities.

28. The Council's Housing Strategy for meeting the needs of older people is to provide housing based solutions across all tenures. These are often the most cost effective solution to meet an individual's aspiration to remain in their own home. Specialist housing may be in the form of supported housing schemes where homes are provided together with additional communal space and facilities or self-contained general needs homes. And should be able to be adapted to the changing needs of the occupants including accommodating a wheelchair consistent with Part M of the Building Regulations, or successor regulations. The form and level of provision will vary through negotiation with the Housing Development Team.

### **Retirement dwellings**

29. Schemes which provide self-contained accommodation for older people with an age restriction, for example retirement flats for over 50's, will be required to contribute towards affordable housing as are other forms of C3 residential homes as set out below.

30. The Council reserves the right to seek on-site provision in the first instance. However, it is recognised that such developments may not be viable for on-site affordable homes due to factors such as high service charges, management arrangements and communal facilities. In these circumstances, the Council may at its discretion negotiate off site contributions from retirement schemes to put towards affordable housing provision elsewhere.



### Extra-care Housing

31. To meet the growing needs of an older population and provide a choice of care for those with particular care requirements, extra care housing schemes may be the most appropriate way of meeting those requirements.
32. Extra care schemes will be subject to planning obligations under S106 depending on the specific characteristics of the relevant scheme. The obligation to make an affordable housing contribution will depend on which Use Class Order the Council considers the scheme to be. A change of use application to C3 Use at a later date might become subject to the provisions with Policy COM7 in relation to affordable housing.
33. The Council will take all the characteristics of a scheme into account in determining the Use Class and will not consider any one factor as the defining criterion. Please refer to the Affordable Housing Advice Note 1 which identifies the factors that indicate the distinction between C2 and C3 Use.
34. The composition of the affordable housing will be the subject of negotiations and may be Extra Care housing or general needs housing or a mixture of both. The Council works closely with Hampshire County Council and will seek to ensure that demand for proposed Extra Care facilities can be demonstrated.
35. Policy COM7 seeks on site provision of affordable housing except in exceptional circumstances where an equivalent off site contribution can be justified. In assessing suitability of such sites for the provision of affordable housing, the Council will take in account the size, suitability and the economics of provision. However, there may be circumstances in which the Council seeks off-site provision, or a broadly equivalent financial contribution in lieu of on-site provision in respect of Extra Care housing schemes.
36. The Council encourages extra care proposals to adhere to HAPPI design principles (Housing Our Ageing Population: Panel for Innovation, June 2009). The HAPPI principles are based on 10 key design criteria. Many are recognised from good design relevant to older person's housing and include good light, ventilation, room to move around, storage etc. Importantly, the design principles focus on the property being able to adapt to the occupants changing needs over time.
37. Government recommend that developments that provide affordable housing incorporates the HAPPI principles where funding for extra care schemes is applied.

### Self-build and custom-build housing

38. The *Self-Build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016* came into effect which places a duty upon local authorities to grant 'suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area'<sup>11</sup>.
39. While the Council does not have specific policies in its Local Plan for self-build and custom-build housing, the Government encourages Local Planning Authorities to consider how they can support self-build and custom-build housebuilding in their area.<sup>12</sup>
40. The Council keeps a self-build and custom housebuilding register of individuals and associations of individuals who are looking for serviced plots of land in Test Valley. Eligibility for entry on the register is set out in the Planning Practice Guidance on self-build and custom build housing.
41. Government policy does not distinguish between self and custom build, however, the *Housing and Planning Act* states that:
- 'Self-build and custom housebuilding' means the building or completion by –
- individuals,
  - associations of individuals, or
  - persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals.'
42. Self-build housing involves the selection of a site and the commissioning of the building of a home by an individual. Much of the work may be done by the owners or may be arranged through an architect/contractor to manage the construction process. Self-build may be a route to more affordable home ownership for some families. Self-build plots will not be accepted in lieu of affordable housing, but in addition to the required amount of affordable dwellings.
43. Custom-build housing differs from self-build in that the individual may work with a developer to build their home. Custom-build is less involved than self-build as the developer usually finds the plot, offers one-off designs, manages the build through their own contractual processes and arranges development finance.
44. Applications for self-build housing schemes may be considered Affordable Housing provided that it can be demonstrated that local open market house prices and rents are unaffordable and that local housing needs cannot be

<sup>11</sup> Housing and Planning Act 2016

<sup>12</sup> Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016)



reasonably met on other forthcoming schemes. Please refer to Affordable Housing Advice Note 1 for the Council's approach to securing self-build housing as Affordable Housing.

## 6. When is affordable housing required on-site?

1. The aim of Policy COM7: Affordable Housing is to provide a proportion of affordable housing on residential development sites to address the needs of Test Valley residents who cannot afford to buy their own home or afford private market rents. The percentage of affordable housing to be delivered on site differs according to the location and scale of the site. The smaller the site, the lower the percentage of affordable housing required.

### **Policy COM7: Affordable Housing**

The Council will negotiate provision on housing sites of a net gain of:

- 15 or more dwellings (or sites of 0.5ha or more) for up to 40% of dwellings to be affordable;
- 10-14 dwellings (or sites of 0.3-0.49ha) for up to 30% of dwellings to be affordable;
- 5-9 dwellings (or sites of 0.2-0.29ha) for up to 20% of dwellings to be affordable or an equivalent off site provision made; and

In assessing the suitability of such sites for the provision of affordable housing the Council will take into account the size, suitability and the economics of provision.

Development should provide for the appropriate integration of affordable housing and market housing, in order to achieve an inclusive and mixed community

in order to achieve an inclusive and mixed community.

2. The wording of Policy COM7 is the wording that appears in the RLP 2016. However, as a result of the decision in the Court of Appeal, National Planning Practice Guidance (NPPG) was published on 19 May 2016 which conflicts with the Council's adopted policy in the Local Plan on seeking affordable housing contributions (Policy COM7). This new material consideration required the Council to review its position. A report was taken to Cabinet on 22 June 2016 and subsequently agreed at the Council meeting on 29 June 2016 agreeing the revisions to Policy COM7.
3. To reflect these changes in national guidance regarding circumstances where tariff style and affordable housing contributions should not be sought, the Council produced an Advice Note: Policy COM7, Affordable Housing Financial Contributions, setting out how Policy COM7 will be applied. The COM7 Advice Note will now be incorporated into this Affordable Housing SPD.

4. The NPPG sets out circumstances where tariff style and affordable housing contributions should not be sought. These circumstances are that:
  - Contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm
  - In designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty
  - Affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home
5. The Council considered a number of options<sup>13</sup> with regard to implementing Policy COM7 as a result of the NPPG introduced on 19 May 2016. Options considered were to either a) continue to use policy COM7 as adopted; b)

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<sup>13</sup> Test Valley Borough Council, Cabinet, 22 June 2016

undertake a review of policy COM7; or c) revise policy COM7 so that it is consistent with national guidance and designate the rural areas.

6. The Council resolved to apply option c) and to revise policy COM7 so that it is consistent with national guidance. In effect, the Council will no longer apply Policy COM7 to schemes which fall below the thresholds contained in the NPPG. In designated rural areas the threshold for seeking financial contributions is between 6 – 10 dwellings.

In applying this approach the Council has the ability to apply a lower threshold to Designated Rural Areas. As defined by legislation<sup>14</sup> the Council already has parts of the Borough designated as a rural area. All parishes are designated except for the parishes of Andover, Charlton, Enham Alamein, Romsey and Romsey Extra, North Baddesley, Nursling & Rownhams, Valley Park and Wellow. These are classed as Undesignated Areas. Please see Annex 3 for a map of designated areas. The NPPG only allows for financial contributions to be sought from those schemes between 6 – 10 units in designated rural areas after completion of the development. Financial contributions will be sought from schemes between 6 – 10 units in designated rural areas.

7. The revised wording of Policy COM7 is as follows:

**The Council will negotiate on housing sites:**

- a) **In the Undesignated Area<sup>51A</sup> with a combined gross floorspace greater than 1,000sqm and a net gain of:**
- **15 or more dwellings (or sites of 0.5ha or more) for up to 40% of dwellings to be affordable;**
  - **11-14 dwellings (or sites of 0.34-0.49ha) for up to 30% of dwellings to be affordable; and**
- b) **In the Designated Rural Area<sup>51B</sup> of a net gain of:**
- **15 or more dwellings (or sites of 0.5ha or more) for up to 40% of dwellings to be affordable;**
  - **11-14 dwellings (or site of 0.34-0.49ha) for up to 30% of dwellings to be affordable;**
  - **10 dwellings (or sites of 0.3-0.33ha) a financial contribution equivalent to up to 30% of dwellings to be affordable;**
  - **6-9 dwellings (or sites of 0.22-0.29ha) a financial contribution equivalent to up to 20% of dwellings to be affordable;**

**and which is secured via a legal agreement.**

**In assessing the suitability of such sites for the provision of affordable housing the Council will take into account the size, suitability and the economics of provision.**

**Development should provide for the appropriate integration of affordable**

<sup>14</sup> Housing (Right to Buy) (Designated Rural Areas and Designated Regions) (England) (No. 2) Order 2004, SI 2004: 2681 made under s157(1)(c), Housing Act 1985

**housing and market housing, in order to achieve an inclusive and mixed community.**

8. Thresholds for the provision of affordable housing on site differ depending on whether the site is in a designated or undesignated rural area. Where the percentage of affordable housing to be delivered on site does not equate to a whole number, a financial contribution will be required for the remaining part dwelling to be provided off-site. The methodology for calculating contributions for off-site affordable housing provision is set out in Annex 1.
9. Policy COM7 applies to all types of residential development falling within Use Class C3 that are within the thresholds set out within Policy COM7, including the change of use to residential use, sheltered and extra care housing.
10. As stated in Policy COM7, the Council will seek to secure affordable housing, or a financial contribution for off-site provision, via a S106 Legal Agreement or a Unilateral Undertaking (UU).
13. The precise mix and tenure for provision on site will be specified in the S106 or UU. Where a financial contribution is secured for provision of affordable housing off-site, the value of the contribution will be specified in the S106, and index linked (RPI) at the point in time where payment is due. The Council will require contributions to be paid upon completion of the units or an earlier trigger to be agreed, the meaning of which will be defined in the legal agreement to trigger payment of the contribution. To ensure the delivery of Affordable Housing, the Council will require the developer to enter into a legal agreement which limits the opportunities for financial contributions to remain outstanding at the completion of the development.
14. Where a financial contribution is sought, it is intended that these should be based upon residual land values (RLV). The thresholds and proportions for the amount of affordable housing sought have been set in order to be achievable for the vast majority of sites both greenfield and brownfield (Previously Developed Land - PDL) in normal market conditions. However, it will be applied flexibly and each site will be considered on its individual merits by negotiation.
15. The Council will approach the negotiation of affordable housing in a positive and flexible way in order to facilitate sustainable development whilst at the same time maximising both the amount and quality of affordable housing. The Council's starting point is to seek:-
  - Local Plan policy levels of affordable homes

- On site provision
- A tenure target of at least 70% affordable or social rented housing

16. However, the Council will be mindful of the economic climate and the impact that affordable housing requirements can have on development viability. Section 10 details guidance on submitting viability information where applicants consider that policy levels of affordable housing cannot be provided without undermining the economic viability of the proposal.

17. The appropriate integration of market and affordable housing is important to achieve a mixed and inclusive community. Affordable housing should be delivered in small clusters of not more than 10 units, which is generally preferred by registered providers for the purposes of managing the dwellings.

### Site Area Equivalent Thresholds

18. For each of the threshold steps in the sliding scale approach for the amount of affordable housing sought and negotiated, in addition to the number of dwellings, a site area is given in brackets i.e. 6-9 dwellings (or sites of 0.22-0.29ha).

19. This area of land is broadly equivalent to the size of site (excluding constraints) reasonably expected to deliver the number of dwellings in that step of the sliding scale, assuming an average density of development. The purpose of the equivalent site area threshold is to avoid an applicant being able to deliberately reduce the number of dwellings below a threshold purely in order to reduce the amount of affordable housing able to be sought, when in planning terms a higher number of dwellings could appropriately be accommodated.

20. Policy COM7 includes wording that 'in assessing the suitability of such sites for the provision of affordable housing the Council will take into account the size, suitability and the economics of provision'. The Council will therefore take a pragmatic approach to how the site area equivalent thresholds are interpreted and applied. Only the 'net developable area' (gross site area taking account of constraints) of the application site will be considered as being eligible for consideration. To determine the level of affordable housing provision the starting point and key consideration will be the number of dwellings threshold, with the site area equivalent threshold intended to be taken as just that.

21. Of primary relevance is the suitability of the proposed development assessed on its own merits. The site area equivalent threshold would only be a relevant consideration if a higher number of dwellings was reasonably achievable and the proposed development was deliberately being designed in order to result in a lower number of dwellings.

22. A proposed development will therefore be assessed on its own merits to determine whether it is acceptable in all other planning respects and appropriately takes account of both site specific constraints and the characteristics of the area.

Relevant factors would include for example: heritage, nature conservation, tree, landscape and flood risk designations and constraints, and the shape and topography of the site, together with more generally, its location and the character of the area and the nature and density of development in the locality.

23. Taking account of the constraints and characteristics of the area, the proposed development should be of an appropriate form of development for the site and make efficient use of its potential to deliver additional housing, notwithstanding that there may be alternatives regarding the number and the mix of size and type of dwelling. It is not therefore necessary that a development should be at the highest density, or for the smallest size of dwelling possible in order to maximise the number of dwellings, but that it results in a suitable form or development acceptable in planning terms. The proposed scheme will be assessed on its own merits.

### **Sub-Division of Sites**

24. The NPPF states that planning policies and decisions should support development that makes efficient use of land and local planning authorities should refuse applications which they consider fail to make efficient use of land, taking into account policies in the NPPF. Proposals which seek to circumvent the affordable housing thresholds by developing at too low density or sub-dividing land are therefore not acceptable and to ensure the land is not being used inefficiently. The Council reserves the right to scrutinise site/ownership boundaries, density and unit mix..

25. Where an adjacent and related development forms part of a site that, in its entirety, would meet or is capable of meeting any defined threshold, the requirement for affordable housing in respect of the entire site will be applied.

## **7. Rural Affordable Housing**

1. In order to deliver affordable housing in rural areas, the Council will:

- Promote partnership working with key stakeholders and, in particular with local communities and their Parish Councils;
- Provide strategic advice on affordable housing and numbers of local people on Hampshire Home Choice (the Councils Housing Waiting List);
- Encourage Parish Councils to consider an investigation of local housing need and the potential to develop Rural Housing Exception sites where appropriate.

### **Rural exception sites**

2. Policy COM8: Rural Exception Affordable Housing seeks to provide a framework for the consideration of development proposals for rural affordable housing,

provided on exception sites, as an exception to the general policy of restraint of residential development in the countryside (Policy COM2). Such housing should be kept as affordable in perpetuity. Rural exception sites (RES) make a significant contribution towards overall delivery of affordable housing within the Borough.

### **Policy COM8: Rural Exception Affordable Housing**

*Development for rural affordable housing will be permitted provided that:*

*a) the proposal is accompanied by evidence which demonstrates there is an unmet need within the parish for accommodation by households unable to afford open market housing where a member of each household has either:*

- i) been ordinarily resident in the parish or previously lived in the parish and has a strong family connection; or*
- ii) a demonstrable need by virtue of their employment to live in the village or its immediate surroundings; or*
- iii) a demonstrable need to live within the village either to support or be supported by a family member.*

*b) it is restricted in perpetuity to occupation by households with a member in housing need; and*

*c) the proposed mix of housing meets the identified need.*

3. The purpose of this policy is to facilitate development in rural areas, either within settlements or outside of the settlement boundary, where there is evidence of need for affordable housing. The policy applies to settlements with a population of less than 3,000 people. These are listed in a rural settlement gazetteer originally prepared by the Housing Corporation where the right to buy, acquire and enfranchise (shared ownership) is restricted by legislation. These settlements are also eligible for Homes England funding for rural affordable housing, if available.

4. To ensure the affordable homes remain in perpetuity the developer will be required to enter into a S106 agreement to ensure the affordable rented homes are retained and occupied via the Village Criteria (local connection) in perpetuity. Any shared ownership homes will be restricted to 80% ownership by the purchaser unless the registered provider has included the rural buy back clause in the lease. (Please refer to Designated Protected Areas below).

5. To deliver rural exception affordable housing sites, the Council works through Hampshire Alliance for Rural Affordable Housing (HARAH). This is a partnership between the rural Hampshire local authorities, Action Hampshire (the Hampshire Rural Community Council, who employ Rural Housing Enablers), Hampshire Village Homes (Registered Housing Provider), and Homes England. The Council and Rural Housing Enablers work with parish councils to assess local housing need and identify potential sites to meet such need.
6. In order to bring forward a RES, evidence needs to be provided through a Local Housing Needs Survey (LHNS) or from the Council's Housing Register to justify the proposal. In allocating dwellings within a RES scheme, priority is given to those in housing need with a local connection to the parish in which the housing is located and then to those with a connection to adjoining parishes. The local connection criteria will be secured via a S106 agreement. Please refer to the Affordable Housing Advice Note 1 for details regarding how a LHNS is undertaken.
7. The Council will consider through the HARAH partnership or through proposals by private developers the issue raised in NPPF paragraph 77 of the potential of rural affordable housing schemes including an element of private market housing in order to facilitate significant greater delivery of affordable provision.
8. Rural exception sites are small sites used for affordable housing in perpetuity where sites would not normally be used for housing. These sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.
9. Policy COM9 may also provide a means for the provision of affordable housing to be considered. Please refer to the Affordable Housing Advice Note 1 for further details.

### **Entry Level Exception Sites**

10. A site that provides entry level homes suitable for first time buyers (or equivalent, for those looking to rent), in line with paragraph 71 of the NPPF. Entry Level Exception Sites could include tenures such as Build to Rent. As these sites are adjacent to settlements, they are likely to be rural sites where otherwise housing would not be allowed.



## Designated Protected Areas

11. The Leasehold Reform Act 1967, as amended by the Housing and Regeneration Act (2008) allows the Secretary of State to designate areas as Designated Protected Areas (DPAs) for the purpose of;
  - Removing the right of enfranchisement (buying the freehold) in respect of shared ownership properties so that staircasing to full ownership is restricted, and
  - Ensuring retention of shared ownership homes in areas where it would be hard to replace if lost to the affordable housing sector through 100% staircasing.
12. The designation of such areas is aligned with those exempt from the Right to Acquire. In the main, these were rural settlements with a population of less than 3,000.
13. The 'Housing (Right to Enfranchisement (Designated Protected Areas) (England) Order 2009 (S.I. No 2009 – 2098) designates protected areas which includes the majority of the villages in Test Valley including Romsey Extra and Smannell.
14. Affordable Housing Providers are required to include in shared ownership leases the DPA conditions that either:-
  - Restrict the leaseholders equity share to a maximum of 80% or
  - Ensure once the leaseholder has acquired 100% share of the house, that when it becomes available for resale it is sold back to the housing association (or a designated alternative landlord).
15. The Protected Areas and Leasehold Enfranchisement: Explanatory Notes December 2016, make it clear that DPA restrictions apply regardless of whether the property has received grant funding or otherwise.

## Waivers

16. Affordable Housing Providers developing shared ownership housing where staircasing is restricted can sometimes be affected by the limited availability of mortgages for purchasers. Also many providers have raised concern over their financial stability to guarantee they will buy back properties as required by the shared ownership lease if the leaseholder wishes to sell.
17. In response, the government regulator, Homes England is able to waive the grant conditions relating to DPA status under certain conditions. This would enable providers of affordable housing to develop grant funded shared ownership stock on these sites allowing buyers to staircase to 100% without an obligation on the provider to buy back the property if the leaseholder wishes to sell.
18. To consider the request for the waiver, Homes England requires the support of the local authority (LA). Many of the areas subject of DPA status are now part of large settlements and urban areas as the result of extension to existing

settlements making them part of the urban area. If the LA considers that a particular site to be developed no longer meet the criteria set out in the original classification criteria set out in the original DPA designation or has another reason(s) why they think that grant funded shared ownership stock does not need to be protected in perpetuity, they can approach Homes England to request that the conditions of the grant pertaining to DPA status be removed. The Council has agreed that it will consider requests for waivers<sup>15</sup>. Please see the Affordable Housing Advice Note 1 for procedures on how the Council considers requests for a waiver.

## 8. Community led development

1. It is recognised that some communities may seek to bring forward housing or employment opportunities and as such may, through a formal organisation such as a Community Land Trust, deliver open market and/or affordable housing, or employment uses. Proposals for various different uses may be considered under Policy COM9.

### Policy COM9: Community Led Development

*Community led development will be permitted if:*

- a) the proposal is supported by evidence that there is a need for the development to maintain or enhance the sustainability of the settlement through the delivery of community benefit; and*
- b) it is demonstrated that the community has been involved in the preparation of the proposal; and*
- c) it is demonstrated that the community supports the proposal; and*
- d) the proposal, if for residential development, helps meet the affordable housing need of the parish in accordance with the thresholds contained within policy COM7 and local evidence and restrictions contained within policy COM8.*

2. Policy COM9 provides a vehicle to enable project promoters to engage with local residents to help with the preparation of the proposal and gain their support, which is a key criteria in the policy. The intention of COM9 is to support the aims of the Localism Act 2011 by providing a framework to deliver development that can demonstrate extensive involvement by the local community.
3. The intention of this policy is not to replicate the neighbourhood planning mechanisms contained within the Localism Act 2011, but to provide a further

<sup>15</sup> TVBC Cabinet, 12.09.18, Item 11

framework to deliver development that is either led by the community or has community involvement and support, without the need to undertake a Neighbourhood Plan or Neighbourhood Development Order (NDO). The proposal may be for a single use or a combination of uses.

4. In working up a community led development proposal, it is important that the views of the community are taken into account during the development of the scheme. Any development proposals should be able to demonstrate that the local community and interested parties have been involved in the preparation of the proposal through engagement, consultation and liaison. It is also important that any proposal can demonstrate that it will help sustain or enhance the village.
5. The applicant must be able to demonstrate support for the proposal and overarching objective to provide affordable homes to meet local needs where the proposal is for residential development. The policy does not restrict the provision of private market housing, provided the requirement for affordable housing as set out in Policy COM7 is met in addition to meeting the criteria relating to local evidence and restrictions contained with Policy COM8.
6. The NPPF, paragraph 40 encourages applicants to work closely with those directly affected by their proposals and to take account of the views of the community, particularly at the pre-application stage. This enables concerns to be addressed and issues to be resolved and gives the community a role in genuinely shape new development. Please refer to Affordable Housing Advice Note 1 on Community Support for Housing Led Proposals.

## 9. Tenure and mix of affordable housing

### Tenure split

1. The estimated level of Housing Need (per annum) identified in the SHMA (2014) by type of affordable housing is shown in the table below.

Area	Intermediate	Affordable rent	Social rent	Total
Andover	37.8%	13.3%	48.8%	100.0%
North – rural	29.1%	28.4%	42.5%	100.0%
Central – rural	30.5%	33.2%	36.3%	100.0%
Romsey	31.0%	21.9%	27.1%	100.0%
South – rural	33.2%	27.2%	39.6%	100.0%
<b>Borough</b>	<b>33.6%</b>	<b>20.5%</b>	<b>45.8%</b>	<b>100.0%</b>

2. The analysis identifies a requirement for around a third of homes to be intermediate housing and two-thirds being social/affordable rented as identified in paragraph 5.108 of Policy COM7.
3. The tenure split of 30% intermediate and 70% social/affordable rent is a starting point in negotiating the precise scale, type and size of affordable housing. Local needs, which may include the requirement for provision of specialist or older persons accommodation, and market conditions may justify a departure from the split of 30% intermediate and 70% social/affordable rent.
4. There may be circumstances where the split will require modification, such as changes to income support allowance affecting demand and/or viability. In these instances, it is expected that developers and applicants contact the Council at the inception stages to assist in negotiating with RPs for appropriate provision of affordable housing.

### Tenure types

5. The greatest need in Test Valley is for affordable homes to rent. The tenure target is that at least 70% of the affordable homes should be provided as affordable or social rented housing. The Council will seek affordable rent tenure for one and two bedroomed properties and will require that the rent levels do not exceed the Local Housing Allowance. Social rent will be sought for properties with three or more bedrooms.
6. The balance can be made up of intermediate housing which is homes for sale and rent provided at a cost above social rent, but below market levels, subject to the criteria in the NPPF affordable housing definition.
7. There are many different types of intermediate housing currently available, such as Shared Ownership and Rent to Buy. However, intermediate tenure types only qualify as affordable housing if they remain affordable in perpetuity for future eligible households. Type of intermediate tenures are likely to change over time, therefore it is important that applicants engage with the Housing Development Team and RPs early to ensure that appropriate tenures are secured to meet local needs.
8. The intermediate housing must satisfy the Council's price, nomination and management requirements.

### Dwelling Mix

9. Where affordable housing are delivered on site a balance and appropriate mix in terms of dwelling styles, type and size must be achieved. Typically each site should provide affordable housing in the form of both flats and houses unless there is an overriding justification due to local housing need or site constraints.

10. Applicants are encouraged to work collaboratively with the Council's Housing Development Team to design the affordable housing mix and layout, particularly at pre-application stage. Developers are strongly encouraged to involve the Housing Development Team and/or (where relevant) a registered provider in the design of the proposed affordable housing before submitting a planning application to avoid the risk of a potentially costly re-design.

### **Dwelling Sizes**

11. For rented homes, generally there is a high level of need for dwellings with one or two bedrooms. However, as the objective is to make homes as flexible as possible, the Council will generally seek homes with higher number of bed spaces per room, for example 1 bedroom, 2 person and 2 bedroom, 4 person.
12. On medium and large sites, a proportion of larger family homes for rent (3 and 4 bedroom +) will be sought, as there is typically a high demand for these homes.
13. Affordable rented housing requiring Test Valley Affordable Housing Capital Grant Funding will be required to meet the space standards contained in the Affordable Housing Capital Grant Funding Policy, attached at Annex 2.
14. All Affordable Homes will be required to meet the space standards to be able to attract grant funding from Homes England. Please see section 15 for further information on design and space standards in line with Building Regulations and Homes England requirements.

### **Dwelling Types**

15. The Council will seek no more than 40% of affordable homes on any individual site as flats, due to the high proportion of households with younger children and those with mobility problems.
16. Semi and linked detached houses should always be of the same tenure.
17. Coach houses (flats over garages) are only acceptable if the garage below is part of that property and allocated to the same household. This is so that any noise connected with the garage below does not cause problems for the occupants of the flat above.
18. At least 10% of affordable rented homes on developments of 10 or more affordable homes, will be expected to provide wheelchair adapted homes and homes that can be adapted to the changing needs of the occupants consistent with Part M of the Building Regulations, or successor regulations, due to the number of older applicants and those with limited mobility.

19. Discount market homes will normally only be considered on large development sites, that is developments with over 100 affordable homes.

## 10. Development viability

1. Policy COM7 takes account of the economics of provision in both providing affordable housing on site and a financial contribution for off-site provision in lieu. Where circumstances arise, the Council will take into consideration financial viability in negotiating the tenure and mix of affordable housing, the percentage of affordable housing on site or a financial contribution for off-site provision.
2. Development that complies with the policies in the RLP by providing the required amount of affordable housing, should not require a viability assessment. However, where one is needed, it should reflect the recommended approach in Planning Practice Guidance, including standardised inputs<sup>16</sup>. Applicants should be prepared to make such viability assessments publicly available.
3. Land negotiations should be conducted with full account being taken of the requirements for affordable housing as set out in Policy COM7 informing the value of the land being purchased. As set out in the Planning Practice Guidance “the price paid for the land is not a relevant justification for failing to accord with relevant policies in the plan.”<sup>17</sup>

### Why is viability an important consideration?

4. The Local Plan policy requirements to provide a proportion of affordable housing on residential development sites should be considered as part of development costs embedded into the land values. This will make the viability process more consistent and transparent and ensure deliverability of appropriate levels of affordable housing to meet local needs.
5. The Council uses the Residual Land Value methodology, as below in Table 2, to determine the underlying land value. This is important as it forms the basis by which a developer should be able to agree a price for the land once the costs of the development, including the developer’s profit, have been deducted from the gross development value.

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<sup>16</sup> Para. 57, NPPF Feb 2019

<sup>17</sup> Draft Planning Practice Guidance 2018 – Viability

**Table 2 - Residual Land Value**

Gross Development Value (GDV) (value of completed scheme) <sup>18</sup>
Minus
Costs (cost of realising the GDV including build costs, fees, finance, profit)
Minus
Other Costs e.g. planning obligations or CIL
Equals
Residual Land Value (RLV) (how much the site is worth)

6. Applicants are strongly encouraged to seek pre-application advice using the Council’s pre-application advice service, to obtain expert advice from the Housing Development Team regarding affordable housing mix, size and tenure. The Council acknowledges that some sites present viability challenges and the Council encourages applicants to discuss viability issues at an early stage. This is recognised in the NPPF.

*“The more issues that can be resolved at pre-application stage, including the need to deliver improvements in infrastructure and affordable housing, the greater the benefits.”<sup>19</sup>*

7. The Council works with Affordable Housing Providers and is best placed to advise on the Council’s partner RP requirements to assist applicants with the layout and design of their site. Pre-application advice is confidential and Council officers are happy to discuss viability concerns at the pre-application stage and advise appropriately with the aim of achieving a viable and policy compliant scheme, while acknowledging the expectations of the landowner and developer for a reasonable and competitive return.

<sup>18</sup> GDV – value of completed scheme includes the total indicative revenues generated by development of the site. GDV will be checked against reliable data sources such as Rightmove, valuation from a qualified surveyor or estate agent, if supplied with a planning application.

<sup>19</sup> Para. 41, NPPF



### When does the Council require a viability assessment?

8. There may be circumstances where the costs of developing a site may affect its value. The Council expects a viability assessment to be submitted with a planning application in the following circumstances:
- Where the percentage of affordable housing falls below the threshold required for the overall size of the development as set out in Policy COM7. i.e. less than 40% on sites of 15 dwellings or more
  - Where the split in tenure departs from 30% intermediate<sup>20</sup> and 70% social/affordable rent (where this has not been agreed for other reasons)
  - Applications which propose affordable housing off-site or a financial contribution for off-site provision in lieu of delivering affordable housing on site.
9. It is expected that a viability assessment will be publicly available and be based on actual costs and values. A viability assessment should reflect the standardised inputs as set out in the 'Standardised inputs to viability assessment' section of the Planning Practice Guidance.
10. Where a development falls below the required affordable housing percentage thresholds, departs from the prescribed tenure split or is offering a financial contribution for off-site provision in lieu, a viability assessment will be used to assess the elements of the proposal that contribute to a lack of viability.
11. Where permission is granted for a scheme that departs from the policies in the RLP, a review will be applied to the scheme to ensure that any uplift in values are captured by the Council to enable the delivery of the maximum amount of affordable housing later in the development process. The review will assess the changes to the gross development value and build costs. If surplus profit is generated over and above the returns necessary for the scheme to be deemed viable, a review will apply.

### What should a viability assessment contain?

12. The Council will expect that the benchmark land value will be established on the basis of the Existing Use Value of the land plus a premium for the landowner as set out in the NPPG. This method can work in two ways; either to determine the level of return on a scheme, where the costs of the site is known, or establish the estimated value of the land by assuming a predetermined level of profit.

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<sup>20</sup> Intermediate products are considered to come under category (d) of the definition of Affordable Housing in the NPPF – *Other affordable routes to home ownership*



13. Where a viability appraisal is required, the Council expects the following information in addition to the standardised inputs as set out in the Planning Practice Guidance:

- Clearly explain the methodology used, either in an executive summary or non-technical summary
- Be based on current costs and values
- Include all of the assumptions and calculations used in the model
- Include unit size and split between proposed tenures
- Provide floor space figures as Gross Internal Area (GIA)
- Affordable housing values should reflect discussions with, and the offers made by RPs. Value should be evidenced through calculations of rental and capital receipts (including stair-casing receipts for shared ownership units). For Rent Plus or Rent to Buy products it should be assumed to be sold, on a shared ownership basis, after a period of 5 years to the occupying household as a first priority, or another eligible household, with the relevant subsidy recycled.
- The timings of payments by RPs should also be reflected in the appraisals as an RP will often pay for the units in instalments starting at commencement of construction which will reduce finance costs.
- A summary of the key findings and conclusions

14. These are important for the Council to test and interrogate the information to assess the conclusions made and understand where reasonable adjustments could be negotiated.

15. Where the guidance for a viability assessment as above is followed, the Council will work positively with applicants to negotiate the maximum level of affordable housing provision possible whilst ensuring the delivery of an economically viable good quality development. Please refer to Affordable Housing Advice Note 1 for additional information on the Council's preferred approach to the content of viability assessments.

### **The Council's Approach to negotiating proposals which are not viable**

16. Where a scheme is demonstrated to be unviable with the policy level of affordable housing, the Council will consider a range of alternative options in negotiation with the applicants to secure the maximum level of affordable housing, in accordance with COM 7. These options will vary depending on site specific circumstances and constraints, but will include:

- Value engineering / alteration of schemes in terms of the mix of dwelling sizes, types or layout – for example providing more smaller affordable units can reduce costs;
- Flexibility on the tenure ratio – for example increasing the proportion of intermediate units can improve viability;
- Flexibility on the phasing of affordable housing provision – for example early delivery of some open market homes can improve cash flow early on in an development;
- A reduced percentage of affordable housing – where there is considered the Council will seek to secure quality over quantity, for example although fewer units may be provided they should be well matched in size, type and tenure to local needs;
- The use of public subsidy – the Council has Affordable Housing Grant available to its preferred registered provider partners to assist with the viability of S106 sites.

17. Where options for delivering completed dwellings have been exhausted, consideration will be given to:

- Accepting serviced plots in lieu of dwellings or
- Accepting off site affordable housing units or
- Accepting an off site financial contribution

18. Where a reduced percentage of affordable dwellings or a financial contribution below the full policy equivalent is accepted, the Council will consider implementing the following:-

- Mechanisms to reappraise viability at a later stage:
  - At Reserved Matters stage or at commencement (for each phase if applicable)
  - A range of percentages may be set, i.e. a minimum (the level demonstrated to be currently viable) and maximum (policy) level.
- Setting a time limit by which Reserved Matters need to be submitted, to ensure consents are not ‘banked’ until viability may improve;
- Provision for the Council or Affordable Housing Providers to purchase additional affordable units;
- Mechanisms to review viability at completion enable ‘clawback’ of additional revenues above those envisaged in the viability appraisal.

19. The review process will be set out in a S106 agreement. However, the Council will generally require a 2-stage review, although for large scale phased developments with a build-out programme of more than 5 – 6 years, a bespoke review timetable will be agreed with the developer.

20. An early review, in agreement with the applicant, will be undertaken preferably if the development does not commence within the first 2 years after receiving permission. If a Reserved Matters approval is required, an early review will apply if a Reserved Matters application is not received within 2 years from the date of commencement.
21. Where a surplus profit above the initial agreed profit level is identified, the Council will seek a 60/40 split in these profits between the developer and the Council respectively. The Council's proportion of the split in profit should be delivered as affordable housing on-site. This would require the developer to identify which market dwellings will become affordable in consultation with the preferred RP in order to ensure the most appropriate provision.
22. The above mechanisms are particularly applicable to outline applications and/or large scale developments which are likely to be built out over a long period of time. Please see Affordable Housing Advice Note 1 for further information on the Council's approach to considering viability at the outline stage of planning applications.
23. Viability assessments, in trying to justify a lower level of affordable housing contribution must be careful not to demonstrate that the proposed development is inherently unsustainable or undeliverable. Some viability evidence can indicate that a proposal has marginal viability, or even negative viability, even without making a satisfactory contribution to affordable housing. Such proposals are unlikely to be supported where the Council considers the objectives of sustainable development are the Local Plan are not being met; and/or that the proposal is not deliverable.
24. Negotiation is important in overcoming viability challenges and the Council will endeavour to seek resolution by negotiation when assessing viability appraisals. Nevertheless, the Council expects that costs and values should be taken into account when determining land value and that the applicant should work this into the offer on the land.

### **Cost Recovery**

25. Financial viability appraisals will be reviewed by the Council or may be referred to appointed assessors for independent assessment. Applicants will be expected to meet the reasonable costs, as specified by the Council, associated with reviewing financial viability appraisals.

## Viability and Confidentiality

26. Information relevant to plan-making and the planning application process is publicly available. This is consistent with the NPPF which places a requirement on local authorities to facilitate community involvement in planning decisions.<sup>21</sup>
27. The PPG states that viability assessments should be made available to the public<sup>22</sup>. There will only be very exceptional circumstances for keeping limited elements of viability information confidential.
28. The availability of information submitted as part of the planning process is important to ensure public participation, confidence in the planning system and the accountability of those undertaking the assessments. The Council's starting point is that information submitted as part of, and in support of, a viability assessment should be treated transparently and be available for wider scrutiny. In relation to affordable housing, viability appraisals should be submitted without redaction. In submitting information, applicants do so in the knowledge that this may be made publicly available alongside other application documents. Revised or updated appraisals will similarly be treated in accordance with the principles set out in this section with regard to publication.
29. In deciding whether there is any reason why the submitted viability information should not be published alongside other planning application documents, the council will draw on the principles of the Environmental Information Regulations (EIR)<sup>23</sup>. The Council will depart from the starting point identified above only where there is a convincing case, in relation to specific elements of a viability assessment that one or more of the exceptions to disclose as contained in the EIR would apply so as to outweigh the public interest in disclosure of that information. Where an applicant requests that only a redacted version of the development viability appraisal be made public, robust and proper justification for confidentiality will be required and should be made prior to the submission of a planning application.
30. If an applicant wishes to make a case for an exceptional circumstance in relation to the withholding from publication of any part of their viability assessment, they will need to identify exactly what material they would wish to be withheld and provide full justification. This should take the form of a schedule or a table clearly identifying the relevant information, together with a marked up copy of the appraisal document. The Council will consider the specific circumstances of the case in the light of the principles of the EIR. The Council may decide not to accept the applicant's request that information should not be disclosed to the public.
31. Where a review of an applicant's financial viability appraisal is carried out on behalf of the local authority, requests for disclosure of that review will be considered by the Council as and when received and will be informed by the approach taken in relation to the submitted appraisal.

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<sup>21</sup> NPPF paragraphs 40

<sup>22</sup> PPG Viability Paragraph 004

<sup>23</sup> The Environmental Information Regulations 2004 ('EIR')

32. Irrespective of whether viability material is published alongside other application documents, the material may be made available to Members of the council's Area Planning Committees, or to Members of the Council more generally, in accordance with the arrangements for disclosure of information as provided for in the council's constitution.
33. The Council may also need to make information available to a third party organisation where that body has a role in determining an application, has statutory consultee or other duties, is providing public subsidy or is fulfilling their own duties under the EIR and the Freedom of Information Legislation.
34. In the event a request from a third party is received for disclosure of viability information which has not been published online and which falls outside the scope of the above paragraph, for example where the request is made by a member of the public, the Council will have regard to the matters arising from the application of the above paragraphs when applying the EIR to the request.

## 11. Grant Funding

1. The Homes England Affordable Housing Programme provides grant funding to Registered Providers to develop affordable homes. The programme seeks to:
  - Increase the supply of new affordable housing – for Affordable Rent and affordable home ownership (shared ownership).
  - Maximise the number of new affordable homes delivered with the available grant funding, supplemented by bidders' own contributions;
  - Build homes that address the demographic challenges facing social housing, including the need for more one and two bedroom homes that match the needs of smaller households;
  - Maximise delivery within the programme period
2. Guidance for the type of properties and criterion required are set out in the Homes England Capital Funding Guide.
3. Developers must have regard of the conditions in the Capital Funding Guide to ensure the affordable homes developed comply and are eligible for grant funding.

### Test Valley Capital Grant Affordable Housing Programme

4. The Affordable Housing Grant is partly funded by ring fenced Right to Buy receipts and S106 Affordable Housing Contributions. Details of the programme are reported to the Council's Cabinet as part of the Capital Programme update.
5. The purpose of the grant is to provide funding subsidy to RPs to ensure delivery of affordable homes in Test Valley. This can be for:-
  - Additional provision of affordable/social rent

- To assist with viability on sites that have secured affordable housing through a S106 agreement where developers are requesting reduction in affordable housing due to, for example, exceptional site costs
  - To provide affordable housing on sites where affordable housing has not been secured through a S106 agreement.
6. All bids for Affordable Housing Grant must have regard to the Council's Homeless and Housing Strategy. The Housing Strategy, as part of the assessment of housing need takes into account those people who are vulnerable, have particular needs or live in the worst condition private housing sector stock. The Strategy refers to the Council's adopted corporate programmes and emphasises the importance of housing in addressing the wide ranging issues facing the Council. Housing has a significant impact on social well being, social inclusion and sustainability and community development
  7. The grant is only available to Test Valley Borough Council's Preferred Partnering Registered Providers, please refer to the Affordable Housing Capital Grant Funding Policy, Annex 2.

## 12. Vacant Building Credit (VBC)

1. The vacant building credit is intended to provide an incentive for brownfield development on brownfield sites containing vacant buildings.<sup>24</sup>
2. A financial credit, equivalent to the existing gross floor space of any vacant buildings within the red line boundary of the application site brought back into any lawful use or demolished for re-development, should be deducted from the calculation of any affordable housing contributions sought from relevant development schemes. Where a vacant building has been abandoned, the credit will not apply.
3. In order to apply for the VBC seeking reduced affordable housing contribution, the following information will need to be provided by the applicant to demonstrate that the building is genuinely vacant:
  - Evidence that any building within the red line application boundary is a 'vacant building'. It should be demonstrated that every reasonable attempt has been made to secure an occupier through marketing over a minimum continuous period of 6 months.
  - The whole building must be vacant to apply for the VBC; and
  - Evidence that any building within the red line application boundary is not an 'abandoned building' or artificially made vacant solely for the purpose of redevelopment, which the applicant must demonstrate.

<sup>24</sup> Written Ministerial Statement made 28 November 2014 and introduced to NPPG May 2016



4. To determine whether the building is truly vacant the Council will consider the condition of the building and its suitability for occupancy as well as the length of time the building has not been used. The Council will also take into account whether the building has been used for any other purposes.
5. Information on the existing Gross Internal Floor Area(GIFA) and the proposed GIFA need to be provided. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level. The Royal Institution of Chartered Surveyors (RICS)<sup>25</sup> Code of Measuring Practice will be used for the purposes of assessing VBC. However floor space with headroom of less than 1.5m is excluded from the GIFA calculation.
6. The Council will determine on a case by case basis whether a building is vacant or abandoned. Outline planning applications may present challenges in quantifying whether the vacant building credit will be applicable as the actual number of dwelling or size of dwellings may be determined during Reserved Matters applications. The LPA will scrutinise planning applications to ensure that sites are not artificially subdivided to avoid the NPPG threshold.
7. If the VBC is applicable to the proposed site, the amount of vacant floor space will inform the level of affordable housing contributions.

### **13. Layout and Design**

1. Development proposals that include affordable housing are expected to address the Council's policies on good quality development, particularly Policy E1: High Quality Development in the Borough. The design and materials used, and amenity provided within any affordable housing scheme on a site should be characteristic of the rest of the development in which it is included.

#### **Clustering and Phasing**

2. Affordable housing should be fully integrated in clusters of no more than 10, spread evenly across a development such that it is indistinguishable from the market housing to achieve mixed and inclusive communities. The Council recognises that grouping together a number of affordable home is practical, from a construction and management perspective.
3. Where separate phases of the development adjoin each other, careful consideration should be given to the location of clusters in adjacent previously developed parcels to avoid creating an overall cluster of more than 10 dwellings.

<sup>25</sup> <https://www.rics.org/uk/> - 6<sup>th</sup> Edition or subsequent revision

4. Clear concentrations of affordable homes, particularly of the same tenure or size will not be supported.
5. The delivery of the affordable housing must keep pace with that of market housing. On larger schemes, the Council will ensure that affordable housing is delivered in phases in parallel with the development of market housing, and will control phasing in the S106. The Council will not support the phasing of a development which sees the affordable housing being delivered in the later stages of the sites development taking into account site specific viability. Please see Affordable Housing Advice Note 1 for more information.

### Design and Space Standards

6. The Council expects affordable housing to be built to a high standard of design with suitable levels of amenity. Where mixed tenure schemes are delivered, designs should not be different so as to distinguish between market and affordable housing. Affordable housing provided within a residential development should be of a similar size and quality to the open market housing.
7. Developers must be able to demonstrate that completed units meet any relevant design and amenity standards prevailing at the time and any additional requirements of the partnering registered provider. The developer must be able to demonstrate that the land is sufficient in size to accommodate the required unit mix.
8. All development will be required to provide high levels of accessibility and should be designed as such to be adapted to the changing needs of users. Where affordable housing has been designed to accommodate older persons as a flatted development, a lift should be provided if the building is over 3 floors.
9. Occupants of affordable housing may have particular accessibility requirements and will therefore need to have access to a home that complies to certain space standards, particularly for wheelchair users. Developers will need to allow for additional space when designing residential units which have the potential to be adapted for wheelchair users. Designs for wheelchair users should meet the requirements contained within Part M4(3)(1)(a) and (b) and Part M4 (3)(2)(b) of Schedule 1 of the Building Regulations 2010 or any successor regulations.
10. Parking for dwellings designed for wheelchair users should be conveniently located with clear access to the property entrance. Internal layout plans should include furniture to scale, to the standards set out in Appendix D (Part 4 M) of the



Building Regulations 2010 or any successor regulations, to demonstrate adequate space for internal manoeuvring for the occupants.

#### **14. Mechanism for securing affordable housing**

1. As stated in Policy COM7, the Council will seek to secure affordable housing, or a financial contribution for off-site provision, via a S106 Legal Agreement or a Unilateral Undertaking (UU).
2. Where a financial contribution is secured via a formula for provision of affordable housing off-site, the value of the contribution will be specified in the S106, and index linked (RPI) from 1<sup>st</sup> April in the year in which the contribution is agreed.
3. The Council will require contributions to be paid prior to occupation of a specified number of units as set out in each S106 agreement.
4. To ensure the delivery of Affordable Housing in a timely way, the Council will seek a financial contribution for off-site affordable housing early on in the build out of the development, taking into account site viability, to be secured through a S106 agreement. This is to ensure that all financial contributions are received before the completion of the development.
5. The Council appreciates that circumstances may change between the time that the S106 Agreement is signed and the point at which the development is implemented. Therefore, the Council seeks to ensure that S106 agreements allow changes to tenure or mix to be agreed in writing, where it is demonstrated necessary to do so.

#### **15. Delivery and management**

1. In accordance with the definitions in the NPPF, affordable housing should remain affordable in perpetuity and will be secured by a legal agreement. The Council will ensure that affordable homes, with the exception of Starter Homes,<sup>26</sup> remain at an affordable rent for future eligible households or that their resale value is recycled to provide other forms of affordable housing to meet local need.
2. Occupiers of affordable housing where there is a shared ownership arrangement in Designated Protected Areas<sup>27</sup> (DPA) are limited to owning more than 80% of the property.

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<sup>26</sup> Starter Homes to remain discounted for a period of 5 years

<sup>27</sup> Section 300 – 302, Housing and Regeneration Act 2008

## Management

3. Affordable housing will in many cases be transferred to a Registered Provider and managed as affordable housing in accordance with Homes England standards. This is the Council's preferred mechanism; however, it is recognised that there are emerging models of management that may be appropriate subject to appropriate safeguards as set out in Section 5 above.
4. In recent years, Registered Providers have provided the main source of new affordable housing. Developers will be required to enter into obligations securing the future appropriate management of schemes preferably in partnership with a Registered Provider. A list of preferred Registered Providers is included in the Affordable Housing Advice Note 1.

## Nominations and local connections

5. The Council maintains comprehensive information on local households seeking affordable housing. Hampshire Home Choice is the Council's housing register where applicant can apply for rented housing owned and managed by registered providers.
6. In addition, households looking to buy an affordable home can make an application to Help to Buy South who advertise homes for sale on behalf of developers and registered providers.
7. Both registers, assess the eligibility of households and the affordability of homes being provided. Occupancy of affordable housing is restricted to eligible households in housing need and is allocated in accordance with Test Valley Borough Council's Scheme of Allocation and Hampshire Home Choice Sub-Regional Allocation Framework.
8. Affordable Housing in rural areas will be allocated to households with a relevant location connection to a village or parish, the terms of which will be secured in a S106 Agreement. Local connection is defined as:
  - Being ordinarily residents in the village/parish
  - Previously ordinarily resident in the village/parish prior to the date of allocation and has family who ordinarily reside there
  - Employment – current or take up permanent employment in village/parish
  - To support or be supported by member of family ordinarily resident in the village/parish
9. Where rural affordable housing cannot be taken up by those with local connections, a cascade mechanism will operate with homes being let or sold:
  - Initially to households with a parish connection;

- Then to households with a connection to adjoining parishes; and
- Then with the same connection to Test Valley.

10. Not all affordable housing providers are members of Hampshire Home Choice. In these cases, the Council will seek to append a nomination rights agreement to the S106 to reflect the existing nominations agreement in place with Hampshire Home Choice requiring 100% nomination rights in perpetuity.

## **16. Negotiating affordable housing contributions**

1. Affordable Housing is not subject to Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) because it is not relevant infrastructure for that purpose. Specific projects are not identified as they will be informed by the changing and evolving evidence regarding housing need including the Housing Strategy. The current Housing Strategy is in place until the end of 2019. The Council will provide a new Housing Strategy for 2020 – 2025 which is currently in development.
2. The Strategic Housing Market Assessment (SHMA) identifies the total need for affordable housing up to 2031 across the Borough and subdivides this need into 5 sub-areas<sup>28</sup>. How Contributions will be allocated to meet affordable housing need within the sub-area will be informed by the Housing Strategy and the SHMA.

## **17. Provision of serviced plots**

1. The Council's preference is for the delivery of affordable housing as completed dwellings as part of the wider development of a site. However, in some circumstances, and at its discretion, the Council reserves the right to require the affordable housing obligation to be satisfied on-site through the transfer of a number of serviced plots of land. To be transferred to an approved Registered Provider at nominal value and free from encumbrances.
2. Where this option is proposed this may assist or resolve viability challenges on the site. This would need to be fully evidenced and negotiated in accordance with the Viability Section of this SPD.
3. The applicant would be required to identify the plots or provide areas of land sufficient to accommodate the Council's preferred housing mix.
4. For full or reserved matters applications, developers will be expected to provide details of specific location of the serviced plots within the site. The Council will

<sup>28</sup> Page 4, SHMA sub-areas of Test Valley

usually expect the plots to be clustered and the appropriateness of proposed locations for affordable housing will be determined by the Council (Housing Development Team) as part of the planning process.

5. Free serviced land is defined as freehold cleared, remediated<sup>29</sup> land with all services and connecting media (e.g. gas, electric, telephone, broadband, sewerage, surface water drainage etc.) and infrastructure (e.g. roads to an adoptable standard, footpaths, boundary walls etc.) necessary for development right up to the boundary of the land. There must be no legal, physical or financial barriers to the servicing of the land by the developer constructing the affordable housing or ongoing commuted payments for the off-site maintenance of infrastructure.
6. Serviced plots may be suitable to provide for self-builders, in accordance with Self Build and Custom Build Section above. Please also refer to the Affordable Housing Advice Note 1.

## **18. Off Site Delivery**

1. There will be a strong presumption in favour of the affordable homes being provided on site. There may however be some circumstances in which the Council at its absolute discretion is willing to accept an off-site contribution. Please refer to Affordable Housing Advice Note 1 for the circumstances in which the Council may consider accepting an off site contribution.
2. If the Council agrees that an off site provision is appropriate, this will require the provision of a site comprising of serviced remediated land made available at nil cost to the Council. The definition of free serviced land is set out in the section of Provision of Serviced Plots above.
3. The alternative site must be a sufficient size and suitability to provide the appropriate provision for on site affordable housing of the combined site capabilities, in a location related to the residential development site. Appropriate financial contributions may also be sought for off site provision where necessary to ensure that the dwellings provided can be made available to meet local needs.
4. Exceptionally, with the agreement of both the Local Planning Authority and the developer, financial contributions may be made to fund affordable housing off site. The scale of financial contribution for off site development will reflect the

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<sup>29</sup> Remediated means any land contamination or pollution has been fully remediated and the plot is certified safe for residential development by an independent professional survey.

expected provision for on-site affordable housing at the current density requirements in terms of:

- The current rate for residential land in that location. Costs equivalent to serviced land and connection charges;
  - Contributions towards public open space, transport, education and other services as required.
  - Fees and charges for legal work associated with the purchase of an alternative site' and
  - An administration fee of £500 (RPI) (subject to annual review) to cover the costs of collecting and handling the money and meeting auditing requirements.
5. The financial contribution will be secured via a S106 agreement and will be Index Linked.
  6. The Council will consider proposals where the developer purchases existing properties on the market for transfer to an Affordable Housing Provider. However, the purchases have to reflect:
    - the mix of units had they been provided on site;
    - that the properties are related to the location of the residential development; and
    - the properties are refurbished to the Registered Providers requirements to ensure they can be let as affordable or sold as low cost home ownership.
  7. In order to ensure affordability of the housing, communal areas, where possible should be omitted, so as to incur no service charges. If this is not possible, a cap of £250 per annum will be applied to service charges which shall all be eligible for Housing Benefit and linked to RPI. For any ineligible Housing Benefit items, an opt in discount would be sought in the interests of creating inclusive communities. The Council and Registered Provider will require a detailed breakdown of what the service charges comprises.

## 19. Monitoring

### How the Financial Contributions will be spent

1. Typically the financial contributions will be defined in the Section 106 Agreements as being to assist in the delivery of affordable housing in Test Valley. The financial contributions are held in the Affordable Housing Capital Grant Programme as described above.

2. The Council will actively monitor the provision and delivery of affordable housing to ensure that the procedures for implementing affordable housing are up to date and meeting the Council's targets. The Authority's Monitoring Report (AMR) will identify key challenges to and opportunities for the provision of affordable housing and revisions to be made. Market conditions and levels of affordability will also be kept under review.
3. The Council will monitor the performance of its Registered Provider partners to ensure high standards of service delivery. In particular, the Council will require annually from the RPs or other affordable housing providers information relating to:-
  - Social and affordable rents
  - Rent increases
  - Staircasing and other sales receipts
  - Management standards
4. Developer's delivery partners, whether an RP or other provider/manager who are not regulated by Homes England, will be similarly monitored through obligations contained in the S106 Agreement.

## 20. Glossary

**Eligible Household:** a person in housing need being a person unable to buy or rent housing locally on the open market and in relation to any unit of Affordable Rented housing listed on Hampshire Home Choice and in relation to any intermediate housing, registered on the Help to Buy South Register.

**Local Housing Needs Survey (LHNS):** Survey that provides data on housing need at a local level including number of houses, size, types and tenure for different groups in the community using a standard method set out in the national planning practice guidance.

**Staircasing:** is the process which allows an occupant of a shared equity type of affordable housing to buy a greater proportion of their home.

**Right to Acquire/Buy:** An opportunity for tenants who have had a public sector landlord for at least 3 years to buy the property they live in at a significant discount. Public sector landlords include councils, registered providers, the MOD or NHS trust/foundation. Eligibility criteria for both the property and occupants apply.

**Unilateral Undertaking (UU) –**

**Zone Agent –**

**Net Developable Area -**

## 21. Annexes

DRAFT

## Annex 1 – Method for calculating contributions for off-site affordable housing

This section sets out how financial contributions for developments of 6 - 9 dwellings and 10 dwellings will be calculated. Applicants do not need to submit any data, information or viability appraisals, unless they wish to, as the methodology includes baseline assumptions for the Gross Development Value (GDV) and the Residual Land Value Percentage (RLV%).

The baseline assumptions are drawn from the Affordable Housing Viability Update, 2012, Dixon Searle. Where an applicant has submitted information regarding GDV, this will be checked against reliable sources of house price data, such as Rightmove, or with local estate agents.

Where affordable housing is sought by means of a financial contribution in lieu of off-site provision, this will be based upon the RLV. The RLV should result in a positive valuation for the site. If the resulting figure is negative, the site will not be financially viable.

The following table (Table 2) is a general explanation of how RLV is broadly arrived at:

**Table 2 – Residual Land Value**

Gross Development Value (GDV) (value of completed scheme) <sup>30</sup>
Minus
Costs (cost of realising the GDV including build costs, fees, finance, profit)
Minus
Other Costs e.g. planning obligations or CIL
Equals
Residual Land Value (RLV) (how much the site is worth)

The RLV of sites across Test Valley has been taken account of in the Affordable Housing Viability Update, 2012, Dixon Searle. This is a broad brush approach which has informed the structure of Policy COM7 to assess the viability of sites in general

<sup>30</sup> GDV – value of completed scheme includes the total indicative revenues generated by development of the site. GDV will be checked against reliable data sources such as Rightmove, valuation from a qualified surveyor or estate agent, if supplied with a planning application.



within the threshold bands. The RLV informs the Residual Land Value Percentage used in the methodology.

The Residual Land Value methodology informs the appropriate land value for a site. RLV enables the value of a piece of land to be estimated after costs associated with developing, maintaining or reselling the land have been deducted from the Gross Development Value (GDV) which is the value of the completed scheme.

**Proposals for 6 – 9 dwellings (designated rural areas)**

For developments of 6 - 9 dwellings (or sites of 0.22 – 0.29Ha), Policy COM7 requires a financial contribution equivalent up to 20% of dwellings to be affordable..

In achieving the equivalent off-site provision the calculation also makes allowance for the Council’s site acquisition costs to provide the affordable housing on an alternative site. See table 3 below:

**Table 3: Calculating the equivalent off-site financial contribution for proposals of 6 – 9 dwellings for Policy COM7: Affordable Housing**

**(A x B) + C = D**

**D x E = F**

where:

A = Gross Development Value (Total value of development)

B = Residual Land Value Percentage (Percentage of House Price which is the Land Value)

C = Site acquisition and servicing costs (for equivalent off-site provision)

D = Sum per unit

E = Percentage affordable housing sought

F = Financial Contribution sought

**Example calculation**

£200,000      Gross Development Value [A]  
 22.5%      Residual Land Percentage [B] % TBC (assumed 22.5%  
 for areas covered by CIL charging Zone 1)  
 15%      Site acquisition and servicing costs [C] % TBC (assumed  
 15%)  
 20%      Percentage affordable housing sought [E] (% in line with  
 Policy COM7)

£200,000 x 0.214 = £45,000      (A x B) [x 0.225 equates to x 22.5%]

$£45,000 \times 0.15 = £6,750$	$(C = [A \times B] \times 0.15)$ [0.15 equates to x 15%]
$£45,000 + £6,750 = £51,750$	$(A \times B) + C = D$
$£51,750 \times 0.2 = £10,350$	$D \times E = F$ [x 0.2 equates to x 20%]
<b>Total financial contribution sought = £10,350 per dwelling</b>	

The assumptions used in the above calculation are set out below in Table 4. These are the assumptions that will be used.

**Table 4 - Assumptions**

<b>Gross Development Value (GDV)</b> – see footnote 10	(A)
<b>Residual Land Value Percentage<sup>31</sup></b> – This is the amount that the land value comprises in the overall house price	(B)
CIL Zone 1 - 22.5%	
CIL Zone 2 – 17.2%	
CIL Zone 3 – 15.3%	
CIL Zone 4 – 7.8%	
<b>Site acquisition and servicing costs</b> – TVBC has assumed 15% <sup>32</sup>	(C)

The RLV % figures as above in Table 3 are derived from the Calculation Methodology for Financial Contributions, 2016, Dixon Searle. Property values that drive the gross development value in a Residual Land Value appraisal were reviewed across the Borough to test for any variations. The Council's preferred approach is to assign a specific RLV % to each of the Council's adopted Community Infrastructure Levy (CIL) residential charging zones. A map of the residential CIL Charging Zones is attached in a separate Appendix.

These zones are based on viability evidence including making an appropriate allowance for affordable housing in each case and taking into account property market conditions. As CIL and affordable housing viability are inextricably linked, any variation in the calculation of financial contributions geographically across the Borough accords with the CIL residential charging zones.

In terms of determining the Gross Development Value (GDV), the Council uses data from Rightmove.

<sup>31</sup> Derived from the Calculation Methodology for Financial Contributions, 2016, Dixon Searle

<sup>32</sup> Derived from the Affordable Housing Viability Update, 2012, Dixon Searle

**Proposals for up to 10 dwellings (designated rural areas)**

Policy COM7 does not require any on-site provision of affordable housing on sites where development of 10 or less dwellings is proposed; therefore a financial contribution in lieu is required. Where development proposes 10 dwellings, a financial contribution equivalent to up to 30% of dwellings to be affordable will be required.

As for the methodology used to calculate a contribution for proposals of 6 – 9 dwellings, the Council uses the assumptions from the Calculation Methodology for Financial Contributions, 2016, Dixon Searle and data from sites such as Rightmove, to calculate a financial contribution. The methodology for calculating a financial contribution for proposals of 10 dwellings is the same as that for proposals of 6 – 9 dwellings. However, the RLV% will vary depending on the location of the development across the Borough.

For sites that come forward with proposals of more than 10, the Council will seek the relevant proportion of affordable housing on site. However, in accordance with Policy COM7, where it is deemed appropriate to secure a financial contribution in lieu of affordable housing on site, the same methodology would apply as explained above.

## **Annex 2 – Affordable Housing Capital Grants Policy – April 2018<sup>33</sup>**

**Delegated authority has been given to the Head of Housing and Environmental Health to approve Local Authority Grant Funding for affordable housing schemes within the approved budget on the following basis:**

1. Schemes must meet a strategic priority as set out in the Council's current Housing Strategy.
2. Schemes should comprise a mix of housing to meet the local housing need, including consideration of local affordability.
3. Value for money must be demonstrated by the submission of a detailed financial appraisal.
4. The applicant must ensure that all scheme costs are verified by an independent Chartered Surveyor.
5. Schemes may be funded solely by the Local Authority or joint funded.
6. Local authority capital funding will only be given to RP's with a Regulatory Judgement of their compliance with the requirements in the Governance and Financial Viability Standard issued by the Homes England of G1 and V1.
7. The Head of Housing and Environmental Health must be satisfied with the standard of housing management to be provided.
8. Except in extraordinary circumstances, funding will only be available to partner RP's.
9. Grant funding is paid in two tranches, Start on Site of scheme and Practical Completion of the scheme. In order to draw down Start on Site payment, schemes must have Planning Permission.
10. Start on Site and Completion claims must be drawn down within 3 months of SOS and Practical Completion. If this deadline is missed, a new grant application must be submitted.
11. Once the Panel have approved the grant funding, the matter will be subsequently reported to the Cabinet as part of the Capital Programme Monitoring report.
12. Very large grant applications (in excess of £1m) will be considered by Cabinet by way of a bespoke report.

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<sup>33</sup> Or successor revisions

13. All grant claims to be completed as per the Grant Claims Procedure Guide.
14. Full nomination rights (100%) must be given to the Council on initial and all subsequent lettings for affordable/social rented homes (except in extraordinary circumstances agreed in writing between the RP and the Head of Housing and Environmental Health).

## LA ESEP SCHEMES

Whilst Affordable Housing Developer Contributions (AHDCs) may only be used to support affordable housing delivery, opportunities will arise that can provide both new affordable housing and generate income for the Council. This income can be used to support the Council's delivery of other services as well as reinvesting in more affordable housing.

The Council has developed a new investment model for the delivery of shared equity housing in partnership with Merlion Housing Association (MHA) as set out below:-

- The Council will use AHDCs to fund MHA procurement of new, high quality shared equity housing most likely on S106 sites.
- This payment is likely to be in the range of 10-20% of the full open market value but the exact figure will depend upon the availability of funds within the Affordable Housing Capital Grant Programme or other Council funding sources and estimated sales values.
- Payment will usually be due at golden brick or on exchange of contracts, the timing of such payments may vary from site to site depending of the requirements of the developer.
- Prior to making any payments, the Council and MHA will follow the procedure for allocation AHDCs. Prior to making any payments the Council and MHA will enter into a suitable funding agreement bespoke to that development.
- Prior to making any payments MHA will supply the Council with a Royal Institute of Chartered Surveyors (RICS) backed valuation (mutual benefit) of the sales value for each dwelling to be funded using AHDCs.
- After payment of the AHDCs to MHA, the Council will levy an investment fee of 15% of the sum paid. This fee, due from MHA to be paid to the Council, will be invoiced by the Council after 2 weeks of release of the Council's funds.
- The Council's investment will enable MHA to improve the affordability of the homes. The homes will be offered for sale on a shared equity basis at a discount of open market value which is likely to be within the range of 20-40%. No rent will be charged by MHA and wherever possible, the purchaser will be able to acquire the freehold in the future.
- In addition to the investment fee, the Council will receive equity in each dwelling which will be secured by a Second Charge to rank above that of MHA.
- The equity will be enhanced by MHA by 25% so, if for example, the Council invests £500,000, it will be issued with equity worth £625,000.00.

- The Council's primary role under this mode is as a funder. MHA will perform all usual functions such as sales, marketing, contract negotiation and procurement of the dwellings and other administrative duties as required.
- When an occupier wishes to increase their equity share within the dwelling (stair casing) or wishes to sell and move up on the property ladder, MHA will be responsible for all aspects of administering this
- At the point of future sale or completion of stair casing, the Council will redeem its Charge over the dwelling, with the resultant funds returning to the AHDC budget for reinvestment in further affordable housing.
- Each party will be responsible for their own legal fees during each project and at the time of each future sale.
- Valuation costs will be shared equally between the Council and MHA.
- All purchasers of the LA ESEP must be registered on Help to Buy South and MHA will provide the Council with each applicant's reference number prior to exchange of contracts.
- Once the Grant Panel have approved the grant investment, the matter will be subsequently reported to Cabinet as part of the Capital Programme Monitoring report.

### **Test Valley Borough Council – Criteria for Capital Funding.**

All schemes must meet the following minimum and maximum space standards :

1 bed 2 person	45 – 55 m <sup>2</sup>
2 bed 3 person	60 – 70 m <sup>2</sup>
2 bed 4 person	70 - 80 m <sup>2</sup>
3 bed 5 person house	85 – 90 m <sup>2</sup>
4 bed 6 person house	95 – 105 m <sup>2</sup>

Schemes over 10 units may be required to provide 10% wheelchair standard properties. Wheelchair adapted housing will be built to the standards specified in the Affordable Housing SPD.

All schemes must meet identified needs for the area as defined by the Area Based Housing Needs Assessment.

TVBC (Housing and Planning) must be consulted on the design of schemes prior to a planning application being submitted.

No schemes will be supported above Local Housing Allowance.

RP's are required to have sufficient staff resources to devote to development work in the Borough as necessary.

RP's must participate in Hampshire Home Choice and to make a contribution towards the cost of running the Register, proportional to their stock within the Borough

RP's are required to consult with their tenants on management issues.

**Test Valley Borough Council – Criteria for LA ESEP Funding.**

All schemes must meet identified needs for the area as defined by the Area Based Housing Needs Assessment.

All bids must have regard to Test Valley's Homelessness Strategy and Housing Strategy.

TVBC (Housing and Planning) must be consulted on the design of schemes prior to a planning application being submitted.

MHA must provide details of project costs, other grant, borrowing and revenue (open book). The exact detail required will depend on the type and scale of the project. The Housing Development Manager will provide advice and guidance during this phase of the application.

All purchasers must be registered with Help to Buy South

All LA ESEP homes must be advertised on Help to Buy South

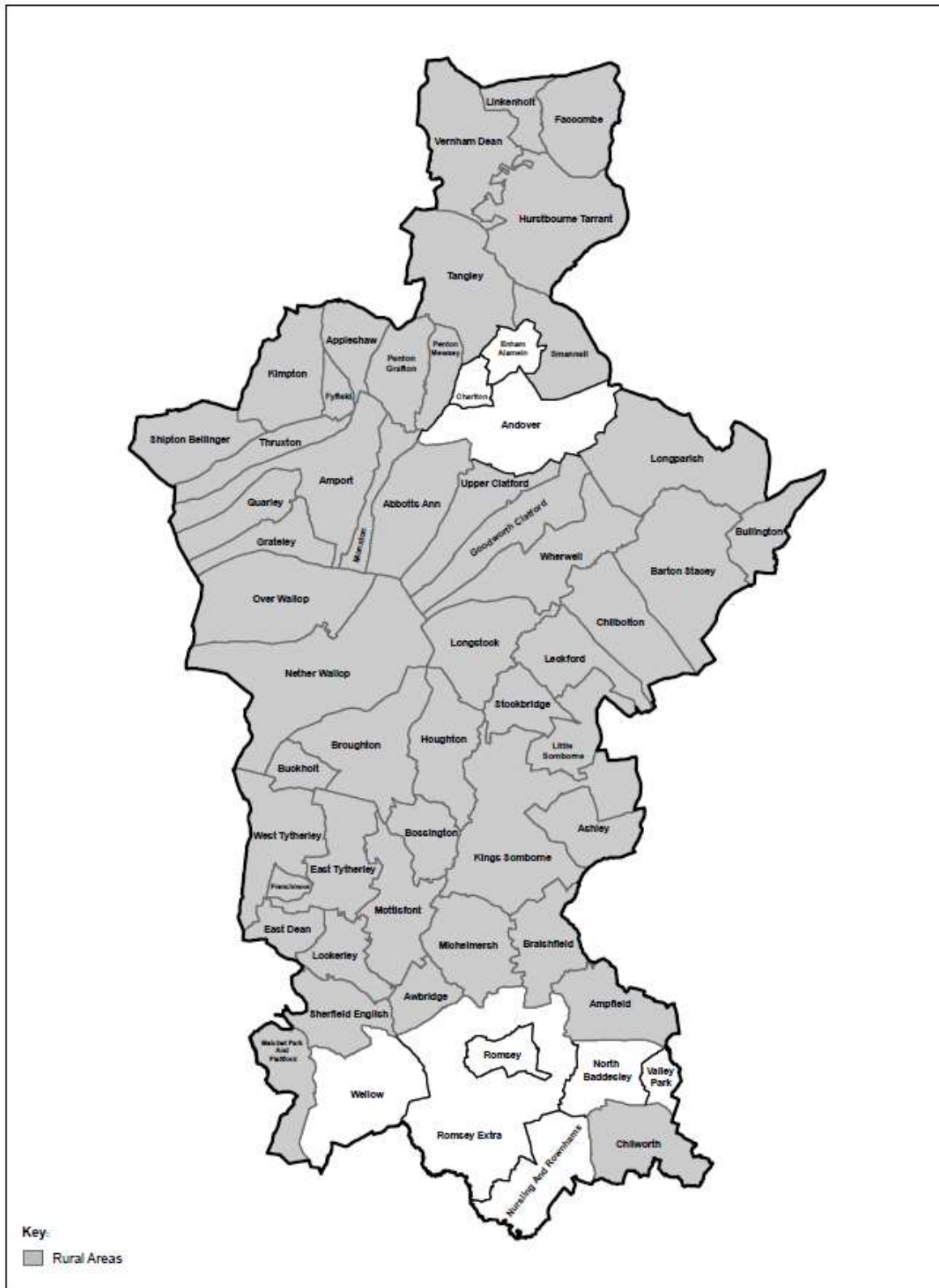
**Revision History**

**20 July 2005 Revision 1**

**11 Oct 2006 Revision 2**

**18 Apr 2018 Revision**

### Annex 3 – Designated Rural Areas map





**TEST VALLEY BOROUGH COUNCIL**

**Affordable Housing Advice Note 1  
for the Affordable Housing SPD  
2019**

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## **1. Purpose and status of this additional advice note**

This Advice Note sets out the requirements and expectations the Council have in relation to the delivery of affordable housing in Test Valley. It should be read alongside the Affordable Housing Supplementary Planning Document and the Local Plan.

The Council's requirements for an element of affordable housing to be provided within a development site will need to be taken into consideration and designed for by the developer from an early stage in accordance with the Council's policy and guidance.

Unless there are exceptional circumstances the Council will seek the provision of affordable housing in respect of all new housing developments where the number of dwellings is above the thresholds set out the Local Plan. Being unaware of the relevant policies will not constitute a reason for non-provision of affordable housing.

## **2. Affordable Housing Provision in Test Valley**

The Government is committed to providing high quality affordable housing for people who are unable to access or afford market housing in order to create mixed sustainable communities.

The National Planning Policy Framework (NPPF) defines affordable housing as 'housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to homeownership and/or is for essential local workers). The full definitions is set out in the NPPF Glossary. This Guidance sets out the expectations regarding the delivery of various affordable housing tenures.

### **2.1 Social Rent**

The Council encourages to developers or registered providers to provide an element of social rented homes on affordable housing sites, especially larger sites. The affordability of the larger family , 3 and 4 bed homes, can be beyond many families on low income at affordable rent levels. It is preferred that these larger units are delivered for social rent. Registered Providers can apply to the Council for Affordable Housing Grant for assistance, subject to funding being available.

### **2.2 Affordable Housing Rent**

The affordable rent must not exceed 80% of the local market rent, inclusive of service charges and must not exceed the Local Housing Allowance (LHA) for the relevant property type in the relevant location in perpetuity. Test Valley is situated falls within 4 Broad Rental Market Areas (BRMAs); Basingstoke BRMA, Salisbury BRMA, Southampton BRMA and Winchester BRMA.

### **2.3 Starter Homes**

This tenure of affordable housing is not currently supported by the Council as the technical guidance is still awaited.

### **2.4 Discount Market Sales Homes**

To provide homes for first time buyers and families wishing to move up the property ladder but no more than 3 bedrooms due to affordability and local incomes. Purchasers for the discount market sales homes must be eligible and registered with Help to Buy South or their successor.

The minimum discount of open market value is 20%. Developers are required to provide details to the Housing Development Team of the proposed sales prices and open market sales valuation (RICS) to evidence the level of discount to be provided at the pre-application stage or prior to submission of any planning application. The proposed sales prices must be affordable taking into account local incomes and the income restrictions for Help to Buy South eligibility.

Discount market sale homes will be secured as a planning obligation through a S106 Agreement. The Agreement (S106) will contain restrictions to ensure the purchaser cannot sub-let the whole property and it is not sold to a buy to let investor. The property must be the only property the purchaser owns unless the purchaser is seeking to move up (extended family) or down (divorce/separation/downsizing) the property ladder and is unable to afford the full purchase price of the property and is eligible and registered under Help to Buy. In these circumstances, a sale must be in place before they can reserve a property on the Discount Market scheme and their current home must be sold by the time of completion of their purchase.

A restriction on the disposal price to an amount not exceeding a specified percentage of the market value will be imposed, together also with an obligation requiring any subsequent purchaser to enter into a similar restriction.

### **2.5 Private Intermediate Rented Homes**

These are private rented new homes where the rent charged is a minimum of 20% less than the market rent for a home in a similar area. The Council will require the following matters to be secured through a s106 agreement:

- management by a bona fide housing provider or managing agent from the public or private sector;
- restrictions to ensure that the properties meet the needs of eligible households and remain affordable for future households;

- rents, inclusive of service charges, must not exceed 80% of market rents or the Local Housing Allowance, whichever is the lowest, in the relevant BRMA area for the relevant property type;
- the right to make nominations in respect of future occupants;
- homes are let in the form of an assured tenancy with the tenancy terms submitted to the Council for approval.

The eligibility criteria for intermediate private rental homes, applicants will need to be :-

- Working with means to cover the rent without assistance.
- Not be a property owner.
- Have a gross household income of less than £66,000 per annum to rent a one or two bedroom home.
- Have a gross household income of no more than £80,000 per annum to rent a three or more bedroom home.
- Be able to afford 80 % of the local market rent without assistance, e.g. Housing Benefit.
- Currently living or working in the area in which the subject home is located (varies from scheme to scheme).

## **2.6 Rent to Buy**

- Rent to Buy are new homes for rent. The rents are approximately 20% cheaper than a similar property on the open market and it is expected that the occupier will purchase the home on a shared ownership basis at the end of the rental period.
- To be eligible, households must earn £60,000 a year or less. A household can be one person or with a partner/friend. An affordability check will be carried out to confirm the applicant is able to afford the rent from the start and can realistically purchase a share in the property in the future.

## **2.7 Shared Ownership**

Shared ownership should equate to a household on an average household income being able to purchase a minimum initial share of 25% up to a maximum initial share of 75% in the property together with an obligation to pay rent on the proportion of equity retained by the Registered Provider at no more than 2.75%. Typically, a maximum of 50% equity share in the property is sought in the first instance.

All shared ownership homes shall be disposed of by the grant of a lease in the form or substantially in the form of the Homes England Model Form of Shared Ownership Lease or in such other form as may be agreed in writing by the Head of Housing and Environmental Health.

Shared ownership properties will be allocated to those households who are eligible and registered on Help to Buy South or its successor.

Shared ownership affordable housing should be available in perpetuity to those in housing need, unless the owner has stair-cased to 100% ownership in the property.

### **2.8 Shared Equity**

The purchaser can buy 100% of the affordable home but only pays for 75%. The remainder of the equity is covered by an interest free equity loan. When the property is sold, the purchaser repays the equity loan as a set percentage of the sale price, ie, 25% of the sale price agreed.

Shared equity should be affordable for those applicants on the Help to Buy South Register, that is with a joint income of no more than £80,000. It is envisaged that the first sales would be at a minimum of 50% and maximum of 75% of the open market value.

Shared equity properties will be allocated to those households who are eligible and registered on Help to Buy South or its successor.

## **3. When Affordable Housing is Required On Site**

Factors influencing whether affordable housing can be provided on site will include the physical nature of the development, the flexibility of the site providing for a range of needs and the assessed housing need.

### **3.1 Older Persons and Specialist Housing**

The Council welcomes proposals for accommodation which meet the needs of older people and people with disabilities or special needs.

Affordable housing provision can include both housing for general needs and supported housing for specific needs or age groups provided that it falls within the appropriate use class. Where justified by need, the Council may seek an element of affordable housing provision in the form of supported housing where dwellings are provided together with additional communal space and facilities or homes provided to lifetime or full wheelchair standards.

The Council reserves the right to seek on-site affordable housing provision in the first instance. The Local Plan Policy requirements will be the starting point for any negotiations.

However, where the Council considers that on-site provision would not be the most appropriate or viable provision, the Council will seek an off-site financial contribution. The sum payable will be calculated using the Financial Contribution Methodology as set out in Annex 2 of the SPD.

Each proposals will be determined on a site by site basis paying due regard to viability, the level of care proposed, the model of supported housing involved and affordability. The mix of affordable tenures will vary through negotiations on the basis of local need.

### **3.2 Extra care accommodation**

The Council will have regard to the following factors as indicating that a development falls within Use Class C3 and therefore subject to the affordable housing requirements:

- Units within the scheme consist of single, self-contained units of occupation being used as a single dwelling for an individual household.
- Units are designed, or adapted, for residential purposes – containing the normal facilities for cooking, eating and sleeping associated with use as dwelling house i.e. they afford the facilities for day to day private domestic existence.

The factors that differentiate Use Classes C2 and C3 are those relating to the predominant level of care provided and whether it is provided as a condition of residency, which is more likely to indicate C2 classification. However, receiving a care service does not in itself necessarily determine it as C2 accommodation if it is not a requirement. If the level of care provided is high or equivalent to the service normally associated with residential care homes, a C2 classification would be indicated.

The nature and type of service and accommodation in a scheme will determine the Use Class and therefore whether or not it needs to accord with the provisions of COM7 in providing an affordable housing contribution where it is viable and appropriate to do so. The particular characteristics of Extra Care housing are likely to make it more expensive to deliver than general market housing, which may affect its ability to provide a full affordable housing contribution. Where viability is an issue, it will be assessed in the same way as any other scheme.

Where a development of Extra Care housing forms part of a larger development, for example a retirement village, the individual parts of the development will be treated separately in determining their Use Class, provided they are in separate buildings.

Where a C3 use is determined, an Extra Care scheme will be subject to the provision of COM7 and be required to provide affordable housing on site, subject to viability considerations.

### **3.3 Self-build and custom-build housing**

House size on self-build plots may be subject to size limitations to ensure the dwelling remains affordable for future purchasers/occupiers. Applicants would also need to demonstrate that they have adequate finance in place to fund the commissioning and construction to avoid unfinished plots being sold on as open



market plots with planning permission. The occupant would need to satisfy local occupancy and connection criteria.

Where self-build is sought as an affordable home planning obligations will be secured through a S106 Agreement to control occupancy, re-sale and the maximum sale or rent price that can be charged. Early engagement with the Council is encouraged before purchasing a self-build plot as many lenders will not provide finance for self-build affordable housing, particularly where there is a S106 Agreement in place.

Proposals for affordable housing on single dwelling plots can be supported, provided that they meet the following criteria:

- A limit on the size of the dwelling may be necessary to assist in retaining its affordability for future occupiers. This will vary between property types and take into account considerations, for example the needs of disabled residents. It is expected that self-build affordable homes should not exceed 102 m<sup>2</sup> (Gross Internal Floor Area). Where this is significantly exceeded, justification must be provided and further measurements to control affordability may be necessary.
- Where there are no other subsidies from market housing or the public sector, the applicant would need to demonstrate both eligibility and an ability to finance the development with savings, equity and mortgage finance.
- The occupant would need to satisfy local occupancy and connection provisions.
- The applicant needs to demonstrate that their needs could not reasonably be met in a more suitable scheme within reasonable timescales.
- The applicant undertakes to enter into a S106 to control the future disposal and occupancy of their home.
- The Council reserves the right to approve future purchasers/occupiers.

Community-led projects, such as Community Land Trusts (CLT), can also bring forward self-build or custom-build plots

CLT self-build affordable housing brought forward on rural exception sites or under Policy COM9 of the Local Plan 2016 will be required to enter into a legal agreement to control the future disposal and occupancy to ensure the homes remain affordable in perpetuity.

A further form of self-build and custom-build housing is the self-finish approach. These plots are offered on a custom-build basis but where the individual occupier can finish the build themselves and is typically limited to internal finishes such as fixtures and fittings and some external appearance materials. Where self-finish plots are proposed, the Council will require a design code to be agreed specifying a palette of external materials and exterior treatment prior to the submission of reserved matters.

### 3.6 Serviced Plots

The Council reserves the right to negotiate the transfer of serviced plots to an approved Registered Provider, for the future development of dwellings. This will be at the Council's absolute discretion, for example where it necessary to improve viability and is negotiated in accordance with the process set out below under Viability Assessments.

Plots must be serviced right up to the boundary of each site and be cleared and ready for development, as defined in the AH SPD. The transfer must be for nominal consideration and free from any and all encumbrances.

Unless otherwise agreed the Developer must permit unfettered access to any land which has been transferred and must not do anything to prevent its timely delivery.

### 3.7 Off Site Delivery

There will be a strong presumption in favour of the affordable homes being provided on site. There may however be some circumstances in which the Council at its absolute discretion is willing to accept an off-site provision. This will require the provision of a site comprising of serviced land to be made available at no cost to the Council.

The alternative site must be of a sufficient size and suitability to provide the 40% provision for on site affordable housing of the combined capabilities, in a location related to the residential development site. Appropriate financial contributions may also be sought for off-site provision where necessary to ensure that the dwellings provided can be made available to meet local needs.

Exceptionally, with the agreement of both the Council and the developer, financial contributions may be made to fund affordable housing off site. The scale of financial contribution for off site development will reflect the expected 40% provision for on site affordable housing at the current density requirements in terms of:-

- The current rate for residential land in that location;
- Costs equivalent to serviced land and connection charges<sup>1</sup>
- Contributions towards public open space, transport, education and other services as required
- Fees and charges for legal work associated with the purchase of an alternative site and
- An administration fee of £670 (RPI – subject to annual review) to cover the costs of collecting and handling the money and meeting auditing requirements.

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<sup>1</sup> Affordable Housing Viability Update 2012, Dixon Searle

The Council will consider proposals where the developer purchases existing properties on the market. However, they purchases have to reflect a) the mix of the units had they been provided on site; and b) that the properties are related to the location of the residential development.

### **3.8 Financial Contribution**

Whilst there is a presumption that all affordable housing will be built on site, circumstances where the Council may consider accepting a financial contribution include:

- Where the Council is satisfied that the provision of affordable housing units on site would not be viable; determined in accordance with the approach set out below under Viability Assessments.
- Where a small number of affordable units would result and therefore delivery would not be commercially attractive to an affordable housing provider;
- Where the Council considers that on-site provision would not be deliverable or practical or best suited to local needs;
- Where the Council is satisfied that a proposal cannot be value engineered to enable a greater affordable housing contribution;
- Where affordable housing outcomes can be optimised by delivery on a more strategic site;
- Where the Council does not consider that there is a location specific need for affordable housing but a wider need in the adjacent parish or locality;

### **4. Dwelling Mix (sizes and types)**

A target of 70% affordable rent or social rent tenure will typically be sought for all affordable housing sites with the balance of 30% for intermediate/low cost home ownership as set out in the Local Plan.

A balanced range of dwelling sizes and types will be required in a mix designed to deliver the two objectives of meeting local needs and ensuring a balanced, mixed and sustainable community.

The following guiding principles will be employed by the Council in negotiating an appropriate mix of affordable homes:

- Unbalanced numbers of a particular unit size or type will not be supported.

#### **Dwelling Sizes**

- Homes shall generally be comprised of larger house types and bed spaces, for example 2 bedroom, 4 person rather than 2 bedroom, 3 person homes.

- In order to be able to have the potential to attract grant funding from Homes England, all affordable dwellings unit sizes shall be no more than 15% below or 30% above the National Described Space Standards.<sup>2</sup>

## **Dwelling Types**

- Detached and terraced houses and bungalows are preferred house types for affordable housing for rent.
- Social rent is preferred for family accommodation 3 + bedrooms due to levels of affordability for affordable rent at 80% of market value.
- Wheelchair mobility standard is Approved Document M: Access to and Use of Buildings Volume 1: dwellings Category 3: Wheelchair User Dwellings
- Lifetime Home Standard is Approved Document M: Access to and Use of Buildings Volume 1: dwellings Category 2: accessible and adaptable dwellings.

### **4.1 Clustering and Phasing**

#### **Clustering**

The general expectation regarding clustering arrangements are:-

- Affordable homes should be in small groupings spread evenly across a development;
- Clustering should be proportionate to the size of the development and the ratio of affordable homes;
- Typically no more than 10 affordable houses should be grouped together;
- Typically individual affordable apartment blocks should not exceed 24 units;
- Clear concentrations of affordable units, particularly of the same tenure or size will not be supported;

In addition, in relation to schemes providing 100% affordable:-

- Avoid unbalanced, large number of a particular size and type of unit in one area, for example small flats.

#### **Phasing**

On larger schemes, the Council will typically seek the phasing as follows:

- No more than 25% of open market homes to be occupied before 25% of the affordable home are completed and transferred to the Registered Provider;
- No more than 50% of open market homes to be occupied before 50% of the affordable homes are completed and transferred to the Registered Provider;
- No more than 75% of open market homes to be occupied before 100% of the affordable homes are completed and transferred to the Registered Provider

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<sup>2</sup> Technical Housing Standards – nationally described space standard; DCLG March 2015

These requirements will be included in the planning obligations within the S106 Agreement

#### **4.2 Design and Space Standards**

Affordable homes should:

- Not be readily differentiated between open market homes from their design, quality and location;
- Comply with Homes England funding requirements in relation to Nationally Described Space Standards
- Meet the criteria in the Affordable Housing Capital Grant Policy if affordable housing grant is required.

#### **5. Enabling Fee**

The Cabinet in July 2015 approved the introduction of charging Registered Providers for the housing enabling work carried out by its officers on S106 sites.. This work is of direct benefit to the RPs in so much as it ensures that when negotiating with developers, the Council has already secured the correct, mix, distribution, type and tenure of the required affordable housing. In the past, RPs had to undertake this work when identifying development opportunities.

This enabling work also includes supporting potential development schemes with evidence of need, liaising between the RP, developer and other services within the Council and giving guidance. The Enabling Fee is set out in the Council's Fees and Charges Schedule and is kept under review through the annual Fees and Charges review process and any reviews of the affordable housing target.

The fee is payable per unit of affordable housing delivered, invoices will be sent out upon notification of quarterly affordable housing completions. The date the fee is calculated from is the date the RP enters into a contract with the developer for the delivery of the affordable homes.

#### **6. Rural Housing**

##### **6.1 Policy COM8: Rural Exception Affordable Housing**

Paragraph 77 of the NPPF suggests a possibility for mixed tenure where the inclusion of some open market housing would facilitate, or cross-subsidise, the provision of affordable housing that meets local need. The ratio of affordable homes should exceed the proportion of market homes in each development proposal.

Where proposals can demonstrate an element of market housing is required to deliver the level of affordable housing need locally, the Council will expect that proposals will be affordable-led. The Council will need to be satisfied that the number of market homes proposed is essential to facilitate the delivery of the number of affordable homes proposed.

The market housing must be demonstrated to be an essential element to increase the viability of affordable housing provision and incentivise landowners to bring forward sites within acceptable land value parameters. The key objective must be to provide affordable homes to meet need rather than to maximise the amount of market housing. This will significantly impact on land value and it is important that landowners' expectations for such sites are realistic and reflective of the policy requirement to be affordable-led.

The proposed tenure and dwelling mix must be aligned with local need and not simply driven by viability and maximising value. If carefully considered, the layout, dwelling mix and scheme design can add value.

Proposals for cross-subsidy schemes will normally be expected to submit a Viability Assessment with the planning application to provide justification for the ratio of market to affordable housing proposed.

Viability assessments should work backwards from 100% affordable housing and demonstrate how the number of market housing has been determined to deliver a balanced scheme which meets need, secures community support and releases the site.

## **6.2 COM9: Community Led Development**

### **Community Support for Housing Led Proposals**

Measuring support requires careful planning and preparation. This section sets out the measures applicants are encouraged to undertake in order to maximise opportunities to successfully demonstrate a proposal is supported by the community:

- Take full advantage of the pre-application stage and the opportunity this affords to consult with local people and consider issues and solutions early in the process.
- Discuss the proposals with the Housing Development Team to establish how to measure local housing need (see below for further detail).
- Inform and communicate with those directly affected by their proposals and (if necessary), amend proposals accordingly.
- Communicate with the local parish or town council and attend a parish meeting to discuss their proposal.
- Engage with the local community before submitting their application using a variety of engagement techniques. This could include publicising plans and formal or informal consultation, to ensure no surprises at the application stage.
- Conduct consultation in accordance with the Council's Statement of Community Involvement. The Council can advise on how the local community

like to be contacted and consulted and can help with understanding particular local issues and ways to reach certain groups, and

- Submit with their planning application a statement outlining the measures undertaken to engage with the community and take on board any feedback received.

Guidance on the Council's approach to consultation and engagement is set out in the Council's Statement of Community Involvement.

The need to demonstrate community support should not discourage schemes coming forward. The steps taken to engage the community and the level of evidence demonstrating community support provided should be proportionate to the scale of the scheme and needs to be demonstrated as part of any planning application.

Please refer to the HARA 'A 10-Stage Guide to Developing an Affordable Housing Scheme for Local People in a Rural Community' marked Annex 'x' or contact the Housing Development Team for further guidance in developing a rural affordable housing scheme.

### **6.3 Local Housing Needs Surveys**

All planning proposals for the development of rural exception sites should be supported by a local housing need survey undertaken within the previous five years, which will determine the level of affordable housing need in the Parish ( or a group of parishes should they agree to work jointly on a survey).

The Parish Council should be involved in the investigation of local housing need in partnership with the Council and Action Hampshire as part of the HARA partnership. It will be essential to consult and engage the local community throughout the process and particularly at the site selection stage. Guidance on the Council's approach to consultation and engagement is set out in the Council's Statement of Community Involvement.

Action Hampshire will carry out the Housing Needs Survey, analyse and produce the report. Where a developer or landowner wishes to resource a survey, the Council will need to approve the survey methodology and questionnaire and validate the survey results.

If an affordable housing need is identified, the report should give an indication of the number, type and tenure of affordable homes that are needed by households with a local connection to the parish. The analysis will consider information on the incomes and savings of respondents in relation to their needs and to local housing costs, in order to assess their eligibility.

Individual responses to surveys should be kept confidential.



If a survey fails to identify a local need for affordable housing then no further work will be undertaken to investigate delivering a scheme under policy COM8.

#### **6.4 Local Connection on Rural Sites**

In relation to developments of affordable housing in rural areas, other than on exception sites, a priority may be given to applicants with a local connection to the Parish, where appropriate and where there is evidence of local affordable housing need as set out in the Hampshire Home Choice Scheme of Allocation. In the assessment of bids through Hampshire Home Choice for rural tenancies, a bid from an applicant with a local connection will take priority over applicants who do not.

As opportunities for the development of rural affordable housing are limited, legislation exists to ensure that it can be retained for future use, by protecting it from being sold under any Right to Buy or Acquire and restricting the amount of equity that can be purchased by leaseholders of intermediate affordable housing.

### **7. Restriction on disposal of affordable homes in Test Valley**

Many villages within Test Valley and part of the urban areas are with designated protected areas to ensure the affordable housing remains in perpetuity are exempt from the Right to Acquire, Right to Buy and restricting stair-casing for shared ownership homes.

#### **7.1 Restricting Right to Acquire**

##### **Restriction on disposal of homes in Rural Areas of Test Valley (S157 of the Housing Act 1985).**

Statutory Instrument 1997 No. 625, 'The Housing (Right to Acquire or Enfranchise) (Designated Rural Areas in the South East) Order 1997, designated rural areas of Test Valley for the purposes of Section 17 of the Housing Act 1996 (the right to acquire) and section 1AA (3)(a) and (5) of the Leasehold Reform Act 1967 (additional right to enfranchise). This Order states the rights of tenant of registered providers to acquire their homes under Sections 16 and 17 of the 1996 Act and the rights of tenants with long leases to enfranchise under Section 1AA of the 1967 Act do not apply.

These include-

- Ampfield, Amport, Appleshaw, Ashley, Awbridge, Barton Stacey, Bossington, Braishfield, Broughton, Buckholt, Bullington, Chilbolton, East Dean, East Tytherley, Facombe, Frenchmoor, Fyfield, Goodworth Clatford, Grately, Houghton, Hurstbourne Tarrant, Kings Somborne, Leckford, Linkenholt, Somborne, Lockerley, Longparish, Longstock, Melchet Park and Plaitford, Michelmersh, Monxton, Mottisfont, Nether Wallop, Over Wallop, Penton Grafton, Penton Mewsey, Quarley,
- Designated rural areas by Maps for the parishes of Abbots Ann, Chilworth, Nursling and Rownhams, Wellow,



Please refer to the Statutory Instrument for full details of the areas covered by parishes and maps. Maps are available from the Department of the Environment, Eland House, Bressenden Place, London, SW1E 5DU.

### **7.2 Restricting Right to Buy and Staircasing**

Statutory Instrument 2004 No. 2681 (SI 2004 No. 2681) designated certain parishes in Test Valley rural areas where if an affordable home is sold under the right to buy, the vendor may under Section 157 of the Housing Act 1985 impose a covenant requiring its consent to any further disposal unless it is an exempted disposal under Section 160 of the Act; or reserve a right of pre-emption if the Secretary of State, or if the vendor is a housing association, Homes England consents. The designated rural areas include:-

The parishes of Abbots Ann, Ampfield, Amport, Appleshaw, Ashley, Awbridge, Barton Stacey, Bossington, Braishfield, Broughton, Buckholt, Bullington, Chilbolton, Chilworth, East Dean, East Tytherley, Facombe, Frenchmoor, Fyfield, Gratley, Goodworth Clatford, Houghton, Hurstbourne Tarrant, Kimpton, Kings Somborne, Leckford, Linkenholt, Little Somborne, Lockerley, Longparish, Longstock, Melchet Park and Plaitford, Michelmersh, Monxton, Mottisfont, Nether Wallop, Over Wallop, Penton Grafton, Penton Mewsey, Quarley Sheffield English, Shipton Bellinger, Smannell, Stockbridge, Tangle, Thruxton, Upper Clatford, Vernham Dean, West Tytherley, Wherwell

### **7.3 Restricting Staircasing**

Statutory Instrument 2009 No. 2098 (SI 2009 No 2098) The Housing (Right to Enfranchise) (Designated Protect Areas) (England) Order 2009 designated those parishes and unparished areas in Hampshire which include:

- Ampfield, Amport, Appleshaw, Ashley, Awbridge, Barton Stacey, Bossington, Braishfield, Broughton, Buckholt, Bullington, Chilbolton, East Dean, East Tytherley, Facombe, Frenchmoor, Fyfield, Goodworth Clatford, Gratley, Houghton, Hurstbourne Tarrant, Kimpton, Kings Somborne, Leckford, Linkenholt, Little Somborne, Lockerley, Longparish, Longstock, Melchet Park and Plaitford, Michelmersh, Monxton, Mottisfont, Nether Wallop, Over Wallop, Penton Grafton, Penton Mewsey, Quarley, Romsey Extra, Sheffield English, Shipton Bellinger, Smannell, Stockbridge, Tangle, Thruxton, Upper Clatford, Vernhams Dean, West Tytherley, Wherwell,
- The designated rural areas by maps under Schedule 12 of the Order for the parishes of Abbots Ann, Chilworth, Nursling and Rownhams, Wellow,

Please refer to the Statutory Instrument for full details of the areas covered by parishes and maps. Maps are available from the Department of the Environment, Eland House, Bressenden Place, London, SW1E 5DU.

In the Designated Protected Areas purchasers will generally not be able to staircase beyond 80% of market value, and this restriction will need to be reflected in any s106 agreement regulating the development.

## 8. Viability Assessments

This section sets out the Council's expectations regarding the information to be supplied for consideration where Developers are requesting a reduced percentage of on site affordable housing or an off site financial contribution rather than delivering the policy requirement for affordable housing on site or are proposing market housing to cross-subsidise a rural affordable housing scheme.

The Viability Assessment (as per NPPG) should:-

- be proportionate to the deviation from policy requirements (that is, the greater the deviation from policy the proposed provision is, the greater degree of evidence and justification will be needed).
- Start appraisals at the policy target affordable housing requirement and work backwards from this (ie. evidence why the Local Plan policy requirement cannot be viably achieved with a reasonable return);
- Provide adequate and honest evidence based information to enable the Council to accurately assess the viability of the proposal
- Provide information on an open book basis
- Provide full and robust justifications where figures deviate significantly from what are considered reasonable or benchmark figures and
- Not to take any account of the price paid for the land, if already purchased.

In order for a proposal with reduced provision to be supported, the applicant should make every effort to adequately demonstrate clearly and transparently, including if necessary to the community and Councillors through the Councils committee process, that the reduced affordable housing provision negotiated is absolutely necessary in order to make the development financially viable and deliverable.

The onus is on the applicant to demonstrate this and where it cannot be demonstrated satisfactorily, the proposal may not be supported.

### 8.1 Viability appraisals which will not be supported

The Council will not support applications which provide inadequate evidence and fail to demonstrate that the Council's guidance above has been followed.

Proposals to provide affordable housing provision below policy requirements on the ground of economic viability are unlikely to be supported where the Viability Appraisal:

#### 8.1.1 Fails to Demonstrate:

- That a reduced contribution is necessary to make the development viable, where the submitted evidence:
  - Is considered inadequate or inaccurate; or
  - Not in accordance with the guidance provided in this SPD; or
  - Reasonable requests to submit the required level of evidence are not met; or
  - The poor quality submitted evidence does not allow positive determination of the planning application within the necessary timeframe.

#### **8.1.2 Has not tested alternatives:**

- Where the proposal has not demonstrated sufficient flexibility to 'value engineer' the scheme or test alternatives where the Council considers such alternatives reasonably exist and could improve viability and increase affordable provision.

#### **8.1.3. Does not demonstrate NPPF deliverable or sustainable development:**

- Where the viability appraisal demonstrates that viability is extremely marginal, or even negative, even with greatly reduced or even zero affordable housing provision, applications may not be supported on the grounds of:
  - A failure to demonstrate deliverability; and/or
  - A failure to contribute to the key sustainable development and Local Plan objective of delivering affordable housing; and/or
  - A lack of overall planning gain to justify the development.

#### **8.2 Alternative sites:**

- Where the case made in the Viability Appraisal causes the Council to consider that alternative more viable site(s) exist within the town, parish or adjoining parish which can contribute more to sustainable development or are more deliverable. This is particularly the case in rural areas where the quantum of development required and development land is finite.

#### **8.3 Economic Viability Appraisals at Outline Stage**

Typically, the Council may negotiate a reduced affordable housing provision on the basis of viability at outline stage where:

- There are significant, known and unavoidable costs, for example infrastructure costs (but not the price paid for the site);
- The overall package of S106 obligations proposed is considered to represent sustainable development, for example known highways, education or open space improvements and associated costs will be considered in the planning balance;

- Where the Council is satisfied the policy compliant affordable housing contribution could not be obtained at a later stage in the phasing of development/scheme;
- Where the Council considers that the work and resources necessary to re-assess viability at a later stage(s) would be disproportionate to the affordable housing gained which may be achieved, and that it is therefore, more appropriate to fix the percentage at outline stage;
- Where a degree of certainty is necessary at outline stage for transparency and certainty of affordable housing delivery; ie. on a strategic site it may better enable a strategic planning decision to be made on the basis of securing a fixed number of affordable dwellings at outline, rather than an uncertain number across all reserved matters stages.

However, where reduced levels of provision are agreed at outline stage, the Council reserves the right to include the mechanism set out the Council's approach to Negotiating Proposals which are Not Viable (as per AH SPD).

The Council reserves the right to revert to a default position to defer any discussion, regarding viability and concession below policy levels until reserved matters, for example where:

- It is considered that proposals are not sufficiently evolved for applicants to be able to provide robust information regarding costs and values; for example based on indicative layouts/ with all matters reserved;
- Where a sufficient deviation from policy levels is proposed which cannot be supported at outline stage.

## **9. Collaborative Approach to Securing Delivery**

The Council is keen to facilitate housing delivery and unlock stalled sites. Where a developer considers that a scheme has stalled and wishes to re-negotiate the affordable housing requirement but still make a reasonable affordable housing contribution; the first step is to contact the Housing Development Team. Thereafter applications S106 Agreements can be renegotiated on a voluntary basis. Agreed amendments to Section 106 obligations can be negotiated at any time and effected by way of a Deed of Variation between the relevant parties.

## **10. Section 106 Agreements**

For all planning applications that involve affordable housing, applicants will be required to enter into a S106 Agreement. The purpose of this Agreement is to ensure that the affordable housing is of high quality and that:-

- The homes go to local people in housing need and
- The rents or prices are affordable, and remain so in the future.

It is strongly recommend that discussions are held with the Housing Development Team before any planning applications are submitted as they can advise about the options available, and provide informal advice about affordable housing proposals.

Applicants are recommend to view the standard S106 Agreement clauses in relation to the provision of affordable housing attached at Annexes 1, 3 and 5 in the Affordable Housing SPD.

## **11. Affordable Housing Providers**

An Affordable Housing Provider can be selected at various stages of the process. For rural sites, the Parish Council should be involved in the selection of the provider and should work closely with them.

Occasionally a provider may have initiated the process to meet local affordable housing need and sought the involvement of the Parish Council. Ideally a rural housing provider should be involved at an early stage and be a preferred partner of the Council through the HARAH partnership.

### **11.1 Registered Providers (RPs)**

For COM7 sites, the Council will not prescribe which RP a developer chooses to work with but it is the Council's preference for the affordable housing to be delivered by one of its RP Partners as set out in the List of Preferred Registered Providers annexed to this Advice Note.

In the event that a developer chooses to work with a RP which is not a preferred partner, the Council will seek confirmation at the earliest opportunity that they are:-

- A registered provider with Homes England (or its successor)
- Eligible to bid for and receive housing subsidy
- Have experience of managing the relevant or a similar tenure type
- Capable of demonstrating how an effective local housing management and maintenance service will be provided.
- Willing to enter into nomination arrangements or let their homes in accordance with Hampshire Home Choice register to ensure homes are provided for the benefit of the local community.

The S106 Agreement will require the Registered Provider to be approved in writing by the Council (Head of Housing & Environmental Health).

Whichever provider is chosen, it is advisable for the developer to involve them at the earliest opportunity, ideally before the design stage. Early consultation with an RP allows for the early incorporation of standards and design briefs in affordable housing designs.

### 11.2 Community Land Trust (CLT)

A CLT is a non-profit community-based organisation run by volunteers that develop housing, workspaces, community facilities and other assets that meet the needs of the community, are owned and controlled by the community and are made available at affordable levels in perpetuity.

The Council supports the development of CLTs to meet local housing need. Any CLT seeking to develop affordable housing in Test Valley must satisfy conditions for their constitution within the Housing & Regeneration Act 2008. In addition they must:

- Deliver affordable homes which are fully in accordance with the definitions of affordable housing set out within the AH SPD.
- Enter into a S106 with the Council to control the affordability and occupancy of the dwellings.
- Ensure nominations for affordable rented homes will be made through Hampshire Home Choice (Village Local Connection Criteria will be imposed).
- Ensure nominations for Intermediate Housing will be through Help to Buy South or their successors.

The CLT is encouraged to enter into discussions with the Housing Development Team at an early stage to discuss their affordable housing aspirations and community consultation process. The Housing Development Team is happy to provide any advice, assistance or guidance on community engagement, consultation, CLTs, affordable housing, site finding and selection, selecting RPs etc.

### 12. Contacts

To discuss affordable housing policies and affordable housing development opportunities, please contact the Council's Housing Development Team:

- Email: [HousingDevelopmentTeam@testvalley.gov.uk](mailto:HousingDevelopmentTeam@testvalley.gov.uk)
- Telephone: 01264 368000

To discuss development proposals for specific sites, contact the Council's Development Management Team:

- Email: [planning@testvalley.gov.uk](mailto:planning@testvalley.gov.uk)
- Telephone: 01264 368000

To discuss planning policies and their influence on development proposals for specific sites, contact the Council's Planning Policy Team:

Email: [planningpolicy@testvalley.gov.uk](mailto:planningpolicy@testvalley.gov.uk)

Telephone: 01264 368000

### 13. Annexes

#### Annex 1 – List of Registered Provider Partners for Test Valley

<p><b>ASTER HOMES</b>                  Hannah Watkins                  Development Manager                  Testway House                  Greenwich Way                  Andover, SP10 4BF</p> <p>Tel: 01380 735570  <a href="mailto:Hannah.Watkins@asterhomes.co.uk">Hannah.Watkins@asterhomes.co.uk</a></p>	<p><b>VIVID (formerly SENTINEL)</b>                  Julie Porter                  Head of Development                  56 Kingsclere Road                  Basingstoke                  Hampshire                  RG21 6XG</p> <p>Tel: 01256 312869  <a href="mailto:Julie.Porter@vividhomes.co.uk">Julie.Porter@vividhomes.co.uk</a></p>	<p><b>SOVEREIGN HOUSING ASSOCIATION LTD</b>                  Tim Tallyn-Hancock                  Development Manager                  Woodlands                  90 Bartholomew Street                  Newbury                  RG14 5EE</p> <p>Tel: 01635 277953  <a href="mailto:Tim.Tallyn-Hancock@sovereign.org.uk">Tim.Tallyn-Hancock@sovereign.org.uk</a></p>	<p><b>RADIAN GROUP</b>                  Steve Taylor                  Senior Project Manager                  Collins House                  Bishopstoke Road                  Eastleigh                  Hampshire                  SO50 6AD</p> <p>Tel: 023 8062 8386                  or  <a href="mailto:steve.taylor@radian.co.uk">steve.taylor@radian.co.uk</a></p>
	<p><b>RURAL SCHEMES – HARAH PARTNER</b></p> <p><u>English Rural Housing Association</u>                  Nick Hughes  <b>Regional Development Manager</b>                  Astolat,                  Coniers Way. New Inn Lane,                  Burpham, Guildford                  Surrey GU4 7HL</p> <p>Tel: 01483 563758                  Mob: 07799508731</p> <p><a href="mailto:Nick.hughes@englishrural.org.uk">Nick.hughes@englishrural.org.uk</a></p>		

**Annex 2 - Worked example of vacant building credit**

To be completed



**Draft Affordable Housing Supplementary Planning Document (and accompanying Draft Housing Advice Note)****EXECUTIVE SUMMARY OF KEY CHANGES AND ADDITIONS TO GUIDANCE**Draft Supplementary Planning Document

The SPD reflects the following:

- National Planning Policy Framework (NPPF) and national Planning Practice Guidance (PPG)
- Local Plan 2016 affordable housing policies
- The market in which affordable housing is delivered has changed
- Incorporates content of (interim) Planning Advice Note 2017, which sets out the approach to implementing Policy COM7 following publication of revised PPG on 19 May 2016 regarding circumstances where tariff style and affordable housing contributions should be sought.

The SPD provides new and additional guidance of the following:

- New definitions of affordable housing tenures such as Rent to Buy and Private Intermediate Rented Homes
- Strengthens the Council's case for achieving Social Rent
- How older persons and specialist housing, extra care housing, and self-build and custom-build housing will be considered as regards affordable housing
- How the Council will secure affordable housing on-site
- How the Council will use financial contributions towards affordable housing
- What developer/applicant can expect from the Council
- Developers to undertake early engagement and negotiation
- That the thresholds and tenure mix are the starting point for negotiations
- Site specific viability to be taken into account at early stage including land purchase and drawing up development scheme
- How the Council will take account of viability issues. This includes the circumstances in which viability evidence be required, the content and format viability assessments and how the Council will consider these
- Details of the potential review mechanism in a Section 106 agreement to reflect how viability changes over time.
- Where viability is such that a financial contributions for off-site provision is reduced, the circumstances that will require a review of the viability
- If provision of affordable housing on an alternative site is accepted, the criteria that needs to be met for the provision of a suitable serviced plot, including the definition of a serviced plot
- Circumstances in which Registered Providers can apply for capital grants from the Council's Affordable Housing Programme
- How the Council will calculate a Vacant Building Credit (VBC)
- How developers can apply for wavers to allow occupants to 'staircase' up to 100% ownership in Designated Protected Areas (DPAs)
- How the Council will work with developers and landowners to bring forward rural exception sites (Policy COM8)

- For community led development (Policy COM9), adds details to the requirement to demonstrate community involvement

Draft Housing Advice Note

This is an additional provision and provides further technical detail and best practice guidance on the following:

- The Council's expectations in relation affordable housing to delivery and quality of homes provided such as size of units
- The Council's requirements and expectations in entering into negotiations
- What applicant could do in line with promoting good practice
- Eligibility criteria for non-preferred Registered Providers or Managing Agents as well as applicants
- Restrictions on disposal of affordable homes
- Procedures and processes, for example applying for a waiver or seeking viability appraisals
- Collaborative approach to facilitate housing delivery and unlock stalled sites
- Types of community engagement and techniques