

Cyngor Sir **Powys** County Council

Affordable Housing for Local Needs
Interim Development Control Guidance

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February 2007

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Cyngor Sir Powys County Council

Interim Development Control Guidance Affordable Housing for Local Needs

1. Introduction

- 1.1 One of the strategic aims set out in the deposit draft Powys UDP, October 2004 is:

“To address housing needs across the County including affordable housing for local need.”

- 1.2 The Council's purpose as the strategic housing authority, set out in the Housing Strategy 2004-2009 is:

“To enable the provision and maintenance of good quality, secure, appropriate and affordable housing in order to meet the needs and aspirations of the people of Powys having regard to the need to maintain and support sustainable communities and the Welsh language and culture.”

- 1.3 Powys County Council has published this Interim Development Control Guidance (IDCG) in order to alert developers and landowners as early as possible to local needs for affordable housing and the fact that planning obligations will be sought and conditions imposed in order to achieve affordable housing as part of residential development. It will apply to the whole of Powys but does not include the Brecon Beacons National Park. Negotiations should be started early in the development process so that the cost of providing affordable housing can be built into the land purchase price and development costs.

- 1.4 This Guidance was published for public consultation in October 2005 and has been amended to reflect the comments received.

- 1.5 The Council will have regard to this Interim Development Control Guidance (IDCG) when making planning decisions with immediate effect. In other words, it will form an important material consideration in decisions on individual planning applications. It will be kept under regular review to take account of changes in housing need and national policy on affordable housing and changes in national housing finance. Once the UDP has been adopted by the Council, the IDCG will be reviewed and renamed as Supplementary Planning Guidance (SPG).

1.6 This IDCG has been prepared in line with current Welsh Assembly Government (WAG) guidance on IDCG, recent case law, the Powys UDP and with:

- Government Planning Policy Guidance on Affordable Housing as currently contained in Housing Ministerial Interim Planning Policy Statement (MIPPS) (01/2006), Technical Advice Note (TAN) 2: Planning and Affordable Housing June 2006, *'People, Places, Future; The Wales Spatial Plan'* (2004) and Circular No 13/97 Planning Obligations (1997).
- The objectives of the Council's Community Strategy (2004-2020) and Corporate Improvement Plan (2006-2009).
- The objectives of the Council's Housing Strategy, 2004-2009 (April 2004).
- Powys Homelessness Strategy 2003-2008.
- The Housing Renewal Strategy (April 2003).
- The Council's Code of Procedure for the Disposal of Surplus Property and Land.
- Powys County Housing Needs Survey (HNS) 2002 by Opinion Research Services together with the Council's ongoing housing needs assessment in accordance with Local Housing Market Assessment Guide (WAG, March 2006) and the English equivalent (DETR, 2000) and Preparing Local Housing Strategies (WAG, 2006). Other housing needs information, will be utilised, will include Land Registry data and housing register figures.
- The Residential Design Guide, (October 2004), which is being rigorously enforced in order to improve the appearance and quality of all new development.

1.7 A summary of some of the key documents referred to above is included in Appendix 1.

1.8 **Government expects the planning system to assist in tackling the recognised shortage of affordable housing by securing the provision of such accommodation as a proportion of new housing schemes. The private housing development sector is expected to deliver such provision on site, unless exceptional circumstances exist. This will help to promote a greater mix of housing opportunity for those of different economic status and lifestyle, avoiding large concentrations of the same type of housing.**

2. Aims and Objectives of the IDCG

2.1 The overall **aim**, based on the strategic aims of the UDP, is:

To address affordable housing for local need across the County.

2.2 Specific **objectives** are:

- To provide a clear definition of what constitutes affordable housing.
- To increase the provision of homes at rent levels affordable to households on lower incomes living in Powys.
- To increase the provision of accommodation for sale at prices affordable to households on lower incomes living in Powys.
- To provide a mix of house types, sizes and tenures to meet the differing needs of Powys' households including the integration of affordable and market housing within mainstream housing sites.
- To introduce a requirement to facilitate the development of affordable housing without the use of public subsidy in most cases. This may entail cross-subsidising the affordable housing using profits from the development of market housing on a given site. The viability of this approach should be assisted through reduced land values.

3. Definitions

Definition of Affordable Housing

- 3.1 For the purposes of UDP Policy HP.7, '*affordable housing*' is defined as 'housing where there are secure mechanisms in place to ensure that it is accessible to those who cannot afford market housing, both on first occupation and for subsequent occupiers. However, it is recognised that some schemes may provide staircasing (i.e. moving up towards 100% ownership) and where this is the case there must be secure arrangements in place to ensure recycling of capital receipts to provide replacement affordable housing. Affordable housing includes: Social rented housing and Intermediate housing (as per Para 5.1 of TAN 2 2006 and Para 9.1.2 of MIPPS 2006)' and 'housing need' is defined as "households who are unable to access suitable housing without some financial assistance' (as per Para 1.5 of Local Housing Market Assessment Guide, WAG 2006)
- 3.2 There are various types of affordable housing, some of the most common are defined below:

Affordable housing for rent (commonly referred to as social housing) will normally be provided in conjunction with Registered Social Landlords (RSLs) and will be within WAG benchmark rent level guidelines.

Intermediate housing will preferably be in partnership with a RSL to ensure the property remains affordable in the longer term, and can include:

- **Rural Homebuy** – These are schemes under which existing social housing tenants, those on waiting lists and key workers, can purchase a home on the open market with an interest free equity loan of up to 50% of the purchase price.
- **Shared Equity** – The occupier owns a percentage of the property or equity share (typically around 70%) and the remainder is owned by a third party (RSL, developer, landowner, employer or their agent). No rent is charged on the outstanding equity.
- **Sub-Market Rent** – This is sometimes referred to as discounted private rented housing.

Defining Affordability

- 3.3 Paragraph 4 of TAN 2 (2006) states that the concept of affordability could be based on an assessment of the ratio of household income or earnings to the price of property to buy or rent available in the open market in the required local housing market area.
- 3.4 **In detail the definition of affordable housing for the purposes of applying this IDCG encompasses the following:**

Housing for sale Maximum price to be set at the prevailing **Acceptable Cost Guidance (ACG)** - published annually by the WAG every August - plus a monthly addition/reduction based on the monthly average change in ACGs over the preceding 2 years. (See box 1 below).

Housing for rent Not exceeding **Benchmark Rents** set out by the WAG (See box 2 below).

OR

The prevailing Indicative Rent - published every month by the Rent Office, WAG. (See box 3 below).

Adequate arrangements will be put in place either by way of condition or in a legal obligation to ensure that such housing will only be occupied by households in need of such housing and is capable of being retained as such.

Box 1: Acceptable Cost Guidelines are published annually by WAG and set out development costs (land and build costs) for housing developments by community council area. Different ACGs are calculated for different dwelling types and sizes. They are used by RSLs and WAG for determining Social Housing Grant. The ACGs for 2006-07 are included at Appendix 6 of the IDCG.

ACGs usually increase from year to year although sometimes a decrease may occur. In order to reflect the changing value of the ACG between publications, the definition proposed by this IDCG allows for a monthly average change to be added/subtracted to the prevailing published ACG. This monthly change is based on the average monthly change in published ACGs over the last two years. (The ACG data can be obtained from Planning Services – contact details are listed in Appendix 12).

Relationship of ACGs to local incomes:

In adopting this definition of sale and resale prices of affordable homes, the Council has assessed the relationship between ACGs and local incomes. Two sources of data are available on local incomes:

- a) Annual Survey of Household Earnings (ASHE) – The median annual gross pay for a full time employee in Powys in 2006 was £20,094. Using a mortgage multiplier of $x 3.5 + 5\%$ deposit (for a single earner), a dwelling of £74,031 could be afforded. If a multiplier of $x 5.5 + 5\%$ deposit (for a dual earning household) is used, a dwelling of £116,334 could be afforded. Comparing these amounts to the ACGs shown in appendix 6 shows the type of dwelling such a person could afford. In the case of the $x 5.5$ multiplier, a 3 person 2 bedroom house could be afforded in all community council areas.
- b) CACI Data – For 2005, the average household income in Powys was estimated at £26,574. Using the $x 3.5$ and $x 5.5$ multipliers + 5% deposit, dwellings of £97,904 and £153,850 could be afforded respectively. This would enable such a household to afford a 3 person, 2 bedroom house in all communities, based on the lower multiplier, and 6 person, 4 bedroom house based on the higher multiplier.

Using ACGs as a basis for setting sale / resale prices will mean that dwellings sold at such prices are affordable to some, but not all, households in the intermediate housing sector who otherwise could not afford an equivalent dwelling on the open market. However, for those households unable to afford dwellings at ACG levels, shared equity housing (within ACG levels) and affordable rented accommodation remain the most probable options.

Box 2 – Benchmark Rents are published annually by the WAG and are used by RSLs for all schemes where Social Housing Grant (SHG) is provided. The benchmark rent for Powys for the year 2006/07 is £53.99. (See Appendix 2 of the IDCG). Private landlords may wish to set rents at benchmark levels, or alternatively they may use the indicative rents (see box 3 below).

Relationship of Benchmark Rents to local incomes:

Using the ASHE data (see box 1 above), one week's median gross pay for a full time employee in Powys in 2006 was £386.42 (i.e. £20,094 / 52). The benchmark rent of £53.99 equates to 14% of a week's gross pay.

Box 3 – Indicative rents are published on a monthly basis, currently at a shire level, by the Rent Office of the WAG specifically to assist Local Authorities with the determination of housing benefits. They are based on market rents collected within the Local Authority area although they include an approximate 20% reduction, which is applied to avoid over-payment of housing benefit on initial determinations. Indicative rents are, as a general rule, higher than benchmark rents (and Council house rents) but, of course, lower than open market rents.

Indicative rents are defined for the number of "living rooms" (i.e. they exclude bathrooms / toilets / kitchens). The weekly rents for February 2007 are shown below.

February 2007	(£/per week)	Breck	Mont	Rad
a) Single Room with board		101.25	96	101.25
b) Single Room sharing kitchen or toilet		42.5	38	42.5
c) Single Room where a) & b) does not apply		41.25	40	41.25
2 rooms		67.5	50	58.75
3 rooms		81.25	60	66.75
4 rooms		83	71	75.5
5 rooms		95.25	76	79.25
6 rooms		88	93	93.5

(Up to date indicative rents can be obtained from Planning Services – contact details are listed in Appendix 12).

Relationship of Indicative Rents to local incomes:

Using the ASHE data (see box 1 above), one week's median gross pay for a full time employee in Powys in 2006 was £386.42 (i.e. £20,094 / 52). Excluding a single room with Board, 25% of the weekly gross pay would enable the person to afford a 3 bed house with 2 living rooms (i.e. 5 rooms) in all Shires.

Evidence of Housing Need

3.5 Any assessment of housing need should take account of the following considerations which are also usefully explained:

- Powys Housing Needs Survey (see section 5).
- Current information held on the housing register/waiting lists. Waiting lists can provide information on the number and type of households seeking affordable accommodation in a specified area. However, they are only relevant if affordable housing already exists and prospective tenants consider that it is worth indicating a preference for the area. As well as lists for rented accommodation, Mid Wales Housing Association and Gwerin Housing Association operate a waiting list for the Rural Homebuy scheme. Powys County Council is also considering establishing an affordable housing waiting list.
- Information from local community surveys or appraisals. These are detailed surveys which examine housing needs and aspirations at the community level. They provide detailed information but are time consuming and have only been undertaken in a small number of communities. Further surveys will be undertaken as resources permit. Some examples are included in Appendix 15. Such surveys should be undertaken in consultation with the Local Housing Authority to ensure a consistent approach - please contact the County Council's Housing Services for more information.
- Evidence submitted by applicants for exception sites/schemes. Household specific information will be required in support of applications for single affordable dwellings under the Rural Settlements Policy (HP9). It may also be acceptable to justify housing needs for small-scale developments arising under the Rural Exceptions Scheme (Policy HP8). A useful checklist is attached as Appendix 5 of this IDCG.
- Recent availability of affordable housing opportunities throughout the County.
- Number of right-to-buy/acquire sales which have taken place in the County.
- Number and type of affordable housing properties throughout the County.
- Information from Office of National Statistics/Nomis.

3.6 It is also an objective of the Powys Community Strategy to promote and support new solutions to secure affordable housing such as community land trusts, self build, new design technology, portable discount schemes and low cost home ownership initiatives. The Council will be sympathetic to such schemes. The Council will need, however, to be satisfied that the benefits will be secured for more than the first occupiers

- 3.7 The Council is keen to encourage a range of housing to meet a range of needs for different types and sizes of housing across all tenures. This includes housing to meet the needs of specific groups including ‘*elderly persons*’. It should be emphasised, however, that housing which caters for such groups will not necessarily be affordable; there are, for example, likely to be elderly households who cannot afford sheltered housing provided by the market.

Defining Local Need

- 3.8 The negotiation of affordable housing is intended to cater for the needs of the local community, and it is important to consider the definition of local needs. Paragraph 5.14.13. of the deposit draft UDP states, “The Council will consider qualifying households to be in local housing need if they are in unsuitable housing and, due to their low income relative to their housing needs, cannot afford open market housing and where they have a strong connection to an area by virtue of family or work.” Criteria by which the Council will assess the strength of local connections are set out in policy HP10 (see appendix 3 and section 8 of this IDCG). In order to match housing provision to ‘*local needs*’ the UDP incorporates the following definition in Policy HP10(c):

‘References in this policy to community are defined for initial occupiers as the community council area in which the site lies, together with immediately adjoining town or parish council areas. If successive occupiers cannot be found within the community, occupiers resident at the time in the appropriate shire area in Powys should be next sought, followed by occupiers resident in the rest of Powys and adjoining local authority areas. The Council will require proof that substantial efforts have been made to find a local occupier before the eligible area is widened to the next level’.

4. The Powys Unitary Development Plan

4.1 The Powys UDP has several policies for increasing the provision, quality and sustainability of affordable homes. The Council has brought forward these policies in advance of adoption of the UDP and will be taken into account when determining planning applications. The most relevant policies are included in full in Appendix 3 of this IDCG and are summarised below. The Council has produced a series of flowcharts to demonstrate how the planning case officer will apply Policies HP7-9 below and these are attached at Appendix 11.

Table 1 - Powys UDP Housing Policies

Policy	Source	Policy explanation/description
Policy HP5 – Residential Development	Powys UDP Deposit Draft, Page 87	Seeks a mix of dwellings types and sizes on allocated sites of 5 or more houses and a proportion of affordable housing in accordance with Policy HP7.
Policy HP7 – Affordable Housing Within Settlements	Powys UDP Pre Inquiry Proposed Changes, PIC 057, Page 28-29	States that the Council will seek to negotiate a proportion of affordable housing on sites of 5 dwellings or more based on the extent and type of need as identified by the Housing Needs Study or other robust data sources and the nature of the site. A guideline of 30-35% is given for the proportion of the homes to be built as affordable for local households in need.
Policy HP8 – Affordable Housing Adjoining Settlements with Development Boundaries	Powys UDP Pre-Inquiry Proposed Changes, PIC058, Page 29	<p>Outlines the circumstances in which the Council will consider the development of affordable housing adjacent to villages as an exception to normal planning policies subject to the following criteria:</p> <ul style="list-style-type: none"> ▪ The site adjoins a settlement with a development boundary. ▪ The proposal is small in scale, well located and sensitively designed in keeping with its surroundings and local building styles. ▪ The housing should remain affordable in perpetuity. ▪ The proposal complies with Policy HP10. <p>Policy HP8 does not apply to Area Centres which have a range and choice of housing sites where affordable housing can be provided. Evidence of need must be provided in support of applications for exceptions developments (see Section 9).</p>

<p>Policy HP9 – Affordable Housing in Rural Settlements</p> <p>NOTE</p>	<p>Powys UDP Deposit Draft, Page 92</p>	<p>This is intended to help individual households in small settlements which do not have a development boundary defined in the UDP. As an exception, the development of single dwellings within rural settlements which provide affordable housing for local need will be permitted subject to the following criteria:</p> <ul style="list-style-type: none"> ▪ The dwelling would be sensitively located and designed and would be capable of being integrated into the settlement without unacceptably adversely affecting the amenity and character of the area. ▪ The housing should remain affordable in perpetuity. ▪ The proposal complies with Policy HP10. <p>The settlements are listed in Appendix 4 of this IDCG. Detailed evidence of individual need must be provided in support of such applications. The information will be assessed against the eligibility criteria which is included in Appendix 5.</p>
<p>Policy HP10 – Affordability Criteria</p>	<p>Powys UDP Pre-Inquiry Proposed Changes, PIC 059, Page 29-30</p>	<p>Sets an upper limit on the size of affordable dwellings (i.e. up to 130 sq. metres) and sets out occupancy criteria that all households who inhabit the dwelling need to comply with. It is anticipated in the majority of cases that affordable housing sizes will follow closely the WAG pattern book. It is anticipated that most properties will be well below 130 sq. metres in size. Permitted development rights will also be restricted preventing further extensions above that size.</p>
<p>Policy GP6 – Conversion of Buildings in the Countryside</p>	<p>Powys UDP Pre-Inquiry Proposed Changes, PIC026, Page 15-17</p>	<p>Encourages the conversion or reuse of existing buildings in the countryside for affordable housing.</p>

Table 2 - Other UDP policies which affordable housing proposals should pay regard to

Policy	Source	Policy explanation/description
<p>Policy SP1 – Social, Community and Cultural Sustainability</p>	<p>Powys UDP Deposit Draft, Page 27</p>	<p>This encourages proposals which promote social, cultural and linguistic characteristics of the area.</p>
<p>Policy SP2 – Strategic Settlement Hierarchy</p>	<p>Powys UDP Deposit Draft, Page 27</p>	<p>This sets out the following hierarchy: Area Centres, Key Settlements, Large Villages, Small Villages, Rural Settlements and Countryside.</p>

Policy SP3 – Housing Developments	Powys UDP Deposit Draft, Page 28	This identifies sufficient housing land in Powys to accommodate 6,140 dwellings for the period 2001-2016.
Policy GP1 – Development Control	Powys UDP Pre-Inquiry Proposed Changes, PIC017, Page 10—11	Detailed matters which all development proposals must comply with.
Policy GP2 – Planning Conditions and Obligations	Powys UDP Pre-Inquiry Proposed Changes, PIC 020, Page 12-13	This makes it clear the Council will only grant planning permission subject to appropriate condition/legal agreement.
Policy GP3 – Design and Energy Conservation	Powys UDP Deposit Draft, Page 41-42	This relates to the requirement for good quality design.
Policy GP4 Highway and Parking	Powys UDP Pre-Inquiry Proposed Changes, PIC 021, Page 13	Requirements for highway access and parking.
Policy HP14 – Sustainable Housing	Powys UDP Pre-Inquiry Proposed Changes, PIC 063, Page32	This applies to affordable housing so it is properly constructed and energy efficient. This will also help to ensure that long term maintenance costs are kept low.
Policy HP15 – Lifetime and Mobility Homes	Powys UDP Pre-Inquiry Proposed Changes, PIC 064, Page 32	This encourages a proportion of new housing to be built to wheelchair standards on large allocated sites of 10 units or more.
Policy HP18 – Supported Housing and Residential Care Provision	Powys UDP Deposit Draft, Page 101-102	This supports such provision in sustainable locations.

5. Evidence of Housing Need

Introduction

- 5.1 The Council has a longstanding commitment to providing everyone with the opportunity of a decent home and in particular to providing affordable housing which meets demonstrated local needs in its communities; this is a priority of the Powys' Community Strategy and is one of the Council's top priorities in the Corporate Improvement Plan. This also links in with the Council's objectives for maintaining and enhancing social, economic and environmental well-being of the people of Powys together with the creation of balanced and sustainable communities.
- 5.2 Many of the people who move into the County can afford to pay higher prices for their housing than many existing residents. There are few local authority areas in Wales with average house prices which are higher than in Powys. Wage increases are not keeping pace with increases in house prices. These factors have led to the pricing out of local people from the housing market and their own communities, being replaced by better off commuters and people retiring to the countryside. Research by Professor Dylan Jones-Evans has shown that the fabric of rural communities such as Powys is under threat as it is *'becoming too expensive for many young people – who make up the vast majority of first time buyers – to live in'*. Young people have had to move away in search of cheaper houses or jobs which are no longer available close to home. This in turn has led to fewer children in local schools and increased risk of closure of schools, bus services, shops and other local facilities in rural areas.

Housing Needs Study 2002

- 5.3 Negotiations between applicants and the Local Planning Authority should be based on evidence of local housing need. A significant source of evidence is the Powys County Housing Needs Study (HNS) 2002. Powys County Council commissioned Opinion Research Services (ORS) to produce the HNS. This revealed an annual net housing shortfall of 503 dwellings across the county, consisting of:

Sub-Area	net shortfall
Brecknockshire within Brecon Beacons National Park	79 dwellings/year
Brecknockshire outside BBNP	73 dwellings/year
Radnorshire	80 dwellings/year
Montgomeryshire	272 dwellings/year

(source, Figure 8B.1, Powys County Housing Needs Study 2002)

5.4 The study therefore calculated an annual shortfall of 425 dwellings per year in that part of Powys for which the County Council is the local planning authority. It also calculated that **37%** of the shortfall was for affordable housing, i.e. 158 dwellings/year. This figure increases to 287 if private renting is excluded, assuming that these units are unfit, unsuitable or unaffordable or a combination of these. In reality the figure will be lower than 287 (but more than 158) as some private rented units will be fit, suitable and affordable. With increases in house prices out-stripping the increase in wages, it is clear that the need for affordable housing has increased since the survey was undertaken.

Other Recent Evidence of Housing Need

5.5 Other recent evidence of local need shows a continuing shortfall of affordable housing in Powys. A variety of demographic and social factors, mean that a substantial number of low income households are unable to find suitable housing to rent or buy in the private market. For the foreseeable future it seems that enabling new provision of affordable housing will continue to feature as an important issue for strategic planning.

5.6 Data which supplements the HNS findings and underlines the current problems and trends includes:

- Council House Waiting List - Table 3 below shows the numbers of households on the waiting list, and of those, how many are homeless. The table demonstrates an increase in the number of applicants on the housing waiting list, but an decrease in the numbers of those which area homeless. This is due to significant investment by the Council into homelessness in terms of staff and the appointing of Housing Options Advisors. The Council has lost nearly 1180 affordable rented properties under the right to buy provisions since 1996 but a further 3820 properties have been lost since 1980. See also Para 8.14 for Powys Right to Buy Sales.

Table 3 Council house waiting list and Homelessness

Date	Number of Households /Applicants	Number registered homeless
April 2005	2318	420
30 th March 2006	2342	235
16 th August 2006	3360	193

- Land registry data on the average price of residential property sales overall (including all house types, flats etc) showed an increase from £78,729 in the last quarter of 2000 to £164,640 in the last quarter of

2004. This represents an increase of 109% over four years (HM Land registry).

- A more recent report by Halifax (March 2005) based on the Office of National Statistics earnings data shows that the affordability ratio (price to earnings) in Powys has increased to 6.7.

5.7 The table and graph below show the average selling prices for residential property in Powys compared with the mortgage ceilings for a single person and a couple in full time employment at the median pay for the period 2000 to 2004. Over these five years the ratio of average property sale price to median pay for a full time employee has risen from 5.4:1 to 9.4:1. The graph demonstrates that whereas in 2000 a couple in full time employment at the median pay level would have been able to buy an averagely priced semi-detached house, by 2004 their earnings would not enable them to buy an average terraced house. The situation is worsened by the actual types of properties on the market. Half of the properties sold each year were detached houses, taking the average overall selling price of a property in Powys out of reach of this couple after 2001. The single person in full time employment at the median pay level in 2000 would not have been able to buy an averagely priced property overall, but would just have been able to buy a terraced house. By 2004 the same single person could only just buy an average flat or maisonette. The council will continue to monitor the situation closely and will provide regular updates via the housing strategy.

Table 4 Average selling price in Powys (Q4, Oct. to Dec.)

year	Average selling price in Powys (Q4, Oct. to Dec.)				
	detached houses	semi-detached houses	terraced houses	flats and maisonettes	residential properties overall
2000	£104,771	£61,786	£49,586	£29,844	£78,729
2001	£114,910	£63,868	£56,623	£29,181	£86,106
2002	£155,829	£78,189	£68,999	£37,303	£109,272
2003	£175,428	£101,499	£83,502	£47,636	£133,347
2004	£215,347	£135,460	£109,346	£64,286	£164,640
2005	£221,656	£133,292	£112,655	£84,222	£165,800

Source: Land Registry © Crown Copyright
http://www.landreg.gov.uk/propertyprice/interactive/ppr_ualbs.asp

Table 5 Mortgage ceiling

year	median annual gross pay for full time employee	Mortgage ceiling (See NOTE)		ratio: av selling price residential property to median earnings
		for single full time employee on median pay	for couple of full time employees on median pay	
2000	£14,713	£54,206	£85,181	5.4:1
2001	£16,868	£62,145	£97,657	5.1:1
2002	£17,172	£63,265	£99,417	6.4:1
2003	£18,510	£68,195	£107,163	7.2:1
2004	£17,533	£64,595	£101,507	9.4:1

Sources: median annual gross pay: ONS Annual Survey of Hours and Earnings © Crown Copyright

<http://www.statistics.gov.uk/statbase/Product.asp?vlnk=13101>

mortgage ceilings: derived by report authors from formula in para 3.5

NOTE: The mortgage ceilings have been calculated using a mortgage multiplier plus a 5% deposit. For single employees the multiplier is 3.5 x median pay, and for couples 2.75 x joint median pay.



6. Matching Need to Provision

Balanced Communities

6.1 UDP Policy HP5 provides a policy framework to ensure the creation of a balanced mix of housing stock. It applies equally to affordable and open market housing.

6.2 In considering the appropriateness of the range and mix of dwelling types and sizes in any scheme to which Policy HP5 applies, the following considerations and policy principles will be taken into account:

- The importance of ensuring flexibility and versatility is built into new housing stock by virtue of a balance and diversity of dwelling types and sizes.
- The overall scale of development proposed and the physical characteristics of the site.
 - Generally, the greater the scale of development, the more opportunity exists for a wider range of house types and sizes.
 - The stock profile should provide a range of house types and sizes rather than being weighted towards large or small dwellings, except in the special circumstances described below.
- The existing profile of the housing stock within the town or village concerned.
 - It is important to avoid the concentration of a limited range of house sizes and types in any particular area. However it may occasionally be desirable to “weight” the stock profile towards larger or smaller homes if this would help to remedy an identified deficiency.

6.3 While the HNS identified a need for provision of one bedroom dwellings, it is not considered that current priorities should encourage significant provision of this type alone. Such accommodation is very inflexible. For example, it is not suitable for occupation by families with children, and is not conducive to visits by other family members and/or carers. It is not suitable for working from home.

Council’s Policies on the Level, Mix and Size of Affordable Housing

6.4 **The supporting text to Policy HP7 emphasises that the Council will seek as a guideline to negotiate the provision of between 30-35% of**

- the total provision of residential units as affordable housing depending on the type and mix of affordable units. Higher targets will be negotiated in high housing need areas identified by the Council using its monitoring of all available data sources/evidence on housing needs.**
- 6.5 In considering housing proposals brought forward in accordance with UDP policies, preference will be given to those schemes that maximise the proportion of affordable housing.
- 6.6 For allocated sites or windfalls the site size threshold is 5 units or more (or 0.3 hectares). In deciding whether a particular site qualifies as being above the requisite site size thresholds set out above, the Council will assess not merely the proposal submitted but the potential capacity of the site. The Council will welcome proposals that make reasonably efficient use of the whole site but will be alert to any attempts to deliberately circumvent the stated site size thresholds. Where the splitting up of a site would result in two or more sites which physically abut each other, any of which fall below the site size thresholds, the Council will treat them as one site for the purposes of the policy.
- 6.7 On sites falling below the threshold developers will nevertheless be encouraged to provide an element of affordable housing, which the Council will weigh as a positive material planning consideration helping to justify approval. This approach is in accordance with the Court of Appeal Judgement in *Harry Rowlinson and Lynda Rowlinson as Trustees of the Linson Construction Pension v Warrington Borough Council and the DETR (2002)*. In this case the court held that an Inspector or any other decision maker is entitled to conclude that a substantial affordable provision (50% in this case) outweighs other material planning considerations.
- 6.8 **Within the overall proportion of 30-35% affordable housing, the Council will seek to negotiate a mix of different tenures and sizes on each site to reflect the diversity of the housing needs in Powys.** If the percentage of affordable housing equates to 0.5 of a unit or above, it must be rounded up to the next whole number e.g. 1.5 = 2 units. The Council's continuous assessment of housing need which takes into account the HNS and other indicators of need including local house prices will help inform decisions about such matters as the most appropriate tenure, mix, type and size of new affordable homes (see paragraph 3.8). Whilst the majority of provision will cater for general needs, in a limited number of cases the Council may seek to negotiate the inclusion of various forms of supported housing.
- 6.9 In negotiating affordable housing provision, particular regard will be had to the importance of ensuring an adequate supply of accommodation

suitable for occupation by families with children (i.e. two bedroom (or larger) houses with gardens).

6.10 Specific proposals for the tenure and stock mix on individual sites should be discussed and agreed with the Council at pre-application stage together with any RSL involvement in the development. In this process regard will be had to:

- The scale of existing provision for any given mix of stock and tenure in the locality.
- The balance of provision within the SHG programme from year to year for any given mix of stock and tenure. The Council will monitor whether or not affordable housing provision has been supported by SHG funding on a site-by-site basis. This will allow the Council to see if identified need has recently been met through SHG funded schemes. It will also enable the Council to monitor what type provision was made for and what stock and tenure was needed at the time. This will consequently enable the Council to make a revision of the provision if necessary. If the provision has been made, and the need met, it is unlikely that the Council will require additional provision to be made. However, monitoring may also identify another type of need for example for a particular stock size or tenure that has not already been provided for. If this is the case, then the Council may seek provision for this unmet need.
- Information from housing associations about local market conditions for any given mix of stock and tenure in the locality.
- Information as to whether likely total costs to householders indicates the properties are likely to be genuinely affordable to the anticipated profile of tenants/purchasers.

6.11 The location of the site will also influence the type of affordable housing that it is appropriate to accommodate. The relationship to employment, transport, social and community facilities for example will need to be taken into account. Adjacent uses, local character and types of housing nearby may also be relevant, together with the landform of the area.

Relating Dwelling Size to Housing Need

6.12 Policy HP10 states that affordable houses should not normally exceed a gross floorspace of 130 square metres maximum (including garages where designed as an integral part of the dwelling) when measured internally. This does not mean that every affordable home should be built up to the maximum. Paragraph 5.14.13 of the deposit draft UDP states:

“Although maximum floorspace of 130 square metres may be acceptable to cater for the proven needs of large families, this should not be considered to be the norm for affordable housing. Smaller house floorspaces will often be sought in negotiations over the mix of a scheme or the agreement of planning obligations, in order to meet affordability needs.”

- 6.13 The Welsh Assembly Government publishes a Pattern Book for Registered Social Landlords which relates size of the dwelling to the number of bedrooms as follows:

Table 6 Minimum Space Standards for Affordable Homes

House type/ Number of Bedrooms	Size of Dwelling (M ²)
1 BR/2p flat (common access) (2 person)	44.8
1 BR/2p flat (walk up) (2 person)	50
2 BR/3p flat (walk up) (3 person)	64
2 BR/3p flat (common access) (3 person)	58.1
2 BR/3p bungalow (3 person)	58.1
2 BR house (4 person)	77.4
3 BR house (4 person)	82.7
3 BR house, (4 person) wide fronted	83.7
3 BR house (5 person)	88.
4 BR house (6 person)	103.7
4 BR house (7 person)	110.9

(Source: WAG Pattern Book for RSLs)

- 6.14 Affordable housing floorspace areas should be provided in accordance with these accepted guidelines. Housing should be built to meet the identified need and not to minimise costs.
- 6.15 Permitted development rights may be removed to ensure properties are not extended or altered in any way as to increase values beyond an affordable level. This will not prevent consideration of adaptations or extensions where required by an occupant with disabilities or to accommodate appropriate extensions for family growth. Criterion 6 of Policy HP10 allows for households already living in affordable housing to move into a different sized affordable property where an ‘exceptional need’ resulting from a change in household circumstance or household size can be demonstrated. This ‘exceptional need’ can therefore be interpreted to allow flexibility and movement of households within the affordable housing stock provided that they don’t already own or have a mortgage on an open market property.

7. Ensuring that Housing is Affordable for Local Needs in Perpetuity

7.1 The benefit of providing a home with an affordable rent or sale price should be passed on to successive occupiers and these should be people who are in local housing need. In other words, the housing should be kept affordable for local needs in perpetuity. To achieve this, planning permissions where affordable housing is provided will normally be subject to a Planning Obligation under Section 106 of the Planning Act:

- restricting the occupancy of the dwelling to those households who have a local connection and are in need of affordable housing; and
- ensuring that future sale and rental prices are affordable.

Eligibility For Affordable Housing

7.2 Criteria (1) to (6) of Policy HP10 set out what the Council regards as local connections and eligibility criteria:

1. They have lived in the local community for at least 3 consecutive years or were born and brought up in the community; or
2. They are existing residents who require separate accommodation within the local community, such as newly married couples; or
3. They are already principally employed in the community; or
4. They have an offer of employment in the area but cannot take up the offer because of a lack of affordable accommodation; or
5. They wish to move into the community in order to look after an infirm or elderly relative or to be looked after by a relative already resident in the community.
6. Occupiers shall not already mortgage or own a residential property and shall not have recently sold a property, i.e. within the last 5 years unless the council is satisfied that the occupier has an exceptional need for the affordable home.

Ensuring Affordable Rent Levels and Sale Prices

7.3 If the housing is to remain affordable for future tenants/owners, the rent or sale price of the dwelling should be kept at a level that is affordable to those on low incomes. The definitions in Section 3 of the IDCG, as explained in boxes 1-3 of that section, will be applied to all housing for sale / rent in perpetuity.

RSL Involvement

- 7.4 A RSLs continuing interest in a property should ensure control over subsequent changes of ownership and occupation. This provides two safeguards. Firstly, RSLs are obliged to have publicly available policies and procedures for allocating tenancies. This obligation is part of the WAG *'Performance Standards'* for RSLs. These should be open, fair and based on housing need. Secondly, should disposal of RSL assets become necessary, it will take place under WAG arrangements.
- 7.5 The transfer of completed affordable homes to a housing association will provide an effective way of controlling their future occupancy, as tenants/purchasers will be nominated from the Council's housing waiting list (initially 100% nomination rights and 50% on subsequent occupation).
- 7.6 It is recommended that the skills and experience of the preferred housing association be employed at an early stage of the design process to ensure that future management issues can be properly considered.

Model Heads of Terms for Planning Obligations

- 7.7 The detailed heads of terms for model legal agreements are included in Appendix 9. These cover every eventuality from on-site provision to low cost market housing. They are intended to be a useful starting point to assist in speeding up negotiations but will be applied flexibly depending on the particular circumstances associated with each planning application. In respect of the development of flats where affordable units are provided in the same block as market units, a restrictive clause/condition will be imposed to limit service charges to an affordable level. It is also recognised that the provision of affordable housing involving a RSL is not the only means of provision and where it is proposed that there be no RSL involvement a legal agreement will be used to ensure affordability levels and to control occupancy both initially and subsequently.

8. Development Priorities and Funding Issues

On-Site Presumption

- 8.1 Paragraph 9.1.2 of MIPPS Housing 2006 states that local planning authorities should make appropriate provision for affordable housing. A community's need for affordable housing is recognised in paragraph 9.2.14 as a material planning consideration and it is emphasised in paragraph 9.2.18 that policies must indicate that an authority will seek to negotiate with developers where it is intended to include an element of affordable housing in proposed developments.
- 8.2 Paragraph 5.14.4 of the UDP explains that the normal expectation is for affordable housing to be provided on-site. There is a presumption that a site suitable for housing development will also be suitable to provide affordable housing on site. The presumption will be, therefore, that provision of affordable housing should be made on the development site itself. It would only be in very exceptional circumstances that an alternative to on site provision would be appropriate. For example, a site may be more poorly related to essential services and facilities, than an alternative site elsewhere within the settlement.
- 8.3 The order of preference for affordable housing provision is as follows:
1. On site
 2. Part on site provision and part off site/commuted payment in lieu of provision
 3. Off site:
 - Provision by applicant, developer or RSL
 - Commuted payment in lieu of provision
 - Transfer of land
- 8.4 Exceptionally, where a developer can justify that there are good reasons why it would be inappropriate to deliver affordable housing on site or advantageous to deliver it off site, this will need to be demonstrated to the Council. Details of the alternative proposed i.e. alternative site within the same settlement or a financial payment in lieu of on site provision will need to be submitted.

Preferred Hierarchy of Provision

- 8.5 The method most preferred by the County Council for securing affordable housing in perpetuity is for a Registered Social Landlord to manage the housing so that the housing is retained permanently as social housing.

The order of preference for alternative methods of provision in descending order of preference is:

1. RSL-led development of an entirely affordable housing scheme within a settlement boundary.
- 2a. Developer builds and transfers affordable housing to RSL.
- 2b. Developer transfers land to RSL.
- 2c. Developer transfers land to Community Land Trust.
3. Developer builds affordable housing on site using another mechanism, e.g. manages the units without RSL involvement to ensure affordability in perpetuity.
4. Developer builds affordable housing off site using another mechanism, e.g. manages the units without RSL involvement to ensure affordability in perpetuity.
5. In exceptional cases, developer provides financial contribution in lieu of affordable housing.

Relating the Hierarchy to Proportion and Nominations

8.6 The following table sets out the proportions of affordable housing that will be sought according to type of development. (Note: The proportions are based on the Powys Housing Needs Study 2002 and are subject to change should other evidence become available).

Table 7 Affordable Housing Proportions and Nominations

Priority Level	Proportion of Affordable Housing to be provided	LA Nomination Rights on rental property
1. RSL-led development of an entirely affordable housing scheme.	100%	100% initial 50% subsequent
2a. Developer builds and transfers affordable housing to RSL	30%	100% initial 50% subsequent
2b. Developer transfers commuted sum/land to RSL		
2c. Developer transfers commuted sum/land to Community Land Trust		
3. Developer builds affordable housing on site using another mechanism to ensure affordability in perpetuity	35%	100% initial 100% subsequent
4. Developer builds affordable housing off site using another mechanism to ensure affordability in	35%	100% initial 100%

perpetuity		subsequent
5. In exceptional cases, developer provides financial contribution in lieu of affordable housing	Formula provided. (See Appendix 8)	N/A

8.7 In order to encourage RSL involvement in the provision of affordable housing, lower proportions (30%) of affordable housing will be sought where that housing is to be managed by a RSL or made available as rented accommodation. Higher proportions (35%) will be sought where the housing is to be sold. In addition, a higher proportion based on identified need will be negotiated in areas identified as having high housing need. The purpose of these differing proportions is to encourage RSL involvement and the provision of rented accommodation.

Local Authority Nomination Rights

8.8 The Local Authority will expect nomination rights for rented homes that are secured through the affordable housing policies. These rights allow the Authority to nominate households from its Housing Waiting List to occupy an affordable house. Nomination rights are set at an initial 100% and subsequently 50% on RSL housing stock and at 100% on non-RSL stock.

8.9 Nomination rights cannot be made on property sales but PCC/RSL waiting lists can be used as a mechanism for marketing to potential purchasers. Data Protection limitations would require that the notification of people on the waiting list is undertaken by the Council or RSL.

8.10 Nomination rights are additional to the screening of the eligibility of potential occupiers to ensure that they have local connections and are in need of affordable housing.

Cross Subsidy and Transfer of Affordable Housing or Serviced Plots to a RSL

8.11 It is critical that proper regard is had to the availability of resources required for implementation: principally land and money.

8.12 Since 2006 important changes have taken place in the way affordable housing is funded using Social Housing Grant (“SHG”).

8.13 Essentially, SHG represents the amount of subsidy required to ensure the housing is genuinely “affordable”, with the balance of costs being met by rental and sales income. However, when affordable housing is developed on “mainstream” housing sites (i.e. open market housing sites), there is less likelihood of Social Housing Grant being made available to subsidise the development of affordable homes. Instead, there is an increasing

expectation that the subsidy that would previously have been available in the form of Social Housing Grant is provided in the form of developer cross-subsidy.

- 8.14 In areas of high property prices such as Powys this position is entirely logical, and should be entirely feasible through reduced land values and cross subsidy. In any case, it is unlikely there will ever be sufficient Social Housing Grant available to subsidise the cost of *all* affordable housing given the extent of housing needs. For example, in 2003-4 the Council sold 249 houses under the right to buy provisions which would cost about £25 million to replace requiring about £14.5 million in Social Housing Grant. The Powys SHG annual development programme 2004/5 was £1.44 million. The SHG allocated to Powys for 2006/7 is £1.866 million and £3.326 million for 2007/8. There has been a decreasing trend in right to buy sales across the county in recent years (see table 4 below).

Table 8 Powys Right to Buy sales

Year	Number of sales
1999-2000	149
2000-2001	108
2001-2002	150
2002-2003	179
2003-2004	249
2004-2005	73
2005-2006	33

- 8.15 The Council will seek to negotiate the provision of affordable housing without public subsidy. This may necessitate the subsidy of such housing through internal cross-subsidy from the sale of market housing on the same site. In order to assure the delivery of the affordable housing, developers will be expected to demonstrate that the cost of land has been suitably discounted to make such provision viable.
- 8.16 When negotiating option agreements to acquire land for residential development, it is essential that prospective house-builders ensure that the terms of such agreements ensure that the cost of providing any cross-subsidy (and indeed any other planning obligations) are fully deductible from the purchase price of any land. The alternative is for the affordable housing to be funded from the eventual profits of the sale of the market units.
- 8.17 It should be noted that under the 1996 Housing Act, rented RSL housing in the larger settlements is subject to the Right-to-Acquire (similar to preserved tenant's Right-to-Buy) in cases where public subsidy is utilised. It follows that the avoidance of public subsidy assures that the affordable home can be retained as such in perpetuity. This, in turn, improves the

ability of the Council to respond to housing needs when nominating applicants from the Housing waiting list to casual vacancies.

- 8.18 Notwithstanding the general expectation above, it is recognised that in certain circumstances an element of public subsidy may be required in order to make a development viable. For the Council, it is possible that capital receipts may be used to provide grants to the private rented sector in exchange for management and allocation arrangements with the social rented sector. Such support is likely to be limited and subject to the criteria governing the expenditure of capital receipts. In such circumstances it is possible that grant support could be provided by the Council and/or the Welsh Assembly Government. Such support is likely to be limited and subject to allocation criteria. It is therefore very important, and in the best interests of prospective developers, to approach the Council and local housing associations at the earliest opportunity to discuss the likely viability of development on any given site. Such approaches should be made at pre-application stage, and will be treated in strictest confidence.
- 8.19 **Developers are encouraged to transfer the affordable homes that they construct (or serviced plots) to a RSL and should work in partnership with RSLs from an early stage and well before they make a planning application in order to give RSLs the opportunity to raise the necessary finance (Social Housing Grant (SHG)) and to enable the RSL to programme the affordable housing provision into its work.**
- 8.20 SHG is awarded by WAG and set at 58% of Acceptable Cost Guidelines. (See Appendix 6). The system is also explained in detail in Section 13 of Appendix 8.
- Where SHG is available to an RSL, the RSL will purchase the property from the developer at the full ACG.
 - Where no SHG is available, the RSL will purchase the property from the developer at 42% of the ACG.
- 8.21 There are therefore clear financial advantages to a developer who plans an affordable housing scheme in partnership with an RSL which obtains SHG. Developers and landowners must not assume that SHG will be available to an RSL.
- 8.22 Where a developer proposes to transfer serviced plots to an RSL or community land trust, the transfer should be at nil or nominal value and a commuted sum will be sought to cover the cost of building the units.

Implementation and Funding

- 8.23 It is fundamental that the foundations are in place to cover effective delivery arrangements for affordable housing. This will ensure the affordable housing is actually provided, within a timescale that effectively prioritises delivery and that provision is safeguarded for that purpose in the longer term. This is necessary to provide certainty to the Council, local communities and housing associations.
- 8.24 In order to deliver genuinely affordable housing, subsidy is required. This can take any combination of the following:
- Public subsidy (grant) and/or
 - Developer cross-subsidy (from profits from the sale of market housing)
 - Reduced land values
- 8.25 The subsidy element should include both land and finance to ensure that the affordable housing is actually built. It has been explained that SHG is no longer generally available for “mainstream” housing sites (i.e. open market housing sites). Therefore it is important that developer cross-subsidy should be equivalent to the grant (at current rates) that would ordinarily have been available. It is essential that such costs are discounted from land values. Provided this is done, there should be no adverse impact on the viability of residential development schemes.
- 8.26 The policy of delivering affordable housing without public subsidy has been increasingly applied by authorities in England and Wales and has recently been supported by the First Secretary of State in a landmark appeal decision dated 27 July 2004 in Hinckley following a call-in inquiry (Hinckley and Bosworth Borough Council).
- 8.27 The Council anticipates that developers/landowners will want certainty in undertaking a development appraisal in order to understand the financial costs to be borne. The following affordable housing requirements need to be assumed for development which is subject to a section 106 agreement, where viability is assured:-
- The planning obligation will be to deliver affordable housing in a mix of property types and tenures which shall be agreed with the Council.
 - This means that developers undertaking a development appraisal must determine a range of costs which will include – land; a range of infrastructure costs for the entire development; cost to service building plots; the actual construction costs to comply with Welsh Assembly Government Pattern Book Standards; and also associated ‘on-costs’ of development (project management, architectural design, surveyors,

etc). All of these costs will be borne by the developer, net of the following –

- (a) any RSL finance that can be raised through a mortgage on the property, to be repaid from rental income.
 - (b) any subsidy element including social housing grant which has been identified, which could be a range of or aggregate of all subsidy elements.
- A developer should consider selecting an RSL partner at an early stage of the process in order to undertake a comprehensive development appraisal, with a full appreciation of all development costs, potential revenues and subsidy elements.
 - As a general point, the Council assumes that affordable housing plots (i.e. land) will have a significantly discounted value which is consistent with WAG acceptable cost guidelines. The Council believes that RSLs, landowners and developers should be minded to this point when conducting a development appraisal. The district valuers could be employed to establish a suitable valuation for the land.'
 - Generally, the Council will not provide capital subsidy or support bids to the WAG for Social Housing Grant where RSLs have paid an amount greater than existing use or a figure significantly greater than agricultural value for affordable housing plots.

Site Suitability

- 8.28 In considering the suitability of a site to provide affordable housing in accordance with the advice in TAN(2) June 2006 the Council will have regard to the economics of provision including particular costs associated with development and whether its provision would prejudice other planning objectives that need to be given priority in development of the site, (for instance bringing back into use a previously developed site).
- 8.29 A developer should, however, take affordable housing provision and other known requirements and constraints into account when negotiating the purchase of land. The Council will expect any abnormal site costs associated with the development to be demonstrated by an independent viability appraisal encompassing both costs and values (funded by the developer). Such abnormal costs may occasionally justify a reduction in the level of affordable housing provision. The Council will expect 'open book' negotiations. In recognition of the sensitivity of the information supplied, it will be kept confidential. Standard development costs that will not normally be considered as abnormal include demolition, contamination, landscaping, surveys such as archaeological, ecological

and drainage/flood prevention measures. Abnormal development costs will be those which could not have been reasonably anticipated in advance.

- 8.30 The Council may need to seek specialist independent advice in assessing the economic viability of development, and will seek to recover the cost of so doing under the terms of a Section 106 Agreement.
- 8.31 Prospective developers are encouraged to use the methodology for the calculation of internal cross-subsidy as included at **Appendix 7**.

Off-Site Provision

- 8.32 In exceptional circumstances developers will be allowed to construct the affordable homes on another site elsewhere within settlement development limits. (Construction outside development limits will not be acceptable). Applicants will be required to justify the exceptional circumstances and shall construct and complete the affordable dwellings on the alternative site prior to the completion of the final 50% of the first site. The total number of affordable dwellings constructed will always be 30-35% of the total number of dwellings constructed on both sites.

Financial Contributions in lieu of Affordable Housing Provision

- 8.33 Where the Council and developer agree that it is preferable for provision to be made off site and a financial contribution is to be made this will be equivalent to that which would ensure the provision of affordable housing by new build or conversion elsewhere within the locality.
- 8.34 A methodology for calculating the appropriate financial contribution together with an explanation of how it operates is contained in Appendix 8: Methodology for Calculating Financial Contributions in Lieu of On-Site Provision of Affordable Housing.
- 8.35 Any planning obligation to provide a financial contribution towards off site affordable housing provision will state that monies received must be used for that purpose within a period of five years of receipt. If not so applied within this period, the monies shall be repayable on demand. A clause will also be included providing details in respect of the actual payments requested being index linked and in the event of any delay in the payment, interest shall become payable. The financial contributions which are collected will be used by the Council to establish a special fund so that the money is eventually spent on subsidising future affordable housing projects preferably in the area where the contribution was generated.

- 8.36 Financial contributions in place of Affordable Housing will only be accepted in exceptional circumstances as a last resort option, and only where all are agreed that they are the only option feasible for a site. Developers will be required to justify why physical provision on or off site is not possible.
- 8.37 Where this approach is accepted, the contribution will be calculated using the ACG for the appropriate type of housing to meet the needs identified in the area.

Phasing Construction on Site

- 8.38 Where affordable housing is provided by a developer, the Council will allow the developer to complete 50% of the open market houses on the site prior to the completion of all the affordable housing units agreed on that site. Once the affordable housing has been completed and made habitable, the developer will then be able to construct the remaining 50% of the open market houses. This will mean that all affordable units will be completed prior to the completion of the whole site. A Planning Obligation under Section 106 of the Planning Act will be attached to the planning consent to secure this phased completion.

Affordable Housing Design Standards

- 8.39 Affordable housing proposals will need to contain sufficient detail to clearly identify the housing that it relates to, and the communal areas that will be transferred with that housing. Confirmation from the RSL or the Council's housing department in the absence of an RSL will be required that the housing complies with WAG design standards. In addition RSL's design requirements will need to be provided together with details of the basis of the affordability for each particular unit (including transfer arrangements, funding, available subsidy etc).
- 8.40 Grant supported affordable housing should be built to the WAG standards prevailing at the time and, if relevant, take account of any RSL design brief or development brief.
- 8.41 At the same time affordable housing proposals should comply with all relevant UDP policies and standards including the Council's Residential Design Guide.
- 8.42 Exactly the same design considerations should also be applied to the design and external appearance of affordable housing as to the open market housing so they are indistinguishable. This includes such matters as private external space and car parking standards. Affordable housing must be properly integrated physically and visually with market housing.

The housing should therefore be '*pepperpotted*' through a site rather than clustered in a limited number of locations.

- 8.43 Where accommodation is provided in excess of the WAG standards, the additional costs will be borne by the developer, not by an RSL.
- 8.44 Permitted development rights may be removed to ensure properties are not extended or altered in any way as to increase values beyond an affordable level. This will not prevent consideration of adaptations or extensions where required by an occupant with disabilities or to accommodate appropriate extensions for family growth.
- 8.45 The Council also commends the standards of Lifetime Homes pioneered by Joseph Rowntree Foundation. Lifetime Homes are accessible, adaptable homes designed to meet the needs of the four or five generations of people who live in them. By building Lifetime Homes, standard housing can be produced with added benefits not only for people with physical disabilities, but for everyone who lives in them. Further information on Lifetime Homes standards can be found at www.jrf.org.uk/housingandcare/lifetimehomes. Policy HP15 makes it clear that on large allocated sites that can accommodate 10 units or more the Council will seek a proportion of these to be built to wheelchair standards. Current WAG pattern book layouts are also designed to Lifetime Homes standards.

9. Rural Exception Schemes

- 9.1 The Council intends as far as possible to plan for meeting affordable housing needs within or adjacent to settlements by identifying and prioritising sites for housing development or through windfall sites. However, Policies HP8 and HP9 recognise that on occasion it may be necessary to permit the development of affordable homes on sites which would not otherwise be released for housing development, that is 'exception sites'.
- 9.2 Rural exceptions schemes will be considered within or adjacent to a smaller settlement with a development boundary. It does not apply to any of the main Area Centres as these settlements have sufficient allocations within their development boundaries to cater for affordable housing needs.
- 9.3 Rural exception sites rely on landowners making available land at an appropriate financial level to ensure that the housing provided is affordable. Whilst a landowner might expect to achieve a value significantly higher than agricultural land value, nothing approaching full residential land value can be expected. This would still represent a financial windfall, as the land would normally be subject to planning policies restricting the development of open market housing on it.
- 9.4 Developments will be small scale and will satisfy the following criteria:
- There is evidence of housing need established by a community level assessments / local housing needs survey or other independent source of need including the housing waiting list data.
 - The development is well located and sensitively designed in keeping with its surroundings and local building styles;
 - The housing should remain affordable in perpetuity through the use of appropriate safeguards, including conditions or Section 106 obligations;
- 9.5 There is a Rural Housing Enabler who operates in a limited number of communities in South East Powys. This is a joint initiative with the Welsh Federation of Housing Associations, Welsh Assembly Government, Monmouthshire County Council, Powys County Council, the Brecon Beacons National Park Authority and a number of housing associations including Charter, Eastern Valley, Gwerin, Mid-Wales and Wales & West. His role in implementing Policies HP7 and HP8 is to work with communities to:
- Gauge local housing needs.

- Help match housing needs to other local priorities and requirements.
 - Identify potential sites and land owners.
 - Help form fruitful links with relevant public bodies.
 - Help identify partnership organisations.
 - Help secure funding and tackle planning issues.
 - Help organise public consultation.
 - Formally register expressions of housing need with relevant bodies.
- 9.6 Early collaboration with the Rural Housing Enabler if appropriate, the Community Council, the planning and housing officers who are able to advise on the carrying out of Community housing needs surveys is encouraged.
- 9.7 In addition to the assessment of the planning context of any exceptions proposal the Council will give early consideration to the following issues relating to delivery of housing objectives:
- Willingness of the landowner and a RSL to enter into an appropriate Section 106 Agreement or conditions.
 - Proposed dwelling types and tenure in relation to local priority needs.
 - Evidence of the landowner's intention to sell the site for a sum which takes into account the 100% affordable housing restriction in perpetuity.
 - Evidence of involvement of a RSL and consultation with the appropriate Community Council.
 - Evidence of the involvement of the Rural Housing Enabler.
- 9.8 It is anticipated, that rural exceptions developments will comprise of a mix of social rented and shared equity properties.
- 9.9 The Council encourages communities to identify sites for rural exceptions schemes. Where a landowner, private developer or Community Council proposes a scheme, the Council would need to be satisfied that the development costs would achieve affordable housing that meets a local housing need and that an appropriate mechanism is in place to ensure future affordability, management and ownership. This may be through the subsequent management of the units by a RSL or other charitable body such as a village trust.

9.10 A model legal agreement for rural exception sites is included in Appendix 9.

10. Community Participation

- 10.1 Recent changes to the planning system have emphasised the importance of public participation. There is also a need to develop the confidence and self-reliance of local communities to help them assess and address their own housing needs.
- 10.2 It is important to continue to promote “community driven” projects within the above policy framework. However it is also important to continue to encourage the engagement of local communities in the process of bringing forward “mainstream” housing sites (i.e. open market housing sites) at pre-application stage.
- 10.3 In the case of “mainstream” housing sites, proper engagement with local residents at pre-application stage is important to develop public confidence in the house-building industry, as well as dispel misunderstanding or pre-conceptions.
- 10.4 At the same time, it is important to encourage good practice at pre-application stage and in the provision of information to support applications. This will facilitate the expeditious determination of planning applications.
- 10.5 Good practice on procedures at pre-application stage including public consultation, together with including information requirements for planning applications, is provided at **Appendix 10 *Best Practice for Planning Applications***.

11 Affordable Housing Targets and Monitoring

- 11.1 Due to timing of this IDCG in relation to the UDP period and the late introduction of affordable housing policies in development control, there is a backlog in terms of the number of affordable housing units constructed during the early period of the UDP. It has been estimated that some 158 (See Para 5.4 of the IDCG) affordable housing units would need to be built during each of the remaining years to 2016 in order to secure what is necessary both in terms of future need and to meet the backlog. The affordable housing target is currently being established through a review of historic permissions and completions monitored by the Council's Section 106 and Affordable Housing Register. This year will establish a baseline upon which subsequent years targets can be based. By adopting this methodology, the Council hopes to establish an achievable and realistic target for the authority.
- 11.2 The Council will regularly monitor the provision of affordable housing through the planning system as well as housing needs. This includes affordable housing output including different types of provision, numbers on the register and losses of stock through the right to buy.

12. APPENDICES

1. Cross Reference to Other Key Policy Documents
2. Benchmark Rent Levels 2004/05
3. UDP Policies
4. Rural Settlements
5. Affordable Housing Eligibility Questionnaire
6. Acceptable Cost Guidelines 2004-05
7. Methodology for Calculating Any Likely Requirement for Internal Cross-Subsidy
8. Methodology for Calculating Financial Contributions in Lieu of On-Site Provision of Affordable Housing
9. Model Heads of Terms for Section 106 Agreements/Conditions
10. Best Practice for Planning Applications
11. Planning Officer Flow Charts
12. Useful Contacts
13. Glossary
14. Bibliography
15. Community Level Assessments / Local Housing Needs Surveys

APPENDIX 1 – Cross Reference to Other Key Policy Documents

Document	Prepared by	Linkages/comments
Powys Community Strategy	Powys County Council	Adopted by the Council 2004. Identifies meeting affordable housing needs as a cross-cutting theme.
Corporate Improvement Plan	Powys County Council	<i>Sets corporate objectives. Includes provision of more affordable homes as a major priority.</i>
Housing Strategy	Powys County Council	Current Strategy covers the period 2004-2009. Replacement Strategy in preparation. Defines the Council's policies and priorities for creating a balanced housing market.
Homelessness Strategy	Powys County Council	Adopted 2003. Identifies lack of affordable homes as a key cause of homelessness. The policies in this IDCG will assist in preventing homelessness by boosting the supply of affordable homes.
Housing Renewal Strategy	Powys County Council	April 2003. Encourages the provision of additional affordable rental dwellings by the private sector and the improvement of the existing stock. Also seeks to reduce the number of empty homes.
Code of Procedure for the Disposal of Surplus Property and Land	Powys County Council	Encourages the disposal of surplus Council owned property and land to RSLs including at less than Best Price.

APPENDIX 2 – WAG Benchmark Rent Levels 2006/07

RENT BENCHMARKS FOR 2006-2007		
	Rent Benchmark	Maximum 3b5P Rent
Band A Powys	£53.99 (per week)	£59.99 (per week)

NB

3b = 3 bedroomed house

5p = 5 persons

NOTE: APPENDIX 2 MAY CHANGE DEPENDING ON THE DEFINITION OF AFFORDABLE RENTS.

APPENDIX 3 – UDP POLICIES

MIX OF HOUSE TYPES AND SIZES (UDP POLICY HP5)

5.12 Residential Developments

5.12.1 Residential development of any scale can have an impact on a settlement's character, therefore in controlling residential development the Council will ensure that new housing is designed to reflect that character. This is particularly the case for the recent trend of estate style housing, of nearly identical houses, which the Council view as being inappropriate on an individual and collective basis. Consequently, for larger schemes the Council will encourage new developments which consist of a range of dwelling types and sizes including an appropriate mix of, for example, detached, semi-detached, terraced and special needs accommodation. This not only improves the visual impact of the development but also helps to create more balanced and varied communities.

5.12.2 In some instances, new housing development may place a greater demand on local community facilities because of the additional users it is likely to generate. When considering such proposals, the Council will assess whether there is a requirement for additional or improved essential community facilities as a result of the development. Community Chapter Policy CS3 outlines the criteria that will be applied when considering additional demand for facilities.

5.12.3 The following policy will be used for determining residential applications on allocated housing sites or elsewhere within those settlements that have a defined development limit, as shown on the inset maps.

POLICY HP5 - RESIDENTIAL DEVELOPMENTS

PROPOSALS FOR RESIDENTIAL DEVELOPMENT ON ALLOCATED SITES, AS SHOWN ON THE INSET MAPS, AND ON OTHER APPROPRIATE SITES WITHIN THE DEVELOPMENT LIMITS OF SETTLEMENTS WILL BE PERMITTED PROVIDING THAT THE DEVELOPMENT COMPLIES WITH THE FOLLOWING CRITERIA:

1. THE DEVELOPMENT SHALL INCLUDE A MIX OF DWELLING TYPES AND SIZES TO CATER FOR THOSE HOUSEHOLD TYPES APPROPRIATE TO THE CHARACTERISTICS AND LOCATION OF THE SITE.
2. ON ALLOCATED SITES FOR 5 OR MORE HOUSES, A PROPORTION OF AFFORDABLE HOUSING IS PROVIDED IN ACCORDANCE WITH POLICY HP7.

3. THE PROPOSED DEVELOPMENT SHALL BE OF AN APPROPRIATE SCALE AND DESIGN, IN KEEPING WITH THE OVERALL CHARACTER AND APPEARANCE OF THE SETTLEMENT AND SURROUNDING AREA.
4. THE PROPOSED DEVELOPMENT WOULD NOT LEAD TO THE LOSS OF LAND ALLOCATED FOR OTHER PURPOSES WITHIN THE UDP.
5. THE PROPOSAL WILL NOT CREATE UNACCEPTABLE SAFETY, ACCESS, SERVICE, ENVIRONMENTAL OR AMENITY PROBLEMS.

NEGOTIATION OF AFFORDABLE HOUSING ON ALLOCATED SITES (POLICY HP7)

5.14 Affordable Housing

5.14.1 The Council is concerned that many local people in both urban and rural areas are unable to purchase or rent adequate affordable housing on the open market. In order to alleviate this situation, and to provide affordable housing that is accessible to those on lower incomes, the Council has identified the need to provide a proportion of affordable housing on larger allocated housing sites. In addition small-scale affordable housing developments may be acceptable outside but adjoining settlement development boundaries under the rural exceptions scheme or as individual dwellings in Rural Settlements.

5.14.2 Affordable housing is property made available at a price below full market value to meet an identified local need for housing as determined by a local housing needs survey. Affordable housing encompasses both low cost market and subsidised housing, (irrespective of tenure or ownership – whether exclusive or shared - or financial arrangements) that will be available to people who cannot afford to rent or buy houses generally available on the open market because of the relationship between local housing costs and incomes. There can be a wide range of affordable housing including housing for rent, equity sharing, self-build and leasehold schemes. The types of new houses provided should be appropriate to the needs of a variety of household sizes, particularly smaller households. The housing to be provided will be required to be available as affordable housing to each successive occupier in order to satisfy the continuing need for such accommodation. All proposals for affordable housing will be expected to comply with Policy HP10. Detailed guidance on the Plan's affordable housing policies is provided as Supplementary Planning Guidance.

5.14.3 Affordable Housing Provision in Settlements

5.14.4 In addressing the need for affordable housing in Powys, the Council will seek to negotiate the provision of affordable housing on sites allocated for housing by the plan and on all windfall sites capable of accommodating five or more units – or 0.3 hectares and over – in towns and villages where the housing needs survey or other reliable and robust data sources have identified a

requirement for such housing. Data sources of this nature include the housing registers of the local authority or registered social landlords. The splitting of sites or phasing of development to avoid the provision of affordable housing will not be acceptable.

5.14.5 The negotiation process will be the key to actual provision by ensuring that each site is capable of providing the necessary subsidy and yet still able to be developed economically. All negotiations for the provision of affordable housing will be based on the characteristics - development costs, constraints and nature - of each individual site and whilst all eligible sites will be expected to contribute, the degree of provision actually achieved will vary in relation to the circumstances of each site. Although the scale of affordable housing to be provided will be a matter for negotiation for each individual site, as a guideline, proportions of between 30-35% should normally be achievable and this is in line with the level of need identified of the Housing Needs Study 2002.

5.14.6 Options for the type and mix of affordable housing in a particular scheme include housing for rent, shared or assisted ownership housing, low cost housing for sale and low cost serviced plots for self-build. It may also be acceptable to meet the affordable housing requirement by the provision of appropriate housing on an alternative site. This off-site provision may also be in the form of a contribution towards alternative affordable housing units or through commuted payments, which would be returned to the developer if they remained unspent after a period of five years. The Council will need to be satisfied of the suitability of any alternative site proposal.

POLICY HP7 - AFFORDABLE HOUSING WITHIN SETTLEMENTS

- A. FOR DEVELOPMENT PROPOSALS ON SITES FOR 5 OR MORE HOUSES WITHIN THE DEVELOPMENT BOUNDARIES OF SETTLEMENTS, A PROPORTION OF AFFORDABLE HOUSING WILL BE SOUGHT BASED ON THE EXTENT AND TYPE OF NEED, AS IDENTIFIED BY THE COUNCIL'S HOUSING NEEDS SURVEY (2002), SUCCESSIVE SURVEYS OR OTHER RELIABLE AND ROBUST DATA SOURCES, AND THE NATURE OF THE SITE.
- B. UNLESS THE AFFORDABLE HOUSING IS TO BE PROVIDED BY A REGISTERED SOCIAL LANDLORD, PLANNING PERMISSION WILL ONLY BE GRANTED IF THE DEVELOPER HAS FIRST ENTERED INTO A PLANNING OBLIGATION TO ENSURE THAT THE HOUSING REMAINS AFFORDABLE IN PERPETUITY.
- C. FOR HOUSING TO BE CONSIDERED TO BE AFFORDABLE, IT SHOULD COMPLY WITH UDP POLICY HP10 AND INITIAL AND FUTURE OCCUPANCY WILL BE LIMITED TO THOSE COMPLYING WITH THAT POLICY.
- D. THE REMOVAL OF THE REQUIREMENT THAT THE HOUSING REMAINS AFFORDABLE IN PERPETUITY WILL ONLY BE CONSIDERED ON THE BASIS OF REALISTIC ASSESSMENTS OF THE CONTINUING NEED FOR

ITS RETENTION AND WHERE SUBSTANTIAL BUT UNSUCCESSFUL EFFORTS HAVE BEEN MADE FOR AT LEAST 12 MONTHS TO SELL OR LET THE PROPERTY AT A PRICE THAT REALISTICALLY REFLECTS THE EXISTENCE OF THE OCCUPANCY RESTRICTION.

EXCEPTION SITES (POLICY HP8)

5.14.7 Affordable Housing Outside Settlement Development Boundaries

5.14.8 The Welsh Assembly Government has also recognised that there are particular difficulties in securing an adequate supply of affordable housing for local needs in rural areas. Planning Policy Wales enables local authorities to consider releasing land for small-scale affordable housing schemes on sites adjoining villages as an exception to normal restraint policies to help to ensure the viability of the local community. Such housing must be in keeping with its surroundings, local building styles and the scale of the existing village and adequate arrangements must be in place to reserve the affordable housing for local needs in perpetuity. It is not considered that such rural exceptions should apply to Area Centres, as these should have sufficient allocations within their development boundaries to cater for affordable housing needs. Therefore the policy only relates to the lower levels in the settlement hierarchy.

POLICY HP8 - AFFORDABLE HOUSING ADJOINING SETTLEMENTS WITH DEVELOPMENT BOUNDARIES

WITH THE EXCEPTION OF AREA CENTRES, FAVOURABLE CONSIDERATION WILL BE GIVEN TO PROPOSALS FOR AFFORDABLE HOUSING TO MEET LOCAL NEEDS IN RURAL AREAS, AS AN EXCEPTION TO NORMAL HOUSING POLICIES, IN CASES WHERE ALL THE FOLLOWING CRITERIA ARE MET:

1. THE SITE ADJOINS A SETTLEMENT WITH A DEVELOPMENT BOUNDARY.
2. THE PROPOSAL IS SMALL IN SCALE, WELL LOCATED AND SENSITIVELY DESIGNED IN KEEPING WITH ITS SURROUNDINGS AND LOCAL BUILDING STYLES.
3. THE HOUSING SHOULD REMAIN AFFORDABLE IN PERPETUITY AND COMPLY WITH POLICY HP7, CRITERIA (B), (C) & (D).
4. THE PROPOSAL COMPLIES WITH UDP POLICY HP10.

AFFORDABLE HOUSING IN RURAL SETTLEMENTS (POLICY HP9)

5.14.9 Affordable Housing in Rural Settlements

5.14.10 Powys has a very dispersed settlement pattern including many small Rural Settlements where it would not be appropriate to encourage significant new housing development on sustainability grounds. Nevertheless, in order to support deeply rural communities, it is considered that individual affordable local need houses could be acceptable in these settlements as an exception to normal housing policies. Given the high landscape quality of rural areas in Powys, it is important that any houses permitted in Rural Settlements should be sensitively located and designed and be in keeping with the character of the area. Once again it is important that any houses permitted under the following policy should remain affordable in perpetuity. The Rural Settlements to which the policy applies are identified in Appendix 1 - Rural Settlements in Powys.

5.14.11 In circumstances where an individual household or person wishes to construct a house on the grounds of affordability, the applicant must demonstrate their personal need and will be expected to provide evidence of the following:

- The household's financial and personal circumstances.
- Efforts sought to obtain suitable housing on the open market.

- The price (mortgage) or rent the household is able to pay for accommodation.

- The need to locate in a particular area.
- The constraints of obtaining alternative accommodation.

POLICY HP9 - AFFORDABLE HOUSING IN RURAL SETTLEMENTS

AS AN EXCEPTION TO NORMAL HOUSING POLICIES, THE DEVELOPMENT OF SINGLE DWELLINGS WITHIN RURAL SETTLEMENTS WHICH PROVIDE AFFORDABLE HOUSING FOR LOCAL NEED WILL BE PERMITTED WHERE THEY COMPLY WITH THE FOLLOWING CRITERIA:

1. THE DWELLING WOULD BE SENSITIVELY LOCATED AND DESIGNED AND WOULD BE CAPABLE OF BEING INTEGRATED INTO THE SETTLEMENT WITHOUT UNACCEPTABLY ADVERSELY AFFECTING THE AMENITY AND CHARACTER OF THE AREA.
2. SATISFACTORY ARRANGEMENTS HAVE BEEN MADE THAT ENSURE THE HOUSING REMAINS AFFORDABLE IN PERPETUITY AND THE

DEVELOPMENT WOULD COMPLY WITH POLICY HP7 CRITERIA (B), (C) & (D).

3. THE PROPOSAL COMPLIES WITH UDP POLICY HP10.

AFFORDABILITY/OCCUPANCY CRITERIA (POLICY HP10)

5.14.12 Affordability Criteria

5.14.13 The Council will consider qualifying households to be in local housing need if they are in unsuitable housing and, due to their low income relative to their housing needs, cannot afford open market housing and where they have a strong connection to an area by virtue of family or work. As part of the housing needs survey the Council will continue to monitor the relationship between income levels and market house prices and rents throughout Powys to provide guidance as to suitable prices for affordable housing. The following policy defines the scale of housing if it is to be deemed affordable and the eligibility criteria to be satisfied by those seeking affordable housing. Although maximum floorspaces of 130 square metres may be acceptable to cater for the proven needs of large families, this should not be considered to be the norm for affordable housing. Smaller house floorspaces will often be sought in negotiations over the mix of a scheme or the agreement of planning obligations, in order to meet affordability needs.

POLICY HP10 - AFFORDABILITY CRITERIA

- A. AFFORDABLE HOUSING SHOULD NOT NORMALLY EXCEED A GROSS FLOORSPACE OF 130 SQUARE METRES (INCLUDING GARAGES WHERE DESIGNED AS AN INTEGRAL PART OF THE DWELLING) WHEN MEASURED INTERNALLY.

- B. THE FOLLOWING CRITERIA WILL BE USED TO DETERMINE THE ELIGIBILITY OF HOUSEHOLDS FOR AFFORDABLE HOUSING. INITIAL AND SUCCESSIVE OCCUPIERS MUST DEMONSTRATE THAT:
 - 1. THEY HAVE LIVED IN THE LOCAL COMMUNITY FOR AT LEAST 3 CONSECUTIVE YEARS OR WERE BORN AND BROUGHT UP IN THE COMMUNITY; OR
 - 2. THEY ARE EXISTING RESIDENTS WHO REQUIRE SEPARATE ACCOMMODATION WITHIN THE LOCAL COMMUNITY, SUCH AS NEWLY MARRIED COUPLES; OR
 - 3. THEY ARE ALREADY PRINCIPALLY EMPLOYED IN THE COMMUNITY; OR

4. THEY HAVE AN OFFER OF EMPLOYMENT IN THE AREA BUT CANNOT TAKE UP THE OFFER BECAUSE OF A LACK OF AFFORDABLE ACCOMMODATION; OR
5. THEY WISH TO MOVE INTO THE COMMUNITY IN ORDER TO LOOK AFTER AN INFIRM OR ELDERLY RELATIVE OR TO BE LOOKED AFTER BY A RELATIVE ALREADY RESIDENT IN THE COMMUNITY.
6. BOTH INITIAL AND SUBSEQUENT OCCUPIERS SHALL NOT ALREADY MORTGAGE OR OWN A RESIDENTIAL PROPERTY AND SHALL HAVE NOT RECENTLY SOLD A PROPERTY, UNLESS THE COUNCIL IS SATISFIED THAT THE OCCUPIER HAS AN EXCEPTIONAL NEED FOR THE AFFORDABLE HOME.

REFERENCES IN THIS POLICY TO COMMUNITY ARE DEFINED FOR INITIAL OCCUPIERS AS THE COMMUNITY COUNCIL AREA IN WHICH THE SITE LIES, TOGETHER WITH IMMEDIATELY ADJOINING COMMUNITY OR PARISH COUNCIL AREAS. IF SUCCESSIVE OCCUPIERS CANNOT BE FOUND WITHIN THE COMMUNITY, OCCUPIERS RESIDENT AT THE TIME IN THE APPROPRIATE SHIRE AREA IN POWYS SHOULD BE NEXT SOUGHT, FOLLOWED BY OCCUPIERS RESIDENT IN THE REST OF POWYS AND ADJOINING LOCAL AUTHORITY AREAS. THE COUNCIL WILL REQUIRE PROOF THAT SUBSTANTIAL EFFORTS HAVE BEEN MADE TO FIND A LOCAL OCCUPIER BEFORE THE ELIGIBLE AREA IS WIDENED TO THE NEXT LEVEL.

APPENDIX 4 – Rural Settlements

BRECKNOCKSHIRE

CRICKADARN, GWENDDWR, LLANAFAN FAWR, LLANDEILO'R-FAN, LLANFIHANGEL NANT BRAN, LLANWERN, LLECHFAEN, MERTHYR CYNOG, PENTRE BACH, PENTRE FELIN, PONTFAEN, PONTITHEL, PWLLGLOYW, SARNAU, TAL-Y-LLYN, TIRABAD, TRALLONG, UPPER CHAPEL, YNYS UCHAF

MONTGOMERYSHIRE

ARGAE HALL, BACHELDRE, BELAN, BRONEIRION, BROOKS, BRYNHYFRYD, BRYN MAWR, BRYNMELIN, BURGEDIN, BWLCH Y DDAR, CEFN (BUTTINGTON), CEFN CANOL, CEFN COCH (LLANRHAEADR), CERIST, CIL (BERRIEW), CITY, CRIGGION, CWM, CWM LLINAU UCHAF, CYFRONYDD, DDOL-COWNWY, DEUDDWR, DIOSG, DOLFACH, DYLFIFE, EAST LLANBRYNMAIR, EFAIL RHYD, FELINDRE (BERRIEW), FELINDRE (LLANIDLOES), FFRIDD, FRON, GEUFFORDD, GLAN-GWYNEDD, GLANMULE, GLANRHYD, GLANYNANT, GLASPWLL, GREEN LANE, GROESPLUAN, HENDOMEN, HENIARTH, HIRNANT, HODLEY, HOPE, HYSSEINGTON, LLANGYNIEW, LLANLLUGAN, LLANMEREWIG, LLANWYDDELAN, LLIDIARTYWAEN, LLWYNYGOG, MAES GWYN (MEIFOD), MELINBYRHEDIN, MELINYDDOL, MELLINGTON, MOCHDRE, MOELFRE, NANTYMEICHAID, NEWCHAPEL, NORTH DEUDDWR, , OAKLEY PARK, OLD CHURCHSTOKE, OLDHALL, PANDY, PANTMAWR, PANTYCRAI, PANTYFFRIDD, PEDAIR-FFORDD, PENNANT, PENNANT MELANGELL, PENRHOS, PENSTROWED, PENTRE (CHURCHSTOKE), PENTRE (KERRY), PENTREBEIRDD, PENTREFELIN, PENTRE-LLYMRY, PENTRENANT, PENYFOEL, PENYGARNEDD, PONTDOLGOCH, PONT FELIN, PONTLLOGEL, RHANDIR (LLANGADFAN), RHIWLAS, RHOS COMMON, RHOSYBRITHDIR, RHYDYCROESAU, ROCK-CIL, SAWMILLS (KERRY), SOUTH FORDEN, STAYLITTLE, TAFOLWERN, TALYWERN, TAN HINON, THE GREEN, TREFNANNAU, TYCRWYN, TYLWCH, WAEN-TREDERWEN, WERN-GERHYNT

RADNORSHIRE

ALLT Y CRUG, BOUGHROOD BREST, BRONYDD, BWLCH Y SARNAU, COLFA, CREGRINA, CWMBACH, CWM Y GEIST, DISCOED, DISSERTH, DOLLEY GREEN, GAUFRON, GLASCWM, GRAVEL, GWYSTRE, LLAITHDU, LLANBISTER ROAD, LLANFAREDD, LLANFIHANGEL NANT MELAN, LLANSANTFFRAED IN ELWEL, LLANSTEPHAN, MICHAELCHURCH-ON-ARROW, RHYDSPENCE, YARDRO

APPENDIX 5 – Affordable Housing Eligibility Questionnaire

Cyngor Sir Powys County Council

1. AFFORDABLE HOUSING ELIGIBILITY QUESTIONNAIRE

The purpose of this questionnaire is to provide supporting evidence for:

- a) Applicants submitting planning applications for any form of affordable housing as defined by Powys County Council.
- b) Determining the eligibility of successive households to occupy an existing affordable dwelling.

Who should complete this questionnaire?

1. Where an existing household is simply moving and not gaining any new members, only one questionnaire is required to be completed.
2. Where a new household is being formed (e.g. two separate households becoming one) then each adult member of the new household intending to occupy the affordable home must complete a separate questionnaire.

YOUR HOUSEHOLD DETAILS

1. Name, gender and age group of all household members (including children) to occupy the dwelling

Household member	Name	Male/ Female	Age Group			
			0-15	16-24	25-64	65+
1						
2						
3						
4						
5						
6						
7						
8						

2. Present addresses of all applicants listed in Question 1

3. Contact name and phone number

--

YOUR CURRENT ACCOMMODATION

4. What is your current form of tenure? (Please tick)

Owner occupier	
Private rent	
Social rent	
Other (Please Specify)	

5. Reasons for not being able to secure suitable accommodation in the open market?

--

6. How long have you lived at your present address?

	Years		Months
--	-------	--	--------

YOUR INCOME

7. What is the households' total annual gross income? (Please tick)

Please include details of your income, total annual household income, savings, and investments to your household and any other relevant information.

Please would each adult household member provide satisfactory supporting evidence, and submit it with this form. Examples may include:

- Copies of payslips,
- Accounts,
- Banks/Building Society statements,
- P60.

(Original documents & copies of these must be provided)

Below £15,000	
£15,001 - £20,000	
£20,001 - £25,000	
£25,001 - £30,000	
£30,001 - £35,000	
£35,001 - £40,000	
£40,001 - £45,000	
£45,001 - £50,000	
Above £50,001	

YOUR ELIGIBILITY FOR AFFORDABLE ACCOMMODATION

8. This question asks you to provide evidence demonstrating how your household complies with eligibility criteria in policy HP10 of the Unitary Development Plan as set out below in parts a) - g) **(Please provide an explanation and evidence where necessary)**

(References to community in this question are defined as the community council area in which the site lies, together with immediately adjoining community or parish council areas.)

- a) For the last 3 years, please list the community/parish council area where you have lived?

Household member	Community/Parish Council Area	No. Of consecutive years resident in CCA /PCA
1		
2		
3		
4		
5		
6		
7		
8		

- b) Which community council area (if in Wales) or parish council area (if in rest of the British Isles) were your household members born / brought up within?

Household Member	Name	Community/Parish Council Area
1		
2		
3		
4		
5		
6		
7		
8		

- c) Does your household require separate accommodation for existing residents within your household? **(Delete as appropriate)**

YES/NO

(If yes, please explain why e.g. newly married couples)

- d) Where are you/your household members principally employed?

Household Member	Name	Location (Community Council Area / Parish Council Area)
1		
2		
3		
4		
5		
6		
7		
8		

- e) Have you had an offer of employment in the area that you cannot take up due to a lack of affordable accommodation? **(Please provide evidence of offer of employment, including your proposed salary)**
(Delete as appropriate)

YES/NO

- f) Do you wish to move into the community to look after an infirm or elderly relative or to be looked after by a relative already resident in the community? (Please provide evidence from a medical health practitioner/professional) (Delete as appropriate)

YES/NO

- g) Do you or any other household members already have a mortgage, own a property or have you recently sold a property? (Please List property addresses below and date occupied/sold) (Delete as appropriate)

YES/NO

- h) If you own a home, have a mortgage, or have recently sold a property, please explain your reasons for wishing to occupy an affordable dwelling.

YOUR CHOICE OF HOUSING

9. Name of settlement/community council area you want to live in

10. Why is the above location preferred?

11. Which tenure is your household seeking? (Please tick)

Owner occupation/Purchase	
Private Rent (Private sector landlord)	
Social rent (Registered Social Landlord /Housing Association)	
Shared ownership/equity (part buy, part rent)	

12. If you wish to rent a property, how much per week is your household able to pay? (Please tick)

Under £50 pw	
£51-£60 pw	
£61-£70 pw	
£71-£80 pw	
£81-£100 pw	
£101-£150 pw	
£151-£200 pw	
Above £201 pw	

13. If buying a property, how much in monthly mortgage payments is your household able to pay? (Please tick)

Under £250	
£251-£300	
£301-£400	
£401-£500	
£501-£600	
£601-£750	
Above £750	

14. Is your household registered on any housing waiting lists? (Please tick)

	Yes	No
Powys County Council	_____	_____
Local Housing Associations	_____	_____
Another Council (Please Specify)	_____	_____

15. What type of accommodation is required/proposed? (Please tick)

- Supported / sheltered housing
 Flat
 Detached House
 Semi-detached house
 Terraced house
 Bungalow
 Other

16. How many bedrooms do you require/wish to build? (Please tick)

- 1
- 2
- 3
- 4
- 5
- 6 or more

17. Estimated Build/total cost (including land, highways infrastructure, architects etc) of the proposed dwelling/scheme? (Please provide sale particulars if available)

18. If successful, are you/the household/ owner of the land willing to enter into a Legal Agreement under Section 106 of the Town and Country Planning Act, limiting the future occupancy of the dwelling to people eligible for affordable housing, limiting the sale price or rent of the property to affordable levels (as defined by the Councils policy and guidance) and to prevent it from being sold/rented at open market value?
(Note: The Council is unlikely to grant permission for an affordable dwelling without this undertaking.)

Yes/No

19. If you have a specific site or property which you would like to occupy in mind, please give the site/property name and address below:

20. Further Comments/ Additional Information

YOUR DECLARATION

Where proof of evidence is required, please provide the original documents. Documents submitted with the questionnaire may be kept as evidence or will be copied and returned to you by post **at your request**.

Only the person who has completed this questionnaire must sign this declaration. Please read the questionnaire carefully before you sign and date it.

Disclaimer for the Data Protection Act 1998

In accordance with our responsibilities under the Data Protection Act, you should be aware that the personal information you choose to provide will not be passed to any person or organisation outside Powys County Council (unless we have your consent, or where we have a legal obligation or have the statutory powers to do so) but will be held by relevant staff in the service area relevant to your comments.

It will be understood by Powys County Council that, in providing personal information, you agree to its use by Powys County Council under these conditions and to the extent described in this Disclaimer.

Declaration

- **I understand and agree** that information provided in this questionnaire may be used by Powys County Council to assist them in determining planning applications for affordable housing and to determine their eligibility to occupy an affordable housing.
- **I declare** that the information that I have given in this questionnaire is correct and complete as far as I know and believe.
- **I understand** that if I knowingly give information that is incorrect or incomplete, I may be liable to prosecution or other action.
- **I know** that I must let you know about any change in my circumstances which might affect my planning application / eligibility for affordable housing.

Signature

Name (Print).....

Date / /

CONTACT US

Planning Services Powys County Council

Brecknockshire:

Neuadd Brycheniog
Ffordd Cambrian / Cambrian Way
Aberhonddu / Brecon
Powys
LD3 7HR
Ffon / Tel: 01874 624141
Ffacs / Fax: 01874 612339
Email: brecon.planning@powys.gov.uk

Radnorshire:

Y Gwalia / The Gwalia
Ffordd Ithon / Ithon Road
Llandrindod / Llandrindod Wells
Powys
LD1 6AA
Ffon / Tel: 01597 823737
Ffacs / Fax: 01597 827178
Email: radnor.planning@powys.gov.uk

Montgomeryshire:

Neuadd Maldwyn
Ffordd Hafren / Severn Road
Y Trallwng / Welshpool
Powys
SY21 7AS
Ffon / Tel: 01938 552828
Ffacs / Fax: 01938 551348
Email: planning.services@powys.gov.uk

APPENDIX 6 – Acceptable Cost Guidelines 2006-2007

ACCEPTABLE COST GUIDANCE ON COSTS FOR USE WITH SHG FUNDED HOUSING IN WALES

Llywodraeth Cynulliad Cymru
Welsh Assembly Government

August 2006

Housing Directorate

ANNEX A

ACCEPTABLE COST GUIDANCE

Table 1 – SELF CONTAINED UNITS – GENERAL NEEDS and ELDERLY

UNITS	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
7P4B HOUSE	143500	156100	171200	191300	206300	226400
5P4B HOUSE	127300	137900	150600	167600	180400	197400
5P3B HOUSE	103900	118900	129900	144700	155700	170400
4P3B HOUSE	103900	112500	122900	136700	147000	160800
4P2B HOUSE	97900	106600	116900	130800	141100	154900
3P2B HOUSE	80500	87800	96500	108100	116900	128500
3P2B BUNGALOW	88200	98800	111500	128500	141300	158300
3P2B FLAT	79400	83700	88900	95800	101000	107900
2P1B FLAT	68200	72100	76800	83000	87700	93900
1P1B BEDSIT	50400	53500	57200	62200	65900	70900
SHARED Abbeyfield	65600	68200	71400	75500	78700	82800

ANNEX E

**ACG
Band
(Powys)** **Community Council
(Powys)**

1	All except listed as 2,3 & 4	
2	<p>Banwy Bausley with C-riggion Berriew Bettws (Montgomeryshire) Bronllys Builth Cadfarch Caersws Carno Carreghofa Castle Caereinion Churchstoke Dwyriw Felin-fach Forden Glantwymyn Glasbury Kerry Knighton Llanbrynmair Llandinam Llandrindod Wells Llandrinio Llandysilio Llandyssil Llanerfyl</p>	<p>Llanfair Caereinion Llanfechain Llanfihangel Llanfihangel Cwmdu, Bwlch etc Llanfrynach Llanfyllin Llangedwyn Llangors Llangurig Llangyniew Llangynon (Montgomeryshire) Llanidloes Llanidloes Without Llanrhaeadr-ym-mochnant Llansantffraid (Montgomeryshire) Llansilin Llanwddyn Machynlleth Manafon Meifod Mochdre (Mongomeryshire) Pen-y-bont-fawr Presteigne Trefeglwys Tregynon</p>
3	<p>Aberhafesp Clyro Llangynidr Montgomery Newtown & Llanllwchaiarn Talgarth Talybont-on-Usk Trewern Welshpool</p>	
4	<p>Brecon Crickhowell Hay Llangattock The Vale of Grwyney</p>	

APPENDIX 7 – Methodology for Calculating Any Likely Requirement for Internal Cross-Subsidy

This methodology should form the basis of any developers' financial appraisal of a site. It is based on the residual method of calculating the value of land.

	Worked example
1. Estimate total capacity of site (number of dwellings)	25
2. Estimate total residential floorspace	2300m ² based on reasonable mix of 1, 2 and 3 bed properties
3. Calculate required proportion of affordable housing	690m ² (at 30% of 2 above – RSL developments)
4. Deduct 3 from 2 to give net amount of saleable market housing floorspace	1610m ²
5. Estimate gross income from sales stream from market sale housing	£3,220,000 (assumed @ £2,000 per m ²)
6. Add estimated income from sale of affordable housing	£345,000 (£500 per m ²)
7. Add result of 5 & 6 to give total gross income from development	£3,565,000
8. Estimate total build and on-costs (including cost of other planning obligations)	£2,300,000 (assumed at £1,000 per m ²)
9. Deduct 8 from 7 to give gross development profit	£1,265,000
10. Deduct profit margin (say 10%)	£126,500
11. Result is net residual land value	£1,138,500

NB. Only if the value at 11 is negative or lower than the existing use value for the site will public subsidy be considered, however SHG support is not always guaranteed.

APPENDIX 8 – Methodology for Calculating Financial Contributions In Lieu of On-Site Provision of Affordable Housing

1 Introduction and Summary

- 1.1 Section 8 of this IDCG refers.
- 1.2 This Appendix explains the Council's approach towards accepting alternatives to actual on-site provision in exceptional circumstances and, in the case of financial contributions, the formula for calculating such contributions. A worked example of such a calculation is included at the end.
- 1.3 This guidance is intended to continue to ensure a fairer, more transparent and consistent approach on this matter.

2 Background Information

- 2.1 The IDCG explains that in the vast majority of cases it will only be appropriate for provision to be on site, in line with paragraph 5.14.4 of the UDP. This also reflects the importance of social integration. However, paragraph 12.5 of TAN 2 (2006) advises that: "Development plans or (SPG) should set out the exceptional circumstances where provision may not need to be on an application site. In such instances, any off-site provision of affordable housing or a financial contribution in lieu of on-site provision must contribute towards the objective of providing affordable housing." This Appendix is intended to provide a clearer framework for dealing with the very limited number of cases where this situation may arise.

3 Practical Difficulties Associated With Off-Site Provision

- 3.1 Before advocating the alternative of any form of off-site provision, prospective developers are asked to appreciate that its acceptance runs the risk of creating a significant number of practical difficulties.
- 3.2 In the case of financial contributions in lieu of on-site provision, any Registered Social Landlords (RSLs) involved will need to:
 - Find suitable alternative land or property to purchase in the locality.
 - Prepare and submit schemes for approval within the budget provided by any cash contribution.
 - Ensure any scheme fit in with their own and the Council's annual capital programmes.

- Complete their purchase of alternative sites or properties.
- 3.3 All the above will take time, and be subject to potential risk, delay and uncertainty. Allowance must also be made for the effects of inflation.
- 3.4 It is equally important that there should be the reasonable prospect of the equivalent alternative provision of affordable housing occurring within the same locality within the same timescale as the development giving rise to the affordable housing requirement. The onus should therefore be on a prospective developer to fully investigate these prospects. For the purpose of any evaluation exercise, a five year time horizon is considered appropriate, as this reflects the normal life of a planning permission. Without such a safeguard there is a risk of the responsibility of implementation that would otherwise occur on-site being “dumped” onto the Council and RSLs.

4. General Principles

- 4.1 The primary objective of UDP Policy HP.7 is to facilitate the actual delivery of affordable housing. It therefore follows that such housing should always form an integral part of new housing schemes as and when they come forward for development.
- 4.2 The Council’s general policy on off-site provision is therefore set out below. Detailed guidance on the interpretation and implementation of this policy is given in subsequent sections.
- 4.3 This Authority will expect the affordable housing element of schemes to be built on site. An alternative in lieu of on-site provision – such as a financial contribution, and/or land and/or buildings on other sites – will only be favourably considered where all of the following tests are met:
- (1) The applicant and the Council both agree there is an exceptional and positive justification for the alternative of off-site provision.
 - (2) Agreement has been reached on the quantity and type of affordable housing which would otherwise have been provided on site.
 - (3) The alternative form of provision would be equivalent in all respects to the affordable housing, were this to have been provided on-site.
 - (4) The developer has demonstrated to the Council’s reasonable satisfaction that there is a firm prospect of securing the alternative form of provision:
 - (a) on a site or sites within the same locality, and;

(b) within the same timescales as the development giving rise to the requirement for affordable housing, and in any event within a five year period.

(5) In the case of a financial contribution, a payment calculated on the basis of the formula set out here, is made before the commencement of development.

4.4 In order to satisfy the test (4) above, it may be necessary for a developer to clearly demonstrate the availability and suitability of an alternative site by submitting a parallel planning application covering the “off-site” element. This applies in cases where a developer proposes physical provision on an alternative site within his ownership or control. It will be necessary for any such parallel application to be approved first to demonstrate the suitability of the alternative site.

5. Exceptional Circumstances

5.1 If a site is both suitable for housing development within the terms of the UDP and also falls within the scope of Policy HP.7, the alternative of off-site provision of affordable housing will be inappropriate. Therefore such cases are likely to be very exceptional and by their very nature it is impossible to provide an exhaustive list of such exceptional circumstances in this guidance note.

5.2 Nevertheless possible examples of such circumstances include:

(1) Cases where physical constraints on the site and/or its surroundings necessitate development to such a low density that the size of gardens and/or management costs would render the maintenance of affordable housing uneconomic on the site.

(2) The conversion of listed buildings where the conversion costs are likely to make it difficult for affordable housing to be provided on-site.

(3) Cases where an alternative site, in the same locality:

(a) is in the ownership or control of the prospective developer, and;

(b) is suitable for residential development in planning terms, and;

(c) where the same quantity, type and quality of affordable housing could be made available at an **earlier** date.

6. Practical Considerations

6.1 If a developer considers there are sound *planning* grounds for preferring the alternative of off-site provision, the developer should

submit at the earliest possible opportunity (preferably before a planning application is lodged) the following information:

- (1) Brief details of the proposed development in question, including the anticipated development timetable.
- (2) A detailed explanation of why the alternative of off-site provision is considered more appropriate (having regard to the advice elsewhere in this note) in this particular case.
- (3) Details of the alternative proposed. For example, a cash contribution to be secured by way of a Section 106 Agreement equivalent to the cost of providing a specified number of homes off-site.
- (4) Either:
 - (a) Details of an alternative site:
 - in the same locality, and;
 - in the ownership or control of the developer, and which;
 - either benefits from an extant planning permission or is acceptable for development in terms of the UDP's policies, and which;
 - the developer proposes to make available at an earlier date as an alternative site for the required affordable housing.

Or:

- (b) Details of the enquiries that the developer has made with RSLs confirming the firm availability:
 - within the likely timescales of the proposed development (and in any case within five years), and;
 - within acceptable costs (i.e. within ACG figures – see below) of suitable land or buildings (which could include existing identified dwellings in a satisfactory condition) which an RSL would be prepared to acquire in order to provide an alternative off-site location for the required affordable housing.

7. Parity

7.1 In order to remove any inadvertent financial incentive to the developer for off-site provision, and to reflect the added difficulties of off-site provision including development and on-costs, it is considered fair and reasonable to require parity of provision. The way the 'parity' rule would work is illustrated in the example below:

7.2 Example:

7.2.1 Assuming:

- a housing scheme consisting of 20 dwellings is proposed;
- provision of 30% of these homes (equating to 6 dwellings) in the form of affordable housing is agreed, but;
- a cash payment in lieu is agreed in accordance with this guidance.

7.2.2 In such circumstances, the ratio of 10:3 (20:6) would be applied to the increased number of open market homes (20:6 = 26), or 30% of 26 = 8 (rounded to the nearest whole dwelling unit). In other words, whereas on-site provision would have been for 6 dwellings, the cash-in-lieu contribution would have to be for 8 dwellings i.e. 40%.

8. Formula for Calculating Contributions

8.1 Where a financial contribution in lieu of actual on-site provision of affordable housing is appropriate, the contribution will be calculated according to the formula set out below. The formula is based on the assumption that the contribution should be equivalent to the public subsidy required for the affordable housing, adjusted as necessary by the parity rule set out above.

8.2 Please note that before any calculation can be properly made using this formula it will be necessary to agree a surrogate stock mix. This will be proposed by the Council with reference to current information on housing needs.

8.3 **Formula:**

$$\text{ACG } \pounds \text{ per unit} \times \% \text{ SHG} \times N = \pounds \text{ contribution}$$

Where:

ACG = Acceptable Cost Guideline (ACG) for each type of unit of accommodation, being the current ACG published by Welsh Assembly Government (see Appendix 4) applicable to that type of unit, adjusted as necessary by appropriate Key and Supplementary Multipliers.

SHG = Social Housing Grant (SHG) rate. SHG is normally expressed as a total proportion of actual scheme costs that will be funded by Welsh Assembly Government or the Council.

N = Number of affordable housing units (at parity) (rounded up to the nearest whole unit).

9. Arrangements for Financial Contribution in lieu of Provision or Physical Provision Off-Site

9.1 The necessary legal agreement will provide for any financial contribution-in-lieu or physical provision off-site elsewhere to be made prior to the commencement of development, and in any case within twelve months of the date of the agreement. This latter provision is considered to be justified by the need for this Authority to maintain a stable social housing programme.

10. Indexation

10.1 ACG and SHG figures are reviewed and published annually by Welsh Assembly Government. ACG figures reflect movements in construction cost. In order to protect the value of financial contributions from erosion by inflation, the legal agreement ('Section 106 Agreement') by which by which such contributions will be secured will provide for these to be based upon the figures applicable in the financial year in which the payment is actually made. Effectively this will result in a form of indexation. Therefore prospective developers are warned that the actual payment required could be greater if it is not made in the same financial year in which the corresponding legal agreement is signed.

11. Provision In Kind

11.1 Whilst proposals for provision in kind of land or property within the same locality as the development giving rise to a requirement for affordable housing will be considered, such provision will only be acceptable where:

- (1) The Council is satisfied that the objective of social integration would not be compromised.
- (2) The off-site provision would be equal to or better than that which would have been provided on-site.

12. Outline Planning Applications

Where a financial contribution-in-lieu is appropriate, this will need to be determined with reference to the number of dwellings to be built on site. In the case of outline planning applications, the number of dwellings is not normally known. Therefore the calculation will need to occur at the "reserved matters" submission stage, and will be based on the ACG and SHG figures prevailing at that time.

13. Worked Example - Formula For Calculating Contributions in lieu of Provision

Introduction

1. The approach is based on Welsh Assembly Government (WAG) funding framework, which is based on an “Acceptable Cost Guideline” for each scheme together with an appropriate grant rate for the Public subsidy. These figures are reviewed on an annual basis.
2. The ACG guidance identifies a number of different “bands” which draw together authorities with similar costings. Powys is split by area and the booklet should be referred to in detail. By way of example. The figures below are for a development in Band 2 area.

Extract from August 2006 Welsh Assembly Government ACG Base Table for General Needs Self Contained Accommodation

Unit Floor area per m ²	Persons	ACG Group
45-50m ² 1 bed flat	2	£72,100
55-60m ² 2 bed flat	3	£83,700
75-80m ² 2 bed house	4	£106,600
85-90m ² 3 bed house	5	£118,900
95-100m ² 4 bed house	6	£137,900

3. The above amounts are subject to a percentage grant rate which for Powys general needs social rented housing is currently set at 58% and for Homebuy is set at 30% (the proportion the occupier is not purchasing). The developer will then sell the property at the ACG rate net of the grant level to the housing association.
4. Example for a Homebuy Property (ACG Band 2)
 For a three bed house 100% ACG =£118,900
 30% of £118,900 = £35,670
 £118,900 - £35,670 = £83,230

The discount on the sale price to the Registered Social Landlord (RSL) would be £35,670 per unit and therefore the RSL capital contribution would be £83,230 per unit (i.e. the RSL would pay the developer £83,230 for the property)

Example for a Social Rented Property (ACG Band 2)
 For a three bed house 100% ACG = £118,900
 58% of £118,900 = £68,962
 £118,900 - £68,962=£49,928

The discount on the sale price to the RSL would be £68,962 per unit and therefore the RSL capital contribution would be £49,928 per unit (i.e. the RSL would pay the developer £49,928 for the property).

The above methodology can be applied to any scheme simply by applying the formula according to the number and type of properties in the development.

Worked Example

5. *Agreement has been reached that due to the specific circumstances of the site, a commuted sum representing 40% affordable housing for rent will be acceptable.*
6. *No grant will be payable. RSL on-costs will not apply and therefore the commuted sum is calculated based on 100% ACG.*
7. *Site A is allocated for 30 dwellings.*
8. *40% of 30 is 12.*

100% ACG for a 45 m² unit = £72,100

100%ACG for a 75 m² unit = £106,600

For affordable housing units

100% ACG for the project: this would deliver 6 x 45m² units and 6 x 75m² units(i.e. Council's preferred mix) at a cost of (6 x £72,100) + (6 x £106,600).

Total Scheme Costs: £1,072,600

If the grant rate is 58% the commuted sum payable for the affordable housing for rent = total scheme costs x 58% = **£622,108.00**

The agreed financial payment in lieu will also need to take account of the off site costs associated with the development of the site concerned including site servicing costs and development costs associated with the planning requirements of the site.

APPENDIX 9 - MODEL HEADS OF TERMS FOR SECTION 106 AGREEMENTS/CONDITIONS

INTRODUCTORY NOTE

Where it is agreed that affordable housing is to be provided in accordance with draft Powys UDP Policies HP.7, HP8 and HP9 planning obligations or conditions will be used to secure provision. When no RSL is involved a S106 agreement will always be required to secure the affordable housing whether it is an outline, full or reserved matters application. However, if a RSL has a legal interest in the site the affordable housing should normally be secured by way of condition at the outline, full or reserved matters stage. Negotiations with developers will be based upon one of the Council's model legal agreements, the heads of terms of which are set out in the following order of preference:

1. On-site provision (except in exceptional circumstances)
 - for rent; and
 - for sale.
2. Part on-site and part off-site/commuted payment;
3. Off-site
 - provision by applicant, developer or RSL;
 - commuted payment;
 - transfer of Land.

Heads of terms should address location (e.g. on site), the issue of subsidy, the number, size, cost, standard, specification of the units, mix and type of affordable housing, the programme and timetable for provision (housing), commuted sums, occupancy, management and long term ownership, cascade mechanism and service charge levels.

A combination of terms under each of the model agreements may occasionally be appropriate e.g. when a combination of on-site and off-site provision is secured depending on the agreed form of affordable housing provision. The Council may also agree phased provision and transfer of affordable housing on large scale development sites. Standard affordable housing conditions are also provided.

GENERAL MATTERS TO BE COVERED IN AGREEMENTS/CONDITIONS

Securing Affordable Housing in the Longer Term

The affordable housing should only be used for the purposes of providing accommodation to be occupied by households in need of affordable housing

in the Powys area and to meet the objectives of a RSL as set out in the eligibility criteria in UDP Policy HP10.

Design Related Considerations

The location of the affordable housing is approved in Plan number U comprising of V units with a housing mix of W 1 bed unit, X 2 bed unit etc with floorspace/bedspaces area comprising of YM² per unit for 1 bed units, ZM² for 2 bed units etc in accordance with the planning permission.

The units shall be constructed to the minimum standards specified in the Welsh Assembly Government publication '*Pattern Book for Registered Social Landlords*' or in accordance with such other guidance as shall be issued by the Welsh Assembly Government or any successor body in substitution.

The units shall not be used for any other purpose except the agreed affordable housing provision.

Occupancy Criteria

Not to permit or allow the affordable housing units to be occupied by any person(s) except person(s) satisfying the following occupancy criteria:

1. They have lived in the local community for at least 3 consecutive years, or were born and brought up in the community and have lived either in non self-contained accommodation, in overcrowded conditions or self contained accommodation inadequate for their needs; or
2. They are existing residents who require separate accommodation within the local community, such as newly married couples; or
3. They are already principally employed in the community; or
4. They have an offer of employment in the area but cannot take up the offer because of a lack of affordable accommodation; or
5. They wish to move into the community in order to look after an infirm or elderly relative or to be looked after by a relative already resident in the community.
6. Both initial and subsequent occupiers shall not already have a mortgage or own a residential property and shall have not recently sold a property, i.e. in the last 5 years unless the council is satisfied that the occupier has an exceptional need for the affordable home.
7. In the opinion of the RSL is in need of affordable housing and no other person falling within the categories set out above is found who is willing to become a tenant of the affordable housing unit within a

period of 4 weeks from the date upon which the affordable housing unit becomes available.

8. References to community are defined for initial occupiers as the Town/Community Council area in which the site lies, together with immediately adjoining Town/Community Council areas. If successive occupiers cannot be found within the Town/Community area, occupiers resident at the time in the appropriate area in Powys should be next sought, followed by occupiers resident in the rest of Powys and adjoining local authority areas. The Council will require proof that substantial efforts have been made to find a local occupier before the eligible area is widened to the next level.

Mortgagee in Possession Clause

It is hereby agreed between the parties to this deed that the obligations contained in this deed shall not bind a mortgagee of any Registered Social Landlord that may acquire by way of long lease or better title the affordable housing units or any receiver appointed by such mortgagee or chargee and the said obligations shall thereafter cease to have effect in relation to the affordable housing units (or such part thereof as may be affected) in the event of such mortgagee or chargee becoming a mortgagee in possession of the affordable housing units or any part thereof.

Exclusion from Right to Buy

The affordable housing units which were secured without public subsidy shall be excluded from any Voluntary Purchase Grant scheme and from any right to buy introduced in favour of the occupiers of the affordable housing units and/or from any other mechanisms that could result in any of the affordable housing units becoming available for sale in the private housing market.

ON-SITE PROVISION

Model Legal Agreement 1

Developer Builds and Transfers Affordable Housing Units to Registered Social Landlord

Developer's obligations

- Not to commence the development until the Developer has obtained the approval of the Council to a programme and timetable for the provision of the Affordable Housing Units and to the location, type, cost, standard, size and level of servicing of and element of subsidy in respect of such units.
- To construct the Affordable Housing Units to the standard required by the Welsh Assembly Government in the Pattern Book for RSLs and the Registered Social Landlord (RSL) and in accordance with the approval referred to above.

- Not to occupy or permit occupation of any of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has transferred (either by freehold transfer or lease for a term of at least 125 years) the Affordable Housing Units (fully serviced and accessible by vehicles and pedestrians) to the RSL at a sum calculated using the Welsh Assembly Government Acceptable Cost Guidelines.
- As an alternative to the immediately preceding obligation, (to be used only where that obligation in the opinion of the Council is not practical).
 - not to occupy more than 50% of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has entered into an unconditional contract with the RSL for the sale (either by freehold transfer or lease for a term of at least 125 years) of the Affordable Housing Units to the RSL at a sum calculated using the Welsh Assembly Government Acceptable Cost Guidelines when such units have been substantially completed and has produced to the Council evidence of such contract.
 - not to occupy the remainder of the dwellings to be sold on the open market until the Council has been provided with evidence that all of the Affordable Housing Units have been transferred to the RSL (either by freehold transfer or lease for a term of at least 125 years) in accordance with the contract referred to above.
- To procure that the Affordable Housing Units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for shared equity leasing depending upon the agreed split (if any) between Affordable Housing Units available for rent and those available for shared equity.
- To procure that those Affordable Housing Units which are to be let (as opposed to those which are to be made available for shared equity) are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of medical and social priority as referred to in the Council's housing waiting list and to those persons accepted by the Council as homeless and who fall within the Council's Occupancy Criteria.

If after using all reasonable endeavours the Developer has been unable to dispose of the Affordable Housing Units to an RSL upon the terms specified above and within an agreed timescale from the date of occupation of the first of the dwellings which are to be let or sold on the open market it will notify the Council of this fact and comply with such alternative method of securing such on site affordable housing benefits (to a value no less than that which would have been achieved had the Developer disposed of the Affordable Housing Units to an RSL as provided for above) as shall be specified by the Council and within such reasonable timescale as the Council shall require. If after

using all reasonable endeavours for reasons beyond his/her/its control the Developer has been unable to comply with such alternative method within a further period of 12 months the Developer shall immediately pay to the Council a sum equal to the value which would have been achieved had the Developer disposed of the Affordable Housing Units to an RSL as provided for above such sum to be used by the Council to facilitate the provision of affordable housing within a specified area.

Council's Obligations (where Developer pays a commuted sum in lieu of providing Affordable Housing Units)

- To use the payment received from the Developer to facilitate the provision of affordable housing within a specified area.
- In the event that the contribution towards affordable housing (or any part of it) has not been spent or committed within a period of five years from the date of payment to repay, provided it is requested, the part not spent or committed to the Developer together with interest on such sum at prevailing bank rates from time to time from the date of receipt until the date of repayment.

Model Legal Agreement 2

Developer Transfers Serviced Affordable Housing Land to Registered Social Landlord and Pays a Commuted Sum to the Council/RSL

Developer's obligations

- Not to commence the development until the Developer has
 - obtained the approval of the Council to a programme and timetable for the provision of the Affordable Housing Units and to the location, type, cost, standard size and level of servicing and element of subsidy in respect of such units.
 - entered into an unconditional contract with an RSL for the transfer to such RSL (either by freehold transfer or lease for a term of at least 125 years) of all of the land required for the Affordable Housing Units such transfer to be effected when all services and access have been provided.
 - paid to the Council/RSL a sum for the provision of the Affordable Housing Units calculated using the Welsh Assembly Government Acceptable Cost Guidelines at the date of payment. Alternatively this sum can be paid simultaneously with the transfer to the RSL of the land required for the Affordable Housing Units. In that event the Developer will be required to provide a Bond.
- Not to occupy or permit occupation of any of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has transferred to the RSL for no consideration (either by freehold transfer or lease for a term of at least 125 years) all of the

land required for the Affordable Housing Units (fully serviced and accessible by vehicles and pedestrians).

- To procure that the Affordable Housing Units are constructed to the standard required by the Welsh Assembly Government.
- To procure that the Affordable Housing Units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for shared equity depending upon the agreed split (if any) between Affordable Housing Units available for rent and those available for shared ownership equity.
- To procure that those Affordable Housing Units which are to be let (as opposed to those which are to be made available for shared equity) are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of medical and social priority as referred to in the Council's housing waiting list and to those persons accepted by the Council as homeless and who fall within the Council's Occupancy Criteria.

If after using all reasonable endeavours the Developer has been unable to find an RSL which is prepared to take a transfer of the land for the provision of the Affordable Housing Units upon the terms specified above within an agreed timescale of entering into the Section 106 Agreement the Developer will notify the Council of this fact and comply with such alternative method of securing the affordable housing benefits and within such reasonable timescale as shall be specified by the Council. If after using all reasonable endeavours the Developer has been unable to comply with such alternative method within a further period of 12 months the Developer shall immediately pay to the Council the agreed value of the land which was allocated for the Affordable Housing Units for use by the Council to facilitate the provision of affordable housing within a specified area.

Council's obligations

- To use the payment received from the Developer to facilitate the provision of affordable housing within a specified area.
- In the event that the contribution towards affordable housing (or any part of it) has not been spent or committed within a period of five years from the date of payment to repay, provided it is requested, the part not spent or committed to the Developer together with interest on such sum at prevailing bank base rates from time to time from the date of receipt until the date of repayment.

Model Legal Agreement 3

Affordable Housing Provided and Managed by Developer with no Registered Social Landlord Involvement

Developer's obligations

- Not to commence the development until the Developer has obtained the approval of the Council to a programme and timetable for the provision of the Affordable Housing Units and to the location, type, cost, standard, size and level of servicing of such units.
- To construct the Affordable Housing Units to the standard required by the Welsh Assembly Government and in accordance with the approval referred to above.
- Not to occupy or permit occupation of any of the dwellings which are to be sold or let on the open market until the Affordable Housing Units are all available for immediate occupation.
- To procure that the Affordable Housing Units are occupied only by persons approved in writing by the Council (such approval not to be unreasonably withheld or delayed if such persons satisfy the criteria contained in the Council's housing allocations policy which is current at the date upon which the approval is requested).
- Not to charge to its tenants of the Affordable Housing Units any rent in excess of the Welsh Assembly Government benchmark rents, unless otherwise agreed.

OFF-SITE PROVISION

Model Legal Agreement 4

Developer Builds and Transfers Off-Site Affordable Housing Units to Registered Social Landlord

Developer's obligations

- Not to commence the development until the Developer has
 - acquired the freehold interest in a site of sufficient size and within a specified area (to be approved by the Council) to provide the Affordable Housing Units
 - obtained full planning permission for the Affordable Housing Units and
 - obtained the approval of the Council to a programme and timetable for the provision of the Affordable Housing Units and to the location, type, cost, standard, size and level of servicing of and element of subsidy in respect of such units.
- To construct the Affordable Housing Units to the standard required by the Welsh Assembly Government and the RSL and in accordance with the approval referred to above.

- Not to occupy or permit occupation of any of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has transferred (either by freehold transfer or lease for a term of at least 125 years) the Affordable Housing Units (fully serviced and accessible by vehicles and pedestrians) to the RSL at a sum calculated using the Welsh Assembly Government Acceptable Cost Guidelines.
- As an alternative to the immediately preceding obligation, (to be used only where that obligation in the opinion of the Council is not practical).
 - not to occupy more than 50% of the dwellings comprised in the development which are to be sold or let on the open market until the Developer has entered into an unconditional contract with the RSL for the sale (either by freehold transfer or lease for a term of at least 125 years) of the Affordable Housing Units to the RSL at a sum calculated using the Welsh Assembly Government Acceptable Cost Guidelines when such units have been substantially completed and has produced to the Council evidence of such contract.
 - not to occupy the remainder of the dwellings to be sold on the open market until the Council has been provided with evidence that all of the Affordable Housing Units have been transferred to the RSL (either by freehold transfer or lease for a term of at least 125 years) in accordance with the contract referred to above.
- To procure that the Affordable Housing Units are either let by an RSL in accordance with its objectives and with such published housing waiting list and allocation system as it may adopt or are made available by an RSL for shared equity leasing depending upon the agreed split (if any) between Affordable Housing Units available for rent and those available for shared equity.
- To procure that those Affordable Housing Units which are to be let (as opposed to those which are to be made available for shared equity) are occupied by persons considered by an RSL to be in need of such accommodation and the RSL shall have regard to the categories of medical and social priority as referred to in the Council's housing waiting list and to those persons accepted by the Council as homeless and who fall within the Council's Occupancy Criteria.

If after using all reasonable endeavours the Developer has been unable to dispose of the Affordable Housing Units to an RSL upon the terms specified above and within an agreed timescale from the date of occupation of the first of the dwellings which are to be let or sold on the open market it will notify the Council of this fact and comply with such alternative method of securing the affordable housing benefits (to a value no less than that which would have been achieved had the Developer disposed of the Affordable Housing Units to an RSL as provided for above) as shall be specified by the Council and within such reasonable timescale as the Council shall require. If after using all

reasonable endeavours for reasons beyond his/her/its control the Developer has been unable to comply with such alternative method within a further period of 12 months the Developer shall immediately pay to the Council a sum equal to the value which would have been achieved had the Developer disposed of the Affordable Housing Units to an RSL as provided for above such sum to be used by the Council to facilitate the provision of affordable housing within a specified area.

Council's Obligations (where Developer pays a commuted sum in lieu of providing Affordable Housing Units)

- To use the payment received from the Developer to facilitate the provision of affordable housing within a specified area.
- In the event that the contribution towards affordable housing (or any part of it) has not been spent or committed within a period of five years from the date of payment to repay, provided it is requested, the part not spent or committed to the Developer together with interest on such sum at prevailing bank rates from time to time from the date of receipt until the date of repayment.

Model Legal Agreement 5

Financial Contributions by Developer

Developer's obligations

- Not to commence the development until the Developer has paid to the Council a sum to facilitate the provision of affordable housing such sum to be calculated on the notional basis of a specified number of dwellings each containing a specified floor area and a specified number of bedrooms and by using the Welsh Assembly Government Acceptable Cost Guidelines applicable to such dwellings prevailing at the date of payment.
- Not to permit the occupation of more than 50% of the development until the developer has paid a commuted sum.

Council's obligations

- To use the payment received from the Developer to facilitate the provision of affordable housing within a specified area.
- In the event that the contribution towards affordable housing (or any part of it) has not been spent or committed within a period of five years from the date of payment to repay, provided it is requested, the part not spent or committed to the Developer together with interest on such sum at prevailing bank base rates from time to time from the date of receipt until the date of repayment.

LOW COST MARKET HOUSING

Model Legal Agreement 6

Developer Provides Low Cost Market Housing

Developer's obligations

- Not to commence the development until the Developer has obtained the approval of the Council to a programme and timetable for the provision of the Affordable Housing Units and to the location, type, cost, standard, size and level of servicing of such units.
- To construct the Affordable Housing Units to the standard required by the Welsh Assembly Government and in accordance with the approval referred to above.
- Not to occupy or permit the occupation of any of the dwellings which are to be sold or let on the open market until the Affordable Housing Units are all available for immediate occupation.
- To procure that the Affordable Housing Units are occupied only by persons approved in writing by the Council (such approval not to be unreasonably withheld or delayed if such persons satisfy the criteria contained in the Council's housing allocations policy which is current at the date upon which the approval is requested).
- Not to dispose of the Affordable Housing Units at a consideration in excess of up to 60% (or other % if detailed information on entry level prices indicates otherwise) of the open market value of the units at the date of sale.
- Not to dispose of any one of the Affordable Housing Units to any person unless that person enters into a charge in favour of the Council (which shall have priority over all other charges affecting the unit) to the effect that upon any subsequent disposal of the unit that person will pay to the Council a sum of money equivalent of up to 40% (or other % if detailed information on entry level prices indicates otherwise) of the open market value of that unit at the date of sale and to procure that subsequent purchasers of the unit enter into a similar charge. The open market value of the unit should be independently valued by a local valuer with arbitration in the event of any dispute over price.

Council's obligations

- To use all payments received from the sale of the Affordable Housing Units to facilitate the provision of affordable housing within a specified area.

RURAL EXCEPTIONS SCHEMES

Model Legal Agreement 7

Rural Exceptions Scheme

Named Owner and RSL covenants with the Council:

- That all of the units will be used in perpetuity for the purposes of providing affordable housing.
- That the affordable housing units will be occupied by persons meeting the eligibility criteria.
- To enter into a nomination agreement with the Council.
- To construct the Affordable Housing Units to the standard required by the Welsh Assembly Government and the Council.

MODEL CONDITIONS

Affordable housing is best secured by way of condition in circumstances when a RSL has a legal interest in the site.

Model Conditions - General

The affordable housing accommodation shall only be occupied by people who meet the Council's occupancy criteria or eligibility criteria of an RSL.

Reason: To ensure the affordable housing is occupied by people who are in genuine housing need.

Model Conditions – Outline Applications

No development shall take place until the details of the arrangements for the provision of affordable housing as part of the development hereby permitted have been submitted to and approved in writing by the local planning authority; the development shall be carried out in accordance with the approved arrangements; the details of the arrangements for the provision of affordable housing shall provide for at least x% of the units in the development to be in dwellings which form part of the affordable housing provision, and shall include:

- a) the numbers, type and locations on the site of the affordable housing provision to be made;
- b) the timing of the construction of the affordable housing;
- c) the arrangements to be made, whether by means of an Obligation under section 106 of the Town and Country Planning Act 1990 or otherwise, to ensure that such provision is affordable for both initial and subsequent occupiers of the affordable housing; and

- d) the occupancy criteria to be used for determining the identity of prospective and successive occupiers of the affordable housing, and the means by which such occupancy criteria shall be enforced.

Reason: The site is considered to be a suitable site as defined in TAN(2) and in accordance with Policy HP7 of the Powys UDP where x% affordable housing must be provided on-site.

Model Condition/Clause – Restricting Service Charge Levels

The service charge per unit shall not exceed £250 per annum subject only to an increase in line with All Items Retail Prices Index published by the Office for National Statistics or if such index ceases to be published such equivalent index as shall be approved in writing by the local planning authority.

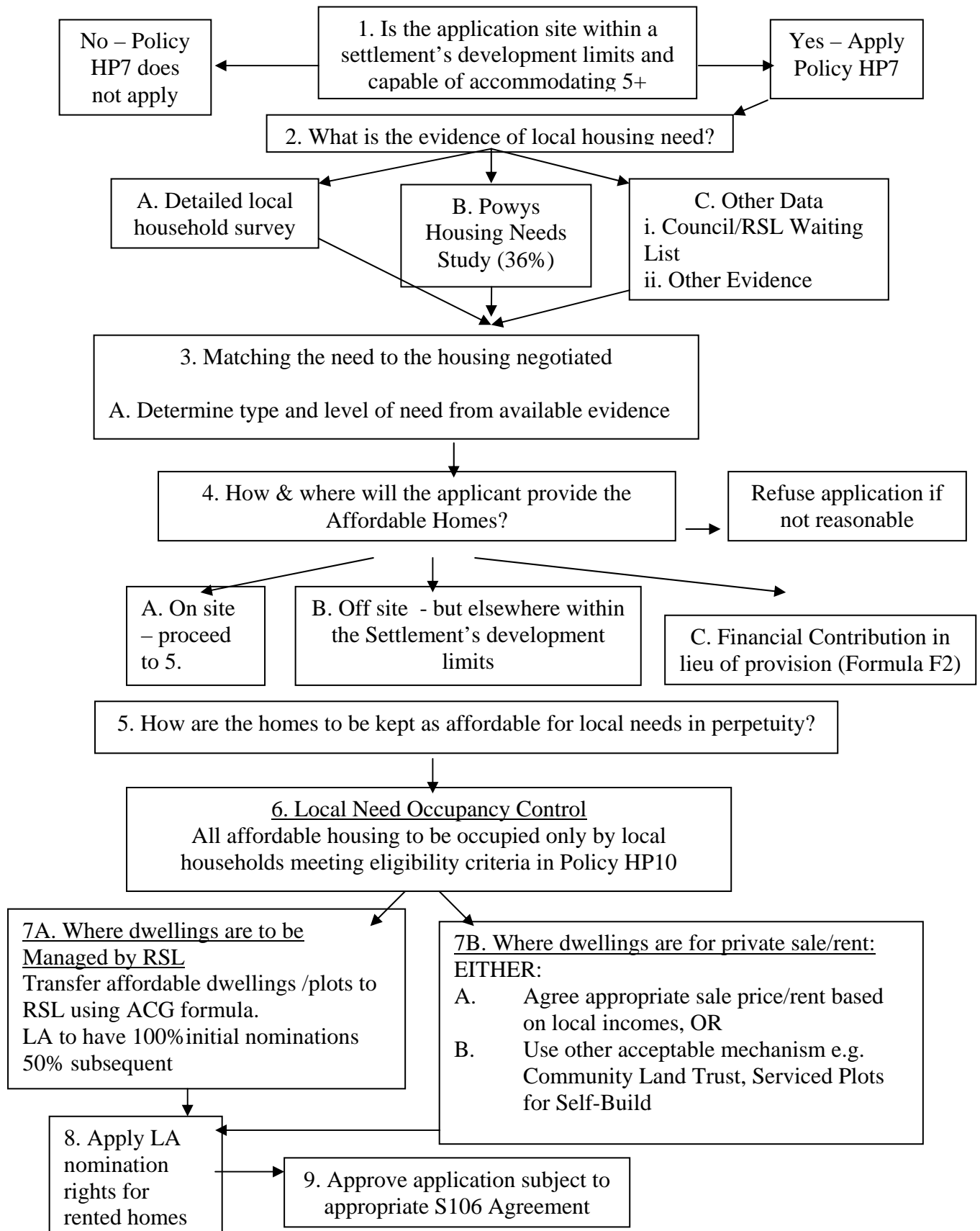
Reason: To ensure the affordable housing is provided on-site by restricting the service charge to a level which it is considered is affordable to an RSL.

APPENDIX 10 – Best Practice for Planning Applications

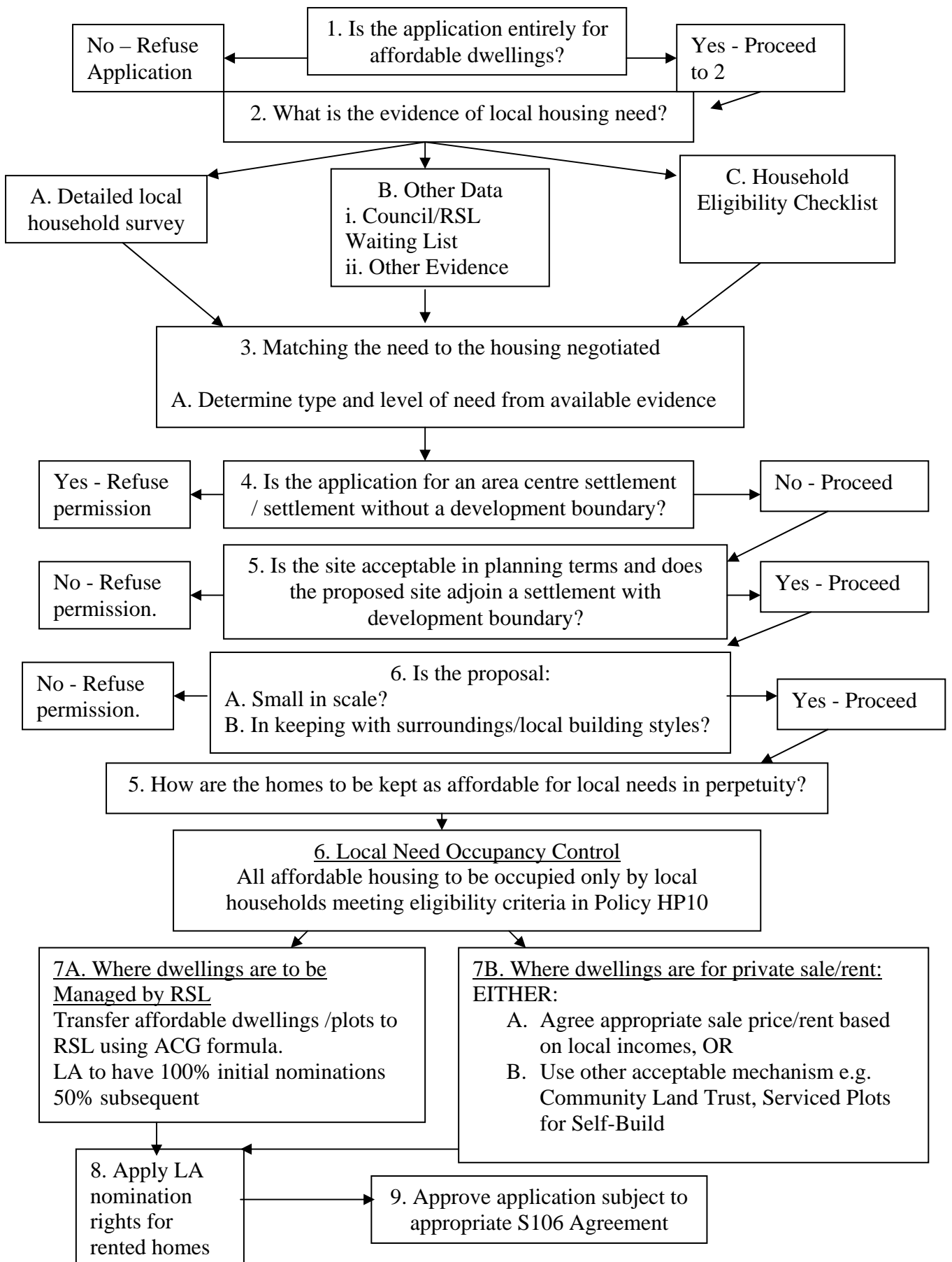
1. The purpose of this Appendix is to provide applicants and/or their agents with a concise source of best practice advice on:
 - What to do at pre-application stage.
 - The range of information that should be submitted as part of or in support of a planning application.
2. Following this best practice advice will facilitate the expeditious handling of planning applications by the Council and improve their chance of success.
3. Pre-application consultation should be undertaken with the local community and the selected housing association.
4. The following information should be provided with any planning application, **in addition** to the standard requirements in respect of application forms etc.
 - Design statement.
 - Statement of how the proposed development meets identified needs, with particular reference to the stock profile.
 - Information with regard to the following:
 - Total number, and floorspace and number of bedrooms of each dwellings.
 - Proposed arrangements for the provision of affordable housing, including details of pre-application discussions with a housing association.
 - Information to demonstrate that the development can be undertaken without the need for SHG.
 - Proposals to secure delivery (e.g. transfer of land or completed properties) through the involvement of a housing association.

APPENDIX 11 – PLANNING OFFICER FLOWCHARTS

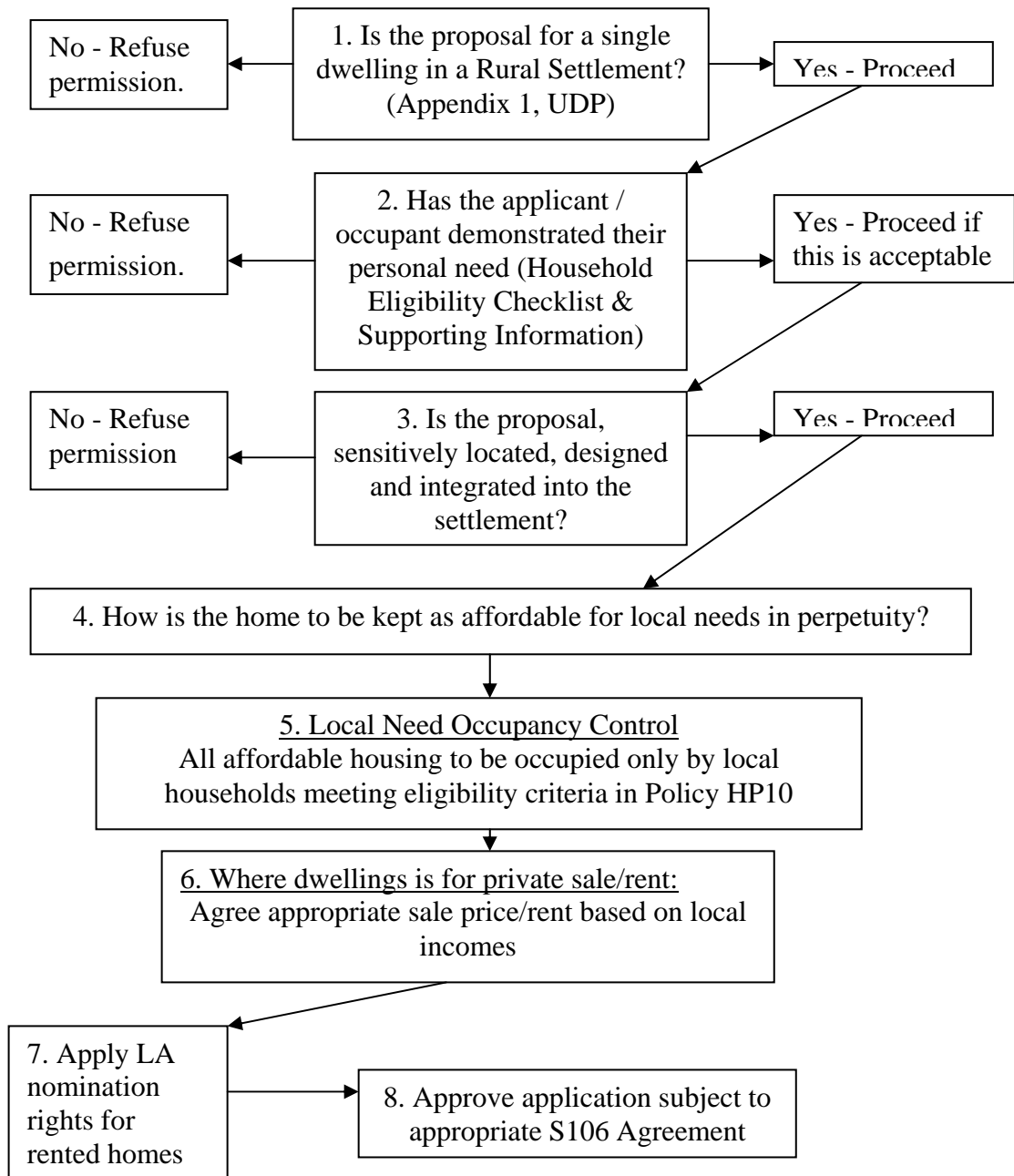
Affordable Housing within Settlements (Policy HP7)



Affordable Housing Outside Settlement Development Boundaries
(Rural Exceptions Scheme - Policy HP8)



Affordable Housing In Rural Settlements (Policy HP9)



APPENDIX 12 – Useful Contacts

Please write / ask to speak to the Planning Services.

Powys County Council (Brecknockshire)

Cambrian Way
Brecon
Powys LD3 7HR
(01874) 612000

Powys County Council (Montgomeryshire)

Severn Road
Welshpool
Powys SY21 7AS
(01938) 551000

Powys County Council (Radnorshire)

The Gwalia
Llandrindod Wells
Powys LD1 6AA
(01597) 827000

Alternatively e-mail your query to the following address -
planning@powys.gov.uk

Rhidian Jones
Rural Housing Enabler
North Monmouthshire and South Powys
19 Nevill Street
Abergavenny NP7 5AA

(01873) 735678
rjones@gwerin-ha.org.uk

David Thomlinson
Affordable Housing Officer
Powys County Council
Severn Road
Welshpool
Powys SY21 7AS

(01938) 551041
David.thomlinson@powys.gov.uk

APPENDIX 13 – Glossary of Terms and List of Abbreviations

GLOSSARY

Acceptable Cost Guidelines (ACGs)

This is a system used by the Welsh Assembly Government to determine the normal cost of producing certain types and sizes of dwellings at any location in Wales. The ACGs are re-appraised on an annual basis using data on property and construction costs.

Affordable Housing

Definition and range of types contained in Section 3 of this IDCG.

Welsh Assembly Government

The Welsh Assembly Government is responsible for developing planning and housing policy and for managing the funding and regulation of the Government's affordable housing programme through RSLs.

Key Workers

The definition of key workers may vary over time and from area to area and will require different responses particularly with regard to tenure. Local circumstances will mean that often the definition will apply to key support staff in those occupations who are often on low incomes and therefore unable to find suitable and affordable accommodation. The Housing Strategy may provide further guidance.

Mortgagee in Possession Clause

Where the Council seeks to impose occupancy controls, lenders of private finance often require the RSL to negotiate for the inclusion of clauses in planning obligations which would enable the lender to dispose of the property on the open market, as a last resort, if the RSL is in financial difficulties. Such clauses are known as mortgagee in possession clauses.

Nomination Agreement

Nomination agreements between the Council and a RSL are used to ensure that affordable housing is held for local people in affordable housing need. The Council requires a proportion of nomination rights to new affordable housing.

Permitted Development Rights

Householders are entitled to make certain minor changes to their home without needing to apply for planning permission. These rights are called permitted development rights. Examples include modest home extensions, garden sheds, porch, fence, driveway, aials etc.

Registered Social Landlord (RSL)

RSL refers to a housing landlord registered with Welsh Assembly Government. RSLs may be charities that are housing associations, industrial and provident societies and not-for-profit companies. As paragraph 20 of TAN(2) emphasises the involvement of an RSL ensures the future occupancy of affordable housing is controlled. Their continuing interest in the property ensures control over subsequent changes of ownership and occupation. This provides two safeguards. First, RSLs are obliged to have publicly available policies and procedures for allocating tenancies. These should be 'open, fair and based on housing need'. Second, should disposal of RSL assets become necessary, it will generally take place under WAG controls.

Rural Home Buy

Schemes under which existing social tenants, those on housing waiting lists and key workers, can purchase a home on the open market with an interest free equity loan usually 50% of the purchase price.

Section 106 Agreements

An agreement made under Section 106 of the Town and Country Planning Act 1990, between a local planning authority and developers specifying, for instance, that a proportion of a development site be reserved for affordable housing. S106 agreements run with the land and apply to successive owners. The delivery of affordable housing will normally be through a S106 agreement as the provisions governing the provision of affordable housing and its future retention are often too complex to be suitable for inclusion within a condition.

Social Housing

Housing of an adequate standard which is provided to rent or on a shared ownership basis at below market cost for households in need and managed by RSLs operating on a basis of accepted and regulated standards of good practice in relation to physical conditions, management, allocation, equal opportunities, and accountability to tenants and other stakeholders.

Social Housing for Rent

Social housing for rent is the type of affordable housing that is in greatest need in Powys. It is defined as housing for which both a) rent of the property is significantly lower than the prevailing rents in the County and b) subject to arrangements that will ensure its availability in the longer term.

Social Housing Grant

Social Housing Grant is paid by the Welsh Assembly Government to RSLs for capital investment in affordable housing (SHG).

Special Needs/Supported Housing

This encompasses a wide variety of different types of accommodation usually in the ownership of local authorities and RSLs, not all of which are affordable. Such accommodation is provided for people with some special disability or requirement in addition to their need for a home e.g. people who are physically disabled, people with mental health problems or older people. It includes group homes, hostels, cluster flats, shared housing and ordinary flats. The majority of such accommodation will be to rent to those who are unable to compete in the open market e.g. sheltered housing.

LIST OF ABBREVIATIONS

ACG	Acceptable Cost Guidelines
ASHE	Annual Survey of Hours and Earnings
HNS	Housing Needs Survey
IDCG	Interim Development Control Guidance
LCVs	Local Centre Villages
ORS	Opinion Research Services
PCC	Powys County Council
RSL	Registered Social Landlord
SHG	Social Housing Grant
SPG	Supplementary Planning Guidance
UDP	Unitary Development Plan
WAG	Welsh Assembly Government

APPENDIX 14 – Bibliography

Planning Policy Wales (March 2002)

Ministerial Interim Planning Policy Statement (MIPPS) 01/2006 HOUSING (June 2006)

Technical Advice Note 2 (TAN2), Planning & Affordable Housing (June 2006)

Circular 13/97, Planning Obligations (1997)

Local Housing Needs Assessment: A Good Practice Guide (Welsh Office, 1999)

Local Housing Market Assessment Guide (WAG, March 2006)

Preparing Local Housing Strategies (WAG, 2007)

Local Housing Needs Assessment: A Guide to Good Practice (DTLR, 2000)

Acceptable Cost Guidance/On Costs for use with SHG Funded Housing in Wales (Welsh Assembly Government, July 2004)

People, Places, Future – The Wales Spatial Plan (November 2004)

Powys Housing Strategy 2004-2009, (April 2004)

Powys Community Strategy (2004-2020) and Corporate Improvement Plan (2006-2009)

Powys County Housing Needs Survey 2002 (April 2004)

Powys Unitary Development Plan (October 2004)

Residential Design Guide (October 2004)

Powys Homelessness Strategy 2003-2008

Housing Renewal Strategy (April 2003)

APPENDIX 15 – Community Level Assessments (Local Housing Needs Surveys)

Survey Area/Title	No. in Need	Description of Property			
		House	Flat	Bungalow	Other
Llangors November 2004	29	19	2	6	3