

Oxford City Council

Affordable Housing

Supplementary Planning Document

Draft



January 2006



DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT
JANUARY 2006

This draft Supplementary Document is available to download from our website at www.oxford.gov.uk/policydocuments

Front page photos of affordable housing in Oxford. Clockwise from top left: Rivermead Park; Bookbinders Court; Saunders Road; Elizabeth Jennings Way.

INTRODUCTION

1. The Local Plan makes provision for affordable housing, through the planning process. The purpose of this Supplementary Planning Document (SPD) is to provide advice to applicants on how the City Council will apply the policies of the Oxford Local Plan 2001-2016 (OLP) (see **Appendix 1**).
2. The planning system must allow stable, balanced communities to be created where all sections of society, irrespective of their wealth, occupation or background, feel included. Planning for the provision of adequate and appropriate housing plays a central role in maintaining an inclusive society. Good design and siting of affordable housing within residential and mixed-use developments creates vibrant and engaging communities in which to live and work.
3. The City Council advises developers who are proposing residential, mixed-use and commercial schemes to contact the City Council planning department to discuss their proposals before they submit a formal planning application (See **Appendix 2** for a list of contacts).

Planning Context

4. The OLP was adopted on 11 November 2005 in the light of national planning guidance available during the review period leading up to adoption. Government advice says that Local Planning Authorities should plan to meet the housing requirements of the whole community and that the community's need for affordable housing is a material consideration in the preparation of Local Plans and the determination of planning applications.
5. The South East Plan (Regional Spatial Strategy) emphasises the strong demand for affordable housing in the region and refers to the importance of the planning system to enable the provision of affordable housing. Local Authorities should have regard to the policies in the South East Plan when developing their Local Plan policies.



Affordable Housing at Elizabeth Jennings Way, Oxford

6. The Oxfordshire Structure Plan 2016 was adopted on 21 October 2005 and states that at least 50% of all new housing in Oxfordshire should be affordable. It says that Local Authorities should consider whether it is appropriate to require a contribution to meet local affordable housing needs from commercial development.
7. The OLP policies are saved through the Local Development Scheme until such point as they are replaced by new policies in a Development Plan Document (DPD). This SPD seeks only to give further guidance and advice on the policies within the OLP. It is, however, also written in the light of such material as current national, regional and strategic guidance and the Oxford community strategy.

AFFORDABLE HOUSING NEED IN OXFORD

Housing Supply in Oxford

8. The adopted Oxfordshire Structure Plan 2016 sets a target of 6,500 dwellings to be provided in Oxford over the Plan period 2001-2016 which equates to an annual average completion rate of 433 dwellings. Policy HS.1 of the Oxford Local Plan 2001-2016 states that the City Council will grant planning permissions on sufficient sites to achieve this strategic target. Table 1 sets out the number of dwellings completed between 2001 and 2005.

Table 1: Housing completions 2001-2005

Year	Dwellings completed
2001/02	439
2002/03	267
2003/04	578
2004/05	718
Total	2,002

The Need for Affordable Housing in Oxford

9. The widening gap between housing costs, particularly for owner occupation, and household incomes has resulted in fewer households being able to afford housing in Oxford. In general, this means that a wide range of households require some sort of special assistance to enable them to have a home that meets their needs.

10. The groups affected are households who cannot afford to rent or buy in Oxford and who are in housing need because of their personal circumstances. These can include families that are increasing in their size who need to transfer to a larger property or households that wish to downsize; those who are in temporary accommodation funded by the local authority; those who are at risk of offending; those who need to move because of racial harassment or domestic violence and those people with special housing needs because of their health or personal circumstances.

11. Oxford's Housing Requirements Study (April 2004) identified a need for between 1,700 and

1,800 affordable dwellings per year. The annual average strategic target for all dwellings is 433, so Oxford cannot possibly meet the needs of all households in housing need. Because of this huge need, every opportunity must be made to deliver affordable housing on suitable sites. The Local Plan Inquiry Inspector supported this view by referring to the maximisation of supply and that all available sites should be considered for affordable housing.

Definition of Affordable Housing

12. Affordable housing are dwellings at a rent or price that can be afforded by people who are in housing need. Affordable housing should be available to people who cannot afford to rent or buy houses generally available in the open market. The definition is set out in sub section 7.1 of the Oxford Local Plan 2001-2016, an extract of which is at [Appendix 1](#).



Affordable Housing at Rivermead Park, Oxford

Distinguishing Key Worker Housing

13. Housing for key workers is not in itself a form of housing that satisfies the requirement for affordable housing under Policies HS.4, HS.5 and HS.7 of the Local Plan. Affordable housing may benefit key workers where, apart from their key worker status, they qualify for affordable housing. However, some key workers are not 'technically' in housing need and would not qualify for general affordable housing. Due to the high level of housing need in Oxford, key workers, not qualifying for general affordable housing, cannot realistically be provided for by

the Local Plan affordable housing policies. The City Council will therefore not accept key worker housing as a substitute for the general affordable housing provision requirement.

14. The only instances where key worker housing would be accepted without general affordable housing would be where a proposal complies with Policy HS.16 which relates to developments of staff accommodation. Developers will be required to enter into a legal agreement to ensure that the dwellings are made available as staff accommodation, which may include key workers, in perpetuity.
15. Key worker housing is aimed at households that cannot afford a dwelling for their needs who work in particular public sector occupations that have local recruitment or retention difficulties. These generally include public sector workers such as teachers, nurses, and other specific health care workers, social workers, police officers, prison officers, probation officers, local authority planners, occupational therapists, educational psychologists, speech therapist and fire fighters.

FORMS OF AFFORDABLE HOUSING

Social rent

16. This form of housing is characterised by below-market rents and (if applicable) below market service charges. Social rented affordable housing should be available, in perpetuity, to those in housing need. The level of rent and service charges levied by Registered Social Landlords (RSLs) is generally treated as being affordable by those in greatest need. Where other means are proposed, developers will need to satisfy the City Council that secure arrangements are in place to ensure the housing will meet this need on a permanent basis. Oxford's Housing Requirements Study (HRS) found that 82% of housing need in Oxford is for social rented.

17. Affordable rents are those that do not exceed the relevant Housing Corporation capped rent and set in accordance with Housing Corporation guidance. The Neighbourhood Renewal section of the City Council (see **Appendix 2** for contact details) can advise on rent levels consistent to this guidance.

Shared ownership

18. Shared ownership housing refers to housing which is partly sold to the occupiers and partly rented to them by an RSL. It is tailored towards a specific income group that is correctly targeted to address specific local housing needs. Because of the high cost of housing in Oxford, shared ownership housing should have a low initial equity share of no more than 25% of the open market value of the dwelling. Higher proportions would only be acceptable if the dwellings were considered affordable to those in housing need in accordance with local incomes levels set out in Oxford's Housing Requirements Study. The rental charges on the unsold equity should be no more than 2% of the unsold equity. Oxford's Housing Requirements study found that overall there is an 18% need for shared ownership affordable housing.

19. Shared ownership affordable housing should be available, in perpetuity, to those in housing need

therefore the City Council will impose requirements to prevent 'staircasing' beyond 70% of the equity share of the property. This will ensure that the equity share of the property will eventually be sold back to the Registered Social Landlord and can be re-occupied by another household in housing need at an affordable price.



Affordable Housing at Benouville Close, Oxford

Subsidised and low cost market housing

20. Dwellings sold below the market value or at the lower end of the property market are not considered to be an acceptable form of affordable housing in Oxford as it would not meet the majority of those in housing need due to the high house prices in Oxford.

21. This type of housing, although cheaper than new build market housing for sale, is still likely to be more expensive than private rented accommodation and could not therefore be considered to be housing that will be available to people who cannot afford to rent or buy houses generally available in the open market.

Community Land Trusts

22. Community Land Trusts (CLTs) are community-based organisations that enable local communities to own and manage local land assets for the benefits of their local community, such as affordable housing. The City Council will apply relevant planning policies to ensure that any affordable housing developed by this method will meet remain affordable to those in housing need in perpetuity.

AFFORDABLE HOUSING POLICIES

23. The policies with the supporting text to which this SPD relate are set out in **Appendix 1**. The policies themselves are also shown in the blue boxes below.

THRESHOLD FOR PROVIDING AFFORDABLE HOUSING (Policy HS.4)

“The City Council will expect affordable housing (as defined) from any development of at least ten dwellings, that includes residential development on a site having the capacity for at least ten dwellings; or on a residential site of 0.25 ha or more in area.

Affordable housing should be available to those in housing need in perpetuity. Developers may not circumvent this policy by the artificial subdivision of sites.”

24. The City Council will require affordable housing from any development for ten or more dwellings, or that includes residential development on a site having a capacity of at least ten dwellings or on a residential site of 0.25ha or greater in area. PPG3 makes it clear that new housing should make efficient use of land, which Policy CP.6 supports (see paragraphs 68-70 below). The inefficient use of land to avoid providing affordable housing will lead to refusal.

25. Should an outline application for residential development be proposed the City Council will assess the residential density that is appropriate to the site in line with Policy CP.6. If this is determined to be ten dwellings or more, then the applicant will be expected to enter into a legal agreement to provide affordable housing on site, in line with Policy HS.5.

26. Applicants for outline applications for residential development on sites of 0.25ha will automatically be expected to enter into a legal agreement to provide affordable housing on site in line with Policy HS.5. The standard clauses

that will be expected to be included within the legal agreement are set out in **Appendix 6**.

27. In considering whether a development meets the threshold for providing affordable housing, it is the gross number of proposed dwellings that will be considered and not the net increase in dwellings. For example, a proposed new development might consist of 10 new dwellings while also requiring the demolition, or loss by conversion, of 2 dwellings on the proposal site. Affordable housing will be expected from the proposal because the gross number of dwellings meets the 10 dwelling threshold. The proposal is not considered on the net number of dwellings, for example, the loss of 2 dwellings is not subtracted from the 10 dwellings (resulting in a net increase of 8 dwellings) to determine whether the development meets the threshold. To consider the net number of dwellings would be an inappropriate dilution of the policy.

Artificial subdivision of sites

28. The City Council will be alert to the artificial subdivision of a site to circumvent the operation of Policy HS.4.

29. The City Council will be attentive to the danger of allowing the artificial boundaries of ownership for developing units to frustrate the operation of Policy HS.4. Policy CP.3 considers the cumulative impact of a development.

Conversions

30. Policies, HS.4 and HS.5 apply to the conversion of any building, whether or not it is already in residential use. As explained in paragraph 27, the gross number of units created by the development will be used to calculate the proportion of affordable housing that should be provided. For monitoring purposes, the net figure of the number of dwellings created by the development is taken.

PROPORTION OF AFFORDABLE HOUSING (Policy HS.5)

“When Policy HS.4 applies, the City Council will seek the provision of generally a minimum of 50% of the proposed dwellings as affordable housing.

In assessing the mix of affordable dwelling types and sizes, the City Council will have regard to the characteristics of the site and to its Supplementary Planning Documents.”

31. Where Policy HS.4 applies, the City Council will require the provision of generally a minimum of 50% of the proposed dwellings as affordable. Proposals not complying with Policy HS.5 will lead to refusal.
32. The applicant will be expected to enter into a legal agreement to provide 50% of the total number of dwellings as affordable housing on site. The standard clauses that will be expected to be included within the legal agreement are set out in **Appendix 6**.
33. Applicants not complying with Policy HS.5 by citing non-viability will be expected to provide financial evidence, which is open to public scrutiny, to support their case which should be submitted alongside the planning application. Where necessary, this will be audited by external experts.
34. When applicants submit evidence of non-viability, the City Council will expect to see the workings that lie behind the major components set out in **Appendix 3** but the format in which these are presented is left to the applicant. Where the details are not sufficiently clear as to allow checking, further detail will be sought.
35. This information will be assessed by an independent external expert who will recommend whether or not the figures provided satisfactorily show that the scheme with 50% affordable housing would be unviable. Developers will have been expected to have considered the financial implications of the City Council’s affordable housing policy requirements

when purchasing the land for development (see paragraph 78).

36. If the results of the financial appraisal confirm that the affordable housing requirement cannot be provided as per Policy HS.5, the City Council will provide a cascade approach by which the City Council will agree to:
 - First, alter the tenure split requirement and;
 - Second, reduce the affordable housing requirement.
37. The City Council will apply this cascade in the above order of preference until the proposal is considered viable.



Affordable Housing at Saunders Road, Oxford

Retirement homes and other specialist residential development

38. The expectation of affordable housing extends to all types of residential development including retirement homes. A retirement home falls into the same use class as residential and is therefore expected to contribute to the provision of affordable housing. A retirement home developed on land allocated for residential development that did not make provision for affordable housing, would use up vital land that could have otherwise been developed for general residential and affordable housing. Regardless of whether or not there are self contained units proposed within the development, Policies HS.4 and HS.5 will apply to the development.

AFFORDABLE HOUSING FROM COMMERCIAL DEVELOPMENT (Policy HS.7)

“Where a need for affordable housing is directly related to a commercial development, the City Council will seek a financial or other contribution appropriate to the scale and kind of the development.”

39. Commercial development can put added pressure on the housing market in Oxford by encouraging new employees to move to Oxford who may otherwise not have done so. Many commercial developments employ a wide range of types of employee and it is inevitable that a proportion of these employees will be on low incomes and would be in housing need.

Commercial developments to which Policy HS.7 applies

40. All commercial development that is considered to generate a significant need for affordable housing would be expected to contribute to the provision of affordable housing, except for retail and non-profit making public sector projects such as those in the education and health sectors.

41. There is no threshold on the size of commercial development to which Policy HS.7 relates. All sizes of commercial development can generate a need for affordable housing so small sites are not excluded from Policy HS.7.

42. Of the types of commercial development that would be expected to provide a contribution, the City Council would consider whether the development would generate a significant need for affordable housing. The examples of commercial development below demonstrate the City Council's approach:

- New commercial development (including the change of use of a building to a commercial use or from one commercial use to another) will be expected to make a contribution towards the need for affordable housing that would be created by the development.

- The relocation of a company that is already based within Oxford to a new development within Oxford would be expected to make a contribution towards the need created for affordable housing. While the relocation might not create a significant new need in itself, its relocation would free up commercial space into which a company could potentially move to.
- A mixed use development that includes an element of residential use and commercial use will be expected to contribute to the provision of affordable housing in accordance with Policy HS.7 in addition to the contribution that will be expected from the residential element of the development in accordance with Policies HS.4 and HS.5.



*Affordable Housing at Beaufort Court, Fulham
(Photo by Feilden Clegg Bradley Architects/Mandy Reynolds)*

Method of contribution

43. The City Council encourages mixed-use developments in appropriate locations as they promote sustainable communities. The process of determining the method of contribution is set out below in order of the City Council's preference:

- a) The preferred method is that the developer would construct the required number and size of affordable units on-site as an integral part of the development, control of the affordable housing which would then be taken over by a Registered Social Landlord. No additional financial contribution would be required.
- b) The next preferred method of contribution would be considered where the developer is not a housebuilder, and would be unsuited to delivering the affordable units themselves. In these instances, the developer would be expected to give the City Council part of the development land, at no cost, in order for a Registered Social Landlord to construct the required number and size of affordable units. A financial contribution will be expected equivalent to the cost of constructing the required units.
- c) The least preferred method is where the affordable housing units are not built on-site. When the City Council does not consider that a residential use is appropriate on-site the developer will be expected to make a financial contribution equivalent to the cost of constructing the required number and size of affordable units as well as a contribution equivalent to the open market value of the land required to build the affordable units on.

Calculating the contribution

- 44. **Appendix 4** indicates which types of development will be expected to contribute to the provision of affordable housing and the formula for calculating the contribution.
- 45. The cost of housing in Oxford is extremely high and land available for development in Oxford is in short supply and so virtually all employees in Oxford face a level of housing need. The City Council therefore assumes that all commercial development will create a level of affordable housing need, unless developers provide evidence to suggest otherwise.
- 46. The high level of housing need, coupled with a limited amount of land available for development, means that the entire housing need created by new commercial development could never be met. Therefore, the City Council considers that the contribution should reflect providing affordable housing for a proportion of employees that it is considered realistic to be able to provide for in Oxford, given the limited land available in Oxford and considering the viability implications on the commercial development.
- 47. The City Council considers that the contribution should be equivalent to providing affordable housing for 5% of the estimated number of employees of the commercial development. This method of determining the contribution gives clarity to applicants and ensures a consistent approach is taken.
- 48. Some types of commercial development, such as hotels and residential institutions may provide accommodation for their staff on site. Developers may have the opportunity to reduce any financial contribution required if suitable self-contained units are provided as staff accommodation on site by the developer. The occupancy of these units would be secured to staff by means of a legal agreement.
- 49. For speculative commercial development, where the future occupier is not known, the number of employees judged likely to occupy the proposed development will be calculated using the employee/floorspace ratios set out in **Appendix 4**.
- 50. Where the new occupier is known and information on the number of employees to occupy the new development exists, this information will be used to inform the calculation. The City Council will be attentive to information on employee numbers which fall significantly short of the average employee/floorspace ratio.
- 51. The developer will be expected to provide the affordable housing on site unless circumstances b) or c) in paragraph 43 apply where the City Council will apply the formula in **Appendix 4** to determine the financial contribution.

ON-SITE PROVISION (Policy HS.6)

“Affordable housing should be provided as part of the proposed development unless the City Council and the developer both consider that it is nonetheless preferable for a financial or other contribution to be made towards the provision of an element of affordable housing on another site.”

52. The City Council will expect the contribution to affordable housing to be made in kind and on site as an integrated part of the development. This will promote socially inclusive and sustainable communities and minimise the delay in making the affordable housing available. In exceptional circumstances affordable housing within the development may not be desirable.
53. Securing off-site provision of affordable housing is not the City Council's preferred method. However, it may be considered in exceptional circumstances but only if there are good planning reasons why on-site provision is not suitable, and if another suitable site can be found where provision can be made.

Cash in lieu contributions

54. If it is considered appropriate to secure off-site contributions, the applicant and the City Council should ensure that such arrangements would actually result in the provision of the appropriate amount of affordable housing.
55. A greater contribution is sought from financial contributions to reflect the benefit that developer gains through 100% facilitation of the site as private market accommodation (compared to 50% when on-site affordable housing is provided) and to ensure equitable distribution of both market and affordable housing to meet the needs of the local community. For example, a site of 20 dwellings would provide 10 units of market housing and 10 units of affordable housing on-site. If, however, it were considered by the City Council and the developer that the provision should be off-site, if the site provided 20 market units, the City Council would require 20 units of affordable housing (16 social rented, 3 shared ownership) on another site. The

contribution would cover both build costs and land acquisition.

56. The amount of this payment will have to be negotiated, but it should reflect the cost of providing affordable dwellings of the size and type set out in the City Council's strategic mix for City centre and out-of-centre sites (Table 2).
57. The formula for calculating the financial contribution is set out in **Appendix 5**.

DESIGN ISSUES

58. This section details some of the key design issues that should be considered in proposals for residential development. Proposals will be judged against all relevant policies in the Oxford Local Plan 2001-2016.

Strategic Mix

59. In assessing the mix of affordable dwelling types and sizes proposed, the City Council will have regard to the most recent information it has published about the groups in priority need of affordable housing, and to the characteristics of the site. The model for determining the strategic mix for new affordable housing considers the results of Oxford's Housing Requirements Study (April 2004) as well as the household profile of our homeless and transfer registers by calculating the percentage of households falling into each property size.

60. Paragraphs 16 and 18 above explain the difference between social rented and shared ownership housing. For ease of calculation, the City Council will seek a tenure split of 80% social rented and 20% shared ownership on each site. The types of households that are in greatest housing need for these two types of tenure differ, and therefore the City Council's strategic mix of dwelling sizes reflects this need.

61. The overall strategic mix of affordable housing for Oxford, that reflects and prioritises the most acute housing need, shows a greater need for dwellings with 3 bedrooms than for any other

sized dwelling, however, City centre sites are generally more suited to developments of small flats than to family sized dwellings with gardens. The City Council has therefore developed two strategic mixes: one for City centre sites and one for out-of-centre sites. The City centre strategic mix applies to any site within the City Centre Commercial Area as shown on the Local Plan Proposal Map. The out-of-centre strategic mix applies to any site outside of the City Centre Commercial Area.

62. The City centre strategic mix shows a skew towards smaller units. But in order for affordable housing development in Oxford to achieve the required strategic mix within the City as a whole, this City centre skew is balanced by a skew towards larger dwellings on out-of-centre sites. In order to create mixed and sustainable communities, the City Council expects a proposed development to demonstrate a range of dwelling sizes on every site, which is why a mix of all dwellings sizes are still required on both City centre and out-of-centre sites.

63. Table 2 sets out the affordable housing strategic mix that will be expected from developments on City centre sites and on out-of-centre sites. There is a need for affordable dwellings with more than 4 bedrooms and therefore these can be provided under the 4+ category. Applicants will be expected to satisfy the City Council that the proposal meets the appropriate strategic mix.

Table 2: Strategic mix sought for affordable dwellings on City Centre and out-of-centre sites

Property Size (bedrooms)	City centre sites		Out-of-centre sites	
	Social rented	Shared Ownership	Social rented	Shared Ownership
1	5%	15%	5%	15%
2	40%	5%	10%	5%
3	25%	0%	50%	0%
4+	10%	0%	15%	0%
Total	80%	20%	80%	20%

Design, siting and materials

64. The City Council will usually expect affordable housing to be provided on site as part of the proposed development. The City Council will take into account the design quality and siting of the affordable housing in determining the application. The affordable housing should not be visually or operationally distinguishable from market housing in such terms as details, build quality and materials etc. Also, the location of affordable housing should, as far as it practicable, be dispersed across the development in order to create a mixed communities and avoid concentrations of affordable housing.



Affordable Housing at Bookbinders Court, Oxford

65. The City Council will expect the affordable housing to comply with Scheme Development Standards¹ (or any subsequent replacement document) as published by the Housing Corporation. If the SDS are not met, Registered Social Landlords would not be able to receive funding from the Housing Corporation therefore the affordable housing could not be built which, in turn, would not permit the lawful completion of the market housing. Affordable Housing should also meet Lifetimes Homes standard. Applicants should therefore consider these standards prior to submitting the planning application.

¹ *Scheme Development Standards Fifth Edition*, Housing Corporation, April 2003.
[http://www.housingcorplibrary.org.uk/housingcorp.nsf/AllDocuments/F88FC069D09617D380256CFB0052682C/\\$FILE/SDSv5.pdf](http://www.housingcorplibrary.org.uk/housingcorp.nsf/AllDocuments/F88FC069D09617D380256CFB0052682C/$FILE/SDSv5.pdf)

66. The City Council will expect a statement from the developer, when the application is submitted, confirming that the dwellings comply with SDS standards. Failure to do so could delay determination of the application or the completion of the legal agreement.
67. One-bedroom social rented affordable dwellings tend to be occupied by the most vulnerable single people on the housing register who would benefit from independence from other similarly vulnerable people. The City Council will seek some one bedroom social rented dwellings to be on the ground floor, and to have an independent front door that does not lead off a communal hallway. The design of these dwellings is very important in the successful housing of this client group.

Efficient use of land (Policy CP.6)

68. In Oxford, there is a huge need for housing, but there is only a limited amount of land available for development. The City Council therefore expects land to be developed efficiently. The City Council requires that residential developments achieve a minimum density of 40 dwellings per hectare and higher densities are appropriate in many locations.
69. However, as Table 2 shows, a mix of dwellings sizes should be provided on site which will inevitably affect the density of developments. Although many sites might be suited to high densities, it is important that the development contains a mix of dwelling sizes that satisfies the City Council's strategic mix.
70. The City Council will consider whether proposals for residential development use the land efficiently and will carefully consider proposals which are below the 10 dwelling threshold to ensure that that contributions to the provision of affordable housing are not being lost as a result of underdevelopment.

Adaptable dwellings (Policy HS.12)

71. Paragraph 65 explains the requirements for affordable housing in terms of Scheme Development Standards. The City Council will seek at least 15% of new market houses to be designed to lifetime homes standards². The City Council will expect those particular dwellings to be clearly identified on the plans accompanying the application.

Natural Resources (Policies CP.15, CP.17 and CP.18)

72. The City Council requires applicants to consider and incorporate resource efficient measures into the design of residential developments. Applicants will be expected to have considered this prior to submitting an application in the same way as they would consider other policy requirements that have an impact upon design (e.g. car parking, open

space, landscaping, cycle parking, sustainable drainage etc.). The Supplementary Planning Document on Natural Resource Impact Analysis provides guidance on how the City Council will apply Policies CP.15, CP.16, CP.17 and CP.18.

73. In accordance with the EcoSE Manifesto that the City Council supports, in all cases, the affordable housing should also meet EcoHomes³ Standard 'Very Good' and Energy Efficiency Best Practice⁴ specifications for insulation, heating system efficiency and lighting. This should be confirmed in the planning application or accompanying documents.



Affordable Housing Eco Homes at Oak Meadow, South Molton, Devon (Photo by Karen Taylor)

² Lifetime Homes standards, Joseph Rowntree Foundation.
<http://www.jrf.org.uk/housingandcare/lifetimehomes/summary.asp>

³ EcoHomes: The environmental rating for homes, BRE, April 2000 <http://www.breeam.org/ecohomes.html>

⁴ Energy Efficiency Best Practice in Housing, Energy Saving Trust, July 2003
<http://www.est.org.uk/uploads/documents/housingbuildings/ce12.pdf>

ENSURING DELIVERY OF THE AFFORDABLE HOUSING

Involvement of Registered Social Landlord

74. Developers must make arrangements, before planning permission can be granted, to ensure that their affordable housing will be made available for those in housing need in perpetuity. Registered Social Landlords (RSLs) are the recommended method by which affordable housing is managed.

75. The City Council is reviewing its list of preferred partner RSLs. The current partner RSLs are listed at **Appendix 7** although this list is currently under review. The City Council encourages applicants to use one of our preferred partner RSLs because we are satisfied that they can deliver their affordable housing management obligations efficiently and effectively and work with the City Council to meet shared objectives for sustainable communities. All RSLs developing, or proposing to develop in Oxford, are expected to be party to the City Council's Partnership Agreement (see **Appendix 2** for contacts).

76. Developers are advised to contact the City Council's Housing Department to discuss the most appropriate RSL for their particular site. Applicants who wish to provide the affordable housing through an RSL that is not one of the City Council's preferred partners will need to satisfy the City Council that key matters regarding the ongoing management of the affordable housing are adequately secured. Applicants are requested to submit information on their preferred RSL and submit a statement detailing how their preferred RSL can manage the affordable housing units in accordance with these management obligations:

- accountability of the organisation to the local community; and
- tenant participation;
- sustainable management in the long term; and
- service delivery.

Further advice on the information required should be sought from our Neighbourhood Renewal Team (see **Appendix 2**). If the City Council is not satisfied that the long term management objectives of the site will be met by a non-partner RSL, financial contributions may be sought towards initiatives to ensure the development of sustainable communities, such as contributions towards anti-social behaviour initiatives.

77. Applicants are advised to involve an RSL at an early stage of the design of the proposal as they can assist in ensuring that Scheme Development Standards are complied with (paragraph 65).

Funding for the affordable housing

78. The Housing Corporation is unlikely to fund affordable housing delivered through legal agreements, and therefore applicants will need to consider this in the purchase of the land and at the early stages of their development economics calculations. The provision of affordable housing reduces profit for the developer so if the developer wishes to retain a certain level of profit on a development, it is the land value that is reduced in order to compensate. Developers should take this into account when considering a purchase price for the land.

79. The City Council will expect the price of the units to be based on the funding that the RSL is likely to be able to raise on the open market using the income from the units as the repayment source.

Phasing

80. Developers should ensure that the construction of the affordable housing is brought on stream at the same time as the market housing. This will be ensured through the legal agreement.

Committee reports

81. Where planning permission is sought for a proposal which requires the provision of

affordable housing, Officers will prepare a report to the relevant Committee which sets out the method by which the affordable housing is to be secured. In normal cases, this will mean specifying a RSL and the broad terms of the transfer of the units.

Legal agreements

82. Where a development is proposed that requires a planning obligation, the City Council will present all aspects of the legal agreement, that are material to the planning application, to Committee when the application is considered. If the applicant and Officers are not in agreement, the developer should submit in writing the terms of an agreement which they seek. The standard clauses that will be expected to be included within the legal agreement are set out in **Appendix 6**.

83. Development on a site should not commence until an agreement has been reached for nominations and the building contract with the RSL have been entered into. Agreeing this at an early stage ensures that the affordable housing element can be completed which permits the lawful completion of the development.

Time limits

84. When an application has been to Committee and it is resolved to grant permission, subject to the completion of a legal agreement, the City Council will expect the agreement to be concluded without delay. To this end, the City Council will, in normal circumstances, expect to complete the agreement within two months of the Committee resolution.

85. In the event that an agreement has not been completed within two months of the Committee resolution, the Officers will be granted delegated powers to refuse the planning application. Prior to the end of the two month period, Officers will discuss with the applicant whether or not the legal agreement is close enough to completion or if there are justifiable circumstances meaning that the two month deadline could be relaxed.

Monitoring and review

86. The Government expects Local Authorities to monitor the provision of all housing through the planning system. Under the Planning and Compulsory Purchase Act 2004, this will take place as part of the Annual Monitoring Report. The City Council will monitor the provision and delivery of affordable housing and report to Members.

87. The City Council will monitor the management obligations of our preferred partner RSLs and will, from time to time, conduct a review of our preferred partners to ensure high standards of service delivery.

88. This guidance will be kept under review in the light of all material information and guidance. Any significant changes required will be reported to Members and form part of the Local Development Scheme.

GLOSSARY

Affordable housing

Dwellings at a rent or price that can be afforded by people who are in housing need and would otherwise be accommodated by the City Council. Affordable housing should be available to people who cannot afford to rent or buy houses generally available in the open market

Annual Monitoring Report (AMR)

Containing information on the implementation of the extent to which policies set out in Local Development Documents (LDDs) are being achieved

Cash in Lieu

A financial contribution made by the developer to the City Council by means of a legal agreement

Development Plan Document (DPD)

Part of the new Local Development Framework system that will replace the current development plan system

EcoHomes Standard

A rating used to measure the environmental impact of building and occupying new and renovated homes

Housing Requirements Study (HRS)

Study to assess the level and type of housing need in Oxford

Housing Strategy

Strategy produced to plan how the City Council will increase the supply of affordable housing and improve the living conditions of local people

Key Worker Housing

Dwellings where occupancy is officially limited to a household with at least one person is recognised as a key worker by a key worker housing agreement between the employer and the City Council

Local Development Framework (LDF)

The Local Development Framework will replace the current development plan system and will contain the detailed policies and proposals to guide development in Oxford

Local Development Scheme (LDS)

The Local Development Scheme explains how, and when, Oxford City Council will be producing its Local Development Framework

Partnership Agreement

An agreement between the City Council and RSL's developing, or proposing to develop, in Oxford. It provides a framework for the partnership working between Oxford City Council and Registered Social Landlords operating in Oxford City, specifically in relation the operation of a Common Housing Register and the allocation of social rented housing

PPG3

Planning Policy Guidance note 3: Housing contains national planning policies for housing

PPS3

Planning Policy Statement 3: Housing will replace PPG3 and will contain national planning policies for housing

Regional Housing Board

The Regional Housing Board sets priorities for housing investment in the South East

Registered Social Landlord (RSL)

An organisation, usually a Housing Association, registered by the Housing Corporation to provide affordable housing

S106 agreement

A legal document binding developers and the City and/or County Councils into carrying out specific works or payments of money that are necessary to allow the development to go ahead. Legal agreements are made in conjunction with a planning permission. Also known as a planning obligation and will be referred to as a S46 agreement in the future.

Scheme Development Standards (SDS)

The SDS sets out the Housing Corporation's requirements and recommendations for all housing projects which receive Social Housing Grant (SHG). It is a guide for RSLs and their consultants. It is also

the basis upon which the Corporation will assess RSLs' performance on developing housing projects

Shared Ownership

A form of affordable housing which is partly sold and partly rented to the occupiers with an RSL being the landlord

Social Rented

A form of affordable housing characterised by below-market rents and (if applicable) below market service charges

South East Plan

Document containing planning policies for the South East region. Also known as the Regional Spatial Strategy (RSS) for the South East

Supplementary Planning Document (SPD)

A document that supplements and elaborates on policies and proposals in development plan documents

Extract from the Oxford Local Plan 2001-2016 - Affordable Housing Text and Policies

7.1 Introduction and Definitions

7.1.1 In addition to providing for the right number of dwellings in each authority's area, the planning system seeks to ensure that the dwellings which are provided will meet the housing needs of local people. This is done through establishing what these needs are in terms of the type, affordability, and tenure of dwellings. These matters are dealt with in Oxford's Housing Requirements Study published in April 2004. The City Council will monitor housing needs in Oxford to ensure they are being addressed.

7.1.2 In Oxford, where house prices are extremely high, the problem of finding suitable accommodation for their needs affects not only the poorest people, but also many others on modest incomes. In fact, many people who earn the national average wage in Oxford are unable to afford even the minimum size and standard of accommodation they need.

7.1.3 The policies in this section seek to ensure that the most pressing of the housing needs in Oxford are addressed through the planning system. A range of policies seeks to increase the supply of housing available to those in most need (in terms of their household income) and to key workers. Other policies seek to protect the housing stock and to set criteria for the consideration of planning applications for particular types of housing.

7.1.4 This section of the Plan uses various terms that are defined below.

Definitions

Market Housing

Market housing is housing available to the general public, or to a particular group such as older people, either for sale or rent or a combination of sale and rent. The price payable should be substantially equivalent to the prevailing market price for that type of property as may be agreed between the owner and the occupant.

Key Worker Housing

A key worker dwelling must be occupied, as set out in a planning obligation, solely by a household that includes at least one person who is eligible for key worker housing under an agreement between their employer, the City Council and a registered social landlord (RSL).

'Key worker housing' is tenure neutral, i.e. it does not imply any particular form of ownership or tenancy. In each case, the terms of the agreement will state what proportion of the property value can be sold to the key worker household, and the rent.

Affordable Housing

A dwelling is affordable where:

it has the minimum number of rooms that a household currently in unsuitable accommodation would need; and the price for that dwelling (expressed as so much a week/month) is less than 30% of the net household income. This price should mean a regular cost to the household for rent, lease or mortgage equivalent to the cost for accommodation of similar size and quality provided by RSLs in Oxford (as listed in the Housing Strategy).

'Affordable housing' is tenure neutral: it can refer to dwellings for rent, for shared ownership, or for outright purchase. However, to be affordable it must comply with the above definition. Affordable housing secured through the planning system should be made permanently available to those in housing need. Student accommodation does not count as affordable housing as there are other bodies with responsibility for it.

7.2 Affordable Housing

General Requirement to Provide Affordable Housing

7.2.1 The Housing Requirements Study 2004 shows that there is a huge need for between 1,700 and 1,800 new affordable dwellings per year in Oxford. The amount of affordable housing required to meet the needs of the homeless, those who are unemployed, and those on modest incomes and unable to afford market housing, is greater than the total housing allocation in this Plan. While some of this will be provided by the City Council and RSLs, most will have to come from private sector developments. In line with Government advice, every area in Oxford is considered suitable for affordable housing. Each area is easily accessible.

7.2.2 The expectation of affordable housing extends to all types of residential development (whether for general or specialist needs) including retirement homes, mixed-use developments, and conversion schemes.

7.2.3 Given the scale of need, the City Council is obliged to seek affordable housing from small developments. Sites that can accommodate ten or more dwellings are likely to be able to contribute in some way towards affordable housing. A threshold of ten or more dwellings will be used to trigger the affordable housing policy. For mixed-use developments, the City Council will consider the number of dwellings being proposed or the capacity of that part of the site proposed for residential development. For schemes involving demolition or conversion, the City Council will consider the gross number of new dwellings.

7.2.4 Across Oxford, affordable housing is required for various groups. It is particularly important to address the needs of people accepted as homeless and housed in temporary accommodation by the City Council. At 2003, in Oxford there were about 1,100 households in temporary accommodation, and the City Council accepts around 450 households (around 70% of which are families) as homeless each year.

7.2.5 To accompany the implementation of its affordable housing policies, the City Council will publish, and keep up to date, Supplementary Planning Documents on all appropriate related matters.

POLICY HS.4- GENERAL REQUIREMENT TO PROVIDE AFFORDABLE HOUSING

The City Council will expect affordable housing (as defined) from any development of at least ten dwellings, that includes residential development on a site having the capacity for at least ten dwellings; or on a residential site of 0.25 ha or more in area.

Affordable housing should be available to those in housing need in perpetuity. Developers may not circumvent this policy by the artificial subdivision of sites.

The Proportion and Mix of Affordable Housing to be Provided

7.2.6 The housing need in Oxford (across all sectors) is so great that the City Council believes it should seek the maximum reasonable proportion of affordable housing as part of the development of each site. The City Council will consider a site to be capable of providing generally a minimum of 50% affordable housing. This level of provision will be sought on all relevant sites unless the applicant can demonstrate that an alternative percentage of provision should be made to make the development viable.

7.2.7 Supplementary Planning Documents will set out the matters to be taken in account in the economics of provision including any physical, environmental or financial constraints. The mix of affordable housing to be secured through the planning system will also be indicated in Supplementary Planning Documents.

POLICY HS.5 - PROPORTION AND MIX OF AFFORDABLE HOUSING TO BE PROVIDED

When Policy HS.4 applies, the City Council will seek the provision of generally a minimum of 50% of the proposed dwellings as affordable housing.

In assessing the mix of affordable dwelling types and sizes, the City Council will have regard to the characteristics of the site and to its Supplementary Planning Documents.

On-site Provision of Affordable Housing

7.2.8 Affordable housing should usually be provided on-site as an integral part of the whole development. This will promote balanced communities and minimise the delay in making the affordable housing available. However, in exceptional circumstances affordable housing within the development may not be desirable.

7.2.9 Where affordable housing is required, but the City Council is satisfied that on-site provision is inappropriate, the developer will be expected to make a financial, or other, contribution to the City Council instead. The amount of any payment will have to be negotiated, but it should reflect the cost of providing the number, type and size of affordable dwellings that would otherwise have been created on-site. The City Council will need to be satisfied that the financial contribution will result in the provision of affordable housing.

POLICY HS.6 - ON SITE PROVISION OF AFFORDABLE HOUSING

Affordable housing should be provided as part of the proposed development unless the City Council and the developer both consider that it is nonetheless preferable for a financial or other contribution to be made towards the provision of an element of affordable housing on another site.

7.3 Affordable Housing from Commercial Development

7.3.1 Certain commercial developments could worsen the existing housing situation by encouraging workers in housing need to move to Oxford. The City Council considers that such developments should contribute towards meeting the need for affordable housing by way of financial or other contributions. The amount of any payment would have to be negotiated. However, it should reflect the cost of providing the numbers, types and sizes of affordable dwellings for which an additional demand is created. The City Council will need to be satisfied that financial contributions will result in the provision of affordable housing.

7.3.2 This policy will be applied to all commercial developments that generate a significant demand for affordable housing. However, it will not be applied to retail developments or to non-profit making public sector projects, such as those in the education and health sectors.

POLICY HS.7 - AFFORDABLE HOUSING AND COMMERCIAL DEVELOPMENT

Where a need for affordable housing is directly related to a commercial development, the City Council will seek a financial or other contribution appropriate to the scale and kind of the development.

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APPENDIX 2

Useful Contacts

For general enquiries on this document or other planning issues relating to housing please contact:

Laura Goddard
Principal Planner
Planning Policy
Oxford City Council
Ramsay House
10 St Ebbe's St
Oxford
OX1 1PT

T: (01865) 252173
F: (01865) 252144
E: lgoddard@oxford.gov.uk
W: www.oxford.gov.uk/localplan

For enquiries relating to the delivery of affordable housing and RSL involvement please contact:

Stuart Moran
Housing Development Co-ordinator
Neighbourhood Renewal
Oxford City Council
St Aldate's Chambers
St Aldate's
Oxford
OX1 1DS

T: (01865) 252428
F: (01865) 252662
E: smoran@oxford.gov.uk

For enquiries relating to the allocation of households in housing need to affordable housing please contact:

Marianne Upton
Allocations Manager
Housing Services
Oxford City Council
St Aldate's Chambers
St Aldate's
Oxford
OX1 1DS

T: (01865) 252633
F: (01865) 252103
E: mupton@oxford.gov.uk

or:
Dave Scholes,
Choice-Based Lettings Project Manager
T: (01865) 252636
F: (01865) 252103
E: dscholes@oxford.gov.uk

For enquiries relating to incorporating energy efficiency and renewable energy measures within developments please contact:

Paul Robinson
Sustainable Energy Officer
Environmental Health
Oxford City Council
Ramsay House
10 St Ebbe's St
Oxford
OX1 1PT

T: (01865) 252541
F: (01865) 252344
E: probinson@oxford.gov.uk

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Information required for assessing financial viability

The City Council will expect to see the workings that lie behind these major components but the format in which these are presented is left to the applicant. However, applicants may find it easiest to insert values in between the brackets. Where the details are not sufficiently clear as to allow checking, further detail will be sought.

Revenue	To be completed by applicant	To be completed by applicant
Market housing sales		[insert value]
Affordable housing sales to RSL (number and ft ²)		[insert value]
Sales agent fees	[Insert %]	[insert value]
Sales legal fees	[Insert %]	[[insert value]
Net realisation (total of above)		[[insert value]
Costs		
Site purchase price		[[insert value]
Date of site purchase	[Insert date]	
Stamp duty	[Insert %]	[insert value]
Acquisition agent fees	[Insert %]	[[insert value]
Acquisition legal fees	[Insert %]	[insert value]
Architect	[Insert %]	[[insert value]
Planning/survey		[insert value]
Construction		
ft ² and construction costs		
Contingency	[Insert %]	
Road/site works		[insert value]
Planning contributions		[insert value]
Finance		[[insert value]
Developer's profit 15% on Gross Development Value		[insert value]
Residual site value		[insert value]
Alternative use site value		[[insert value]

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Contribution towards affordable housing from commercial developments (Policy HS.7)

Table A4.1 Commercial developments by Use Class and whether of not a contribution towards affordable housing is sought

Use Class		Contribution Required?	Comment	Typical floor space per employee (sq.m) ⁵
A1	Shops	No	Contribution not required from retail development	n/a
A2	Financial and professional services	No	Contribution not required from retail development	n/a
A3	Restaurants and cafes	No	Contribution not required from retail development	n/a
A4	Drinking establishments	No	Contribution not required from retail development	n/a
A5	Hot food takeaway	No	Contribution not required from retail development	n/a
B1(a)	Offices	Yes	-	20.7
B1(b)	Research and Development	Yes	-	27.2
B1(c)	Light Industry	Yes	-	30.0
B2	General Industrial	Yes	-	38.2
B8	Storage or distribution	Yes	-	40.1
C1	Hotels	Yes	There may be opportunities for hotels to provide self-contained accommodation for their staff on site which would reduce the level of contribution	1 employee per 2 bedrooms
C2	Residential institutions	Yes	There may be opportunity for residential institutions to provide self-contained accommodation for their staff on site which would reduce the level of contribution	Information required from applicant
C3	Dwellings	No	If a mixed use development has elements of both commercial and residential use, the commercial part will be considered against Policy HS.7	n/a
D1	Non-residential institutions	Yes	Except where the development is by a non-profit making public sector organisation	60
D2	Assembly and leisure	Yes	Except where the development is by a non-profit making public sector organisation	33.2
	Sui generis	Seek advice from planning department, see Appendix 2 for contact		

⁵ Data from Use of Business Space and Changing Working Practices in the South East, DTZ and SEERA, May 2004

Table A4.2 Formulae used to calculate contribution towards affordable housing from commercial development (Policy HS.7)

Method of contribution (paragraph 43)	Financial contribution	Formula
<p>a) Affordable housing is provided in kind and on site, control of which would then be taken over by a Registered Social Landlord. This is the City Council's preferred method.</p>	<p>None</p>	<p>-</p>
<p>b) The developer gives the City Council part of the development land at no cost. This is the City Council's second preferred method of contribution. It is considered when the developer is not a housebuilder.</p>	<p>A financial contribution will be expected that is equivalent to the cost of constructing the required number, type and size of units in accordance with the Strategic Mix</p>	<p>Number of employees in the new development <i>multiplied by</i> 0.05 (to represent 5% of employees) <i>multiplied by</i> the Cost Indicator (see table A4.3) <i>shall equal</i> The sum payable</p>
<p>c) Where the City Council consider residential use not appropriate on site. This is the City Council's least preferred method.</p>	<p>A financial contribution will be expected that is equivalent to the cost of constructing the required number, type and size of units in accordance with the Strategic Mix, a contribution equivalent to the open market value of the land required to build the affordable units on (acquisition costs)</p>	<p>Number of employees in the new development <i>multiplied by</i> 0.05 (to represent 5% of employees) <i>multiplied by</i> the Cost Indicator (see table A4.3) <i>shall equal</i> The sum payable</p>

Calculating the Cost Indicator

The Cost Indicator for calculating cash in lieu contributions towards affordable housing is the Total Cost Indicator for 2004/2005 (Table 1.4 of the *Total Cost Indicators 2004/05 and 2005/06 Guidance Notes*, Housing Corporation, October 2003) inflated by 7% as per Housing Corporation guidance (Table 1.12 of the *TCI Guidance Notes*) and, where appropriate, multiplied by 0.46 to represent construction works only (Table 1.6, of the *TCI Guidance Notes*). This will apply from April 2005 until the end of March 2006. From April 2006, this figure will be inflated every financial year from April 2006 by another 7% unless another figure is suggested by the Housing Corporation

Table A4.3 extracts relevant data from the *Total Cost Indicators 2004/05 and 2005/06 Guidance Notes* (Housing Corporation, October 2003) to apply the formulae in Tables A4.2 and Table A5.1.

Table A4.3 Cost Indicator

	April 2005 – 5 th April 2006		6 th April 2006 onwards	
	land acquisition and construction works	construction works only	land acquisition and construction works	construction works only
Size of dwelling	£ per unit based on TCI 2004/05, plus 7%	£ per unit based on TCI 2004/05, plus 7%	the April 2005 – March 2006 £ per unit value plus 7% ⁶	the April 2005 – March 2006 £ per unit plus 7% ⁷
1 bedroom	£130,112	£59,851	£139,219	£64,041
2 bedroom	£187,892	£86,430	£201,044	£92,480
3 bedroom	£245,672	£113,009	£262,869	£120,919
4+ bedroom	£291,789	£134,222	£312,214	£143,618

⁶ Unless another figure suggested by the Housing Corporation

⁷ Unless another figure suggested by the Housing Corporation

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Cash in lieu contributions

The formula below is used for calculating developer contribution towards affordable housing from a residential development when an on-site contribution is not considered appropriate by the City Council.

The Cost Indicator for calculating cash in lieu contributions towards affordable housing is the Total Cost Indicator for 2004/2005 (Table 1.4 of the *Total Cost Indicators 2004/05 and 2005/06 Guidance Notes*, Housing Corporation, October 2003) inflated by 7% as per Housing Corporation guidance (Table 1.12 of the *TCI Guidance Notes*) and, where appropriate, multiplied by 0.46 to represent construction works only (Table 1.6, of the *TCI Guidance Notes*). This will apply from April 2005 until the end of March 2006. From April 2006, this figure will be inflated every financial year from April 2006 by the Tender Price Index and land value increase.

See Table A4.3 in Appendix 4 above for calculating the Cost Indicator.

<p style="text-align: center;">Total number of private dwellings⁸</p> <p style="text-align: center;">multiplied by</p> <p style="text-align: center;">the Cost Indicator</p> <p style="text-align: center;">shall equal</p> <p style="text-align: center;">the sum payable</p>
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⁸ See paragraph 55 above

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Standard affordable housing legal agreements

Legal Agreement No. 1:	PROCEDURE FOR SECURING ON-SITE AFFORDABLE HOUSING
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The key aspects of the Local Plan Policies (HS.4 and HS.5) on securing on-site affordable housing including its proportion and mix are:

- Criteria for Policy to apply:**
- Affordable housing will be required from any proposed development of:
- at least ten dwellings that includes residential development on a site having the capacity for at least ten dwellings; or
 - on any residential site of 0.25 ha or more in area.

The City Council will require the provision of generally a minimum of 50% of the proposed dwellings as affordable housing.

Formula for calculating contribution: n/a – on-site provision

CLAUSES IN LEGAL AGREEMENT

(These model clauses will normally be applied unless there are specific requirements of the site justifying bespoke clauses).

1. RECITALS

The Applicant is willing to provide Affordable Housing as specified in this Agreement

2. DEFINITIONS AND INTERPRETATION

The following words and definitions shall have the following meanings in this Agreement:

Affordable Housing definition – outline application

“Affordable Housing” means dwellings:

built to be in accordance with the City Council’s draft Supplementary Planning Document on Affordable Housing in terms of dwelling size and type and either:

(if rented)

- (a) let at weekly rents, both for initial lettings and relets, which do not exceed the relevant Housing Corporation capped rent all set in accordance with Housing Corporation guidance and on terms complying with the Housing Corporation Assured Tenants’ Charter or equivalent

or

(if shared ownership)

- (b) disposed of on a long term shared ownership lease with the initial equity share of no more than 25% of the open market value of the dwelling and rents set at no more than 3% of the unsold equity

and subject to nomination agreements with the City Council substantially in the form attached to be entered into before Commencement of Development

Affordable Housing definition - full or reserved matters application

‘Affordable Housing’ means dwellings either:

(if rented)

- (a) let at weekly rents, both for initial lettings and relets, which do not exceed the relevant Housing Corporation capped rent all set in accordance with Housing Corporation guidance and on terms complying with the Housing Corporation Assured Tenants’ Charter or equivalent

or

(if shared ownership)

- (b) disposed of on a long term shared ownership lease with the initial equity share of no more than 25% of the open market value of the dwelling and rents set at no more than 3% of the unsold equity

and subject to nominations agreements with the City Council substantially in the form attached to be entered into before Commencement of Development

Affordable Housing Land

“Affordable Housing Land” means the land approved by the City Council for the construction of the Affordable Housing Units

Affordable Housing Units definition - Outline application

“Affordable Housing Units” means 50% of the Residential Units that are to be provided on the Affordable Housing Land as Affordable Housing, 80% of which shall be Social Rented Housing and 20% as Shared Ownership Housing

Affordable Housing Units definition - full or reserved matters

“Affordable Housing Units” means the dwellings to be constructed on that part of the Development shownon the Plan comprising:
(add list of affordable housing units)

Commencement of Development

“Commencement of Development” means the carrying out of a material operation as defined in Section 56 of the Act on the Land (meaning the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004)

Nomination Deeds

“Nomination Deeds” means the deeds in the form annexed as Schedule (xx) in respect of the Affordable Housing Units or any similar agreements

Residential Unit

“Residential Unit” means a building designed for residential occupation by a single household and includes a Residential Unit built as an Affordable Housing Unit

Registered Social Landlord

“RSL” means a registered social landlord as defined by the Housing Act 1996 and registered as such by the Housing Corporation in accordance with that Act

IT IS AGREED:

The terms of this Agreement shall
(Mortgagee in possession clauses)

not bind any mortgagee of the RSL or any receiver or manager (including an Administrative Receiver) appointed pursuant to the Law of Property Act 1925 or otherwise by a party who has provided loan facilities to the RSL

cease to apply to any of the Affordable Housing Units should such Units be transferred or leased by any mortgagee of the RSL or any receiver or manager (including Administrative Receiver) appointed pursuant to the Law of Property Act 1925 or otherwise by a party who has provided loan facilities to the RSL

cease to apply any of the Affordable Housing Units where the RSL is required to dispose of it pursuant to a right to buy under Part V of the Housing Act 1985 or S16 of the Housing Act 1996 or any similar or substitute right applicable or shall be required to sell to a tenant with the benefit of a voluntary purchase grant provided under S20 and S21 of the Housing Act 1996 (or any similar provision in any subsequent legislation)

SCHEDULE ONE
(APPLICANT’S COVENANTS)

RESTRICTION ON USE OF LAND

Not to use the Land on which the Affordable Housing Units are to be constructed (or any part thereof) other than for the purpose of providing the Affordable Housing Units

NOMINATIONS DEEDS AND BUILDING CONTRACT FOR AFFORDABLE HOUSING REQUIRED BEFORE COMMENCEMENT OF DEVELOPMENT

Not to cause or permit Commencement of Development until the Applicant has procured that a RSL has:

1. entered into the Nominations Deeds with the City Council or any other similar agreement

2. entered into a building contract with the Applicant in respect of the Affordable Housing Units and
3. provided the City Council with a copy of the building contract referred to in paragraph **(insert para number of the sub-clause above)** such copy to be certified a true copy by a Solicitor
4. obtained the approval of the City 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

CONSTRUCTION OF AFFORDABLE HOUSING UNITS

To procure that the Affordable Housing Units are constructed to the standard required to at least meet the provisions of the:

1. Latest Housing Corporation Scheme Development Standards as may be current at Commencement of Development
2. Lifetime Homes Standards (Joseph Rowntree Foundation) 2000
3. Eco Homes Standard 'Very Good'
4. Energy Efficiency Best Practice in Housing

SALES OF AFFORDABLE HOUSING TO RSL

There shall be no legal completion of the sale of more than 50% of the Residential Units comprised within the Development excluding the Affordable Housing Units until:

1. the Affordable Housing Units have been fully constructed and are finished ready for immediate occupation

(amend as applicable if scheme does not involve flats)

2. the Leasehold interest of those Affordable Housing Units which are flats has been transferred to a RSL on a term of not less than 130 years and the freehold interest of those Affordable Housing Units which are houses has been transferred to a RSL in accordance with the Form of Transfer below

FORM OF TRANSFER

The Transfer by the Applicant to the RSL pursuant to paragraph **(xx)** of this Schedule shall be prepared by the Applicant's solicitors at the cost of the Applicant and shall contain inter alia:

1. the grant by the Applicant to the RSL of all rights of access and passage of services and other rights reasonably necessary for the beneficial enjoyment of the Affordable Housing Units
2. a reservation of all rights of access and passages of services and rights of entry reasonably necessary for the beneficial occupation and enjoyment of the Affordable Housing Units
3. where any of the Affordable Housing Units are to be made available for shared ownership leasing to procure that the occupiers are not permitted to staircase above 70% of the value of such units to be in line with the Home Buy scheme.
4. such other reasonable covenants as the RSL and Applicant may each reasonably require to procure the occupation of the Affordable Housing Units

Legal Agreement No. 2:	PROCEDURE FOR SECURING FINANCIAL CONTRIBUTIONS FOR THE PROVISION OF AFFORDABLE HOUSING
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The key aspects of the Local Plan Policy (HS.6) on securing a financial or other contributions for affordable housing on another site (where on-site affordable housing provision is inappropriate)

Criteria for Policy to apply: In exceptional cases where the City Council is satisfied that on-site affordable housing provision is inappropriate. Affordable housing will be required from any proposed development of:

- at least ten dwellings that includes residential development on a site having the capacity for at least ten dwellings; or
- on a residential site of 0.25 ha or more in area.

Formula for calculating contribution: The amount of payment should reflect the cost of providing the number, type and size of affordable dwellings in accordance with the strategic mix that would otherwise have been created on-site plus the cost of acquiring the land.

MODEL CLAUSES IN LEGAL AGREEMENT

(These model clauses will normally be applied unless there are specific requirements of the site justifying bespoke clauses).

1. RECITALS

The Applicant is willing to make a Financial Contribution towards the provision of affordable housing in Oxford.

2. DEFINITIONS AND INTERPRETATION

The following words and definitions shall have the following meanings in this Agreement:

“Affordable Housing Sum” means a financial contribution of **(insert agreed sum)**

“Commencement of Development” means the carrying out of a material operation as defined in Section 56 of the Act on the Land (meaning the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004)

“Land” means the land shown on **(refer to plan to attach to agreement)**

3. IT IS AGREED:-

APPLICANT’S COVENANTS

The Applicant covenants with the City Council to observe and perform the covenants contained in Schedule One to this Agreement.

THE CITY COUNCIL COVENANTS

The City Council shall use the Affordable Housing Sum for the provision of affordable housing in Oxford.

SCHEDULE ONE
APPLICANT'S COVENANTS WITH THE CITY COUNCIL

PAYMENT OF THE AFFORDABLE HOUSING SUM

Not to cause or permit the Commencement of Development until it has paid the Affordable Housing Sum (subject to adjustment pursuant to paragraph **xx** of this schedule where applicable) to the City Council

That if the Affordable Housing Sum is not paid to the City Council within twelve months from the date of this Agreement then the Affordable Housing Sum shall be adjusted according to the Halifax Price Index for the South East at the time the contribution is payable

That if the Affordable Housing Sum is not paid to the City Council on Commencement of Development interest shall be due and payable to the City Council on the Affordable Housing Sum adjusted as appropriate in accordance with paragraph **xx** above at the rate of 3% per annum above the base lending rate of the Co-operative Bank plc for the period from Commencement of Development until payment is made to the City Council

Legal Agreement No. 3:

**PROCEDURE FOR SECURING AFFORDABLE HOUSING
CONTRIBUTION FROM COMMERCIAL DEVELOPMENT
AND/OR SECURING AFFORDABLE HOUSING LAND**

The key aspects of the Local Plan policy (HS.7) on securing affordable housing from commercial development are:

Criteria for Policy to apply:

All commercial developments that generate a significant demand for affordable housing. It will not be applied to retail developments or to non-profit making public sector projects such as those in the education & health sectors. Notionally, all developments over 2000m² are expected to generate a significant demand for affordable housing.

Formula for calculating contribution:

The amount of payment is to be negotiated but should reflect the cost of providing the number, type and size of affordable dwellings in accordance with the strategic mix for which an additional demand has been created. Where the City Council consider residential use is not appropriate for the site, the financial contribution should also include a sum equivalent to the cost of acquiring the land.

MODEL CLAUSES IN LEGAL AGREEMENT

(These model clauses will normally be applied unless there are specific requirements of the site justifying bespoke clauses).

1. RECITALS

The Applicant is willing to make a Financial Contribution towards the provision of affordable housing in Oxford.
OR

The Applicant is willing to make a Financial Contribution towards the provision of affordable housing on an area of land identified within the development site and to transfer to an RSL the area of land for affordable housing.

2. DEFINITIONS AND INTERPRETATION

The following words and definitions shall have the following meanings in this Agreement:

“Affordable Housing Sum” means a financial contribution of **(insert agreed sum)**

“Commencement of Development” means the carrying out of a material operation as defined in section 56 of the Act on the Land (meaning the Town and Country Planning Act 1990 as amended by the Planning and Compensation Act 1991 and the Planning and Compulsory Purchase Act 2004)

“Land” means the land shown on **(refer to plan to attach to agreement)**

3. IT IS AGREED:-

APPLICANT’S COVENANTS

In consideration of the City Council granting the Planning Permission the Applicant covenants with the City Council to observe and perform the covenants contained in Schedule One to this Agreement.

THE CITY COUNCIL COVENANTS

The City Council shall use the Affordable Housing Sum for the provision of affordable housing in Oxford.

SCHEDULE ONE
APPLICANT'S COVENANTS WITH THE CITY COUNCIL

PAYMENT OF THE AFFORDABLE HOUSING SUM

Not to cause or permit the Commencement of Development until it has paid the Affordable Housing Sum (subject to adjustment pursuant to paragraph **xx** of this schedule where applicable) to the City Council

That if the Affordable Housing Sum is not paid to the City Council within twelve months from the date of this Agreement then the Affordable Housing Sum shall be adjusted according to the Halifax Price Index for the South East at the time the contribution is payable

That if the Affordable Housing Sum is not paid to the City Council on Commencement of Development interest shall be due and payable to the City Council on the Affordable Housing Sum adjusted as appropriate in accordance with paragraph **xx** above at the rate of 3% per annum above the base lending rate of the Co-operative Bank plc for the period from Commencement of Development until payment is made to the City Council

RESTRICTION ON USE OF THE LAND

Not to use the Land on which the Affordable Housing Units are to be constructed (or any part thereof) other than for the purpose of providing the Affordable Housing Units

TRANSFER OF LAND WITHIN THE DEVELOPMENT FOR AFFORDABLE HOUSING

Prior to commencement of the development the Applicant shall transfer the Land (shown X on the Plan) to the RSL and the transfer shall be prepared by the Applicant's solicitors at the cost of the Applicant and shall contain inter alia:

- 1 the grant by the Applicant to the RSL of all rights of access and passage of services and other rights reasonably necessary for the beneficial enjoyment of the Affordable Housing Units
- 2 a reservation of all rights of access and passages of services and rights of entry reasonably necessary for the beneficial occupation and enjoyment of the Affordable Housing Units
- 3 such other reasonable covenants as the RSL and Applicant may each reasonably require to procure the occupation of the Affordable Housing Units

Oxford City Council Preferred Partner Registered Social Landlords

Bromford Housing Group



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Honiley
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Catalyst Housing Group



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Oxford Citizens Housing Association



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Warden Housing



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