

Local Development Framework

Affordable Housing

Supplementary Planning Document

Adopted July 2006



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Front page photos of affordable housing:

1. *Beaufighter Rd, West Malling;*
2. *Bookbinders Court, Oxford;*
3. *Chapel, Southampton;*
4. *Elizabeth Jennings Way, Oxford;*
5. *St Pauls Buildings, London EC1;*
6. *Rivermead Park, Oxford;*
7. *Transport House, Salford;*
8. *Weymann Terrace, Oxford;*
9. *Oakridge Village, Basingstoke;*

AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT
JULY 2006

1 Fry Drew Knight Creamer Architects/Paul Dixon; 3 Chetwood Associates/Design for Homes; 5 Hamilton Associates/Design for Homes; 7 MBLC Architects + Urbanists/Design For Homes; 2, 4, 6 & 8 Oxford City Council; 9 HTA Architects/@Tim Crocker05

INTRODUCTION

1. The Local Plan includes policies for the provision for affordable housing through the planning process. The purpose of this Supplementary Planning Document (SPD) is to advise applicants on how the City Council will apply the policies of the Oxford Local Plan 2001-2016 (OLP) (see [Appendix 1](#)). [It also informs applicants of the City Council's preferred methods for ensuring the delivery of affordable housing.](#) The Local Plan is part of the Local Development Framework and therefore this SPD has been prepared as part of the LDF.
2. The planning system aims to develop stable, balanced communities where all sections of society, regardless of their wealth, occupation or background, feel included. Planning for 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, interesting 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 preparing Local Plans and determining planning applications.
5. The South East Plan (Regional Spatial Strategy) emphasises the [high level of need strong-demand](#) for affordable housing in the region and refers to the importance of the planning system in helping to provide it. Local authorities should have regard



Affordable Housing at Elizabeth Jennings Way, Oxford

to the South East Plan when developing their Local Plan policies.

6. The Oxfordshire Structure Plan 2016 was adopted on 21 October 2005 and [has an expectation that 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 ask commercial developers to contribute to the cost of providing affordable housing.
7. The OLP policies are saved through the Local Development Scheme until they are replaced by new policies in a Local Development Document (LDD). 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 April 2001 and March 2006.

Table 1: Housing completions 2001-2005

Year	Dwellings completed
2001/02	439
2002/03	267
2003/04	578
2004/05	718
2005/06	[To be completed]
Total	[To be completed]

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 need special help to live in a home that meets their needs.

10. The groups particularly affected are households in housing need because of their personal circumstances. These can include families increasing in size who need to transfer to a larger property or households that wish to downsize; those who are at risk of offending; those who need to move because of racial harassment or domestic violence; and 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 City Council's strategic target for all dwelling completions (affordable and market) is 433 dwellings per year which, considering ~~that~~ less than half of these will be affordable (because sites below ten dwellings need not provide affordable housing, unless the site area is 0.25ha or greater), is well below the affordable housing need per year. Therefore every opportunity must be taken to build affordable housing on suitable sites. The Local Plan Inquiry Inspector supported this view by stressing the need for as much affordable housing as possible and that all available sites should be considered for affordable housing.

Definition of affordable housing

12. 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. Key worker housing is aimed at households that cannot afford a home they need and who work in particular public sector occupations that have local recruitment or retention difficulties. These are public sector workers such as teachers, nurses, other specific health care workers, social workers, police officers, prison officers,

probation officers, local authority planners, occupational therapists, educational psychologists, speech therapists and fire fighters.

14. 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 who don't qualify for general affordable housing are not provided for by the Local Plan's affordable housing policies. The City Council will therefore not accept key worker housing as a substitute for the general requirement for affordable housing provision.
15. The only instances where key worker housing would be accepted is when it is provided in addition to the general affordable housing requirement or where the proposal complies with Policy HS.16, which relates to developments of staff accommodation. Developers must enter into a legal agreement to make the homes always available as accommodation for staff, who may include key workers.

FORMS OF AFFORDABLE HOUSING

Social rent

- 16.** ~~Social rented housing is owned by a Registered Social Landlord (RSL) and is rented to a household on the housing register at an affordable cost. If applicable, service charges should also be at an affordable cost and should not include any inappropriate or non-essential charges (agreed in a S106). This form of housing is characterised by below-market rents and (if applicable) below-market service charges.~~ The level of rent and service charges levied by ~~registered social landlord~~ RSLs is generally treated as being affordable by those in greatest need. Social rented affordable housing should be available, in perpetuity, to those in housing need. 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 accommodation.
- 17.** Affordable rents are those that do not exceed the relevant Housing Corporation capped rent and are set in accordance with Housing Corporation guidance. The ~~City Council's Housing Development Team 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 a 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 offer buyers a maximum initial share of an initial share of no more than 25% of the open market value of the dwelling. Higher proportions can be offered provided the cost would be less than 30% of the net household income as set out in the Local Plan. RSLs will be expected to demonstrate that the shared ownership dwellings would meet this

requirement. The rental charges on the unsold equity (share) should be no more than 2.75% of this share. 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 prevent 'staircasing' (gradually buying a greater share) beyond 75% of the equity share of the property. This will ensure that the share of the property that had been purchased will eventually be sold back to the Registered Social Landlord and so the home can be re-occupied by another household in housing need at an affordable price.~~



Affordable housing at Oakridge Village, Basingstoke (HTA Architects/@TimCrocker05)

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 the high housing prices in Oxford mean that this would not solve the problem for most people in housing need.
- 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 available to people who cannot afford to rent or buy houses generally available in the open market. The Local Plan Inspector's Report and Draft Planning Policy Statement 3 (2006) does not

consider low-cost market housing to be affordable housing.

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 remain affordable to those in housing need in perpetuity.

AFFORDABLE HOUSING POLICIES

23. The policies with the supporting text to which this SPD relates are set out in **Appendix 1**. The policies themselves are also shown in the 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 as part of any development of 10 or more dwellings, or a site that includes residential development and has a capacity of at least 10 dwellings or on a residential site with a gross area of at least 0.25ha. **Draft PPS3** makes it clear that new housing should make efficient use of land, which Policy CP.6 supports (see paragraphs 68-70 below). Where land is used inefficiently to avoid having to provide affordable housing, this will lead to the refusal **of** planning permission.

25. Should an outline application for residential development be proposed, the City Council will assess the housing 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 with a gross area of 0.25ha or greater 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 should generally be included in the legal agreement are set out in **Appendix 6**.

27. In considering whether a development meets the threshold for providing affordable housing, the City Council considers the gross number of proposed dwellings, not the net increase. 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 increase in the number of dwellings. To consider the net increase in the number of dwellings would be an inappropriate dilution of the policy.

Artificial subdivision of sites

28. The City Council will be alert to, and not permit any benefit to be gained from, 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.32 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 City Council uses the gross number of units created by the development to calculate the proportion of affordable housing that should be provided.

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 at least 50% of the total number of dwellings on site as affordable housing. The standard clauses that will be expected to be included in the legal agreement are set out in **Appendix 6**.
33. Applicants who cite non-viability as the reason for not complying with Policy HS.5 must support their case with financial evidence, which they should submit with the planning application. The evidence will be open to public scrutiny, and where necessary will be audited by external experts.
34. When applicants submit evidence of non-viability, the City Council will expect to see the calculations for the major factors (**as listed in see Appendix 3**) set out in enough detail for viability to be properly assessed. **The City Council accepts that developers seek to achieve in the region of 20% total profit on cost (or 15% profit on Gross Development Value).**
35. This information will be assessed on whether the figures show satisfactorily that the scheme would be unviable with 50% affordable housing. The City Council expect developers to have considered the financial implications of the affordable housing policy requirements when purchasing the land for development.

36. If the City Council is satisfied that the financial appraisal confirms that the affordable housing requirement cannot be provided in line with 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, **progressively amend the mix of dwellings so that overall the proportion of affordable housing is reduced but the size of dwellings are increased to better meet housing need reduce the affordable housing requirement.**

37. The City Council will apply this order of preference until the proposal is considered viable.



Affordable housing at Chapel, Southampton (Architects: Chetwood Associates/Photo by Design for Homes)

Retirement homes and other Specialist residential development

38. The requirement for affordable housing extends to all types of residential development including retirement homes. A retirement home falls into the same use class as residential (**class C3**) and is therefore expected to contribute to the provision of affordable housing. **In these cases it may be more appropriate for the provision to be affordable retirement housing. Care homes and nursing homes (class C2), which are not self-contained, are not required to provide affordable housing. A retirement home developed on land allocated for residential development is expected to provide affordable housing whether or not it includes self-contained units.**

Developments of student accommodation where the units are not self-contained (where each unit shares a kitchen or bathroom facility) will not be expected to provide affordable housing. Where the student accommodation units are self-contained, they will be treated as normal housing and therefore the developer will be expected to provide 50% of the dwellings as affordable housing in line with the Local Plan policies.

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.”

39. 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.
40. Providing affordable housing off-site is not the City Council’s preferred method. However, we may consider it 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 instead.

Cash in lieu contributions

41. If ~~an~~ off-site contributions ~~are~~ is considered appropriate, the applicant and the City Council should ensure that such arrangements would actually result in the provision of the appropriate amount of affordable housing.
42. A greater contribution is sought from financial contributions to reflect the benefit the developer gains through using the whole site for private market housing (instead of using only half when providing on-site affordable housing as well). It also ensures an equitable distribution of market and affordable housing to meet the needs of the local community. For example, a site of 20 dwellings would normally provide 10 market dwellings and 10 affordable dwellings 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 dwellings, the City Council would require 20 affordable dwellings (16 social rented, 4 shared ownership) on another site. ~~The contribution would cover both build costs and land acquisition.~~

43. The amount of this payment will be equivalent to reflect the cost of providing building the required number of affordable dwellings of the size and type set out in the City Council’s strategic mix for city-centre and out-of-centre sites combined (Table 2) and the value of the land needed to build them on at open market value minus the amount equivalent to what would be payable by an RSL. The payment may also be used to purchase existing dwellings to use as affordable housing.
44. The formula for calculating the financial contribution is set out in **Appendix 5.**

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.”

45. 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 employees and inevitably some of these will be on low incomes and in housing need. The occupiers of the affordable housing provided from commercial development would be nominated through the Common Housing Register.

Commercial developments to which Policy HS.7 applies

46. 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.
47. Policy HS.7 contains no size threshold at which a contribution will be sought, however, an

~~indicative threshold of around 2,000m² will be used to indicate that a contribution will be expected, as this size of development would be considered to generate a significant need for affordable housing. 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. Whilst this indicative threshold exists, smaller commercial developments can generate a significant need for affordable housing. These will be considered on a case by case basis.~~

~~48. In deciding which types of commercial development should make a contribution, the City Council would consider whether the development would generate a need for affordable housing. The examples of commercial development below demonstrate the City Council's approach to applying Policy HS.7:~~

- ~~• new commercial development, or extensions to commercial buildings, of around 2,000m² (including the change of use of a building to a commercial use or from one commercial use to another) will be expected to contribute towards meeting the need for affordable housing that would be created by the development.~~
- ~~• A company relocating from one base in Oxford to another would be expected to contribute towards meeting the need it 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. A contribution would not be required if, at the time of the application for the new commercial development, the previous floorspace was redeveloped for a land use not required to contribute towards affordable housing provision as set out in Table A4.1:~~

- ~~• A mixed-use development where the that includes residential and commercial elements fall below their respective thresholds, but where their comparable total is considered to exceed either threshold, will be expected to contribute towards the provision of affordable housing use should contribute to the provision of affordable housing in accordance with Policy HS.7 in addition to the contribution made by the residential element of the development under Policies HS.4 and HS.5.~~

Method of contribution

~~49. The City Council encourages mixed-use developments in appropriate locations as they promote sustainable communities. In order of preference, this is how the City Council decides the method of contribution: The standard method of contribution from commercial development would be financial. The contribution will be equivalent to the cost of building the required number of affordable dwellings of the size and type set out in the City Council's strategic mix for City centre and out-of-centre sites combined (Table 2) and the value of the land needed to build them on at open market value minus the amount equivalent to what would be payable by an RSL. The formula for calculating the financial contribution is set out in Appendix 4.~~

~~Where the proposed development is mixed use that includes residential, the developer would come to an agreement with an RSL and would construct the required number and size of affordable dwellings on site as an integral part of the development. The RSL would then take control of the affordable housing.~~

~~Both methods would be controlled by a legal agreement.~~

- ~~a) The preferred method is that the developer would construct the required number and size of affordable dwellings on site as an integral part of the development. A registered social landlord (RSL) would then~~

~~take control of the affordable housing. No additional financial contribution would be required.~~

- ~~b) The next preferred method would be considered where the developer is not a housebuilder, and would be unsuited constructing the affordable dwellings. In this case we would expect the developer to give the City Council part of the development land, at no cost, so that an RSL could build the affordable homes we required. We would also expect the developer to pay the cost of building these homes.~~
- ~~c) The last method is where the affordable housing units are not built on site. Where we do not consider the site appropriate for affordable housing, we will expect the developer to pay the cost of building the required number and size of affordable homes and also to pay for the land needed to build them on at open market value.~~



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

Calculating the contribution

50. **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.
51. 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 some housing need. ~~The City Council therefore assumes that all commercial development will create affordable housing need, unless developers provide evidence to suggest otherwise.~~
52. The high level of housing need, with the limited amount of land available for development, means that the entire housing need created by new commercial development could never be met.
53. The City Council considers that the contribution should be equivalent to providing affordable housing for generally a minimum of 15% of the estimated number of employees of the commercial development. This figure is considered a reasonable level of contribution to expect that will not discourage commercial development by making the development unviable. The City Council thinks it fair to use a percentage ~~this arbitrary figure~~ as it gives applicants a clear and consistent approach to follow.
54. Some types of commercial development such as hotels and residential institutions may provide accommodation for their staff on site. Developers may be able to reduce any financial contribution required if they provide suitable self-contained units as staff accommodation on site. The occupancy of these units would be secured to staff by a legal agreement.
55. ~~For speculative commercial development, where the future occupier is not known, t~~The number of employees estimated ~~judged likely~~ to occupy the proposed development will be calculated using the employee/floorspace ratios set out in **Appendix 4**.
56. Where the new occupier and their number of employees are known, this information will be used in the calculation. The City Council will be attentive to information on employee numbers which suggest under-occupancy.
57. ~~The developer will be expected to provide the affordable housing on site unless circumstances b) or c) in paragraph 43 apply. In this case the City Council will apply the formula in Appendix 4 to determine the financial contribution.~~

DESIGN ISSUES

58. This section details deals with 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 bear in mind the most recent information it has published about the groups in priority need of affordable housing, and 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 to 19 above explain the difference between social rented and shared ownership housing. For ease of calculation, the City Council will generally expect 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, which reflects and prioritises the most acute housing need, shows a greater need for dwellings with 3 bedrooms than for any other size. However, city-centre sites are

generally more suited to developments of small units, including 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 the City Centre Commercial Area. Where constraints of the site limit family sized dwellings, this will be taken into consideration when judging whether an appropriate mix has been achieved.

62. The City centre strategic mix shows a skew towards smaller units. But 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. Policy HS.8 requires a mix of dwellings on site ~~To~~ to create mixed and sustainable communities. In order to achieve this 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 is 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. In the provision of family sized affordable dwellings, the City Council will seek houses as opposed to flats. There is a need for

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%	10 5%	5%	10 5%
2	40%	10 5%	10%	10 5%
3	25%	0%	50%	0%
4+	10%	0%	15%	0%
Total	80%	20%	80%	20%

affordable dwellings with more than 4 bedrooms and these can be provided under the 4+ category. Applicants will be expected to satisfy the City Council that the proposal complies with the appropriate strategic mix.

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. Innovative design is also encouraged. 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 affordable housing should, as far as practicable, be dispersed (pepper-potted) across the development 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, RSLs would not receive funding from the Housing Corporation. Affordable housing should also meet Lifetimes Homes standard. Applicants should therefore consider these standards

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)

before submitting the planning application. Suggested sizes of affordable dwellings are at Appendix 4, Table A4.4. Whilst affordable dwellings will meet Scheme Development Standards, the City Council will negotiate the provision of units to a fully wheelchair accessible standard, as and when a need is identified.

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 supply this statement 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 some of whom would benefit from independence from other similarly vulnerable people. Separate front doors will also help deliver 'active frontages' which is often very desirable for urban design objectives and crime and safety issues. Therefore 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 should reflect the specific needs-is very important in the successful housing of this type of tenant.

Efficient use of land (Policy CP.6)

68. In Oxford, there is a huge need for housing, but 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 should generally 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.



Affordable Housing at Point Pleasant, London SW18 (PCKO Architects/Photo by Design For Homes)

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 we are not losing out on contributions to the provision of affordable housing 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. These dwellings should be clearly identified on the plans accompanying the application.~~

Natural resources (Policies CP.15, CP.16, 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 should consider this before submitting an application in the same way as they would consider other policy requirements that affect design (e.g. car parking, open space, landscaping, cycle parking, sustainable drainage etc.). The Supplementary Planning Document on Natural

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

Resource Impact Analysis provides guidance on how the City Council will apply Policies CP.15, CP.16, CP.17 and CP.18.



Affordable housing Eco Homes at Oak Meadow, South Molton, Devon (Gale and Snowden Architects/Photo by Karen Taylor)

73. In accordance with the EcoSE Manifesto the City Council expects, in all cases, the affordable housing to meet EcoHomes³ Standard 'Excellent' '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 using passive solar energy and rainwater harvesting at Beaufighter Road, West Malling, Kent (Architects: Fry Drew Knight Creamer Architects/Photograph by Paul Dixon)

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

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

ENSURING DELIVERY OF THE AFFORDABLE HOUSING

Involvement of registered social landlords

74. Before the City Council can give planning permission, developers must arrange to make their affordable housing 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**. The City Council encourages applicants to use one of our preferred partner RSLs because it is 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.
76. Developers should contact the City Council's Housing Development Team Neighbourhood Renewal 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 they have established key principles for the management of the affordable housing. Applicants are asked to submit information on their preferred RSL and 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;
- resident involvement tenant participation;
- community investment;
- sustainable management in the long term; and
- service delivery.

Further advice on the information required should be sought from our Neighbourhood Renewal Team Housing Development Team (see **Appendix 2**).

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

78. ~~In relation to the nominations agreement, a~~All RSLs developing or proposing to develop in Oxford are expected to have signed the City Council's Partnership Agreement (see **Appendix 2** for an Allocations Team contact).

Funding for affordable housing

79. The Housing Corporation is unlikely to fund affordable housing delivered through legal agreements, so applicants will need to consider this when buying the land and at the early stages of their development economics calculations. ~~Developers should take this into account when considering a purchase price for the land. Draft PPS3 and Planning for Mixed Communities state that plan requirements should not affect whether or not a development was viable, as the impact would be felt by landowners.~~

If Housing Corporation grant funding is secured, the City Council will expect better standards of development across the whole or part of the development. This will be secured through a S106 agreement.

80. 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 using the income from the units as the repayment source.

Phasing

81. Developers should ensure that the affordable housing is built at the same time as the market housing. This will be ensured through the legal agreement.

Committee reports

82. 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 states how 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

83. Where a development is proposed that requires a planning obligation, officers will present to committee ~~all key~~ aspects of the legal agreement, that are material to the planning application when the application is considered.

~~If the applicant disagrees, they should submit in writing the terms of an agreement which they seek.~~ The standard clauses that should be included in the legal agreement are set out in

Appendix 6.

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

Pre-application discussions Time limits

85. ~~Pre-application discussions are greatly encouraged. Early negotiation, resolution and drafting of the legal agreement is also encouraged to allow it to be signed soon after Committee. The City Council expects that major applications involving a legal agreement will be determined within 13 weeks of the submission date. If completion of the agreement has been unduly delayed by the applicant, officers will be granted delegated powers by committee to refuse the application. 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 normally expects to complete the agreement within two months of the Committee resolution.~~

~~86. If an agreement has not been completed within 2 months of the Committee resolution, the officers will be granted delegated powers to refuse the planning application. Before the end of the 2 months, officers will discuss with the applicant whether the legal agreement is close enough to completion or if the 2-month deadline could justifiably be relaxed.~~

Monitoring and review

87. 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.

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

89. This guidance will be kept under review in the light of all material information and guidance.

GLOSSARY

Affordable housing

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**.

Annual Monitoring Report (AMR)

Information on the implementation of the policies of the Local Development Framework (LDF)

Cash in lieu

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

EcoHomes Standard

A rating used to measure the environmental impact of building and occupying new and renovated homes (*EcoHomes: The environmental rating for homes*, BRE, April 2000 or subsequent update).

EcoSE Manifesto

A document that aims to improve the quality of life for all in the SE by enhancing our existing built environment and raising standards in all proposed developments, making the South East the national showcase for sustainable development.

Housing Requirements Study (HRS)

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

Key worker housing

Dwellings where occupancy is officially limited to a household where 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 is replacing the previous development plan system and contains 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 RSLs developing, or proposing to develop, in Oxford. It provides a framework for the partnership working between Oxford City Council and RSLs operating in Oxford City, specifically in relation to 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 sets out the national planning policy framework for delivering the Government's housing objectives

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/S46 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 with a planning permission. Also known as a planning obligation and will be referred to as a S46 agreement in the future.

Scheme Development Standard (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

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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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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
Housing Development Team
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

For enquiries relating to Building Control Regulations please contact:

Richard Beel
Building Control Service Manager
Building Control
Oxford City Council
Ramsay House
10 St Ebbe's St
Oxford
OX1 1PT

T: (01865) 252762
F: (01865) 252198
E: rbeel@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:

Revenue (including market and affordable housing sales), construction costs (construction, contingency, highway works, planning contributions, other costs), residual land value, finance, developer profit, site purchase price (and date of purchase), costs (stamp duty, acquisition agent and legal fees, architect fees, planning/survey fees) and the alternative use site value.

~~However, applicants may find it easiest to insert figures into the boxes below. Where the details are not clear enough to allow checking, further information will be sought.~~

	Percentage (%)	Value (£)
Revenue		
Market housing sales		<input type="text"/>
Affordable housing sales to RSL (value and ft²)		<input type="text"/>
Sales agent fees	<input type="text"/>	<input type="text"/>
Sales legal fees	<input type="text"/>	<input type="text"/>
Construction		
ft² and construction costs		<input type="text"/>
Contingency	<input type="text"/>	<input type="text"/>
Road/site works		<input type="text"/>
Planning contributions		<input type="text"/>
Other costs (please specify)		<input type="text"/>
Residual site value		<input type="text"/>
Finance		<input type="text"/>
Developer's profit 15% on Gross Development Value		<input type="text"/>
Costs		
Date of site purchase:		
Site purchase price		<input type="text"/>
Stamp duty	<input type="text"/>	<input type="text"/>
Acquisition agent fees	<input type="text"/>	<input type="text"/>
Acquisition legal fees	<input type="text"/>	<input type="text"/>

AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT
JULY 2006

Architect

Planning/survey

~~Alternative use site 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 the 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 contributions towards affordable housing from commercial development (Policy HS.7)

Method of contribution (paragraph 43)	Financial contribution	Formula
a) Affordable housing is provided in kind and on site, and control would then be taken over by a Registered Social Landlord. This is the City Council's preferred method.	None	-
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.	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>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>equals</i> the sum payable</p>
c) Where the City Council consider residential use not appropriate on site. This is the City Council's least preferred method.	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>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>equal</i> the sum payable</p>

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

<u>Method of contribution from commercial development</u>	<u>Formula</u>
<u>Financial contribution</u>	<u>Estimated number of employees in the new development</u> <i>multiplied by</i> <u>0.01 (to represent 1% of employees)</u> <i>multiplied by</i> <u>(build cost of the require size and type of dwelling + land cost – the amount equivalent to what would be payable by an RSL)</u> <i>equals</i> <u>the sum payable</u>
<u>Contribution in kind (where development is mixed use that includes residential)</u>	<u>n/a</u>

A4.1 To estimate the selling prices to an RSL for the affordable dwellings it is necessary to obtain advice from one or more local RSLs, and the variation in local values. This was obtained by Fordham Research for Oxford's Housing Viability Study 2004 (HVS). Selling prices for units on a zero grant basis may have risen slightly since the time of the HVS, to reflect increases in incomes in particular. Selling prices for both social rented and shared ownership affordable housing vary with the type of dwelling (house or flat) and with location within Oxford. As it is unlikely that a location or scheme would have been identified towards which the contribution would go, it is sensible to take an average of the selling price in terms of dwelling type and location.

A4.2 In calculating the amount that would be payable by an RSL, developers should assume an 80/20 social rented/shared ownership mix and should base the mix of dwellings on the Strategic Mix as set out in Table 2 on the main SPD (combining city centre and out-of-centre mixes due to a site not being identified).

A4.3 To reflect increases in earnings, the values in Table A4.3 will be uplifted each year.

Table A4.3 Amount equivalent to what would be payable by an RSL for assessing cash in lieu contributions from developers at July 2006

<u>Tenure</u>	<u>£ per sq ft</u>	<u>£ per sq m</u>
<u>Social rented</u>	<u>71.50</u>	<u>769.00</u>
<u>Shared ownership (25% share)</u>	<u>150.00</u>	<u>1,613.30</u>

Table A4.4 Suggested sizes of affordable dwellings

<u>Size of dwelling</u>	<u>sq ft</u>	<u>sq m</u>
<u>1 bed 2 person flat</u>	<u>484 – 538</u>	<u>45 – 50</u>
<u>2 bed 3 person flat</u>	<u>613 – 721</u>	<u>57 – 67</u>
<u>2 bed 4 person flat</u>	<u>721 – 807</u>	<u>67 – 75</u>
<u>2 bed 4 person house</u>	<u>807</u>	<u>75</u>
<u>3 bed 5 person house</u>	<u>914 – 1,022</u>	<u>85 – 95</u>
<u>4 bed 6 person house</u>	<u>1,076 – 1,130</u>	<u>100 – 105</u>
<u>4 bed 7 person house</u>	<u>1,162 – 1,237</u>	<u>108 – 115</u>

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% in line with 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 the Housing Corporation suggest another figure.

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

	6 April 2005 – 5 April 2006		6 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	£59,854	£139,219	£64,044
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 *TGI Guidance Notes*) and, where appropriate, multiplied by 0.46 to represent construction works only (Table 1.6, of the *TGI 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.~~

Table A5.1

<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 towards the provision of affordable housing</p>
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Table A5.1

<p style="text-align: center;"><u>Total number of private dwellings⁹</u></p> <p style="text-align: center;"><i>multiplied by</i></p> <p style="text-align: center;"><u>(build cost of the require size and type of dwelling + land cost – the amount equivalent to what would be payable by an RSL*)</u></p> <p style="text-align: center;"><i>equals</i></p> <p style="text-align: center;"><u>the sum payable</u></p>

*See Appendix 4, paragraphs A4.1-A4.3.

⁸ ~~Ensures that the overall number of dwellings results in 50% affordable and 50% market. See paragraph 42 above.~~

⁹ ~~Ensures that the overall number of dwellings results in 50% affordable and 50% market. See paragraph 42 above.~~

Standard affordable housing legal agreements

Legal Agreement No. 1:	PROCEDURE FOR SECURING ON-SITE AFFORDABLE HOUSING
------------------------	--

~~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.~~

CLAUSES IN LEGAL AGREEMENT

(These model clauses will normally be applied unless circumstances justify different ones).

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 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 2.75% of the unsold equity

and ~~nominated through the Common Housing Register 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 2.75% of the unsold equity

and ~~nominated through the Common Housing Register 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 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)~~

Common Housing Register

~~"Common Housing Register" means a partnership between Oxford City Council and a RSL who provides homes in Oxford and contain a list of people who want a dwelling in Oxford.~~

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~~

Partnership Agreement

~~"Partnership Agreement" means a framework for the partnership working between Oxford City Council and a RSL operating in Oxford City specifically in relation to the operation of a Common Housing Register and the allocation of social rented housing~~

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 in possession 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)

not bind on any individual owner of a share in or the whole of (pursuant to any rights of staircasing) the equity of any Affordable Housing Unit or any individual owner of an individual Affordable Housing Unit

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~~ PARTNERSHIP AGREEMENT 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~~ Partnership Agreement 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 allocation of responsibility of the cost 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 'Excellent' '~~Very good~~' (*EcoHomes: The environmental rating for homes*, BRE, April 2000 or subsequent update)
4. Energy Efficiency Best Practice in Housing (*Energy Efficiency Best Practice in Housing*, Energy Saving Trust, July 2003 or subsequent update)

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 equivalent number of affordable housing dwellings as there are market dwellings to ensure a 50/50 mix. The affordable housing contribution should reflect the 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)~~

~~“Indexed-Linked” means in relation to the Affordable Housing sum to adjust the contribution according to the Halifax Price Index for the South East from twelve months from the date of the Agreement and the date of payment~~

“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~~ To use the Affordable Housing Sum for the provision of affordable housing in Oxford.

INTEREST

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 at the rate of 4% per annum above the base lending rate of Lloyds TSB Bank plc for the period from Commencement of Development until payment is made to the City Council

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 # the applicant 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)~~

~~“Indexed-Linked” means in relation to the Affordable Housing sum to adjust the contribution according to the Halifax Price Index for the South East from twelve months from the date of the Agreement and the date of payment~~

“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.

INTEREST

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 at the rate of 4% per annum above the base lending rate of Lloyds TSB Bank plc for the period from Commencement of Development until payment is made to the City Council

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~~ the applicant 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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Bromford Housing Group
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Honiley
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E: tony.bowron@bromford.co.uk
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Catalyst Housing Group



Phil Thomson
Catalyst Housing Group
Ealing Gateway
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Ealing
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T: (0208) 621 9850
F: (0208) 832 3342
E: phil.thomson@chg.org.uk
W: www.chg.org.uk

Oxford Citizens Housing Association



Charles Shaw
Oxford Citizens Housing Association
244 Barns Road
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Warden Housing



Alexandra Westlake
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