

Notice of Meeting

Cabinet

- Date:** Wednesday 15 July 2020
- Time:** 5.30 pm
- Venue:** Being held virtually by Microsoft Teams. The public can listen to a live stream here:
<http://www.audiominutes.com/p/player/player.html?userid=tvbc>

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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)	Bourne Valley
Councillor N Adams-King (Vice-Chairman)	Blackwater
Councillor P Bundy	Chilworth, Nursling & Rownhams
Councillor D Drew	Harewood
Councillor M Flood	Anna
Councillor I Jeffrey	Mid Test
Councillor A Johnston	Mid Test
Councillor T Tasker	Andover Romans

Cabinet

Wednesday 15 July 2020

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 17 June 2020**
- 6 Recommendations of the Overview and Scrutiny
Committee: None**
- 7 COVID-19 - Community Infrastructure Levy (CIL) and
Section 106 Legal Agreements (S106) 5 - 22**

Planning

To consider amendments to the Community Infrastructure Levy Instalment Policy and the addition of a second round of bidding in 2020 under the Community Infrastructure Spending Protocol.

- 8 COVID-19 Recovery Plan 23 - 41**

Leader

To receive details of the Council's approach to recovery as a result of the COVID-19 pandemic and consider the COVID-19 Recovery Plan.

ITEM 7 COVID 19 – Community Infrastructure Levy (CIL) and Section 106 Legal Agreements (S106)

Report of the Planning Portfolio Holder

Recommended:

- 1. That the CIL Instalment Policy be amended to defer payments by six months as set out in Annex 2 to the report.**
- 2. That a second round of bidding under the adopted Spending Protocol be approved to be run between 1st September and 30th November 2020 as set out in Option 2.**
- 3. That the current situation surrounding S106 be noted.**

SUMMARY:

- The report sets out a summary of the Governments approach to CIL and S106 during the pandemic and to outline potential actions

1 Introduction

- 1.1** On the 13th May the Government issued new guidance which gives developers the ability to defer their Section 106 (S106) and Community Infrastructure Levy (CIL) obligations. This amended guidance is intended to support the economy through the current pandemic and in particular small and medium sized developers. This report outlines the guidance and the issues that may arise for the Council.

2 Background

- 2.1** The CIL Spending Protocol and scoring methodology was adopted by Council on the 8th November 2017.
- 2.2** The following paragraphs outline the government advice and how this may affect CIL, S106 and Test Valley Borough Council's (TVBC) adopted CIL Spending Protocol.
- 2.3** The CIL Instalment Policy was adopted alongside the Charging Schedule in August 2016.
- 2.4** The existing CIL Instalment Policy is attached as Annex 1 and the proposed Instalment Policy as Annex 2.

3 Community Infrastructure Levy

- 3.1 The CIL regulations provide only limited flexibility to local authorities to defer payments. The Government will be introducing amendments intended to help small and medium sized (SME) developers with an annual turnover of less than £45 million. No time frame is given for the introduction of these amendments.
- 3.2 The amendments would enable charging authorities:-
- to defer payments from developers,
 - to temporarily disapply late payment interest, and
 - to provide a discretion to return interest already charged where they consider it appropriate to do so.
- 3.3 The Government does not intend for these flexibilities to be open-ended and they will be removed when the economic situation has recovered. Whilst not open ended there is no way of knowing the length of period that these flexibilities will be in place.
- 3.4 The Government is also keen to encourage Councils to take a 'positive approach' to engaging with developers so as not to cause undue burden and to "use their enforcement powers with discretion and provide some comfort to developers that, where appropriate, they will not be charged extra for matters that were outside of their control".
- 3.5 Authorities are also encouraged to use or amend their existing instalment policy.
- 3.6 TVBC has a CIL instalment policy. The instalment thresholds contained within the policy are discretionary. If the Council does decide to amend the instalment policy thresholds this could be for a temporary period which is subject to review after 12 months. Each threshold could be extended by a certain period. Annex 1 contains the current instalment policy and annex 2 the proposed policy showing a deferment of 6 months for each of the instalments. A view could be taken to allow a longer threshold (9-12 months) but this would have a larger impact on CIL receipt timescales, the delivery of infrastructure through the Spending Protocol and the passing of receipts to Parish and Town Councils.
- 3.7 It is not proposed to amend the CIL charging rates at this time. To do so would require a fresh viability study. This work was planned to be undertaken as part of the local plan review, however there may be merit in bringing that work forward, although recognising the uncertainties with the market will make any advice difficult to provide. This will be kept under review.
- 3.8 Existing CIL legislation also allows Councils to introduce an Exceptional Circumstances Relief Policy where the Council would be able to grant relief for all or in part of the CIL liability. The Council does not have such a policy and it is not proposed to bring one forward at this stage. It is a complicated process as opposed to the simpler and quicker task of amending the instalment policy Officers will continue to review whether to introduce such a relief policy.

- 3.9 Should a revised instalment policy be introduced it could be applied to all affected developments via the issue of a revised Demand Notice that reflects the updated instalment policy. These Demand Notices will be issued 28 days after the adoption of an amended policy to ensure compliance with regulation 69B. The proposed instalment policy will be adopted on the 1st August and new Demand Notices issued on the 29th August.

4 Section 106 Agreements

- 4.1 The Government has indicated that where the delivery of a planning obligation (works or financial contribution) is triggered during the current period, local authorities are encouraged to consider whether it would be appropriate to allow the developer to defer delivery. Deferral periods could be time-limited, or linked to the government's wider legislative approach and the lifting of CIL easements.
- 4.2 It is increasingly likely that developers will seek delays to their obligations. Whilst the guidance is not explicit it is assumed that this approach is for developers of all scales and not just SME developers (who are supported by the changes to the CIL guidance).
- 4.3 Due to the introduction of CIL the actual number of S106 is relatively small. Even with a relatively small number of S106s, if there is a spike in request for Deeds of Variations there will be a resource impact on a number of Services.
- 4.4 The sites which do have S106 are predominantly our residential strategic sites. Any delay in the delivery of affordable homes and/or infrastructure would have the greatest impact to residents, wider communities and meeting corporate aspirations. Developers may also seek to reduce the scale of their obligation, either through negotiation reduced contributions/ work specification or through seeking to reduce the number and/or type of affordable home previously agreed.
- 4.5 At this stage it is difficult to second guess which sites will look to renegotiate obligations and which of the obligations would be identified for deferment. There is no reference in the guidance to developers not providing that infrastructure already secured in the S106. The Council would need to consider its approach on a site by site basis and weigh up which obligation could be deferred and for how long. It would be for the developer to put forward their case.
- 4.6 Amending S106 via Deeds of Variation to include deferral periods will be a pragmatic approach to demonstrating the Council positive approach in the current situation and to facilitate the continued supply of house building. In considering any deferral period it is recommended that these are time limited, and restrict occupations beyond a certain point, rather than following the more open ended approach of the CIL easement and linking it to economic recovery.

5 CIL Spending Protocol – bidding process

- 5.1 The Council's bidding process for the release of CIL funds runs from 1st April to 30th June. As many of the bids we receive are from parish councils and community groups it has been difficult for them to compile a robust bid at this current time for them to be able to satisfy (or at least score highly) that would justify releasing CIL funds for their project against the standard of previous bids. This is especially the case where the organisations have to include evidence of engagement and consultation.
- 5.2 The current scoring system for bids is to ensure that bids achieve a high level of social and financial return on investment. Easing these requirements for one round would seem to discriminate against those who have been working on their bids prior to the pandemic. However abandoning the 2020 CIL bidding process is overly harsh given the work that groups have undertaken and that officers are aware of. A potential solution could be extending the current bidding round. The issue is for how long and whether any extension would overcome the issues that the groups currently face.
- 5.3 An alternative is that we introduce a second round of bids later in 2020. The current deadline was set to give sufficient time for bids to be assessed, reported to Cabinet in November and summarised as part of the annual budget setting process. When the spending protocol was established it was highlighted that there were opportunities for submitting and agreeing a bid for any urgent schemes which come forward outside of the bidding window however managing bids submitted in an ad hoc fashion will make the process difficult to organise. The repeating of the bidding process will increase the workload of those officers assessing the bids. However, given the current exceptional circumstances, establishing a second bid window, with a period that fits with the Finance reporting process, seems the most pragmatic approach.
- 5.4 A second round of bids could be run between 1st September and 30th November to be reported to Cabinet in January 2021. This would allow bidders additional time to conduct alternative methods of community engagement and consultation.

6 Consultations/Communications

- 6.1 There has been no external consultation.

7 Options

- 7.1 **Option 1** – The introduction of an amended CIL Instalment Policy as set out in Annex 2 with minor amendments to be delegated to the Head of Planning Policy in conjunction with the Planning Portfolio Holder.

To run a second CIL bidding round between 1st September and 30th November 2020

- 7.2 **Option 2** – Keep the current CIL Instalment Policy and the current deadline of 30th June for CIL bids with no second round

8 Option Appraisal

Option 1

- 8.1 The recommendations are an effort to support developers affected by site closure during lockdown and to allow extra time to those community groups looking to deliver new infrastructure to their residents.
- 8.2 The amended Instalment Policy is a direct response to Government guidance and meets the aims of a proactive approach to the current pandemic and ensuring that local authorities address the needs of small and medium sized developers.
- 8.3 The additional bidding round is another proactive approach to ensure that new infrastructure continues to be delivered to mitigate the impact of development within the borough.

Option 2

- 8.4 Leaving the current instalment policy and bidding round in place may mean taking enforcement action against developers due to late payment which would seem to go against the Government's current guidance. This would also mean a 12 month wait for those seeking to secure infrastructure improvements in their communities as opposed to the proposed 6 month wait.

9 Risk Management

- 9.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors.

10 Resource Implications

- 10.1 No resource implications

11 Legal Implications (Note: Of the chosen option)

- 11.1 No legal implications for Options 1 or 2

12 Equality Issues

- 12.1 An EQIA screening has been completed in accordance with the Council's EQIA methodology and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EQIA has not been carried out.

13 Other Issues

- 13.1 Wards/Communities Affected – Potentially all as option 1 will create a delay in the transfer of the Neighbourhood Portion of CIL receipt.

14 Conclusion

- 14.1 Approval is sought to amend the CIL Instalment Policy and run a second round of bidding for CIL funds between 1st September and 30th November 2020. These changes show a proactive approach to recent Government guidance.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Current CIL Instalment Policy			
<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: Planning) Councillor N Adams-King			
Officer:	Oliver McCarthy	Ext:	8176
Report to:	Cabinet	Date:	15 July 2020

Community Infrastructure Levy Instalment Policy



This Instalment Policy will take effect on the 1st of August 2016

1 Introduction

- 1.1** An Instalment Policy has been prepared to accompany the Draft Charging Schedule and draft Regulation 123 list of Test Valley Borough Council's proposed Community Infrastructure Levy.
- 1.2** An Instalment Policy is a discretionary policy that is intended to assist developers to manage development finance. If the first instalment is missed, the total amount of CIL that the development is liable for will become payable and the Instalment Policy no longer applies to that development.
- 1.3** An Instalment policy enables payments to be made in instalments in line with the thresholds as set out the schedule below. The policy has been prepared in accordance with Regulation 69(B) of the CIL Regulations 2010 (as amended) which provides the framework for how a policy is to be prepared. Instalment policies must state:
- the date in which the policy takes effect,
 - the number of instalment payments,
 - the amount of CIL payable in each instalment and
 - the time that the first payment is due and times for any subsequent payments
- 1.4** The policy must also state any minimum amount of CIL for which CIL may not be paid by instalment. An Instalment Policy is a discretionary document and the number of thresholds, the level of threshold and the timescale in which to set payment deadlines are decided by the Council. The Council has drawn on the recommendations in the CIL Viability Study and its own data to devise appropriately timed instalments. A detailed rationale is set out in Section 2 in this document.

Table 1: The draft instalment schedule

Total CIL liability	Number of instalments	Percentage payment	Calendar days	Months
Amounts less than £5000	0	100%	Within 60 days of commencement ¹	2
Amounts less than £20,000, subject to a minimum first payment of £5000 within 60 days of commencement ²	2	50%	Within 120 days of commencement	4
		50%	Within 240 days of commencement	8
Equal to or greater than £20,000 but less than £100,000	3	25%	Within 60 days of commencement	2
		25%	Within 120 days of commencement date	4
		50%	Within 450 days of commencement date	15
Amounts equal to or greater than £100,000 but less than £250,000	3	25%	Within 90 days of commencement	3
		25%	Within 270 days of commencement	9
		50%	Within 540 days of commencement	18
Amounts equal to or greater than £250,000	4	25%	Within 180 days of commencement	6
		25%	Within 360 days of commencement	12
		25%	Within 540 days of commencement	18
		25%	Within 720 days from commencement	24

1 Commencement of development refers to the date in which development is to be commenced. Regulation 7 states that development is to be treated as commencing on the earliest date on which any material operation begins is carried out. Regulation 67 states that commencement notices must be submitted no later than the day before development is to be commenced.

2 The remaining liability after the minimum payment of £5000 is deducted is due in two instalments of 50% each.

Worked examples

1. Where £18,000 total CIL liability

Initial payment = £5,000 within 60 days of commencement

1st instalment = £6,500 within 120 days of commencement

2nd instalment = £6,500 within 240 days of commencement

2. Where £95,000 total CIL liability

1st instalment = £23,750 within 90 days of commencement

2nd instalment = £23,750 within 270 days of commencement

3rd instalment = £47,500 within 540 days of commencement

2. Rationale

2.1 Instalment policies have been developed with the aim of ensuring that development can contribute to the infrastructure needs of the Borough whilst maintaining viability. The phasing of payments in accordance with development timescales can assist with the cash flow of projects and ensure that payments can be made once income is being received.

2.2 Regulation 70 of the CIL Regulations 2010 (as amended) states that payments should be made in full within 60 days of commencement unless an Instalment Policy is issued on or before a commencement date³. Payment in full within 60 days of commencement can have an impact on deliverability and viability of sites. The CIL Regulations do not allow for setting the payment periods based on number of completions or type or size of development. They can only be differentiated according to the total chargeable amount.

2.3 The Viability Study has made the following assumptions regarding build rates:

2-15 unit development – approximately 6 quarters (18 months)

Payment 1 - 33% within 90 days

Payment 2 - 33% within 270 days

Payment 3 - remaining 34% within 450 days

50 unit developments – approximately 11 quarters (33 months)

Payment 1 - 33% within 90 days

Payment 2 - 33% within 270 days

Payment 3 - remaining 34% within 450 days

³ Commencement of development refers to the date in which development is to be commenced. Regulation 7 states that development is to be treated as commencing on the earliest date on which any material operation begins is carried out. Regulation 67 states that commencement notices must be submitted no later than the day before development is to be commenced.

100 unit developments - approximately 15 quarters (45 months)

Payment 1 - 33% within 90 days

Payment 2 - 33% within 450 days

Payment 3 - remaining 34% within 900 days

- 2.4** The thresholds in the Council's draft Instalment Policy have been informed by both the CIL Viability Study and the Council's data regarding average build rates.
- 2.5** The Viability Study assumed that CIL payments are phased in three payments of 33%, 33% and 34%. However, this Instalment Policy has been adapted to allow smaller developments to pay two instalments of a quarter of the total CIL liability followed by the remaining 50%. The last instalment threshold has been adjusted for larger scale developments to 4 equal instalments.
- 2.6** The Viability Study assumes that 1st payment would be made within 90 days from commencement. The timings of payments for the second threshold have been adapted to provide longer lead in times to take account of smaller developments that are not likely to have significant funds available at the start of the development. The final threshold has been adapted to provide longer lead in times for larger scale developments as they take longer to build out.
- 2.7** An Instalment Policy would not apply to development to which Regulation 42⁴ applies and where the chargeable amount calculated under Regulation 40 is zero.

3. How was the threshold decided?

- 3.1** The first threshold has been set at a low figure in order not to prejudice development and viability within Charging Zone 4. Setting the lowest threshold at £5,000 also takes account smaller development of around 1 – 2 residential units.
- 3.2** An analysis of a sample of recently completed small scale residential development indicates that on average, developments between 1-20 dwellings are completed within one year given in Table 2. Table 2 also gives indicative timescales to complete an individual dwelling on strategic allocations and an average completion rate per year.

⁴ Exemption for minor development of less than 100 square metres gross internal area of new build development. Exemption does not apply to development that will comprise one or more dwellings unless self-build housing exemption has been granted under Regulation 54B (CIL Regulations 2010 as amended)

Table 2

Strategic allocations	
Average timescale to complete individual dwellings: 12 – 16 weeks (84 – 112 days) Average completion rate per annum: 168 dwellings	
Smaller allocations (sample size = 5)	Time to first completion
1 unit scheme	40 weeks (280 days)
3 unit scheme	44 weeks (308 days)
5 unit scheme	35 weeks (245 days)
10 unit scheme	48 weeks (336 days)
15 unit scheme	44 weeks (308 days)
Average completion timescales	42 weeks (294 days or 10.5 months)

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Community Infrastructure Levy Instalment Policy



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- 1.2** An Instalment Policy is a discretionary policy that is intended to assist developers to manage development finance. If the first instalment is missed, the total amount of CIL that the development is liable for will become payable and the Instalment Policy no longer applies to that development.
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- the date in which the policy takes effect,
 - the number of instalment payments,
 - the amount of CIL payable in each instalment and
 - the time that the first payment is due and times for any subsequent payments
- 1.4** The policy must also state any minimum amount of CIL for which CIL may not be paid by instalment. An Instalment Policy is a discretionary document and the number of thresholds, the level of threshold and the timescale in which to set payment deadlines are decided by the Council. The Council has drawn on the recommendations in the CIL Viability Study and its own data to devise appropriately timed instalments. A detailed rationale is set out in Section 2 in this document.

Table 1: The instalment schedule

Total CIL liability	Number of instalments	Percentage payment	Calendar days	Months
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		50%	Within 420 days of commencement	14
Equal to or greater than £20,000 but less than £100,000	3	25%	Within 240 days of commencement	8
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		50%	Within 630 days of commencement date	21
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		25%	Within 450 days of commencement	15
		50%	Within 720 days of commencement	24
Amounts equal to or greater than £250,000	4	25%	Within 360 days of commencement	12
		25%	Within 540 days of commencement	18
		25%	Within 720 days of commencement	24
		25%	Within 900 days from commencement	30

1 Commencement of development refers to the date in which development is to be commenced. Regulation 7 states that development is to be treated as commencing on the earliest date on which any material operation begins is carried out. Regulation 67 states that commencement notices must be submitted no later than the day before development is to be commenced.

2 The remaining liability after the minimum payment of £5000 is deducted is due in two instalments of 50% each.

2. Rationale

- 21** Instalment policies have been developed with the aim of ensuring that development can contribute to the infrastructure needs of the Borough whilst maintaining viability. The phasing of payments in accordance with development timescales can assist with the cash flow of projects and ensure that payments can be made once income is being received.
- 22** Regulation 70 of the CIL Regulations 2010 (as amended) states that payments should be made in full within 60 days of commencement unless an Instalment Policy is issued on or before a commencement date³. Payment in full within 60 days of commencement can have an impact on deliverability and viability of sites. The CIL Regulations do not allow for setting the payment periods based on number of completions or type or size of development. They can only be differentiated according to the total chargeable amount.
- 23** The Viability Study assumed that CIL payments are phased in three payments of 33%, 33% and 34%. However, this Instalment Policy has been adapted to allow smaller developments to pay two instalments of a quarter of the total CIL liability followed by the remaining 50%. The last instalment threshold has been adjusted for larger scale developments to 4 equal instalments.
- 24** An Instalment Policy would not apply to development to which Regulation 42⁴ applies and where the chargeable amount calculated under Regulation 40 is zero.

3. How was the threshold decided?

- 3.1** The first threshold has been set at a low figure in order not to prejudice development and viability within Charging Zone 4. Setting the lowest threshold at £5,000 also takes account smaller development of around 1 – 2 residential units.
- 3.2** An analysis of a sample of recently completed small scale residential development indicates that on average, developments between 1-20 dwellings are completed within one year given in Table 2. Table 2 also gives indicative timescales to complete an individual dwelling on strategic allocations and an average completion rate per year.

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ITEM 8

COVID-19 Recovery Plan

Report of the Leader

Recommended:

That the Council's COVID-19 Recovery Plan as set out in the Annex to the report be approved.

- This report sets out the council's approach to recovery from the COVID-19 pandemic.
- The recovery plan provides the strategic framework to guide the work of the council in the coming months as the organisation and the communities we serve adapt to the new normal resulting from the pandemic.

1 Introduction

- 1.1 Within the framework of emergency planning there are two key phases: response and recovery. As the response to the COVID-19 pandemic continues, it is important that the recovery phase is both planned for and implemented at the earliest opportunity. The aim of the recovery process is to facilitate a transition to a 'new normal' following the COVID-19 pandemic.
- 1.2 The purpose of this report is for cabinet to consider the proposed COVID-19 Recovery Plan for the council.

2 Background

- 2.1 COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).
- 2.2 In March 2020 the Government implemented a lockdown of UK society to delay the spread of infection, including school closures and cessation of non-critical services. As a result the council put in place robust and effective measures as part of the response phase of managing the impacts of COVID-19. The council implemented arrangements for maintaining delivery of services which have been underpinned by council staff and councillors adapting and working differently during this period.
- 2.3 A significant part of the council's response has been down to the collective and successful approach taken to supporting residents who have been affected as a result of becoming ill or having to self-isolate or shield. Bringing together a large network of partners and community groups, the council has been able to support a community-led approach to supporting those most in need.

- 2.4 During the course of the last three months the council has been able to help local communities by providing some of the following support:
- Provided £325K of council tax support to more than 2000 households
 - Paid out £43M of grants and rate relief to support more than 3,500 businesses
 - Suspended parking charges for 89 days to support people picking up supplies
 - Provided £21k to 47 community groups to help them delivery food supplies and prescriptions to residents
 - Worked with 1,966 volunteers providing vital support to their local communities
 - Responded to more than 21,000 customer enquiries
 - Answered 1,275 calls to the Test Valley Community Helpline
 - Collected 55,847 bins per week (670,164 bins since lockdown began)
 - Provided accommodation to 43 households facing homelessness during the pandemic.
- 2.5 The impact of the pandemic has also meant that the council and its partners have had to work quite differently during the period of the lockdown which has resulted in examples of more remote working and less travel. As the council commences its recovery work there is a clear opportunity to build on the positive changes in working practices and wider opportunities to reduce carbon emissions as part of our recovery.
- 2.6 Recovery is a complex and long running process that involves many agencies and participants. Recovery is defined as ***“the process of rebuilding, restoring and rehabilitating the community following an emergency. It is a complex social and developmental process rather than just a remedial process.”***
- 2.7 As a member of the Hampshire and Isle of Wight Local Resilience Forum (LRF), the council is contributing to the wider LRF recovery programme. This is to ensure a consistent and collaborative approach which reflects not only the needs of our most local communities within Test Valley, but also reflects the wider sub-region within which our economy and communities exist. As such the council’s approach to recovery will seek to align with the LRF as we deliver a local recovery plan for the council and our communities in Test Valley.
- 2.8 The nature of the COVID-19 pandemic means that is very difficult to predict all of the implications that will arise from the emergency. While the recovery plan will have a clear focus on restoring services and key infrastructure, it will also be about learning and evaluating what has worked well and what we could do differently in the future. It will seek to take opportunities for change that the transition to a new normal presents and, most importantly it places the recovery of the health and wellbeing of our population and workforce at the forefront of our plans.

3 TVBC COVID-19 Recovery Plan

3.1 The proposed recovery plan for the council can be found in annex one.

3.2 The purpose of the recovery plan is to provide a specific structure for the COVID-19 recovery process in Test Valley. There are a number of key principles that have shaped the development of the plan and will guide its delivery. These are:

- The safety of our population and workforce are front and centre of the council's recovery work.
- The council's longstanding place-based and community focused approach provides a sustainable mechanism to recover.
- Building on what is now the new normal can present opportunities to do things differently and taking an asset-based approach will enable us to do this effectively.
- Consistent, timely communication is critical
- Adapt to an ever-changing situation and recognise that recovery will come in multiple phases.

3.3 The recovery plan has the strategic aim of "restoring the economic and social wellbeing of our communities in Test Valley" which will be achieved through the following priorities:

- Economic recovery
- Town centre recovery
- Community recovery
- COVID-19 secure working
- Wellbeing and mental health
- Reopening public spaces
- New ways of working
- Financial recovery
- Green recovery
- Democratic recovery
- Service recovery

3.4 The recovery plan sets out in detail the scope and key objectives of each priority. To assist in the delivery of the recovery plan, the council has established nine recovery workstreams each led by a head of service / senior manager. Each workstream has undertaken an impact assessment to identify the key recovery issues and as a result has developed an action plan.

3.5 The council's officer management team (OMT) meets specifically as a recovery programme group to review and guide the delivery of the action plans which are derived by the strategic priorities set out in the recovery plan. This will enable the timely monitoring and review of the recovery work and will

ensure that the council is responsive to the issues that the COVID-19 pandemic will present throughout the multiple phases of recovery.

- 3.6 The council's cabinet will act as the recovery sponsors and progress will be reported formally to cabinet on a six monthly basis for the duration of the recovery period.

4 Corporate Objectives and Priorities

- 4.1 The council's vision is to be an organisation of excellence committed to improving the quality of life for all the people of Test Valley. The nature and impact of the pandemic requires an approach to recovery that not only focuses on the organisation, but on the wellbeing and recovery of all of our communities. The recovery priorities set out in the plan will have an important part to play in mitigating the impact of COVID-19 on the council's strategic ambitions set out within the Corporate Plan 2019-23: Growing our Potential.

5 Consultations/Communications

- 5.1 The council has actively engaged a range of strategic partners and community partners throughout the pandemic as part of its response and recovery planning. As a member of the HLOW Local Resilience Forum, the council has been able to draw upon advice, planning resources and insights from other members in shaping its approach to recovery.

6 Options

- 6.1 The options facing the Cabinet are to approve the proposed recovery plan, make amendments or to decide not to approve.

7 Risk Management

- 7.1 Detailed COVID-19 risk and impact assessments have been carried out for each of the recovery workstreams and every service. The risk assessments have resulted in the development of the detailed recovery action plans and are reviewed on a regular basis as part of the recovery programme.

8 Legal Implications

- 8.1 There are no direct legal implications arising from this report.

9 Resource Implications

- 9.1 There are no direct resource requirements resulting from this report.

10 Equality Issues

- 10.1 An EQIA has been undertaken in line with council policy. The EQIA has not identified any potential for discrimination or adverse impact and all opportunities to promote equality have been taken.

11 Wards/Communities Affected – All

12 Conclusion

- 12.1 The nature of the COVID-19 pandemic means that is very difficult to predict all of the implications that will arise from the emergency. While the council’s recovery plan will have a clear focus on restoring services and key infrastructure, it will also be about learning and evaluating what has worked well and what we could do differently in the future. It will seek to take opportunities for change that the transition to a new normal presents, and most importantly it places the recovery of the health and wellbeing of our population and workforce at the forefront of our plans.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<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:	One	File Ref:	N/A
(Portfolio: Leader) Councillor P North			
Officer:	James Moody	Ext:	8130
Report to:	Cabinet	Date:	15 July 2020

COVID-19 Recovery Plan

Test Valley Borough Council

June 2020



Introduction

Within the framework of emergency planning there are two key phases: response and recovery. As the response to the COVID-19 pandemic continues, it is important that the recovery phase is both planned for and implemented at the earliest opportunity. The aim of the recovery process is to facilitate a return to a 'new normal' following the COVID-19 pandemic.

As a member of the Hampshire and Isle of Wight Local Resilience Forum (LRF), Test Valley Borough Council will play its part in contributing to the wider LRF recovery programme. This is to ensure a consistent and collaborative approach which reflects not only the needs of our most local communities within Test Valley, but also reflects the wider sub-region within which our economy and communities exist. As such the council's approach to recovery will seek to align with the LRF where appropriate, as we deliver a local recovery plan for the council and our communities in Test Valley.

The council has a longstanding and deep commitment to place-based working, which ensures that the many needs of our different communities and economies within Test Valley are reflected within our strategic planning. This enables us as an organisation to be able to put in place the right things at the right time to deliver the best impact for our residents and businesses. It is therefore no surprise that our approach to recovery will be shaped by working in a place-based and evidence-led way.

The nature of the COVID-19 pandemic means that is very difficult to predict all of the implications that will arise from the emergency. While our recovery plan will have a clear focus on restoring services and key infrastructure, it will also be about learning and evaluating what has worked well and what we could do differently in the future. It will seek to take opportunities for change that the transition to a new normal presents, and most importantly it places the recovery of the health and wellbeing of our population and workforce at the forefront of our plans.

Background:

COVID-19 is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, the capital of China's Hubei province, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic.

In March 2020 the Government implemented a lockdown of UK society to delay the spread of infection, including school closures and cessation of non-critical services.

As a result the council has put in place robust and effective measures as part of the response phase of managing the impacts of COVID-19. Each service has implemented its arrangements for maintaining delivery of services which have been underpinned by council staff and councillors adapting and working differently during this period.

A significant part of our response has been down to the collective and successful approach taken to supporting residents who have been affected as a result of becoming ill or having to self-isolate or shield. Bringing together a large network of partners and community groups, the council has been able to support a community-led approach to supporting those in need.

In May 2020, the Government launched its recovery strategy for reopening society ([UK Govt Recovery Strategy](#)) broken down into stages and aligned with a new COVID-19 alert scale. In addition, they are implementing a comprehensive track and trace programme to manage and reduce the impact of the virus. Directors of public health at an upper tier level are producing local outbreak plans as the future mechanism through which to reduce the spread of infection. These will sit alongside the work to develop treatments and vaccines.

Recovery is a complex and long running process that will involve many agencies and participants. Recovery is defined as “***the process of rebuilding, restoring and rehabilitating the community following an emergency. It is a complex social and developmental process rather than just a remedial process.***” The broad, interlinked categories of impact that individuals and communities will need to recover from include:

- humanitarian (including. Health)
- economic
- environment and infrastructure.

The way we undertake recovery processes is critical to their success. Recovery is best achieved when the affected community can exercise a high degree of self-determination and a community development led approach is taken. However, the nature of the COVID-19 pandemic presents a number of specific challenges that are different to many of the emergencies dealt with on

a more regular basis, and as a result will require the council to be adaptive and flexible when developing and implementing its recovery plans.

Specific Challenges associated with COVID-19 Recovery
(Shaw, 2020)

- The scale is different.
- The effects are different.
- The length of time is different.
- The knock-on effects are vast.
- The impacts are not yet clear.
- It will overlap with response.
- It will require agility and flexibility.

Understanding the recovery issues – impact assessments

In developing the recovery plan we have undertaken a number of impact assessments at both a service level and from a thematic perspective. The purpose of this was to understand the common risks, opportunities and scenarios that will guide the council's recovery plan.

We have identified the following common strategic recovery themes that cut across services:

- financial impact for the council
- supporting our workforce
- managing new work and requirements from government
- future strategy and policy implications
- organisational transformation: Business and cultural change opportunities that have emerged as a result of working differently.
- maintaining democratic processes to enable effective decision making
- community impacts and the risks to community cohesion
- recession and Economic Recovery
- town centre recovery
- impacts and opportunities linked to the councils climate change commitments
- strategic communications.

Purpose of the recovery plan:

To provide a specific structure for the COVID-19 recovery process in Test Valley.

The objectives of the plan are:

- to deliver a clear vision of what we expect the 'new normal' to look like
- to ensure a coordinated and integrated recovery process across the council and with our communities
- to play our part as a member of the LRF in meeting the statutory requirements of the Civil Contingencies Act 2004

- to implement and manage an effective multi-agency recovery process in Test Valley
- to identify and engage partners effectively in the recovery process.
- to address the short, medium and long-term requirements of those affected.

Principles that guide our approach to recovery in Test Valley

- The safety of our population and workforce are front and centre of our recovery work.
- The council's longstanding place-based and community focused approach provides a sustainable mechanism to recover.
- Building on what is now the new normal can present opportunities to do things differently and taking an asset-based approach will enable us to do this effectively.
- Consistent, timely communication is critical
- Adapt to an ever-changing situation and recognise that recovery will come in multiple phases.

Strategic aim and priorities for recovery in Test Valley:

Strategic aim: **To restore the economic and social wellbeing of our communities in Test Valley.**

To achieve this, the council has identified the following recovery priorities:

- **Economic recovery:** To support, adapt and grow the economy of Test Valley as we recover from the COVID-19 pandemic.
- **Town centre recovery:** To put in place plans for the re-opening and ongoing recovery of town centres within Test Valley
- **Community recovery:** Building on the strong community-led response model, support local communities in their transition to recovery
- **COVID-19 secure working:** Providing a safe environment within our premises for our staff and customers which meets the COVID secure guidelines.
- **Wellbeing and mental health:** To protect our employees' wellbeing and provide appropriate support.
- **Reopening public spaces:** Managing the reopening of all TVBC owned and managed green spaces during and after the COVID -19 pandemic.

- **New ways of working:** Exploring how the organisation has had to work differently as a result of the pandemic and evaluating the opportunities for how the council can embed new ways of working as part of the recovery.
- **Financial recovery:** To secure the council's finances ensuring that financial resilience is maintained over the medium term.
- **Democratic recovery:** Maintaining effective democratic processes and decision making is a key theme that sits under the council's overall recovery programme and underpins the work taking forward across a range of recovery work streams.
- **Green recovery:** To build on positive changes in working practices and wider opportunities to reduce carbon emissions as part of our recovery.
- **Service recovery:** Ensuring that all of the council's services are able to transition and adapt to the new normal resulting from the pandemic.

The table below sets out in detail the scope and key objectives of each of the recovery priorities.

Recovery Priority	Scope	Key objectives
Economic Recovery	<p>To support, adapt and grow the economy of Test Valley as we recover from the COVID-19 pandemic with key areas of focus on:</p> <ul style="list-style-type: none"> • People • Place • Business • Infrastructure • Planning, forecasting and delivery • TVBC processes 	<ul style="list-style-type: none"> • To assess the current structure of the local economy and its vulnerability to Coronavirus impacts • Develop local initiatives to mitigate the immediate impacts and promote recovery • Explore the competitive advantages of the local economy in the ‘new normal’ and work with key strategic partners such as the LEPs in taking this forward. • Play our part in seeking to influence government policy and initiatives with key partners such as the LEP and Hants County Council.
Town Centre Recovery	<p>To put in place plans for the re-opening and ongoing recovery of town centres within Test Valley which is developed locally with key partners and tailored to the needs of local circumstances. Key areas of focus include:</p> <ul style="list-style-type: none"> • Alignment with the design principles for safer urban centres and green spaces as set out in the Government guidance “Safer Public Places – Urban Centres and Green Spaces” 	<ul style="list-style-type: none"> • To place the health of our population at the centre of our recovery strategies for re-opening Andover and Romsey town centres so that people can be confident in returning to use the town centres. • To make appropriate preparations for the re-opening of the Town Centres from 15 June and the onward programme of re-opening aligned to the government guidance and COVID alert level. • Create a package of clear

	<ul style="list-style-type: none"> • Implement appropriate interventions to keep people safe as and when the restrictions are relaxed and urban spaces become busier. • Work closely with key partners such as Hampshire County Council, the BID (Andover), Town Centre Manager (Romsey) and the Local Enterprise Partnership and gain feedback directly from local businesses. 	<p>communications for the re-opening of Andover and Romsey town centres (in conjunction with partners), with delivery steps and timelines outlined, including use of all media channels and detailing the key safety measures</p> <ul style="list-style-type: none"> • Develop a consistent approach to signage for all areas including car parks, High Street and Chantry Centres with partner branding • To establish interventions to maintain appropriate social distancing within Andover and Romsey town centres • To promote good hygiene practice in accordance with the government guidance.
<p>Community Recovery</p>	<p>Building on the strong community-led response model, support local communities in their transition to recovery. Key areas of focus include:</p> <ul style="list-style-type: none"> • Understanding and addressing key risks to sustainability of community groups • Maintaining and supporting volunteers in the long term • Responding locally to evolving government guidance 	<ul style="list-style-type: none"> • Building the resilience, capability and adaptability of local volunteer / community response to C19 • To support existing community networks and bodies to continue during the C19 pandemic • Mitigating impact of C19 on inequality and community cohesion • Respond to impact of C19 measures on physical and mental well-being of communities.

<p>COVID-19 secure working</p>	<p>Providing a safe environment within our premises for our staff and customers which meets the COVID secure guidelines. Enabling the council to meet the five key areas of Covid-19 secure working identified by government in its guidance for employers:</p> <ul style="list-style-type: none"> • Prepare a COVID-19 risk assessment and publish it • Develop cleaning, handwashing and hygiene procedures • Help people to work from home • Maintain 2m social distancing, where possible • Where social distancing isn't achievable, manage transmission risk 	<ul style="list-style-type: none"> • Review Health and safety in the context of infectious disease pandemic • Implementing changes with regard to national guidance based on the needs of TVBC staff and to ensure essential services are delivered • Ensure customers are able to access our services in a safe and effective way.
<p>Wellbeing & mental health of TVBC workforce</p>	<p>To ensure the well-being and support for staff during the lockdown and emerging recovery phase with a focus on:</p> <ul style="list-style-type: none"> • Encouraging staff and managers to be more attentive to looking after their own physical and mental well-being particularly at this time and being observant and mindful of others' well-being. • Providing opportunities for staff and manager training in how to work and manage during and post COVID-19 lockdown and recovery. • Promoting well-being best practice and access to a wide range of information on different areas 	<ul style="list-style-type: none"> • Develop, promote and deliver staff and manager on-line workshops to ensure maximum participation. • Update the COVID-19 how to, top tips and staff guidance guides available on the staff intranet. • Update and re-draft working from home policy • Update well-being pages and site on the staff intranet. • Produce effective signposting materials for staff • Develop and deliver bespoke training for

	<p>of wellbeing.</p> <ul style="list-style-type: none"> Ensuring all staff including those who have been re-deployed, furloughed, or are shielding are supported in maintaining their well-being. 	<p>call centre staff and those who are dealing with particularly vulnerable customers during this time</p> <ul style="list-style-type: none"> Gain feedback from staff around their experiences during this period. Re-inforce expectations around good practice management and keeping in regular touch with staff about their well-being.
Reopening public spaces	<p>Managing the reopening of all TVBC owned and managed green spaces during and post COVID -19 pandemic.</p>	<ul style="list-style-type: none"> Prepare risk assessments for all facilities in response to the Government's "Managing Safer Spaces" guidance 2020. Re-open public spaces in accordance with mitigations identified in the risk assessments. Put in place clear communications and behaviour change messages to encourage safe use of spaces.
New ways of working- recovering to a new normal	<p>Exploring how the organisation has had to work differently as a result of the pandemic and evaluating the opportunities for how as part of recovery, the council can embed new ways of working. To achieve this, the following factors will be explored:</p>	<ul style="list-style-type: none"> To gather feedback from all levels within the organisation to gain insight on their experience of delivering services within the pandemic that will inform an evidence-led approach to developing new ways of working.

	<ul style="list-style-type: none"> • People • Organisational Culture and behaviour change • Service delivery • Impact on residents and how they experience and use our services • Technology opportunities 	<ul style="list-style-type: none"> • To understand the impact of any new ways of working on the underlying values and culture that make TVBC an organisation that people want to work for. • To assess the infrastructure and policy changes needed to support new ways of working as part of the council's recovery programme.
Financial Recovery	To secure the Council's finances ensuring that financial resilience is maintained over the medium term.	<ul style="list-style-type: none"> • Lobby the government with other HIOW partners to fully compensate the council for the financial impacts of Covid-19; • Continue to monitor and report monthly on Capital and Revenue impacts; • Work with businesses to agree repayment terms of withheld and deferred income (business rates and commercial rents); • Work with Council Taxpayers to unwind agreed rescheduling of Council Tax – Consider hardship requirements; • Review internal budgets to identify scope for in-year savings; • Reduce all non-essential spending; • Review the Capital Investment Programme and Asset Management Plan

		to ensure that the approved schemes still reflect the council's current priorities and that these are affordable, practical and sustainable;
Democratic Recovery	Maintaining effective democratic processes and decision making is a key theme that sits under the Council's overall recovery programme and underpins	<ul style="list-style-type: none"> • Refresh the council's Annual Plan and Recovery Programme • Begin the process to set the council's budget for 2021/22; • Refresh the council's medium-term financial strategy (MTFS) 2021 to 2024.
Green Recovery	To build on positive changes in working practices and wider opportunities to reduce carbon emissions as part of our recovery, key areas of focus include: <ul style="list-style-type: none"> • Delivery of climate emergency actions • Working practices including increased opportunities for home working and virtual meetings • Continue to promote active travel options and review the supporting infrastructure requirements 	<ul style="list-style-type: none"> • To take the opportunity to build on positive lifestyle and work place changes as a result of Covid-19 into the long term • Co-ordinate recovery with wider climate emergency action delivery to look for added value • Review opportunities to build on progress made in recent months in facilitating more digital working
Service Recovery	Ensuring that all of the council's services are able to transition and adapt to the new normal resulting from the pandemic.	

	<p>the work being taken forward across a range of recover work streams.</p>	<ul style="list-style-type: none">• Secure working for Councillors• New ways of working• Community recovery (parish and town councils)
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Delivery and Monitoring

Delivering the recovery priorities:

The council has established nine workstreams with each one led by a head of service or senior manager. Each workstream brings together the relevant expertise from across the council and they have undertaken an impact assessment and produced a detailed action plan, which includes clear delivery milestones.

In addition, each service has undertaken an impact assessment and produced an action plan which focuses on the key recovery issues relating to service delivery. We will update both the workstream and the service recovery plans on an ongoing basis, with a formal review each quarter which will be integrated into the existing performance management arrangements that the council has in place.

The council's officer management team (OMT) meets specifically as a recovery programme group to review and guide the delivery of the action plans which are derived by the strategic recovery priorities set out within this document. This will enable the timely monitoring and review of the recovery work and will ensure that we are responsive to the issues that the COVID-19 pandemic will present throughout the multiple phases of recovery.

The council's cabinet will act as the recovery sponsors and we will formally report our progress to cabinet on a six monthly basis for the duration of the recovery period.

Evaluation

Each of the workstreams will seek to identify key indicators that will demonstrate the impact that the recovery work is having on both the organisation and the wider community.

An important part of the recovery work will be to learn lessons from the pandemic. As part of this the council will bring together strategic and community partners to undertake a series of evaluations to inform future planning and build upon the council's strong track record of developing community resilience. By regularly reviewing our progress through this unprecedented period the council will ensure it can remain flexible and agile, adapting its approach as necessary.

ITEM 9 Affordable Housing Supplementary Planning Document

Report of the Planning Portfolio Holder and Housing & Environmental Health Portfolio Holder

Recommended:

- 1. That the Affordable Housing Supplementary Planning Document attached as Annex 1 to the report is adopted in order to provide detailed guidance on affordable housing development to support the policies adopted in the Local Plan.**
- 2. That the revised wording of Policy COM7 adjusted to reflect the updated National Planning Policy Framework be approved.**
- 3. That the Head of Planning Policy and Economic Development, in consultation with the Planning Portfolio Holder and the Housing and Environmental Health Portfolio Holder, be given delegated authority to make minor amendments to the Affordable Housing Supplementary Planning Document from time to time to reflect changes in guidance and legislation.**

Recommended to Council

SUMMARY:

- The purpose of this report is to consider the attached draft Affordable Housing Supplementary Planning Document (AH SPD) with a view to its adoption.
- The original draft document was subject to a public consultation process which ran from 30 August 2019 – 11 October 2019.
- Consultation responses were collated and a “Summary of Representations” table produced, which is attached as Annex 2.
- Members are asked to consider the revised document based upon the amendments made in response to the representations received, which will include updated guidance from the National Planning Policy Framework.

1 Introduction

- 1.1 Delivery of affordable housing remains a high priority for the Council through its new Corporate Plan 2019-2023. Over the last four years the Council has delivered more than 1000 new affordable homes, exceeding its target of 200 new homes per annum. To help to continue to secure affordable housing delivery an AH SPD has been produced.

- 1.2 This report is seeking approval from Members to adopt the revised Affordable Housing Supplementary Planning Document which will give advice on the detailed requirements of the affordable housing policies set out in the Test Valley Borough Revised Local Plan 2016.
- 1.3 Members are also asked to note and approve the revised wording of Policy COM7 which reflects the changes brought in by the revised NPPF published in February 2019. The NPPF requires that all “major developments”, defined as developments of 10 or more homes should provide on-site affordable housing. The previous COM7 had a threshold of 11+ dwellings. COM7 has therefore been amended to reflect the lower threshold of 10 dwellings.

2 Background

- 2.1 The Test Valley Borough Revised Local Plan 2016 sets out the Council’s requirements in terms of affordable housing delivery through policies COM7, COM8 and COM9. Those policies set out the key principles only, and an Affordable Housing Supplementary Planning Document is required to supplement those policies in order to provide detailed guidance and ensure that affordable housing is developed, managed and maintained to a high standard.
- 2.2 In August 2019 the Council publicised its draft Affordable Housing Supplementary Planning Document together with its Draft Affordable Housing Advice Note, with a public consultation process being undertaken between 30 August and 11 October 2019.
- 2.3 A number of representations were received from interested parties, including landowners, developers, planning consultants, and Registered Providers. A summary of the representations made are attached as Annex 2.
- 2.4 All representations were recorded and considered alongside the draft document, and officers from Planning Policy and Housing Development discussed and agreed on any required amendments. This included the decision to combine the contents of the draft Affordable Housing Advice Note with the main Affordable Housing Supplementary Planning Document to prevent duplication of information and remove confusion. The only topic which will remain as a separate Advice Note is Vacant Buildings Credit. This is due to the fact that there is limited planning guidance on the matter, and there is a likelihood of the approach to Vacant Buildings Credit being updated when any cases are tested at appeal.
- 2.5 If adopted the SPD will supersede the existing SPD 2009 and the Policy COM7 Planning Advice Note 2017.

3 Corporate Objectives and Priorities

- 3.1 The Council’s Corporate Plan 2019-2023 Growing Our Potential, includes four strategic aims for the Council over the next four years and beyond. One of the four strategic priorities is “Growing the Potential of People”. Within that theme the Council sets out its priorities in addressing housing needs.

- 3.2 With the adopted Local Plan setting out the key policies in respect of affordable housing development, the Affordable Housing Supplementary Planning Document will complement those policies and provide detailed guidance to developers, landowners and housing providers to ensure that the right type of affordable homes are built in order to address the needs of a range of customers.

4 Consultations/Communications

- 4.1 A public consultation exercise was undertaken between 30 August and 11 October 2019 in accordance with the legal requirement and the Council's Statement of Community Involvement. A number of representations were received, all of which were recorded and given detailed consideration by officers from Planning Policy and Housing Development. The Summary of Representations attached at Annex 2 details each representation that was made, together with comments from Council officers. The table also shows how each change was considered, together with the detail of any changes that have been made.

5 Options

- 5.1 The attached document reflects the agreed changes made as a result of the public consultation exercise, but also includes updated changes made by the Council's Housing Development Team which are considered necessary in order to reflect the up to date changes in the National Planning Policy Framework, and to make the document clearer to read. As a result the document will look reasonably different to the document that was subject to the public consultation exercise, although there are no material changes which would affect policy requirements.
- 5.2 Members need to consider whether or not to adopt the revised document.

6 Option Appraisal

- 6.1 **Option A** – Agree to adoption of the attached document.

Advantages: .Adoption of the document will assist affordable housing delivery which is a corporate aspiration in light of the levels of affordable housing need, and high house prices in the borough. The adopted document would be made available on the council's webpages immediately upon adoption to assist developers, landowners and housing providers in developing affordable homes to meet the Council's requirements.

Disadvantages: None

- 6.2 **Option B** – Not to agree adoption of the document

Advantages: None

Disadvantages: If a decision is made not to adopt the document we can still continue to seek affordable housing provision, although it will make negotiations more difficult, and more lengthy due to lack of clear guidance around the Council's adopted policies.

6.3 Option A is the recommended option.

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 There are no resource implications of Option A which is the recommended option.

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

11.2 The Affordable Housing Supplementary Planning Document seeks to ensure the development of well-designed housing that can contribute to reducing crime and create places where people wish to live and work.

11.3 Environmental Health Issues

11.4 None

11.5 Sustainability and Addressing a Changing Climate

11.6 The Affordable Housing Supplementary Planning Document sets out guidance to secure sustainable developments across the borough.

11.7 Property Issues

11.8 None

11.9 Wards/Communities Affected

11.10 All wards are potentially affected as the guidance in the Affordable Housing Supplementary Planning Document is applicable to all affordable homes built across the borough.

12 Conclusion and reasons for recommendation

12.1 The attached Affordable Housing Supplementary Document provides detailed guidance to all parties involved in the development of affordable housing in Test Valley. The production of this document has been a joint project between Planning Policy and the Housing Development Team, and has been widely consulted upon, with all consultation responses being fully considered and acted upon where appropriate. It is recommended that this revised draft document be adopted so as to provide clear guidance on future developments and strengthen the Council's policy position.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
Test Valley Borough Revised Local Plan DPD Adopted Local Plan 2011-2029 (2016) Test Valley Borough Council			
<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:	3	File Ref:	N/A
(Portfolio: Planning Policy) Councillor N Adams-King (Portfolio: Housing & Environmental Health) Councillor Phil Bundy			
Officer:	Helen Taylor Graham Smith	Ext:	8620 8141
Report to:	Cabinet	Date:	15 July 2020

Test Valley Borough Council

Affordable Housing Supplementary Planning Document

June 2020



Test Valley Borough Council - Cabinet - 15 July 2020

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Section 180 (5) (d) Planning Act (2008) removed the compulsory requirement for a Sustainability Appraisal for a Supplementary Planning Document (SPD). It is not considered that this SPD would have a significant social, environmental or economic effect, therefore this document has not been subject to assessment under the Strategic Environmental Assessment Directive 2001/42/EC and The Environmental Assessment of Plans and Programmes Regulations 2004.

1. Introduction

- 1.1** Test Valley is a predominantly rural borough covering 62,758 hectares on the western side of Hampshire. In 2019 there was an estimated 55,666 households within the Borough with an estimated increase of 5.4% to 59,201 households by 2023.¹
- 1.2** The Borough is planning for 10,584 new homes from 2011 – 2029 which is an annualised average of 588² 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, assuming an average of 35% of total homes would be affordable.

- 1.3** The average property price in Test Valley was 8.5 times the average salary for the area in 2014³ and this has risen to an affordability ratio of 10.05 times in 2018⁴. A household is considered able to afford to buy a home if it costs 3.5 times the gross household income⁵. 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.
- 1.4** 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.

Scope of this document

- 1.5** 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 – 2029 (RLP), is to be implemented. It does not introduce new policy but supplements existing policies in the Council's adopted RLP.
- 1.6** A key aim of Policy COM7 is to increase the amount of affordable housing delivered through the planning system. This document provides advice for landowners, developers including affordable housing providers and other providers of affordable housing 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.
- 1.7** 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. Policies

³ *Housing Strategy 2016 - 2019*

⁴ www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearning-slowerquartileandmedian (Table 5c)

⁵ *Review of Housing Evidence Base and Assess Housing Need in Test Valley July 2016*

¹ *Test Valley Borough Council's Corporate Plan 2019 - 2023*

² *Test Valley Borough Revised Local Plan DPD 2011 - 2029*

COM8 “Rural Exception Affordable Housing” and COM9 “Community Led Development” also relate to the delivery of affordable housing.

- 1.8** 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.

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

- 1.9** This SPD has been prepared in accordance with relevant legislation⁶, and is 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.

⁶ *The Town and Country Planning (Local Planning)(England) Regulations 2012*

2. Legislative and Policy Context

- 2.1** Local authorities must comply with statutory duties to provide housing for households in local housing need and to prevent and relieve homelessness.

National Planning Policy Framework

- 2.2** The National Planning Policy Framework (NPPF) 2019 provides the overarching national planning policy, with which local planning documents must conform.
- 2.3** The NPPF defines the first part of 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); and which complies with one or more of the following definitions”*

- 2.4** The NPPF seeks to significantly boost the supply of housing⁷ and to achieve healthy, inclusive and safe places⁸. 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 leads to creating mixed and sustainable communities).
- 2.5** To encourage re-use of brownfield land, any affordable housing contribution may be off-set by the amount of existing gross floor space, provided that vacant buildings are being reused or redeveloped.
- 2.6** On major sites at least 10% of the homes planned on the site should be available for affordable home ownership as part of the overall quantity of affordable housing being sought, although there are some exceptions to this⁹.

⁷ *Paragraph 59, NPPF February 2019*

⁸ *Paragraph 91, NPPF February 2019*

⁹ *Paragraph 64, NPPF February 2019*

Test Valley Borough Council Corporate Plan 2019-2023

2.7 Homes delivered to a decent standard lie at the core of a good quality of life. Through Test Valley Borough Council's Corporate Plan 2019 – 2023, the Council's priorities focus around using our investing approach in Test Valley to grow the potential of:



Town Centres to adapt and be attractive, vibrant and prosperous places



Communities to be empowered and able to build upon their strengths



People to be able to live well and fulfil their aspirations



The Local Environment for current and future generations



Test Valley Borough Revised Local Plan DPD 2011 - 2029

2.8 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 include :

- 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

2.9 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 table sets out the roles of various partners involved in delivering affordable housing in Test Valley:

Delivery of new homes

Developers and House Builders	<ul style="list-style-type: none"> The majority of affordable homes are delivered by developers on private sites through S106 agreements. Private house builders therefore have a crucial role to play in ensuring affordable homes are delivered alongside market homes. In rural settlements, the development of market housing can cross-subsidise the delivery of affordable homes, without relying on public subsidy.
Affordable Housing Providers	<ul style="list-style-type: none"> Independent housing associations, charitable organisations and companies. Provide and manage affordable housing, particularly Affordable and Social Rent products and Shared Ownership.
Help to Buy Agent	<ul style="list-style-type: none"> Hold a register and process applications for people seeking to buy an affordable home through Help to Buy schemes, or rent an open market property Advertise available homes for rent or sale. Checks eligibility of housing applicants and assists them through the process of buying or renting.
Hampshire Home Choice	<ul style="list-style-type: none"> Administers the Housing Register and allocates affordable homes to rent.
Housing Services - Test Valley Borough Council	<ul style="list-style-type: none"> Provide affordable housing advice to housing applicants. Negotiate affordable housing level, tenure and type. Advise on the location of the affordable housing on the site to ensure the homes are integrated and pepper-potted throughout the site. Enabling role to bring forward delivery.
Planning Services – Test Valley Borough Council	<ul style="list-style-type: none"> Advise planning applicants of planning issues and obligations. Determine planning applications.
Elected Members – Test Valley Borough Council	<ul style="list-style-type: none"> Determine Council policy, and promote and encourage affordable housing delivery.

4. Housing Need in Test Valley

4.1 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 Test Valley Borough Council Strategic Housing Market Assessment (SHMA 2014). 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.

4.2 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 February 2020 showed 2,134 households on the register and in need.¹⁰ In addition there were 952 applicants on the Help to Buy Agent's register as of February 2020.



4.3 Up to 2031 it is anticipated that an estimated 557 households are expected to fall into housing need¹¹. These are households that are not able to afford to buy their own home or afford market rents and are living in unsuitable accommodation.

4.4 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 as a result of welfare reform measures that were introduced from 2011 (and with additional measures introduced in subsequent years). Reforms included a shift from assessing LHA levels at the 50th percentile of local market rents, removing the ability for claimants to achieve a £15 excess through their

LHA claims in certain circumstances, and freezing the index linkage of LHA to the Consumer Price Index such that inflationary increases ceased from April 2013. The LHA levels have been index linked once again from April 2020. Furthermore, a cap was introduced in 2011 limiting the amount of LHA claimants can receive, dependant on the number of bedrooms the property has. LHA is now limited to a maximum of 4, instead of the previous 5, bedrooms. Under the LHA rules, eligible individuals under the age of 35 can only 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. The benefits system may be subject to further change. This reflects the position with regard to LHA at the time of writing.

¹¹ Test Valley Borough Council Strategic Housing Market Assessment, paragraph 7.57

¹⁰ Hampshire Home Choice February 2020

5. What is Affordable Housing?

- 5.1 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. At the time of writing, the NPPF (2019) defines a number of different types of affordable housing including Affordable Housing for Rent, Starter Homes, Discount Market Sales and other routes to home ownership such as Shared Ownership homes.
- 5.2 From time to time the government introduces new affordable home ownership initiatives and the products that can be considered at the time of application may differ from those specified in this document. Any new initiatives will be given due consideration subject to the existence of detailed planning guidance, and subject to the product being genuinely affordable to those with a local housing need.



Affordable Rented and Social Rented Homes

- 5.3 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 relates to housing let by Affordable Housing Providers to eligible households via the Council’s Housing Register. In Test Valley, the Housing Register is often referred to as ‘Hampshire Home Choice’.
- 5.4 The Council accepts both Social Rented and Affordable Rented homes owned and managed by Affordable Housing Providers as meeting local need, albeit rents under the Affordable Rent regime must be affordable for those on the Housing Register in order for them to meet need (see also subsequent paragraphs and particularly 5.7 below).
- 5.5 Social Rented housing is owned and managed by Affordable Housing Providers and is for eligible households whose needs are not met by the market, for which guideline target rents are determined through the national rent regime. Social Rented housing should be made available in perpetuity.
- 5.6 Affordable Rented housing is also owned and managed by Affordable Housing Providers and is for eligible households whose needs are not met by the market. Affordable Rents 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. This is to ensure that in high value areas the affordable homes can still be affordable to those on lower incomes and who may require financial assistance towards meeting the cost of their rent. Affordable Rented housing should be made available in perpetuity.

5.7 The affordability of larger homes in Test Valley (3+ beds) provided for Affordable Rent at 80% of market value is beyond the reach of many families on low incomes. We therefore require the larger homes to be delivered as Social Rented housing.

5.8 The Valuation Office Agency (VOA) is responsible for calculating the LHA levels for different property sizes in different areas of the borough. They apply a list of rents that are paid for private sector tenancies across the broad rental market area for each property category. There are four broad rental market areas (BRMAs) in Test Valley namely Basingstoke, Salisbury, Southampton and Winchester.

Build to Rent

5.9 Build to Rent is purpose built housing that is typically 100% rented. 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 and Social Rented homes provided by Affordable Housing 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.

Starter Homes

5.10 The principle of Starter Homes was introduced through the Housing and Planning Act 2016. Starter Homes have been included in the definition of Affordable Housing in the National Planning Policy Framework. Secondary legislation remains outstanding and the government no longer has a dedicated budget for the delivery of Starter Homes. This tenure is not, therefore, currently supported by the Council. It is neither a local nor national priority for delivery.

Discount Market Sales Homes

5.11 Discount Market Sales housing is a route to affordable home ownership where the property is discounted by at least 20% below local market levels. It provides homes for first time buyers but should be no more than 3 bedrooms having regard to affordability and local incomes. These homes must be genuinely affordable to local people, based on incomes and house prices. Proposed sales values will be assessed against similar properties in the local area.

- 5.12** To ensure Discount Market Sales 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.
- 5.13** Eligible households for first and future purchasers of Discount Market Sales homes must be registered and eligible to be on the Help to Buy Agent's register, or any successor organisation, being the register of low cost home ownership need.
- 5.14** The Council will also seek to ensure that Discount Market Sales homes are the only residence of the applicant and are not purchased by buy-to-let investors, or sub-let at any future point.
- 5.15** Developers are encouraged to consider the level of discount necessary to ensure affordability at an early stage in

the development process. Advice can be provided at pre-application planning stage by the Housing Development Team. The Housing Development Team will advise the 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 people in housing need could afford.

Rent to Buy

- 5.16** Subsidised rented homes can be provided by private sector housing or by Affordable Housing Providers, including Rent to Buy. Such homes should be made available in a form which is equivalent to Affordable Rented homes provided by Affordable Housing Providers in terms of affordability. The monthly rent is capped at 80% of market rents or the Local Housing Allowance, whichever is the lowest. Households must earn less than £80,000 a year and an affordability check will be carried out to ensure that the applicant can afford the rent from the start and can realistically purchase a share in the property in the future.

Shared Ownership

- 5.17** There are a number of Shared Ownership products delivered by Affordable Housing Providers and private developers.
- 5.18** 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 on the unsold equity and shall not exceed 2.75% of the value as specified by Homes England. This is so that parity is maintained between the value and the rent of the property. Typically a maximum of 50% equity share is sought in the first instance. Purchasers are able to acquire additional shares up to 100% of the equity. In a Designated Protected Area, however, this may be limited to 80% of the equity, unless the Affordable Housing Provider covenants to repurchase the home.
- 5.19** All Shared Ownership homes shall be disposed of by the grant of a lease in the form of the Homes England Model Form of Shared Ownership Lease, or such other form agreed in writing by the Head of Housing and Environmental Health or other senior officer with relevant authority. Nominations are via the Help to Buy Agent or its successor.

5.20 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 agreement.

Shared Equity

5.21 Shared Equity enables the occupant to purchase an equity share in their home via a conventional mortgage. The Affordable Housing 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, except in Designated Rural Areas where there may be a cap of 80%.

5.22 Upon resale, if the purchaser has not staircased to 100% ownership, the equity loan is paid to the new purchaser in relation to the percentage share retained. For instance, if 75% share purchased and 25% equity charge to the Affordable Housing Provider, 25% of the resale value at the time of the sale, would be payable to the Affordable Housing Provider to maintain the equity charge.

5.23 Nominations are via the Help to Buy Agent or its successor. Shared Equity should be affordable to those applicants on the Help to Buy Register with a joint income of no more than £80,000 per year. First sales would normally have an equity share of 50% to 75% of open market value.

Types of Affordable Housing for Specialist Groups

Older Persons and Specialist Housing

5.24 The Council's Housing Strategy for meeting the needs of older people is to ensure there are options to support people to remain in their own homes where it is appropriate for them to do so, whilst developing a range of alternative housing options to meet the aspirations and needs of older people who may need to move or who may be looking to downsize. This includes supported housing schemes where homes are provided together with additional communal space and facilities, and self-contained general needs homes. New housing for older people should be capable of being 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.

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

- **Be individual self-contained units of accommodation**
- **Have 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.**

5.26 The Council is also required to meet the needs of other customer groups who require specialist forms of housing, for example supported housing for young people and other vulnerable groups.

Extra-Care Housing

- 5.27** To meet the needs of an increasing proportion of older people within the local population, and to provide a choice of care for those with particular care requirements, Extra Care housing schemes can provide an appropriate way of meeting those requirements in schemes that meet a range of different levels of need.
- 5.28** As with any new development site that meets the threshold requirements for the provision of affordable housing, the affordable housing contribution within any proposed Extra Care scheme will be subject to negotiation, taking into account the prevailing needs in the borough. This may include the need for a mixed tenure Extra Care scheme, to include Extra Care homes for affordable/social rent, and/or for shared ownership. Alternatively it may require general needs affordable housing provided on the same site as the proposed Extra Care. The Council works closely with Hampshire County Council's Adult Social Care services to ensure there is evidenced need for further Extra Care, at any given time. Extra Care will not be supported on any new development site where there is no demonstrable need or requirement for its provision.

5.29 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 as good design relevant to older person's housing and include good light, ventilation, room to move around, storage et cetera. Importantly, the design principles focus on the property being able to adapt to the occupants' changing needs over time.

5.30 The government recommends that developments providing affordable housing incorporate the HAPPI principles where funding for Extra Care schemes is applied.

Self-Build / Custom Build Housing

5.31 Self-build housing is designed and built by an individual for their own occupation. Custom build housing involves an individual or a group of individuals commissioning a developer to provide serviced plots and build homes on their behalf. The level of involvement that the customer has on the specification and the build element will vary according to the type of scheme that is planned. On some sites a developer will provide serviced plots and design the basic layout of the homes, with the end user having

input into the detailed design. In other circumstances the developer may build the homes to a fairly advanced stage, with the end user having choice in the context of internal finishes in the property. Self or custom build housing may be delivered as affordable housing.

5.32 Where self-build plots are considered feasible for affordable housing, planning obligations in a Section 106 agreement will control occupancy, resale and maximum sale or rent prices that can be charged. Where self-build housing is not feasible for affordable housing, a commuted sum in lieu of on-site affordable housing will be secured in accordance with method outlined in Annex 1.

5.33 In all circumstances where a developer or affordable housing provider may be considering the delivery of a self-build or custom build scheme in Test Valley, it is recommended that they enter into early discussion with the borough council's Planning and Housing Development teams. Self-build is covered further in Section 6 below.

6. When is Affordable Housing Required On-site?

6.1 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.

6.2 In response to the changes in the NPPF published in February 2019, the revised wording of Policy COM7 (as it is now being applied) is as follows:-

The Council will negotiate on housing sites:

a) In the Undesignated Area¹² 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 0.34-0.49ha) for up to 30% of dwellings to be affordable; and**

b) In the Designated Rural Area¹³ 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 0.30 -0.49ha) for up to 30% of dwellings to be affordable;**
- **6-9 dwellings (or sites of 0.22-0.29 ha) 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 housing and market housing, in order to achieve an inclusive and mixed community

¹² Comprising the parishes of: Andover, Charlton, Enham Alamein, Romsey, Romsey Extra, North Baddesley, Nursling and Rownhams, Valley Park and Wellow (excluded from those defined as within a Designated Rural Area by SI 2004 No. 2681).

¹³ See Annex 2

- 6.3** As defined by legislation¹⁴ parts of the Borough are designated as rural areas. 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 2 for a map of designated areas. In designated areas the Council will seek a financial contribution from sites of 6-9 dwellings.
- 6.4** 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.
- 6.5** 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.
- 6.6** A proposal for self-build or custom build housing, whether on its own or as part of a larger traditional housing scheme, will be required to provide a proportion of affordable housing and to comply with Policy COM7 if it meets the policy triggers. Self-build or custom build housing may be considered as affordable housing if it is demonstrated that local open market house prices and rents are unaffordable.
- 6.7** As stated in Policy COM7, the Council will seek to secure affordable housing, or a financial contribution for off-site provision, via a S106 agreement or a Unilateral Undertaking (UU).
- 6.8** 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 Rented or Social Rented housing**
- 6.9** 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.
- 6.10** The precise mix and tenure for provision on site will be specified in the S106 agreement or UU.
- 6.11** 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 Use Class C3 residential homes.
- 6.12** The Council reserves the right to seek on-site provision within retirement schemes 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.

¹⁴ *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*

- 6.13** Extra Care schemes will be subject to planning obligations under S106 agreements depending on the specific characteristics of the relevant scheme. The obligation to make an affordable housing contribution will depend on which Use Class 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 within Policy COM7 in relation to affordable housing.
- 6.14** 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. 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.

Site Area Equivalent Thresholds

- 6.15** 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).
- 6.16** 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 be appropriately accommodated.
- 6.17** 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 less taking account of planning 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.

- 6.18** 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 it was considered that the site could reasonably accommodate a higher number of dwellings than the number being proposed.
- 6.19** 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, trees, 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.

6.20 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

6.21 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. To ensure land is not being used inefficiently, proposals which seek to circumvent the affordable housing thresholds by developing at too low density or sub-dividing land are therefore not acceptable. The Council reserves the right to scrutinise site/ownership boundaries, density and unit mix.

6.22 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. When On Site Provision Cannot Be Achieved

7.1 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 into 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.

7.2 Where the Council considers that on-site provision would not be the most appropriate or viable provision, a financial contribution in lieu will be sought. This will be calculated using the method outlined in Annex 1.

7.3 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. It will be applied flexibly, however, and each site will be considered on its individual merits by negotiation.

7.4 The value of the off-site financial contribution will be specified in the S106 agreement, and index linked (RPI) at the point in time where payment is due. The S106 agreement will also include a trigger for timing of the payment of the financial contribution. All contributions should be paid in a timely manner and in accordance with the agreed payment triggers.

8. Rural Affordable Housing

8.1 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 the Council's Housing Register;**
- **Encourage Parish Councils to consider an investigation of local housing need and the potential to develop Rural Exception Sites where appropriate.**

Rural Exception Sites

- 8.2** 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.
- 8.3** 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) can make a significant positive contribution towards overall delivery of affordable housing within the borough and to the sustainability of rural communities. The wording of the adopted policy is shown below:

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.

8.4 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 were identified and listed in a rural settlement gazetteer originally prepared by the Housing Corporation identifying areas 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.

8.5 The list of rural areas has not been updated since it was published and some of those areas may have now exceeded the threshold of 3,000. See annex 2

8.6 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 (see also section 17 which includes information on nominations and local connections). Some Shared Ownership homes may be restricted to 80% ownership by the purchaser (through a S106 agreement of other appropriate



means) unless the Affordable Housing Provider has included the rural buy back clause in the lease. (Please also refer to Designated Protected Areas below).

8.7 To deliver rural exception affordable housing sites, the Council works in partnership with other organisations and partnerships as appropriate.

8.8 In order to bring forward a rural exception site, 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 Rural Exception Site 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.

8.9 Whilst not referred to in Policy COM8, the Council will consider the issue raised in the NPPF, paragraph 77, regarding the potential to consider an element of private market housing on a rural exception site where it can be demonstrated that it would help facilitate development. This is generally expected to be on the grounds of viability.

Community Led Development

- 8.10** Some communities may seek to bring forward housing or employment opportunities through working with landowners and developers and may, including through formal organisations such as a Community Land Trust¹⁵, deliver open market and/or affordable housing, or community and employment uses. Proposals for various different uses may be considered under Policy COM9. The wording of the adopted policy is set out below:

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.**

- 8.11** 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.
- 8.12** The intention of this policy is not to replicate the neighbourhood planning mechanisms contained within the Localism Act 2011, but to provide a further framework to deliver development that is either led by the community or has community involvement and support, without the need to undertake a Neighbourhood Development Plan or Neighbourhood Development Order (NDO). The proposal may be for a single use or a combination of uses.

- 8.13** 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, and particularly at the pre-application stage. 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.

- 8.14** 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 in Policy COM8.

¹⁵ A Community Land Trust 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.

- 8.15** 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 shaping new development.

Entry Level Exception Sites

- 8.16** These are sites that provide entry level homes suitable for first time buyers or first time renters, 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 housing would not otherwise be allowed, and could be located in Designated Protected Areas (see below). Any such proposal should demonstrate that the affordable housing product is genuinely affordable to local households in housing need and satisfies relevant local plan policies.

Designated Protected Areas

- 8.17** 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 100% 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.**
- 8.18** 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 at the time of designation.
- 8.19** The "Housing (Right to Enfranchise (Designated Protected Areas) (England) Order 2009"¹⁶ designates protected areas which includes the majority of the parishes in Test Valley including part of Romsey Extra and Smannell.

¹⁶ www.legislation.gov.uk/uksi/2009/2098/contents/made

- 8.20** Affordable Housing Providers may be 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).**

- 8.21** The Protected Areas and Leasehold Enfranchisement: Explanatory Notes December 2016¹⁷, make it clear that DPA restrictions apply regardless of whether the property has received grant funding or otherwise.

- 8.22** The Council may also include specific clauses in S106 agreements to reflect the DPA principles.

¹⁷ Published by the former Homes and Communities Agency: www.assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/582207/DPA_explanatory_note.pdf

Waivers

8.23 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.

8.24 In response, the government regulator, Homes England has put in place a process through which consideration can be given to waiving the grant conditions relating to DPA status under certain conditions. Where a waiver is granted providers of affordable housing can develop grant funded Shared Ownership stock on sites in DPAs, allowing buyers to staircase to 100% without an obligation on the provider to buy back the property if the leaseholder wishes to sell.

8.25 The Homes England process begins when a local authority submits a request for a waiver. In all cases, Homes England requires the support of the local housing authority. As a result of growth since the DPA regulations were laid, some areas subject to DPA status are now part of large settlements and/or urban areas. If the local authority considers that a particular site



to be developed no longer meets the criteria in the original DPA designation, or has another reason why they think that grant funded Shared Ownership stock does not need to be protected in perpetuity in an area subject to DPA, 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 waivers¹⁸.

¹⁸ TVBC Cabinet, 12.09.18, Item 11

9. Vacant Building Credit

9.1 The Vacant Building Credit (VBC) is intended to provide an incentive for development on brownfield sites containing vacant buildings.¹⁹ There is limited national guidance on the application of VBC and its application will be considered on a site by site basis. Further information on VBC is contained within Annex 3.

¹⁹ Written Ministerial Statement made 28 November 2014, paragraphs 026-028 of the "Planning Obligations" Planning Policy Guidance and paragraph 63 of the National Planning Policy Framework.

10. Tenure and Mix of Affordable Housing

10.1 The estimated level of Housing Need (per annum) identified in the Strategic Housing Market Assessment (SHMA) (2014) by type of affordable housing is shown in the table below.²⁰ If this is superseded by a subsequent SHMA or other assessment of local housing need, the latest figures will be relevant.

Table 1 – Housing Need by Tenure

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%
Borough	33.6%	20.5%	45.8%	100.0%

10.2 The analysis identifies a requirement for around a third of homes to be Intermediate Housing and two-thirds being Social/Affordable Rented housing as identified in paragraph 5.108 of the adopted Local Plan.

10.3 The tenure split of 30% Intermediate Housing and 70% Social/Affordable Rent is a starting point in negotiating the precise scale, type and size of affordable housing. That tenure split should inform dwelling types and sizes in proposed layouts so that local housing needs are properly addressed, and the Housing Development Team should be contacted at pre-application stage to confirm the latest housing needs data. Within any planning consultation responses, the Council will have the discretion to deviate from the normal tenure split if there are specific needs to be addressed, which could include a requirement for provision of specialist or older persons' accommodation.

10.4 The following additional points relating to dwelling types and layout should be taken into account when formulating a proposal:

- Properties to offer maximum occupancy levels:
 - 1 bed 2 person flat
 - 2 bed 4 person flat/house
 - 3 bed 6 person house
 - 4 bed 7/8 person house
- Social/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.
- Semi and linked detached houses should always be of the same tenure.
- A coach house (flat over a garage) is only acceptable if the garage is allocated to the same household as living in the flat above.

²⁰ Source: Figure 7.24, page 106, TVBC SHMA 2014

11. Prior Consultation

- 11.1** Any proposals for new residential development that may trigger the Council's affordable housing policies should be discussed with the Council's Housing Development Team as early as possible. Advice can be given at all stages of the planning process.
- 11.2** After initial consultation with the Housing Development Team on the affordable housing components, applicants should engage in formal pre-application advice which includes completing a form available from the planning web pages, and paying the appropriate fee. An applicant is encouraged to prepare and submit an Affordable Housing Statement to inform the pre-application discussion, having regard to the contents of this SPD. The key issues to address are:
1. Number of dwellings
 2. Dwelling types and sizes
 3. Tenure split – showing types and sizes
 4. Design standards
 5. Timing of affordable housing delivery
 6. Location and distribution

- 11.3** An Enabling Fee²¹ is payable by the Affordable Housing Provider for housing enabling work undertaken by officers where a Section 106 agreement is secured, which ensures there is an appropriate mix, distribution, type and tenure of the required affordable housing. The fee relates to each unit of affordable housing to be delivered and is payable from the date the Affordable Housing Provider enters a contract with the developer.

12. Layout and Design

- 12.1** Development proposals that include affordable housing are expected to address the Council's policies on good quality development, including 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.

²¹ Included in the Council's latest Schedule of Fees and Charges:
www.testvalley.gov.uk/business/licensingandregulation/licensing/adviceinformation/schedule-fees-charges/

- 12.2** Affordable Housing Providers should ensure that their housing management team are able to comment on any scheme being promoted and that any concerns are resolved by practical design and appropriate lettings arrangements.

Clustering and Phasing

- 12.3** The Council recognises that grouping together a number of affordable homes is practical, from a construction and management perspective yet it is vital that affordable housing is dispersed throughout a development to a certain extent to ensure that new communities are both mixed and sustainable. Affordable housing should therefore be fully integrated into a development and provided in clusters of no more than 10 dwellings, unless otherwise agreed by the Council in writing, and having regard to the number of affordable homes, mix of dwelling types and layout of the proposal. The affordable homes should also be indistinguishable from the market housing.

- 12.4** Where separate phases of the development adjoin each other, careful consideration should be given to the location of clusters in adjacent permitted or developed parcels to avoid creating an overall cluster of more than 10 dwellings. For example, two clusters of affordable homes divided simply by an estate road would not be considered acceptable.
- 12.5** Clear concentrations of affordable homes, particularly of the same tenure or size will not be supported.
- 12.6** 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 agreement. The Council will not support the phasing of a development which sees the affordable housing being delivered in the later stages of the site's development taking into account site specific viability. A development agreement between the developer and Affordable Housing Provider should be confirmed prior to commencement of the development, and will be a standard clause in the Section 106 agreement. The preferred phasing should reflect the following triggers:

Table 2 – Preferred Phasing

Market Housing - Occupied	Affordable Housing – Completed and Transferred to AHP
<25%	25%
<50%	50%
<75%	100%

Design and Space Standards

- 12.7** 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.
- 12.8** 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 Affordable Housing Providers. The developer must be able to demonstrate that the land is sufficient in size to accommodate the required unit mix.
- 12.9** All development will be required to provide high levels of accessibility and should be designed as such to be adaptable 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 exceeds ground floor and first floor.
- 12.10** Occupants of affordable housing may have particular accessibility requirements and will therefore need to have access to a home that complies with the space standards set out in Building Regulations Part M Revised Edition 2015, which is particularly relevant for wheelchair users. Developers should allow for additional space when designing residential units which have the potential to be adapted for wheelchair users.

12.11 On developments of 10 or more affordable homes the Council would aim to achieve at least 10% of Social/Affordable Rented homes to be delivered as adaptable homes that can meet the changing needs of occupants, built to Building Regulations Part M4 (Category 2) Revised Edition 2015 or successor regulations. Where Category 2 dwellings are to be provided the Council will review the housing needs and negotiate with the developer over the provision of level access showers where there is a demonstrable need

12.12 Where there is a demonstrable need for a wheelchair adapted home, the home should be constructed in accordance with Building Regulations Part M4 (Category 3) Revised Edition 2015 or successor regulations. Development of adaptable/adapted homes contributes to the aims of the Council's Housing Strategy and will be encouraged in light of up to date evidence of need on the Housing Register.

12.13 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 M4) of the Building Regulations Revised Edition 2015 or any successor regulations, to demonstrate adequate space for internal manoeuvring for the occupants.

13. Development Viability

13.1 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.

13.2 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 National Planning Policy Guidance "Viability", including standardised inputs²².

13.3 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 "Viability" PPG "the price paid for the land is not a relevant justification for failing to accord with relevant policies in the plan."²³

Why is Viability an Important Consideration?

13.4 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.

13.5 The Council uses the Residual Land Value methodology (see Annex 1) to determine the underlying land value. This is important as it forms the basis on 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.

²² Para. 57, NPPF Feb 2019

²³ Planning Practice Guidance "Viability" – paragraph 002 Revised 09.05.2019

13.6 As noted earlier, 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 actively encourages applicants to discuss viability issues at the earliest possible stage. This is recognised in the NPPF²⁴.

13.7 The Council works with Affordable Housing Providers and is best placed to provide advice on the Council's partner Affordable Housing Provider 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 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.

When Does the Council Require a Viability Assessment?

13.8 There may be circumstances where the costs of developing a site may affect its value. Where this has not been agreed for other reasons, 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. For example, less than 40% on sites of 15 dwellings or more**
- **Where the split in tenure departs from 30% Intermediate Housing and 70% Social/Affordable Rent unless there has been prior agreement by the Council due to the need to meet a specific requirement**
- **Applications proposing affordable housing off-site or a financial contribution in lieu of delivering affordable housing on site.**

What Should a Viability Assessment Contain?

13.9 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 "Viability" and the key principles in understanding viability should be followed. This method can work in two ways; either to determine the level of return on a scheme, where the costs of the site are known, or to establish the estimated value of the land by assuming a predetermined level of profit.

13.10 As set out in the NPPF (paragraph 57), all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available unless there is clear justification for it to remain confidential.

²⁴ Paragraph 41, NPPF

The Council's Approach to Negotiating Proposals Which are not Viable

13.11 Where a scheme is demonstrated to be unviable with the policy-compliant 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 COM7. 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 Housing 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;
- Reduced percentage of affordable housing – where this 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 may consider the deployment of Affordable Housing Grant to Affordable Housing Providers where a S106 agreement is securing the affordable housing.

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

- Accepting serviced plots in lieu of dwellings (see Section 12); or
- Accepting off site affordable housing units (see Section 13); or
- Accepting an off-site financial contribution (see Annex 1)

13.13 Where a reduced percentage of affordable dwellings or a financial contribution below the full policy equivalent may be 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 to enable 'clawback' of additional revenues above those envisaged in the viability appraisal.

13.14 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 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.

14.Provision of Serviced Plots

- 14.1** The Council's preference is for completed affordable 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. These are to be transferred to an approved Affordable Housing Provider at nominal value and free from encumbrances.
- 14.2** 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.
- 14.3** The applicant would be required to identify the plots or provide areas of land sufficient to accommodate the Council's preferred housing mix.



- 14.4** 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 usually expect the plots to be clustered and the appropriateness of proposed locations for affordable housing will be determined by the Council as part of the planning process.

- 14.5** "Free serviced land" is defined as freehold cleared, remediated²⁵ 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.

²⁵ 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.

15. Off-Site Delivery

15.1 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 is willing to accept an off-site contribution. This will require the provision of a site comprising serviced remediated land to be made available at no cost to the Council and should be of a sufficient size and suitability to provide 40% of total dwellings as affordable housing in a location related to the development site. The definition of “free serviced land” is set out in Section 14.5 above.

15.2 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.

15.3 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 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 charges²⁶;**
- **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.**

15.4 The financial contribution will be secured via a S106 agreement and will be Index Linked.

15.5 The Council will consider proposals where the developer purchases existing properties on the market for transfer to an Affordable Housing Provider. However, the purchases should 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 Affordable Housing Provider’s requirements to ensure they can be let as affordable or sold as low cost home ownership.**

15.6 In order to ensure affordability of any housing provided as per 15.5 above, communal areas where possible should be omitted so as to incur no service charges. If this is not possible, applicants should ensure that service charges are capped at a level which shall be eligible for Housing Benefit, and linked to RPI. It is strongly recommended that the applicant discusses any potential service charges with the Affordable Housing Provider to ensure that the charges are considered appropriate and affordable.

²⁶ As stated in the Affordable Housing Viability Update 2012 (Dixon Searle)

16. Grant Funding

16.1 The starting point for delivery of affordable housing should be on a nil subsidy basis. The Homes England Affordable Housing Programme can, however, provide grant funding to Affordable Housing Providers to develop affordable homes in certain circumstances. The programme seeks to:

- **Increase the supply of new affordable housing – for Affordable Rent, Social 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.**

16.2 Guidance for the type of properties and criterion required are set out in the Homes England Capital Funding Guide²⁷. 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

16.3 The Council's Affordable Housing Grant is partly funded by ring fenced Right to Buy receipts and S106 affordable housing contributions.

16.4 The purpose of the grant is to provide funding to Affordable Housing Providers to ensure delivery of affordable homes in Test Valley where nil subsidy delivery is not possible. This can be for:

- **Additional provision of Social/ Affordable Rent**
- **To assist with viability on sites that have secured affordable housing through a S106 agreement, for example, where developers may request a reduction in affordable housing due to abnormal or exceptional site costs**

- **To provide affordable housing on sites where affordable housing has not been secured through a S106 agreement.**

16.5 All bids for Test Valley's Capital Affordable Housing Grant must have regard to the Council's latest Housing Strategy and Preventing Homelessness & Rough Sleeping Strategy. As part of the assessment of housing need, the strategies take into account those people who are vulnerable, have particular needs or live in the worst condition private housing sector stock. The Council's adopted corporate programmes emphasise the importance of housing in addressing the wide ranging issues facing the Council and its communities. Housing has a significant impact on health, social wellbeing, social inclusion, sustainability, and community development.

²⁷ www.gov.uk/guidance/capital-funding-guide

17. Delivery and Management

17.1 The Council generally welcomes new Affordable Housing Providers working in the area provided that they meet the Council's criteria as set out below, including signing up to any Partnership Agreement that may be operated by the Council at the time.

17.2 Should a new Affordable Housing Provider wish to work in Test Valley, the Council will expect them to fulfil the following requirements:-

- **Be an Affordable Housing Provider with Homes England (or its successor) and approved by the Regulator of Social Housing.**
- **Be eligible to bid for and receive housing subsidy**
- **Have experience and a good track record of managing the same or similar tenure type**
- **Where an Affordable Housing Provider does not have an existing local management presence, they should be able to 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 the Council's Scheme of allocations and the Hampshire Home Choice Policy to ensure homes are provided for the benefit of the local community**
- **Be willing to enter into a Partnership Agreement with the Council, which may include the requirement to pay enabling fees.**

17.3 For these reasons, planning obligations will include a mechanism for the Council to approve an Affordable Housing Provider against the above criteria.

Nominations and Local Connections

17.4 The Council maintains the Housing Register for the borough, and receives applications for housing accommodation, processes and prioritises them, and nominates households from the Housing Register to rented housing association homes in the area. The Housing Register is administered in accordance with the Council's Scheme of Allocations and the published Hampshire Home Choice Policy. Hampshire Home Choice is a Choice Based Lettings partnership and comprises Eastleigh Borough Council, East Hampshire District Council, Havant Borough Council, Test Valley

Borough Council and Winchester City Council, along with various Affordable Housing Providers who hold stock in the Hampshire Home Choice area.

17.5 In addition to the Housing Register, households looking to access subsidised home ownership can make an application to the Help to Buy Agent who advertise Intermediate Affordable Housing products on behalf of developers and Affordable Housing Providers.

17.6 Both the Council and the Help to Buy Agent assess the eligibility of households and ensure that applications are from people who qualify to join the respective waiting lists.

17.7 Occupancy of affordable housing is restricted to eligible households in housing need and affordable/ social rented housing is allocated in accordance with Test Valley Borough Council's Scheme of Allocation and Hampshire Home Choice Sub-Regional Allocation Framework. Intermediate housing, such as shared ownership, shared equity and discount market schemes are allocated through the Help to Buy Agent in accordance with the eligibility criteria.

17.8 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; or**
- **To support or be supported by member of family ordinarily resident in the village/parish.**

17.9 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.**

17.10 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 agreement to reflect the existing nominations agreement in place with Hampshire Home Choice requiring 100% nomination rights in perpetuity.

18. Monitoring

How Financial Contributions Will Be Spent

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

18.2 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. Market conditions and levels of affordability will also be kept under review.

18.3 The Council will monitor the performance of its Affordable Housing Provider partners to ensure high standards of service delivery. In particular, the Council will require annually from the Affordable Housing Providers or other affordable housing providers information relating to:

- **Social and affordable rents**
- **Rent increases**
- **Staircasing and other sales receipts**
- **Management standards**

18.4 The developer's delivery partner(s), whether an Affordable Housing Provider or other provider/manager who are not regulated by the Regulator of Social Housing, will be similarly monitored through obligations contained in the S106 agreement.

19. Contacts

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

- **Email:** 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
- **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
- **Telephone:** 01264 368000

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 Social/Affordable Rented housing listed on Hampshire Home Choice and in relation to any Intermediate Housing, registered on the Help to Buy South Register.

Hampshire Homes Hub: an organisation consisting of Rural Housing Enablers who facilitate the delivery of rural affordable housing by working closely with Parish Councils and local communities, facilitating housing needs surveys to determine local housing needs and other community interests.

Help to Buy Agent: the agency body responsible for administering low cost home ownership affordable tenures (including Shared Ownership, Equity Loan schemes, and Rent to Buy). Eligible households for the first and future purchasers of low cost home ownership must first be registered on the register maintained by the local Help to Buy Agent to access these tenures.

Homes England: the trading name of the Homes and Communities Agency established by Section 1 of the Housing and Regeneration Act 2008 or such other body

Intermediate Housing: "Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing. As defined in the Strategic Housing Market Assessment 2014.

LA: Local Authority

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.

Net Developable Area: the area of an application site which will be considered as eligible for consideration for seeking affordable housing, calculated as the gross site area, less the area affected by planning constraints.

Regulator of Social Housing: a non-departmental public body that regulates private registered providers of social housing to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs.

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, Affordable Housing Providers, the Ministry Of Defence or NHS trust/foundation. Eligibility criteria for both the property and occupants apply.

Self Build and Custom Build Housing: Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.

Staircasing: is the process which allows an occupant of a Shared Ownership or Shared Equity affordable home to buy a greater proportion of their home.

S106 Agreements (S106): a legal document made under Section 106 of the Town and Country Planning Act 1990. It provides that if planning permission is granted and implemented, then payment or provision must be made in the form of a planning contribution. This can include the provision of affordable housing on site or a financial contribution in lieu. The legal agreement is entered into by the applicant, the Council and anyone else who has an interest in the land forming the application site. A Section 106 agreement is normally a more complex type of planning agreement than a Unilateral Undertaking.

Unilateral Undertaking (UU): is a simplified version of a S106 agreement and is entered into by the landowner and any other party with a legal interest in the development site, but not the Council

21. Annex 1 – Method for Calculating Contributions for Off-site Affordable Housing

- 21.1** This section sets out how financial contributions will be calculated for developments of 6 - 9 dwellings and for any other commuted sum in lieu of on-site affordable housing, including sums required in lieu of a part unit. 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%).
- 21.2** For sites that come forward with proposals of 10 or more dwellings, 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 below.

21.3 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.

21.4 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.

21.5 The following table is a general explanation of how RLV is broadly arrived at:

Table 1 – Residual Land Value

Gross Development Value (GDV) (value of completed scheme)²⁸
<i>Minus</i>
Costs (cost of realising the GDV including build costs, fees, finance, profit)
<i>Minus</i>
Other Costs e.g. planning obligations or CIL
<i>Equals</i>
Residual Land Value (RLV) (how much the site is worth)

²⁸ 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

21.6 The RLV of sites across Test Valley has been taken account of in the Affordable Housing Viability Update, 2012, Dixon Searle. This is a strategic approach which has informed the structure of Policy COM7 to assess the viability of sites in general within the threshold bands. The RLV informs the Residual Land Value Percentage used in the methodology.

21.7 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)

21.8 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.

21.9 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 2 on the next page:

Table 2: Calculating the equivalent off-site financial contribution for proposals of 6 – 9 dwellings for Policy COM7: Affordable Housing

$$(A \times B) + C = D$$

$$D \times E = F$$

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] %

20% Percentage affordable housing sought [E] (% in line with Policy COM7)

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

$£45,000 \times 0.15 = £6,750$ (C = [A x B] x 0.15) [0.15 equates to x 15%]

$£45,000 + £6,750 = £51,750$ (A x B) + C = D

$£51,750 \times 0.2 = £10,350$ D x E = F [x 0.2 equates to x 20%]

Total financial contribution sought = £10,350

21.10 The assumptions used in the above calculation are set out below in Table 3.

Table 3 – Assumptions

Gross Development Value (GDV) – see footnote 32 (A)

Residual Land Value Percentage²⁹ – 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%

Site acquisition and servicing costs – TVBC has assumed 15%³⁰ (C)

21.11 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.

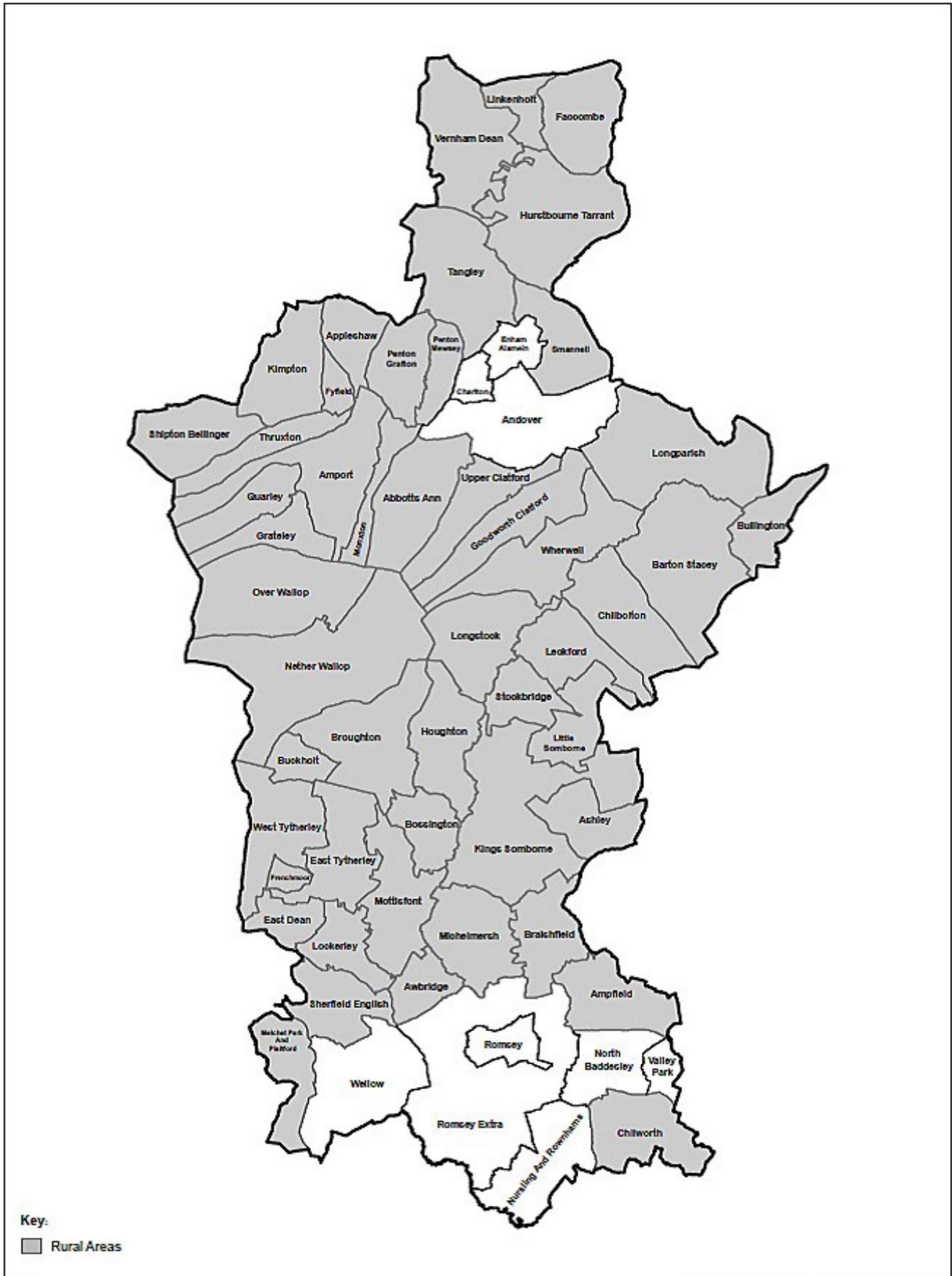
²⁹ Derived from the Calculation Methodology for Financial Contributions, 2016, Dixon Searle

³⁰ Derived from the Affordable Housing Viability Update, 2012, Dixon Searle

21.12 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.

21.13 In terms of determining the Gross Development Value (GDV), the Council uses data from Rightmove and other sources as appropriate.

22. Annex 2 – Designated Rural Areas Map



Key:
Rural Areas



Affordable Housing - Rural Designations

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Date: December 2014 | Scale: NTS | Drawn by: PPT (hg)



23. Annex 3 – Vacant Buildings Credit

Application of Vacant Buildings Credit

23.1 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.

23.2 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.

23.3 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.

23.4 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) Code of Measuring Practice³¹ 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.

23.5 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 council will scrutinise planning applications to ensure that sites are not artificially subdivided to avoid the site size thresholds in Policy COM7.

23.6 If the VBC is applicable to the proposed site, the amount of vacant floor space will inform the level of affordable housing contributions.

Worked Example

The Proposal

25 dwellings proposed @ 75m2
Total floorspace 1875m2
Existing building on site 200m2
Scheme should normally provide 40% affordable housing = 10 dwellings

VBC Calculation Using Floorspace

Proposed	1875m2
Existing	- 200m2
Net increase	1675m2
	x40% = 670m for affordable housing = 8.93 dwellings (670/75)

VBC Calculation Using Dwelling Numbers

200m2 existing
1875m2 proposed x100 = 10.67% credit
25 dwellings proposed x 40% affordable housing requirement = 10 affordable
10 affordable – 10.67% credit
= 10 – 1.067
= 8.93 affordable dwellings

³¹ www.rics.org/uk/ - 6th Edition or subsequent revision

SUMMARY OF REPRESENTATIONS ON:

- (1) DRAFT AFFORDABLE HOUSING SPD (JUNE 2019)
 (2) DRAFT AFFORDABLE HOUSING ADVICE NOTE (JUNE 2019)

TEST VALLEY BOROUGH COUNCIL

The table below shows the responses to the statutory consultation process, and the subsequent changes proposed. Items shown in green represent the sections of the document which have had more substantial changes made to them, either to reflect the consultee feedback, or to provide greater clarity and avoid duplication of information.

DRAFT AFFORDABLE HOUSING SPD

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
Section 2 – Legislative and Policy Context					
Section 2 Para 6	TVBC Housing Development Team		The reference to “10% of the affordable homes planned for the site “.... Is incorrect. NPPF refers to 10% of all homes	Delete word “affordable”	Section 2 Para 2.6 – “on major sites at least 10% of the homes planned on the site”
Section 2 Para 5 – brownfield land	Michael Knappett (Bryan Jezeph Consultancy)	Incomplete sentence.	See suggested amendment below.	See below.	
Section 2 Para 5 – brownfield land	Leckford Estate (c/o Turley)	Incomplete sentence. Suggest deleting “...providing that vacant” and insert “under the provisions for Vacant Building Credit.”	See suggested amendment below.	See below.	
Section 2 Para 5 – brownfield land	Hampshire Campaign to Protect Rural England	Missing text.	Finish the sentence to be consistent with paragraph 63 of the NPPF, and change “will” to “may”.	Paragraph 2(5) – To encourage re-use of brownfield land, any affordable housing contribution due may be off-set by the amount of existing gross floorspace, provided that vacant buildings are being reused or redeveloped.	Section 2 Para 2.5 -- To encourage re-use of brownfield land, any affordable housing contribution due may be off-set by the amount of existing gross floorspace, provided that vacant buildings are being reused or redeveloped.
Section 3 – How Affordable Housing is Delivered in Test Valley					
TVBC Housing	Askey	Reference to “...integrated and	Oxlease Meadows was an unusual	No change.	n/a

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
Services section in table		pepperpotted throughout the site..." does not seem to have been applied to the row of houses near the public car park at Oxlease Meadows, Romsey. I question whether TVBC is adhering to its own policy.	development whereby the market housing was large detached 4 and 5 bed houses. By contrast the affordable housing was a row of 5x 3-bed houses which better addressed local housing needs so there was somewhat of a contrast. On other developments, the design and integration of affordable housing is less of a contrast with market housing and in accordance with Policy COM7.		
Whole table	Hampshire Campaign to Protect Rural England	"Applicant" is used in ambiguous way as it refers to both housing applicants and planning applicants.	Agree.	In the TVBC and Planning Department rows of the table, refer to planning applicant. In the Help to Buy South row refer to housing applicant.	Section 3 – whole table – now reflects planning applicant and housing applicant
Section 4 – Housing Need in Test Valley					
Section 4 Para 2	TVBC Housing Development Team		Would be useful to update the housing register and HTB South stats	Updated figures to reflect needs data as at Feb 2020	Section 4 Para 4.2 now includes updated housing needs data.
Section 4 Paras 2 and 3 – households in need	Hampshire Campaign to Protect Rural England	The target of 200 affordable homes per year is not going to make sufficient impact on the number of households in housing need which is currently 2000. The totals on the housing register are increasing by 680 per year. The aim of the SPD should be to improve the rate of delivery of affordable housing.	The target of 200 AH per year is in the Housing Strategy 2016-19 (and the newly adopted Housing Strategy 2020-25). It is acknowledged that any affordable housing delivered in a year is insufficient to address total need in the SHMA or on the housing register, but it does emphasise priority housing needs by focusing on subsidised rented housing. PHIL Agreed – it is a realistic target and will be expressed as a minimum level of delivery in the future housing strategy 20-25.	No change	n/a

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
Section 4 Paras 5-6	TVBC Housing Development Team / Planning Policy Team		Detail regarding under-occupation and LHA is not relevant. It is not a policy matter, so no need to be included in the SPD.	Remove wording as appropriate	n/a
Section 5 – What is Affordable Housing?					
Whole section	Hampshire Campaign to Protect Rural England	The term affordable housing is too coarse. The SPD and the SHMA should recognise the affordable rent at 80% of market rent leads to housing that is unaffordable for many low income households. What is affordable should be based on lower quartile band average earnings in Test Valley.	The SHMA does analyse lower quartile house prices and earnings when assessing the quantum of local housing needs. The council receives Hampshire Home Choice surveys and RPs undertake their own affordability assessments for prospective tenants. Affordable rent is the starting point for securing subsidised rent accommodation but social rent is preferred for 3 and 4 bed houses so that households are more able to afford the rent.	No change.	n/a
Whole section	TVBC Housing Development team		Need to introduce paragraph referring to new tenures introduced by government to allow scope for changes	New para introduced	Section 5 Para 5.2 – “From time to time the government introduces new affordable home ownership initiatives and the products that can be considered at the time of application may differ from those specified in this document. Any new initiatives will be given due consideration subject to the existence of detailed planning guidance and subject to the product being genuinely affordable to those with a local housing need.”
Section 5 Para 6	Aster Development	If rent levels must not exceed the	Rent levels being capped to LHA in	We have subsequently reviewed	Section 5 Para 5.6 – “Affordable

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
& 7 – rent levels and LHA		<p>local housing allowance (LHA) in perpetuity in a S106 agreement, this would prevent Aster from developing new homes in Test Valley. RPs are best placed to monitor and control rents – a blanket cap in perpetuity ties the RP's hands in the long term. Aster normally caps affordable rents at LHA on first let then we assume rents will inflate in line with government policy on rent increases, but the TVBC position does not allow to do this.</p> <p>We have calculated figures based on no increase in rents to show what negative impact it has and are willing to share this with TVBC.</p> <p>The rent capping clause in the S106 is unlikely to be monitored or enforceable.</p> <p>This renders Aster offers on new developments uncompetitive and we will not work in local authorities where the affordable rent is capped in perpetuity, despite Aster being the LSVT in Test Valley.</p>	perpetuity is very established and most RPs and councils operate with this. It provides consistency for all RPs and ensures that rents are affordable for households.	this position and agreed to remove reference to “in perpetuity” for the reasons stated by Aster.	Rents 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.”
Section 5 Para 11 – Starter Homes	Askey	It is commendable that TVBC is trying to ensure “discounted” homes are available to young people aged 23-40 but capping the dispersal price will trap young families in homes too small for a family. Young families need some	The starter homes product has been introduced by the Housing and Planning Act 2016 and will be clarified in secondary legislation. At this time, it is not a relevant housing solution to meet housing needs in Test Valley.	Starter Homes have not been progressed. A reference to Starter Homes (with their criteria being set by government, not TVBC) will remain in the document, but the position will remain that TVBC will not be	Section 5 Now Para 5.10 “The principle of Starter Homes was introduced through the Housing & Planing Act 2016 and Starter Homes have been included in the definition of Affordable Housing in the National Planning

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
		profit from their starter home in order to afford a large home.		negotiating Starter Homes due to lack of national guidance and change of government direction around this type of tenure.	Policy Framework. Secondary legislation remains outstanding and the government no longer has a dedicated budget for the delivery of Starter Homes. This tenure is not, therefore, currently supported by the Council. It is neither a local nor national priority for delivery.”
Section 5 Para 12 – Discount Market Sales Homes	Landspeed Homes	Whilst discount market sales homes (DMS) are included in the NPPF affordable housing definition, we believe that DMS does not offer affordable home ownership. DMS are normally sold by the developer with abbreviated nominations and qualifications which are problematic upon resale.	Discount market sale homes have been referred to in some Section 106 agreements and delivered as affordable housing as they meet local housing needs.	No change.	n/a (Now Section 5 para 5.11)
Section 5 Para 12 – Discount Market Sales Homes	Leckford Estates (c/o Turley)	“Local market levels” should be defined as there are differences in the housing markets in northern and southern Test Valley also between urban and rural areas. How often will advice on local market levels be published?	Relevant property websites are used to look at prices of similar properties in the local area compared to the property being considered for a DMS tenure. There is no need to publish this information as it is publicly available and properties are considered on a case by case basis.	Include new 2 nd sentence	Section 5 Now Para 5.11 – “.....These homes must be genuinely affordable to local people, based on incomes and house prices. Proposed sales values will be assessed against similar properties in the local area.”
Section 5 Para 14	TVBC Housing Development Team		Need to remove reference to Zone Agent – outdated terminology	Removed reference to Zone Agent	Section 5 now Para 5.13 – “Eligible households for first and future purchasers of Discount Market Sales homes must be registered and eligible to be on the Help to Buy Agent’s register, or any successor organisation, being the register of low cost home ownership need.”

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
Section 5 Paras 17 – 19 – Private Intermediate Rented Homes eg. Rent Plus	Rentplus UK Ltd (c/o Tetlow King Planning)	<p>The representation provides extensive background to the Rentplus model which falls within the “rent to buy” product in the NPPF definition of affordable housing <i>d) Other affordable routes to home ownership</i>. There is reference to a Housing Minister speech and a letter about Rent to Buy and the Affordable Housing Commission’s report “Defining and Measuring Housing Affordability – an Alternative Approach” (June 2019).</p> <p>The SPD has references to intermediate tenures but this definition has been superseded and no longer appears in the NPPF definition of affordable housing except that Rent to Buy will involve a period of intermediate rent. Rent to Buy should be referred to as a stand alone tenure in line with “other affordable routes to home ownership”. We welcome reference in the SPD of Rentplus which is based on the model of Rent to Buy but should be acknowledged separately from other tenures.</p>	“Private intermediate rented” is not referred to in the NPPF. Build to Rent is in paragraph (a) of the NPPF affordable housing definition but Rent to Buy (like Rentplus UK) is in paragraph (d).	<p>Delete references to “private intermediate rented”.</p> <p>List different tenures in more logical order.</p>	Section 5 Para 5.16 Rent to Buy – “Subsidised rented homes can be provided by private sector housing or by Affordable Housing Providers, including Rent to Buy. Such homes should be made available in a form which is equivalent to Affordable Rented homes provided by Affordable Housing Providers in terms of affordability. The monthly rent is capped at 80% of market rents or the Local Housing Allowance, whichever is the lowest Households must earn less than £80,000 a year and an affordability check will be carried out to ensure that the applicant can afford the rent from the start and can realistically purchase a share in the property in the future”
Section 5 Paras 18 & 19 – private intermediate rent	Trustees of the Barker Mill Estates (c/o Turley)	We welcome acknowledgement of the role of affordable private rented homes.	Noted.	No change.	n/a (Section 5 para 5.16) as above. Build to Rent is now detailed in para 5.9.
Section 5 Para 19 – private intermediate	Leckford Estates (c/o Turley)	“Schemes proposing private intermediate rent may be supported by the council.” “May”	The NPPF does not refer to “private intermediate rent” but does refer to “Affordable Private Rent” under	<p>No change.</p> <p>See related changes above in</p>	As above.

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
rent		should be replaced by “will” as the NPPF is clear that private rented accommodation falls within the definition of Affordable Housing.	<p>section a) Affordable Housing for Rent. Intermediate rent is in section d) Other Affordable Routes to Home Ownership when referring to rent to buy.</p> <p>Even though the terminologies are included in the NPPF affordable housing definition, councils are not bound to include them all – an applicant must demonstrate that the tenure or housing product is affordable to those in local housing need, and hence relevant in Test Valley.</p>	response to Rentplus UK.	
Section 5 Para 21 – shared ownership rent level	Aster Development	This refers to rent being charged on the unsold equity not exceeding 2.5% but page 6 of the Advice Note refers to no more than 2.5%. The normal standard is 2.75%.	Agreed.	amend “2.5%” to read “2.75%”.	Section 5 now Para 5.18 – “.... Rent will then be charged upon the unsold equity and shall not exceed 2.75% of the value as specified by Homes England. “
Section 5 Paras 24 & 25 – shared equity	Landspeed Homes	<p>The definition of shared equity is too concise and should be expanded to read:</p> <ul style="list-style-type: none"> Shared equity enables an eligible purchaser to purchase an equity share in their home via a conventional mortgage. The equity share shall always be equal to the level set on the initial disposal (or such subsequent value following staircasing where the staircased interest is less than 100% of the open market value of the home) at any given time and its monetary value may therefore 	Paragraph 24 provides a useful summary of the shared equity product and it is not necessary to expand any further.	No change.	Section 5 Para 5.21-5.23 – (wording is sufficient to cover main points)

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
		<p>increase or decrease in accordance with fluctuations in the open market value.</p> <ul style="list-style-type: none"> The mechanism for delivery will be secured through the S106. A shared equity unit for sale shall be sold to a person or persons who are unable to afford market housing. The initial equity share shall be sold at up to a maximum 75% of the open market value. The approved body shall retain a beneficial interest in the unsold share which shall be secured by a legal charge thereon to protect the discount. Subsequent sales (resales) will seek initially to secure purchasers with a local connection (or such arrangements that accord with the specific provisions of the S106) and will be retained as affordable housing. Unless a purchaser has staircased to 100%, then the affordable housing provider will continue to retain a mortgage or charge on the property for the remaining equity and there is no rent or interest charged on this share. Purchasers are fully entitled to staircase to 100% 	<p>Disagree. The 25% equity charge should be retained by the AHP to ensure the dwelling remains affordable, and would not be transferred to the new purchaser. The equity loan (eg. 75%) would be transferred to the new purchaser who would be a Qualifying Person nominated by Housing. However, an amendment is required.</p> <p>Agree. There is a similar sentence in the Share Ownership section at paragraph 5(22).</p>	<p>Paragraph 5(25) - Upon resale if the purchaser has not staircased to 100% ownership, the equity loan is repaid to the Affordable Housing Provider new purchaser in relation to the percentage share retained.</p>	<p>Section 5 Para 5.22 - . "Upon resale, if the purchaser has not staircased to 100% ownership, the equity loan is paid to the new purchaser in relation to the percentage share retained. For instance, if 75% share purchased and 25% equity charge to the Affordable Housing Providers, 25% of the resale value at the time of the sale, would be payable to the Affordable Housing Provider to maintain the equity charge"</p>

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
		<p>ownership.</p> <p>Para 25 is incorrect? The equity loan should be transferred to the new purchaser, not the affordable housing provider. It should be amended to read:</p> <p>Upon resale, if the purchaser has not staircased to 100% ownership, the equity charge held by the affordable housing provider in relation to the percentage share retained is transferred to the new purchaser. For instance, if share purchased upon resale is 75% then the 25% equity charge, held by the affordable housing provider, will be transferred to the new purchaser by way of mortgage or legal charge to continue to protect the discount and ensure that the shared equity unit remains affordable until such time as an owner/purchaser has staircased to 100% ownership at which point the approved housing provider shall discharge the equity charge held and all previous related restrictions will cease.</p> <p>An additional point to include is that nominations are via Help to Buy South or its successor as the zone agent (as stated in the definition of shared ownership).</p>		<p>At the end of paragraph add “Nominations are via Help to Buy South or its successor as the Zone Agent.” Now 5.23</p>	<p>Section 5 Para 5.23 – “Nominations are via the Help to Buy Agent or its successor...”</p>
Section 5 Paras	TVBC Housing		These are types of affordable	Split these out from tenures	Section 5 Para 5.24-5.39 Listed as

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
26-44	Development Team		housing to meet specific customer needs, not tenures as set out in the NPPF. Need to list them separately so as not to confuse them with tenures. Also there is no need to repeat legislation around self/custom build.		forms of housing rather than tenures.
Section 5 Para 27 – Specialist and age-targeted housing	Leckford Estates (c/o Turley)	Delete paragraph 27. Reference to such accommodation generally falling within Use Class C3 is over-simplified and the subsequent bullet points are unduly prescriptive.	Disagree. TVBC recognises that some age-targeted accommodation can be a hybrid of Use Class C2 and C3, but paragraph 27 is attempting to clarify proposals which clearly fall within C3 and hence would be subject to an affordable housing provision.	No change.	Now Section 5 Para 5.25
Section 5 Para 29 – Retirement Dwellings	Askey	Reference is made to retirement housing needing to contribute to affordable housing – the council should negotiate prudently to obtain generous contributions off-site.	Annex 1 of the SPD refers to the method for calculating financial contributions in lieu of on-site affordable housing. This has been used at various times, including for older persons' accommodation, to ensure a realistic commuted sum is generated.	No change to text, but moved to different section for clarity.	Now Section 6 Para 6.11
Section 5 Para 31 – extra care housing	Hampshire Campaign to Protect Rural England	“To meet the growing needs of an older population...” Is the population growing or the average needs of individuals that is growing? Suggest replacing it with “To meet the needs of a growing older population...”	Suggest an amendment to clarify.	Amend to “To meet the needs of an increasing proportion of older people...”	Section 5 Para 5.27 – “To meet the needs of an increasing proportion of older people within the local population, and to provide a choice of care for those with particular care requirements, Extra Care housing schemes can provide an appropriate way of meeting those requirements in schemes that meet a range of different levels of need.”
Section 5 Para 35 – exceptional	Hampshire Campaign to Protect Rural	It states that Policy COM7 seeks on-site provision except in exceptional	The policy does not mention exceptional circumstances. The	Text to be moved to the Policy COM7 section for clarity. Need	Now Section 7 Para 7.1

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circumstances	England	circumstances, but the policy makes no mention of exceptional circumstances. It should.	Revised Local Plan supporting text para 5.105 did refer to “The preferred option is for provision to be made on-site. In some circumstances the Council will consider an equivalent off site contribution where justified.” However this text was deleted in the COM7 Planning Advice Note (July 2016). Nevertheless, the new AH SPD clarifies the position that affordable housing should be provided on-site unless it falls within one of the financial contribution categories or if exceptional circumstances justify it.	to remove reference to “extra care housing” at the end of the sentence as this applies to all developments, not just extra care. Wording to otherwise remain as existing.	
Section 5 Paras 38-40 – self build and custom build	Michael Knappett (Bryan Jezeph Consultancy)	It is not clear how self-build or custom build plots could be considered a form affordable housing, after allowing for plot acquisition costs, build costs and financing.	<p>In paragraph 61 of the NPPF, footnote 26 suggests that self and custom build properties could provide market or affordable housing. But the appeal decision dated 12 November 2019 for land at Oakcutts, Stockbridge was dismissed and paragraph 12 says “Furthermore, self-building ...has little bearing on whether a dwelling can or cannot be considered to constitute affordable housing.”</p> <p>PHIL - I would be minded to delete this section altogether (paras 5 (38 – 44). Surely there would be no AHP appetite for self build?</p> <p>Any self/custom build proposals for a site over AH policy thresholds would still be expected to deliver</p>	Include a section on self/custom build to specify AH requirements where policy threshold is triggered. To be included within Policy COM7 section. Also include a section on what self/custom build is, in the list of different types of housing.	<p>Section 6 Para 6.6 (policy position) “A proposal for self build or custom build housing, whether on its own or as part of a larger traditional housing scheme, will be required to provide a proportion of affordable housing and to comply with Policy COM7. Self build or custom build housing may be considered as affordable housing if it is demonstrated that local open market house prices and rents are unaffordable.</p> <p>Section 5 Para 5.38 - Where self build plots are considered feasible for affordable housing, planning obligations in a Section 106 agreement will control occupancy, re-sale and maximum sale or rent prices that can be charged. Where</p>

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			AH – either on site or through financial contribution.		self build housing is not feasible for affordable housing, a commuted sum in lieu of on-site affordable housing will be secured in accordance with method outlined in Annex 1.”	
Section 6 – When is Affordable Housing Required On-site?					Test Valley Borough Council - Cabinet - 15 July 2020	
Section 6 Para 1 – Policy COM7	Michael Knappett (Bryan Jezeph Consultancy)	The contents page should make it clear that there is an original version of Policy COM7 (page 13) and a revised version on page 14.	Agree.	Remove old policies as these make the document very confusing to read.		Contents page amended as appropriate. Now only includes new proposed policy position.
Section 6 – whole section	TVBC Housing Development Team / Planning Policy Team		We recommend removing the previous versions of COM7 in light of the fact that there has been a further amendment in the NPPF since the consultation took place, which would require 3 different versions to be shown. Consultation feedback indicated some confusion with 2 versions.	Remove old versions of COM7 to avoid confusion.		Section 6 Paras 6.1-6.2 – Policy COM7 wording now updated to reflect NPPF changes
Section 6 Paras 1 to 7 – Policy COM7 old and revised	Leckford Estates (c/o Turley)	The revised wording to Policy COM7 to take account of national policy guidance and the small sites exemption, at paragraph 7, is welcomed. However, there is no evidence in the SPD to demonstrate a case for seeking financial contributions on smaller sites and therefore no affordable housing should be sought from schemes of 10 dwellings or less.	Policy COM7 does not seek affordable housing from sites of 10 dwellings or less in non-designated rural areas. NPPF paragraph 63 says that in designated rural areas, affordable housing can be sought from site thresholds below that of 10 dwellings in the “major development” definition. It suggests that the site threshold could be 5 dwellings or fewer, above which affordable housing can be sought. So Policy COM7 includes a section	Need to address recent NPPF changes.		Section 6 Paras 6.1-6.2 Policy COM7 wording now updated to reflect NPPF changes

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			<p>for sites of 6-9 dwellings.</p> <p>The policy is also in accordance with PPG “Planning Obligations” paragraph 023 which says that in designated rural areas, local planning authorities may instead choose to set their own lower threshold in plans and seek affordable housing contributions from developments above that threshold.</p> <p>Financial contributions in lieu of on-site affordable housing have been secured on sites of less than 10 dwellings at Crofton, Awbridge; Hyde Farm, Broughton; and Home Farm, Wellow.</p>		
Section 6 Para 2 – housing in rural areas	Hampshire Campaign to Protect Rural England	This should refer to the latest NPPG para 023 which states that councils can set their own threshold in rural areas. We believe that rural sites accommodating 3 or more dwellings would be compatible with the TVBC aim of 34% affordable (200 out of 588). There is no need for the proportion of affordable housing to be reduced with development size in rural areas.	At present Policy COM7 does not seek affordable housing or a financial contribution on sites of 5 or less dwellings, and any change to the policy will be done through a review of the local plan.	No change.	n/a
Section 6 Para 7 – Revised wording of Policy COM7	Michael Knappett (Bryan Jezeph Consultancy)	1000sqm threshold – this was deleted from the NPPG in March 2019 and Policy COM7 is in conflict with national guidance.	The 1000m ² threshold in the NPPF and PPG “Planning Obligations” only refers to non-residential proposals, and such government guidance carries more weight than the local plan policy.	Need to update wording to reflect NPPF changes.	Section 6 Paras 6.1-6.2 Policy COM7 wording now updated to reflect NPPF changes

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		<p>0.5ha threshold – this is contrary to para 63 of the NPPF and “major development” definition, and Policy COM7 should be amended.</p> <p>Should footnote 14 refer to Annex 3, not Annex 8?</p>	<p>LEGAL – can “1000m2 etc” be striked out of Policy COM7 in the SPD?</p> <p>Disagree. Both the NPPF “major development” definition and PPG “Planning Obligations” paragraph 023 refer to a site area threshold of 0.5ha.</p> <p>Agreed.</p>	<p>Amend footnote 14 to refer to Annex 3 (Designated Rural Areas Map).</p>	<p>Now Annex 2</p>
Section 6 Para 7 – Revised wording of Policy COM7	Landspeed Homes	With regard to the bullets on “10 dwellings...” and “6-9 dwellings...” they should also allow for on-site provision of affordable housing if this is viable and can be delivered by an affordable housing provider. This would allow both options to be considered (financial contribution or on-site provision).	Affordable housing has been successfully delivered on a site of 10 dwellings or less at Kents Orchard. Policy COM7 refers to a financial contribution equivalent to up to 20% of dwellings to be affordable, but this does not preclude on-site provision if this is viable and feasible.	No change.	n/a (para 6.2 – policy COM7 wording)
Section 6 Para 7 – Revised wording of Policy COM7	Hampshire Campaign to Protect Rural England	Affordable housing in rural areas should not be replaced with a financial contribution. Affordable housing is needed in a particular	Affordable housing has been successfully delivered on a site of 10 dwellings or less at Kents Orchard. Policy COM7 refers to a financial	No change	n/a (para 6.2 Policy COM7 wording)

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		rural community to provide local accommodation for those in need and Policy COM7 should be revised.	contribution equivalent to up to 20% of dwellings to be affordable, but this does not preclude on-site provision if this is viable and feasible.		
Section 6 Paras 10 & 13 – legal agreements	Michael Knappett (Bryan Jezeph Consultancy)	Some paragraph numbering is wrong. Need clarity that both S106 and unilateral undertakings can secure affordable housing, not just legal agreements.	Agree. A legal agreement or unilateral undertaking are both pursuant to Section 106 of the Town and Country Planning Act 1990. Both are relevant to securing the delivery of affordable housing, as paragraph 6 (10) refers.	Amend as necessary. No change.	Numbering corrected. Section 6 para 6.7” As stated in Policy COM7, the Council will seek to secure affordable housing, or a financial contribution for off-site provision, via a S106 agreement or a Unilateral Undertaking (UU).” Section 6 para 6.10 “The precise mix and tenure for provision on site will be specified in the S106 agreement or UU”. Definitions of S106 and UU also in Glossary
Section 6 Para 15 – starting point to secure affordable housing	Leckford Estates (c/o Turley)	Reference to the 3 rd bullet – 70% affordable or social rented housing. Later in the SPD at Section 9, paragraph 2 there is reference to two thirds, so the council’s starting point should be 67% not 70%.	The reference to “two thirds” in Section 9, paragraph 2 is to the district totals in the SHMA table for affordable rent + social rent = 66.3%. The following paragraph 3 then says a tenure split of “...70% social/affordable rent is a starting point in negotiating...”. 70% is a rounded figure and used in negotiations.	No change to text, but move to more logical place.	Now Section 6 para 6.8

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Section 6 Para 15 – starting point to secure affordable housing	Trustees of the Barker Mill Estates (c/o Turley)	We welcome the starting points for negotiation but suggest that the target of 70% social rented should be replaced with “a predominance of social rented” to provide greater flexibility.	The 3 rd bullet refers to “at least 70% affordable or social rented housing” and not just social. TVBC is considering options for tenure splits for the rented element (affordable rent/social rent).	No change but move to more local place.	Now section 6 para 6.8
Section 6 Paras 24 and 25 – sub-division of sites	Trustees of the Barker Mill Estates (c/o Turley)	These need further explanation as it is not clear how this can be achieved and does not provide sufficient certainty.	Paragraphs 24 and 25 are considered to sufficiently highlight issues of sub-division of sites to circumvent the affordable housing threshold, which should be avoided.	No change.	Now Section 6 paras 6.21 and 6.22
Section 7 – Rural Affordable Housing – NOW SECTION 8					
Section 7 Para 7.5	TVBC Housing Development Team	.	HARAH no longer in operation, so wording needs to be changed to reflect new arrangements	Updated wording to reflect new arrangements	Now Section 8 – Para 8.7 – “To deliver rural exception affordable housing sites, the Council works in partnership with other organisations and partnerships as appropriate.”
Section 7 Para 8 – rural exception sites	Leckford Estates (c/o Turley)	We welcome the recognition that a proportion of market homes may be allowed to enable the delivery of affordable homes without grant funding.	Noted.	No change to text.	Now Section 8 Para 8.9
Section 7 Para 8 – rural exception sites	Hampshire Campaign to Protect Rural England	It states that a proportion of market housing could be allowed on rural exception sites but doesn’t state what an acceptable proportion could be. It should be very low because otherwise (1) landowners will increase the asking price of land; (2) it would be contrary to the “overarching objective to provide affordable homes to meet local needs” in section 8, paragraph 5; (3) it would raise concerns in the local community about the main purpose	Noted. Having a fixed proportion of market housing would be inappropriate as each development would be considered on its merits. Only if necessary, could a small proportion of market homes be considered to enable the delivery of affordable housing in a rural area.	No change.	Now Section 8 Para 8.9

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		of the development being to provide homes for those in housing need.			
Section 7 Para 14 – shared ownership equity share restriction to 80% in DPAs	Aster Development	The requirement for restricted staircasing in DPAs creates problems with mortgage availability and hence sales. DPAs are a statutory instrument and a requirement for us when obtaining grant funding.	Noted. The Housing (Right to Enfranchisement) (Designated Protected Areas) (England) Order 2009 designates protected areas in many Test Valley parishes. Affordable housing providers are therefore required, amongst other matters, to include in their shared ownership leases (1) a maximum 80% equity share and (2) a buy-back clause to the AHP if equity share is 100%. However, there needs to be further clarification on whether or not the restrictions can be applied if the S106 does not specify it.	Need to amend wording to allow for some flexibility in light of the lack of definitive guidance.	Section 8 Para 8.6"Some Shared ownership homes may be restricted to 80% ownership by the purchaser unless the Affordable Housing Provider has included the rural buy back clause in the lease."
Section 9 – Tenure and Mix of Affordable Housing NOW SECTION 10					
Section 9 – WHOLE SECTION	TVBC Housing Development Team		This section is now quite different from the original consultation version, but all of the detail is covered in relevant sections to make it a more logical read. However, we did remove some of the detail in response to consultation feedback so as to enable more flexibility to be applied on a site by site basis.		Now Section 10
Section 9 Para 1 – tenure split	Hampshire Campaign to Protect Rural England	We support the tenure breakdown needed in the affordable housing provision.	Noted.	No change to proposals	Now Section 10 Para 10.3
Section 9 Para 1	TVBC Housing Development team		Need to allow for changes in need as a result of any future SHMA during the lifetime of the SPD	Include additional sentence to futureproof	Section 10 Para 10.1 –“ The estimated level of Housing Need (per annum) identified in the Strategic Housing Market

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					Assessment (SHMA) (2014) by type of affordable housing is shown in the table below. 1f this is superseded by a subsequent SHMA or other assessment of local housing need, the latest figures will be relevant”
Section 9 Para 9 – dwelling mix	Leckford Estates (c/o Turley)	It is not an appropriate policy approach to require a mix of dwelling styles, type and size and a mixture of flats and houses on each site. On smaller sites this could compromise viability. Meeting identified housing needs should be district-wide and there should be flexibility within individual sites based on local needs.	Not all sites will be able to provide the full range of dwelling types as this will depend on site size, layout and other planning considerations. Did consider adding a table showing potential scenarios for for guidance, but decided not to include as it could be too prescriptive.	Review wording to ensure there can be some flexibility	Now covered under Section 10 Para 10.4 and Section 11 – Prior Consultation.
Section 9 Para 15 – dwelling types	Leckford Estates (c/o Turley)	Re. no more than 40% of the affordable homes should be flats. It is not an appropriate policy approach to require a mix of dwelling styles, type and size and a mixture of flats and houses on each site. On smaller sites this could compromise viability. Meeting identified housing needs should be district-wide and there should be flexibility within individual sites based on local needs.	Noted. The 40% limit on flats would be applied flexibility and be subject to site size, layout and other planning considerations.	Review wording to ensure there can be some flexibility	As above
Section 9 Para 19 – discount market homes	Michael Knappett (Bryan Jezeph Consultancy)	There is no explanation why discount market homes will only be considered on large developments of over 100 dwellings.	We should retain some flexibility to allow Discount Market Homes on smaller sites.	We have now agreed to remove that reference to sites of over 100 dwellings to enable more flexibility. There may be circumstances on a smaller site with viability issues where we	Section 5 paras 5.11 and 5.12 – no longer any reference to sites over 100 dwellings.

¹ Source: Figure 7.24, page 106, TVBC SHMA 2014

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				may wish to negotiate discount market homes instead of having to accept less units or a financial contribution.	
Section 9 Para 19 – discount market homes	Leckford Estates (c/o Turley)	This paragraph should be deleted as no reason is given for this approach of over 100 affordable homes.	As above.	As above.	As above
Section 9 Para 19 – discount market housing	Southern Planning Practice	Discount market homes should be considered on all development sites. The NPPF encourages small and medium housebuilders who do not benefit from economies of scale and where margins of profitability are less. Allowing discount market housing on smaller sites would ensure that affordable housing is less onerous.	As above.	As above.	As above
Section 9 – Prior Consultation NOW SECTION 11				NEW SECTION ADDED WHICH NOW CONDENSES THE INFORMATION THAT WAS IN THE SEPARATE ADVICE NOTE	
Section 10 – Development Viability NOW SECTION 13					
Whole section	TVBC Housing Development Team		This section is now quite different from the original consultation version, but has been condensed, with all relevant information still included. The only consultation response received was with regards to supporting the requirement for viability assessments to be made publicly available. That reference remains.		Now Section 13
Whole section	Hampshire Campaign to Protect Rural England	This section fails to reflect PPG which states that the role of viability assessment is primarily at the plan	PPG “Viability” paragraph 006 says that where up-to-date policies have set out the contributions expected	No change to policy approach	Now Section 13 Paras 13.1-13.14

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		making stage. Developers have ample opportunity to debate the affordable housing percentage at various stages of the local plan process. Poor decisions made concerning the price paid for land should not deprive the district of much needed affordable homes.	<p>from development, planning applications that fully comply with them should be assumed to be viable. So the emphasis is indeed on plan making but the PPG also makes references to viability assessments for planning applications, should that be necessary.</p> <p>PPG “Viability” paragraph 002 states that the (excessive) price paid for land is not a relevant justification for failing to accord with relevant local plan policies.</p> <p>The Dixon Searle Affordable Housing Viability Update (2012) informed the commuted sum calculation at Annex 1 of the SPD and also Policy COM7 also. Therefore the expectation is that developments should be viable in normal market conditions unless there are exceptional site specific costs.</p>		
Section 10 Para 8 – circumstances for a viability assessment	Leckford Estates (c/o Turley)	The approach is too rigid as there will be circumstances where an alternative tenure split or an off-site contribution will be justified outside of viability considerations.	The 2 nd bullet refers to departing from the 30% intermediate/70% rent <i>where this has not been agreed for other reasons</i> . If this was stated in paragraph 10(8) it would address non-viability scenarios.	In the 2 nd bullet, move the phrase “where this has not been agreed for other reasons” to a more appropriate place.	Section 13 Para 13.8 –“ There may be circumstances where the costs of developing a site may affect its value. Where this has not been agreed for other reasons , the Council expects a viability assessment to be submitted with a planning application in the following circumstances”
Section 10 Para 9 – costs and values in a	Leckford Estates (c/o Turley)	At the time of submitting a planning application, actual costs and values will not be available.	PPG “Viability” refers to benchmark land value and existing use value for the purpose of viability	Viability section reviewed, but no change to policy approach.	Section 13.

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viability assessment			assessments. Even if actual costs are not known for a planning application, it is important that the most up-to-date and relevant costs are used to determine viability.		
Section 10 Para 13 – viability appraisal information	Rentplus UK Ltd (c/o Tetlow King Planning)	<p>6th bullet – reference is made to Rentplus and Rent to Buy but it is the same model.</p> <p>6th bullet – “...assumed to be sold...after a period of 5 years...” This should be amended as not all households will be able to afford to purchase after 5 years. Rentplus offer tenants an agreed route to ownership taking into account their financial situation.</p>	<p>The NPPF affordable housing definition refers to “rent to buy” not rent plus. Rent Plus UK is one of a number of commercial operators which deliver a rent to buy product.</p> <p>The rent to buy model normally has a planned route to ownership after periods of 5, 10, 15 or 20 years after first occupation. An appropriate amendment is suggested.</p>	<p>Delete reference to “Rent Plus” throughout the SPD.</p> <p>Paragraph 10(13), 6th bullet – “...assumed to be sold on a shared ownership basis after a period of 5 years or later period to be agreed...”</p>	Deleted reference to Rent Plus throughout the document
Section 10 Para 21 – viability review and surplus profit	Leckford Estates (c/o Turley)	The basis for the proposed profit split of 60% to the developer and 40% to the council is not specified and is unjustified. The principle of viability review is agreed but the mechanism for dealing with profit uplift requires clarification.	<p>Some clarity on the 60/40 split would be useful. What was agreed in previous reviews? Would 50/50 be a good approach?</p> <p>See also PPG “Viability” para 009 about review mechanisms being necessary to strengthen a LA’s ability to seek compliance with relevant policies over the lifetime of the project (rather than a tool to protect a return to the developer).</p>	Wording has been changed to be more flexible – see para 13.13	Section 13 Para 13.14 “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 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

ANNEX 2

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			PHIL		the returns necessary for the scheme to be deemed viable, a review will apply.”
Section 10 Para 23 – marginal or negative viability	Leckford Estates (c/o Turley)	The paragraph suggests that the council will not support proposals which have marginal or negative viability. No justification is given for this approach which is inconsistent with national policy guidance. Not all development proposals are pursued for financial profit.	It is highly unlikely that a development would proceed if it was not financially viable. However, where viability is marginal, the assessment should scrutinise all viability inputs to ensure that affordable housing provision and other planning obligations are feasible and deliverable.	Viability section reviewed, but no change to policy approach.	See new Section 13.
Section 10 Para 31 – disclosure of viability assessments	Leckford Estates (c/o Turley)	This refers to viability appraisals generally being published. Reviews of viability assessments undertaken by or on behalf of the council should be subject to the same transparency requirements as the viability appraisals themselves, and published.	Agree. The NPPF (para 57) requires viability assessments to be made publicly available.	Reflect requirements of NPPF	Section 13 Para 13.10 – “As set out in the NPPF (para 57), all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available unless there is clear justification for it to remain confidential. “
Section 11 – Grant Funding NOW SECTION 16					
Section 11 Para 11.1 – Introduce reference to nil subsidy being the starting point. TVBC Housing Development Team Section 11 Para 11.4 – as above				Added reference to nil subsidy	Section 16 Para 16.1 – “The starting point for delivery of affordable housing should be on a nil subsidy basis. The Homes England Affordable Housing Programme can, however, provide grant funding to Affordable Housing Providers to develop affordable homes in certain circumstances” .

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Section 11 Para 11.7 – remove reference to Grants Policy in Annex 2. TVBC Housing Development Team				Remove reference and remove Annex 2 from document. Grants Policy needs to be reviewed and updated. If we include it as part of the SPD it could become out of date, so recommend that it is kept as a separate document, with a link to the webpage where the policy can be found. This enables the council to update the policy without the need to wait for the whole SPD to be updated. Grant cannot be exclusively reserved for AHP's who are already active in the borough, so reference to that needs to be updated.	Section 16 Para 16.1 – 16.5
Section 12 – Vacant Building Credit. NOW SECTION 9, WITH DETAIL PROVIDED AS ANNEX 3					
Section 12 Para 3 – criteria for applying VBC	Leckford Estates (c/o Turley)	The requirement to demonstrate that every reasonable attempt has been made to secure an occupier for a minimum period of 6 months has no basis in national policy – buildings may simply have become obsolete from their original use.	This criterion is considered reasonable in order to ensure that a building has not been made vacant for the sole purposes of redevelopment. Six months of marketing is realistic and would also be used when assessing the potential loss of employment sites under Policy LE10 or the potential	No change to detail. Include detail as Annex rather than in main body of document.	See Annex 3

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			loss of community facilities under Policy COM14.		
Section 12 Para 6 – vacant building credit	Michael Knappett (Bryan Jezeph Consultancy)	Which NPPG threshold is being referred to?	This should be reference to the site size thresholds in Policy COM7, in order to avoid artificial subdivision of sites and circumvention of the affordable housing requirement.	Separate Annex to address detail	Annex 3 Para 23.5 – “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 council will scrutinise planning applications to ensure that sites are not artificially subdivided to avoid the site size thresholds in Policy COM7.”
Section 13 – Layout and Design NOW SECTION 12					
Whole section	Hampshire Campaign to Protect Rural England	Layout - in order to facilitate rural exception sites, the SPD should take a relaxed view about road access – insisting on 5.4m wide road plus pavements and visibility splays rules out many potential sites with restricted access or close to town centres. Meeting normal road widths and layouts could be out of character with the rest of the village and unnecessary for small developments.	Rural exception sites should meet the Hampshire County Council Highway requirements as with any other development. Normal planning considerations would be taken into account including “being in keeping with the character of the area” particularly in conservation areas. The local plan does not have a policy about energy efficiency but this will be addressed in its review. Part L of the Building Regulations needs to be complied with and is regularly updated in terms of the	No change to approach.	Now Section 12

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		Design – the SPD should emphasise the need for high thermal efficiency in affordable housing. A good example is the Stirling Prize-winning Goldsmith Street scheme which uses Passivhaus technology – low heating costs are a large part of making housing affordable for low income households.	conservation of fuel and power in new dwellings. Some affordable housing providers build to the former Code for Sustainable Homes Level 4 and above, using Passivhaus technology or similar.		
Section 13 Paras 2, 3 and 4 – clustering and phasing	Ashfield Partnership (c/o WYG)	We welcome the flexibility to negotiate the final affordable housing mix. We also agree that affordable homes should be indistinguishable from market housing and that concentrations of affordable homes of the same tenure or size should be avoided. It is positive that the council recognises that some grouping of affordable homes will have practical construction and management benefits but the rigidity of “clusters of no more than 10” without any caveat about further discussion and agreement, is unreasonable. The figure appears arbitrary and could hinder the ability of a developer to achieve a well-planned and designed scheme especially on larger sites such as Whitenap (local plan allocation for 1300 dwellings).	Support is noted. A range of 10-20 dwellings in a cluster may give more flexibility, together with a caveat of “unless otherwise agreed by the council”. PHIL – I think they have a point. Agree with the change? East Anton had clusters of 15 dwellings. Bracknell Forest always referred to clusters of 10-20 dwellings in S106s.	Paragraph 13(2) – amend the text to allow some flexibility Agreed to change to allow clusters of no more than 10 dwellings unless otherwise agreed by the council in writing. This enables flexibility where appropriate without setting a maximum figure which developers may then aim for.	Now Section 12 Paras 12.3-12.6 Section 12 Para 12.3 – “Affordable housing should be fully integrated into a development and provided in clusters of no more than 10 dwellings, unless otherwise agreed by the council in writing, and having regard to the number of affordable homes, mix of dwelling types and layout of the proposal. The affordable homes should also be indistinguishable from the market housing. “

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		<p>What is the evidence which underpins the figure of 10 dwellings? Other councils apply a more generous figure of up to 15 dwellings. Apply the 10 dwelling blanket limit could preclude affordable housing being delivered in locations where higher densities are justified eg. larger blocks of affordable flats in local centres or key nodal points.</p> <p>The limit of 10 dwellings to a cluster at Whitenap would generate 52 separate clusters for 520 affordable dwellings (40% of 1300). This could compromise the Partnership’s placemaking principles and is unlikely to be attractive to an Registered Provider. An upper limit of 15 dwellings would give a more manageable 35 clusters at Whitenap. Reference to “unless otherwise agreed by the council” would give more flexibility as would a cascade approach ie. larger developments could have large clusters taking into account site specific and other considerations.</p> <p>There is no definition or understanding of clustering but it should reflect site specific and other considerations. But we would not advocate illustrative examples as this would prevent consideration of a detailed layout on a site-by-site</p>			

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
		basis.			
Section 13 Para 9	TVBC Housing Development Team		<p>Need to set a target for a percentage of adapted homes as a point of negotiation</p> <p>Text is quoting out of date Building Regs</p>	<p>Add a preference for securing 10% of adapted homes on sites delivering 10 or more affordable homes. This is not a policy requirement at this stage and will only be referred to as the Council's aim. This helps to ensure that properties are suitably adapted to meet identified needs.</p> <p>Update Building regs references.</p>	Section 12 Para 12.11 "On developments of 10 or more affordable homes the Council would aim to achieve at least 10% of Social/Affordable Rented homes to be delivered as adaptable homes that can meet the changing needs of occupants, built to Building Regulations Part M4 (Category 2) Revised Edition 2015 or successor regulations. Where Category 2 dwellings are to be provided the Council will review the housing needs and negotiate with the developer over the provision of level access showers where there is a demonstrable need"
Section 14 – Mechanism for Securing Affordable Housing SECTION NOW REMOVED					
Whole section	TVBC Housing Development Team		This section has been removed and all detail has been amalgamated into more relevant sections.		
	Michael Knappett (Bryan Jezeph Consultancy)	Need clarity that both S106 and unilateral undertakings can secure affordable housing, not just legal agreements.	A legal agreement or unilateral undertaking are both pursuant to Section 106 of the Town and Country Planning Act 1990. Both are relevant to securing the delivery of affordable housing, as paragraph 14(1) refers.	This is already covered in Section 6. Delete this section as it is repeating earlier information.	Section 6 Para 6.7 "As stated in Policy COM7, the Council will seek to secure affordable housing, or a financial contribution for off-site provision, via a S106 agreement or a Unilateral Undertaking (UU)."
Section 15 – Delivery and Management NOW SECTION 17					
Section 15 Para 1	TVBC Housing Development Team		Need to remove reference to Starter Homes as these are not a tenure we can support	Remove reference to Starter Homes	n/a

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
Section 15 Para 2 - shared ownership equity share restriction to 80% in DPAs	Aster Development	The requirement for restricted staircasing in DPAs creates problems with mortgage availability and hence sales. DPAs are a statutory instrument and a requirement for us when obtaining grant funding.	Noted. The Housing (Right to Enfranchisement) (Designated Protected Areas) (England) Order 2009 designates protected areas in many Test Valley parishes. Affordable housing providers are therefore required, amongst other matters, to include in their shared ownership leases (1) a maximum 80% equity share and (2) a buy-back clause to the AHP if equity share is 100%. (same point as section 7(14) above)	Remove from this section as already covered in earlier section	n/a
Section 16 – Negotiating Affordable Housing Contributions					
Whole section - section has been removed and all detail has been amalgamated into more relevant sections.					
Section 18 – Off Site Delivery					
Whole section - Some of the text has been changed to provide clarity.					
Section 20 – Glossary					
Need additional references added as necessary, including Custom/Self Build, Hampshire Homes Hub, and removal of Zone Agent				Updated	See new Section 20 - Glossary
Section 21 – Annexe 1					
Calculating contributions – whole section	Leckford Estates (c/o Turley)	Application of a standardised RLV to each of the council’s CIL charging zones is a blunt tool and will not recognise the differences between areas within the same CIL charging zone in terms of costs and values. The methodology should be adapted to allow for local variations to be accepted.	The 4 CIL zones each have different residual land value (RLV) percentages to reflect local variations and are based on recent figures in the Calculation Methodology for Financial Contributions (Dixon Searle, 2016). To suggest alternative figures in different areas within the CIL zones would not be feasible.	No change to approach	Information condensed from SPD and Advice Note, and new Annex 1 now written.
Section 21 Para 1	TVBC Housing		The wording suggests that the	Change wording to reflect that	“Section 21 (Annex 1) Para 21.1 -

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
	Development Team		methodology only applies to sites of 6-9 dwellings, whereas it would also apply to any other site where a financial contribution is applicable.	the methodology is the same for all contributions	This section sets out how financial contributions will be calculated for developments of 6 - 9 dwellings and for any other commuted sum in lieu of on-site affordable housing”
General Comments					
	Highways England	No comments – as there would be no impact on the safe and efficient operation of the strategic road network ie. the A34, A303, M3 and M27.	Noted	No change.	n/a
	Jenny Hopkins	No comments directly on the draft SPD but she highlights issues affecting rural villages such as Appleshaw and Redenham where large expensive houses have been granted planning permission and built, instead of smaller more affordable homes which could be occupied by local people both young and old. If the public subsidy process is made easier to access and developers have access to rural agencies, this could help to keep rural communities alive instead of large houses being built to maximise profit.	Whilst TVBC cannot influence individual landowners and the private housing market, it can enable Rural Exception Sites under Policy COM8 based on local housing needs surveys which would determine the appropriate dwelling types and tenures, and be normally 100% affordable housing. Policy COM9 encourages community led developments which would also address local housing needs in their respective areas.	No change.	n/a
	Historic England	No comments on the draft SPD but advises that the council's conservation staff should be closely involved in preparation of the local	Noted.	No change.	n/a

Section/Para on Consultation Document	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change	New Version (incl new para numbering)
		plan.			
	Askey	<p>It would have been helpful to have a link to the draft SPD on the same page as the announcement it is available for comment. Publicity could have been clearer.</p> <p>It is pleasing to see that TVBC has delivered 733 affordable homes in the last 3 years.</p> <p>There are so many retirement flats on the market but very few properties for younger people. The market economy is aiming at down-sizers yet there are 2000 people living in unsuitable housing across all tenures in TVBC.</p> <p>Various comments on common areas on housing estates.</p>	<p>Noted.</p> <p>PHIL - this needs looking at by someone – but not related to the AH SPD.</p>		n/a
	Leckford Estates (c/o Turley)	<p>We welcome the document which will replace the out-dated 2008 SPD but it is not wholly consistent with the NPPF 2019 and in some areas is unduly prescriptive.</p> <p>We welcome the recognition of difficulties in securing affordable housing in rural areas and that market housing may be needed to cross-subsidise the delivery of affordable housing. The draft SPD identifies a wide range of affordable housing types which will assist landowners, developers and</p>	Noted. Other points made by Leckford Estates have been addressed above.	Recent amendments now reflect NPPF 2019	

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		communities in determining the best form of provision and which is most viable.			
Other Comments					
	Natural England	No comment. The topic of the SPD does not appear to relate to our interests to any significant extent. Our remit includes protected sites and landscapes, biodiversity, geodiversity, soils, protected species, landscape character, green infrastructure and access to and enjoyment of nature.	Noted.	No change.	n/a

Draft Affordable Housing Advice Note

The contents of the draft Affordable Housing Advice Note have now been incorporated into the main SPD. The Advice Note contained some duplication of information and consultation responses indicated that it was causing some confusion.

Section/Para	Representor Name/Organisation	Summary of Representation	TVBC Comment	Change
Section 2 – Affordable Housing Provision in Test Valley				
Para 2.2 – affordable housing rent	Aster Development	If rent levels must not exceed the local housing allowance (LHA) in perpetuity in a S106 agreement, this would prevent Aster from developing new homes in Test Valley. RPs are best placed to monitor and control rents – a blanket cap in perpetuity ties the RP’s hands in the long term. Aster normally caps affordable rents at LHA on first let then we assume rents will inflate in line with government policy on rent increases, but the TVBC position does not allow to do this.	Same point Aster made on the SPD (section 5, para 6) – see comments above. See main document	Section 5 Para 5.6 of new draft SPD - removes reference to “in perpetuity”.
Section 4 – Dwelling Mix (Sizes and Types)				
Dwelling	Aster Development	There is no mention of semi-detached houses. These are	There is already reference to	Section 10 Para 10.4(iii) of new

types		as acceptable as detached and terraced housing and should be referred to also.	semi-detached houses in the main SPD – Section 10 Para 10.4(iii)	draft SPD refers to this.
Para 8 – Preferred Affordable Housing Providers	Landspeed Homes	As Landspeed Homes is approved by TVBC and has delivered 3 schemes, we should be included in the list of affordable housing providers in the Affordable Housing Advice Note.	<p>Fair point? Why did TVBC engage Landspeed x3 if they were not a preferred RP?</p> <p>PHIL – Non registered AHP depends on terms of the partnership?</p> <p>Preferred partner list (Aster, VIVID, Radian, Sovereign, English Rural) but also work with Landspeed & Merlion (non-registered providers).</p>	No longer producing a separate Advice Note. Main SPD document will refer to Affordable Housing Providers who develop in TVBC area, but no list of partners to be included as the detail is likely to change.

ITEM 10

Exclusion of the Public

Recommended:

That, pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the consideration of the following report on the following matters on the grounds that they involve the likely disclosure of exempt information as defined in the following Paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, indicated below. The public interest in maintaining the exemption outweighs the public interest in disclosing the information for the reason given below:

Estates Property Matters

Paragraph 3

It is considered that this report contains exempt information within the meaning of paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because the report and annexes necessarily disclose commercially sensitive financial information, relating to the Council and its partners and may fetter the Council's ability to achieve best value from the project.