



Elmbridge
Borough Council
... bridging the communities ...

Elmbridge Local Plan

Developer Contributions Supplementary Planning Document

Email: tplan@elmbridge.gov.uk

Website: www.elmbridge.gov.uk/planning/policy

Transitional arrangements

Subject to it being found sound and adopted, the CIL Charging Schedule will form an Addendum to this SPD. Until such time the Planning Obligations and Infrastructure SPD and Suitable Accessible Natural Greenspace (SANG) mitigation tariff as set out within the current Thames Basin Heaths Interim Mitigation Strategy for Elmbridge will continue to apply.

Strategic Environmental Assessment and Habitats Regulations Assessment

This document has been subject to a Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment screening process¹. The Council consulted the relevant statutory environmental bodies on a draft screening report and concluded that an SEA and Appropriate Assessment are not required².

Contact details:

Email: tplan@elmbridge.gov.uk

Telephone: 01372 474834

Address: Planning Policy Team, Planning Services
Elmbridge Borough Council
High Street
Esher
Surrey, KT10 9SD

Website: www.elmbridge.gov.uk/planning/policy

¹ In accordance with Regulation 9(1) of the SEA Regulations 2004 and the Conservation of Habitats and Species Regulations 2010

² Screening report – www.elmbridge.gov.uk/planning/policy

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Abbreviations

Abbreviation	Explanation
AA	Appropriate Assessment
AMR	Authority Monitoring Report
CIL	Community Infrastructure Levy
HCA	Homes and Communities Agency
IDP	Infrastructure Delivery Plan
OMV	Open Market Value
RP	Registered Provider
SANG	Suitable Accessible Natural Greenspace
SAMM	Strategic Access Management and Monitoring
SHG	Social Housing Grant
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SPA	Special Protection Area
SPD	Supplementary Planning Document
TSA	Tenant Services Authority

Section 1: Introduction

Purpose and scope of the SPD

1.1 A commitment to providing adequate infrastructure alongside new development, increasing the delivery of affordable housing and mitigating adverse effects on ecologically sensitive areas are strong themes within the Elmbridge Core Strategy³, embedded within the Vision, Objectives and Core Policies.

1.2 The Core Strategy policies place a number of requirements on new development:

- Policy CS28 – Implementation and Delivery
- Policy CS16 – Social and Community Infrastructure
- Policy CS21 – Affordable Housing
- Policy CS13 – Thames Basin Heath Special Protection Area (SPA)

1.3 This SPD provides greater detail on each of these policies and aims to bring together the Council's approach to seeking contributions from new development to address the cumulative impacts on infrastructure and Thames Basin Heaths and to deliver affordable housing.

1.4 Because the delivery of these is achieved through two key mechanisms, including the Community Infrastructure Levy (CIL) and Planning Obligations, the Council has developed this SPD to provide a “one stop shop” on all contributions that the Council will expect from new development in the Borough. In addition to these key mechanisms all applicants for planning permission will need to be aware of the opportunities to meet infrastructure needs within developments themselves, and the way good design and planning conditions can assist in achieving this.

Collecting contributions

1.5 A brief summary of what the Council intends to collect contributions towards, is provided below. The Council's Infrastructure Delivery Plan (IDP)⁴ sets out further detail relating to the local need for various forms of infrastructure (including the Thames Basin Heaths mitigation strategy). The IDP was prepared by the Council, in consultation with both providers and local people, and is based on the projected levels of housing growth as set out in the Elmbridge Strategic Housing Land Availability Assessment (SHLAA). The Council's need for affordable housing was established in the Strategic Housing Market Assessment⁵ (SHMA) and is summarised in the Core Strategy.

³ Elmbridge Core Strategy – www.elmbridge.gov.uk/planning/policy

⁴ IDP – www.elmbridge.gov.uk/planning/policy

⁵ www.elmbridge.gov.uk/planning/policy

Thames Basin Heaths

1.6 In March 2005 the Government designated areas of heathland within the Thames Basin as the Thames Basin Heaths Special Protection Area⁶. It has been identified as an internationally important habitat for three rare species of ground nesting birds - the Dartford warbler, nightjar and woodlark - and covers areas of heathland across 11 local authority areas in Surrey, Hampshire and Berkshire. Within Elmbridge the area covers Chatley Heath, part of the Ockham and Wisley Commons Site of Special Scientific Interest (SSSI). This heathland lies to the south of the Borough, in an area located between the M25, the A3 and the Borough boundary. The Thames Basin Heaths SPA Delivery Framework sets out the principles for ensuring the protection of the SPA⁷.

1.7 Natural England, the Government's adviser on issues concerning England's natural environment, considers that the intensification of residential development up to a distance of 5km away from the SPA would result in a range of pressures with adverse effects on the protected habitat. As a consequence, within 400m (linear) of the SPA it is not considered possible to avoid or mitigate the impacts of new development, and as such there will be a presumption against new housing development within this zone. Between 400m to 5km (linear) from the SPA, mitigation must accompany new residential development in the form of the provision of Suitable Accessible Natural Greenspace (SANG) to attract informal recreation users, such as walkers and dog walkers, away from the SPA. This can be in the form of new open space, or the improvement of existing open space to increase its capacity for informal recreation to a minimum standard of 8 hectares per 1,000 population. The Borough has 2 designated SANGs and associated programmes for their enhancement and maintenance. In addition, larger developments further than 5 km from the SPA will be considered on a case-by-case basis in order to ascertain whether they should provide appropriate mitigation. SANG is combined with Strategic Access Management and Monitoring (SAMM) measures to manage recreational pressure on the SPA itself. Without mitigation, planning applications for new housing development within 5km of the SPA would be refused.

1.8 Policy CS13: Thames Basin Heath's SPA of the Council's Core Strategy sets out a local framework to ensure that the SPA is protected from the implications of additional residential development and mitigation is secured.

1.9 The SPA project is coordinated strategically through a Joint Strategic Partnership Board (JSPB)⁸ which brings together representatives of the 11 affected local authorities, county council's, landowners and environmental groups.

Affordable Housing

1.10 House prices in Elmbridge are significantly above regional and national averages. As a result, there is a high level of need for affordable housing with affordability being an issue even for those on above average incomes. The issue is exacerbated by a lack of entry level properties. Elmbridge has a shortfall of affordable housing of 698 units per year⁹. Whilst

⁶ European Directive 79/409/EEC European Directive 79/409/EEC - www.jncc.gov.uk (transposed into the UK Habitats Regulations UK Habitats Regulations - www.opsi.gov.uk)

⁷ Delivery Framework – www.surreyheath.gov.uk

⁸ JSPB - www.surreyheath.gov.uk/planning/tbh/TBHJSP.htm

⁹ SHMA, 2008 – www.elmbridge.gov.uk/planning/policy

overall housing delivery has continued to exceed targets in Elmbridge, affordable housing delivery has remained proportionately low. This is mainly due to the nature of the Borough's housing supply, with a large proportion being delivered on sites below the previous affordable housing threshold of 15 dwellings.

1.11 Core Strategy Policy CS21: Affordable Housing introduces a varying requirement for the provision of affordable housing on all sites proposing an increase in the number of residential units. It also introduces a standard approach to seeking financial contributions. This is a significant change from the previous policy HSG10 in the Replacement Elmbridge Borough Local Plan 2000. Policy CS21 aims to increase the overall delivery of affordable housing in the Borough and help to meet an identified local need.

Infrastructure – addressing the cumulative impacts of development

1.12 The majority of developments in Elmbridge are small-scale with a significant proportion of new dwellings permitted on sites of less than 15 dwellings. In the past few of these attracted infrastructure charges. The cumulative effect of additional small-scale development and associated increases in population on local infrastructure is gradual, but significant. In response to this, and as part of a Surrey-wide collaboration project, in 2008 the Council adopted a tariff-based approach to seeking contributions to address the incremental, collective impact of these small-scale developments on local infrastructure¹⁰.

1.13 It is important that the cumulative effect of small-scale development on infrastructure such as schools, transport, healthcare, flooding, open space etc within the Borough continues to be addressed in accordance with Core Strategy Policy CS28 – Implementation and Delivery and CS16 – Social and Community Infrastructure.

Mechanisms

1.14 National legislation and guidance sets out the following mechanisms for ensuring the impacts of new development are addressed through the planning system. These mechanisms will be used to collect and secure contributions towards Thames Basin Heaths mitigation, affordable housing and infrastructure.

1. CIL¹¹ – provides a fair and transparent way for pooling contributions to mitigate the impacts of incremental development.
2. Planning Obligations¹²¹³ – can relate to both on and off site provision and must be fair and reasonable, tailored to a specific development and must be directly related to its impact. Planning obligations cannot be pooled from more than 5 developments.

¹⁰ Planning Obligations and Infrastructure SPD – www.elmbridge.gov.uk

¹¹ CIL Regulations 2010 (as amended 2011) - www.legislation.gov.uk

¹² Secured through S106 of the Town and Country Planning Act 1990 – www.legislation.gov.uk

¹³ CIL Regulations 2010 (as amended 2011) - www.legislation.gov.uk

Relationship between Planning Obligations and CIL

1.15 Once CIL is adopted planning obligations cannot be used to pool contributions from more than 5 separate developments for the delivery of infrastructure¹⁴. Such infrastructure will be funded through CIL. Subject to the tests set out in Section 3, planning obligations can be used to:

- secure items of infrastructure to mitigate the direct impact of a particular development. In these cases contributions can be pooled from 5 or fewer developments.
- secure contributions to mitigate the cumulative impacts of new development for items falling outside of the definition of infrastructure and not capable of being funded through CIL. In this case there is no restriction on pooling contributions

1.16 In accordance with Government guidance, the Council will use CIL to pool contributions and support the delivery of any infrastructure required to mitigate the cumulative impacts of new development. A list of infrastructure to be funded through CIL will be available on the Council's website. The Council will continue to use planning obligations to pool contributions towards the following which do not fall within the definition of infrastructure:

- affordable housing
- SMM

1.17 In addition to seeking the standard contributions above to address the cumulative impacts of development and deliver affordable housing, where appropriate and justified, planning conditions and/or obligations will also be used to address the direct impact of a specific development.

Negotiated elements, priorities and spending strategies

1.18 Thorough and comprehensive viability testing¹⁵ was undertaken in setting the original affordable housing requirements and, subsequently CIL, having regard to other planning obligations and costs placed on development e.g. sustainable building, Thames Basin Heaths mitigation etc. Whilst the Council is not able to negotiate with regard to CIL or any aspect of Thames Basin Heaths mitigation, it is recognised that there may be exceptional circumstances where the Council may enter into negotiations where contributions impact significantly on the viability of a development.

1.19 The Council does not intend to provide any discretionary exemptions to claim relief from CIL. CIL charges will be non-negotiable. Similarly, in order to meet the requirements of European legislation and mitigate the adverse impacts of development on the Thames Basin Heaths SPA, SMM contributions will also be non-negotiable. Without such contributions, development is likely to be unacceptable and will be refused.

¹⁴ Identified in the Council's Regulation 123 list

¹⁵ The Council appointed independent assessors to undertake the Viability Study 2009 and CIL Viability Study 2011 – www.elmbridge.gov.uk/planning/policy

1.20 However, where non-viability can be robustly demonstrated, affordable housing contributions and the nature and extent of site-specific items of infrastructure necessary to address the impact of the development and make it acceptable in planning terms in addition to other costs placed on development may be negotiable. Specific details of the negotiation process are set out in Section 4.

1.21 Within CIL, spending can be prioritised according to essential and desirable infrastructure. The Council will prioritise the delivery of SANG as an item of essential infrastructure in order to meet the requirements of European legislation and mitigate the adverse impacts of development on the Thames Basin Heaths SPA. Without such mitigation, development would need to be refused. Further details are set out Section 2.

Structure of the SPD and how to use it

1.22 The following table provides an overview of the content of this SPD and the mechanisms used to collect different types of contributions. It also provides an indication of which contributions may be negotiable. Further information on what types of development the mechanisms apply to, how they are calculated etc can be found in the relevant sections as indicated in Table 1 below.

Table 1: How to use this SPD

Mechanism	Detail	Contributions collected towards	CS policies	Negotiable	Where to find further details
CIL	CIL provides a fair and transparent way for pooling contributions from new developments	Local infrastructure ¹⁶	CS28 CS13	✗	Section 2
Planning Obligations	Planning obligations are tailored to a specific development and must be directly related to its impact	Affordable Housing	CS21	✓	Section 3
		SAMM ¹⁷	CS13	✗	Section 3

¹⁶ Including SANG and those items set out in the Regulation 123 list on the Council's website – www.elmbridge.gov.uk/planning/policy

¹⁷ SAMM is not infrastructure so cannot be funded through CIL

Section 2: The Community Infrastructure Levy

CIL will be used to support the delivery of any infrastructure required to mitigate the cumulative impacts of new development. A list of the infrastructure to be funded through CIL will be provided on the Council's website¹⁸.

Context

2.1 CIL is a new framework¹⁹ for the pooling of developer contributions by local authorities to secure appropriate financial contributions to meet the infrastructure requirements arising from new development.

2.2 Core Strategy Policy CS28: Implementation and Delivery commits the Council to the use of pooled contributions to deliver the necessary infrastructure required to address the cumulative impacts of new development in line with national legislation and guidance. This section therefore sets out in more detail the Council's approach to the implementation of CIL within Elmbridge. The CIL Charging Schedule, sets out the actual charges on development. It will be subject to an independent examination in Summer 2012 and, subject to it being found sound and adopted, it will then form an Addendum to this SPD and replace the Council's current Planning Obligations and Infrastructure SPD²⁰.

CIL

2.3 CIL is a local levy that is placed on new development for the purpose of raising funds to deliver infrastructure that is required to enable growth. Far from being a new source of funding, CIL provides a more consistent and transparent mechanism to raise financial contributions currently sought through planning obligations²¹.

2.4 Developers may still be required to directly provide specific infrastructure through planning obligations to mitigate the direct impact of the development proposed (e.g. a specific road junction or crossing), however a standard fee is then also charged through CIL to enable the delivery of new or improved infrastructure needed to support the development generally (e.g. a new school, improvements to open space etc). This is then pooled with contributions from other developments to deliver items of infrastructure.

Infrastructure that will be funded through CIL

2.5 A list of infrastructure that will be funded through CIL will be available on the Council's website²². The list will be reviewed annually to ensure it reflects current infrastructure needs.

¹⁸ Regulation 123 list – www.elmbridge.gov.uk/planning/policy

¹⁹ The Planning Act 2008 sets out the legal principles for the CIL which then came into force on the assent of the Community Infrastructure Regulation 2010 (as amended 2011) - www.legislation.gov.uk

²⁰ Planning Obligations and Infrastructure SPD - www.elmbridge.gov.uk/planning/policy

²¹ Section 106 of the Town and Country Planning Act 1990 (S106) - www.legislation.gov.uk

²² Regulation 123 list – www.elmbridge.gov.uk

2.6 Planning obligations cannot be pooled from more than 5 developments for any items of infrastructure identified in this list. There is no restriction on pooling for items not considered to be infrastructure, and therefore not capable of being funded by CIL, such as affordable housing.

Development that qualifies for CIL contributions

2.7 The Council's Charging Schedule sets out the type of development that is required to pay CIL.

2.8 CIL can be charged on all new development²³ where there is an increase in gross internal floorspace (the net increase in floorspace). Therefore developments where there is no increase in floorspace will not be charged CIL. Where there is existing building on site, and in a lawful use, that will be demolished as part of the development, the gross internal area of that building will be deducted from the total chargeable floorspace of a new development.

2.9 CIL can only be charged where the gross internal floorspace of the development is more than 100m² except where the development is for a single residential unit of less than 100m² which will still have to pay CIL²⁴.

2.10 Buildings that people only go into intermittently (such as for the inspection of machinery) will not be liable to pay the levy.

Exemptions

2.11 There are both mandatory and discretionary exemptions for CIL. Mandatory exemptions include affordable housing and developments to be occupied solely for the purposes of a charitable activity by a registered charity. The Council does not intend to implement any discretionary exemptions but will ensure that the charge is viable and remains so as part of the monitoring and management of CIL. Should circumstances change the Council will revise CIL rather than provide any discretionary relief from the charge (See paragraphs 2.23 – 2.28 below). Where it can be demonstrated that the combined effect of developer contributions make a development unviable the Council will seek to negotiate other elements in accordance with Section 4. The CIL charge will be non-negotiable.

Calculating CIL

2.12 Although CIL will make a significant contribution to the infrastructure requirements of an area generated by new development, core public funding will continue to bear the main burden of infrastructure funding. CIL is intended to contribute to the funding gaps that remain once existing sources of funding have been taken into account, and strike an appropriate balance between the desirability of funding infrastructure and the potential impact on the economic viability of development.

²³ Regardless of its use, subject to the exemptions set out below

²⁴ Part 11 of the Planning Act 2008 and accompanying Community Infrastructure Levy Regulations (Statutory Instruments 2010 No. 948 and 2011 No. 987)

2.13 The two key pieces of evidence that have been used to support the setting of the Elmbridge CIL charge are the²⁵:

- The IDP which identifies the infrastructure required to support new development including the funding gap; and
- Viability Study which assesses the impact of potential CIL charges on the viability of new development taking account of other costs.

Charging CIL

2.14 The CIL charge is expressed in £ per m² and will be charged in accordance with the Council's instalment policy is set out in Section 5²⁶.

2.15 Relief is available on any affordable housing²⁷ provided or where the use of a new development is deemed to be for charitable purpose²⁸. If the amount is less than £50 the CIL charge will be deemed to be zero.

2.16 The CIL charge required from new development is specified in the Preliminary Draft Charging Schedule. The Charging Schedule is subject to a statutory process, including independent examination. Once adopted it will form an Addendum to this SPD.

CIL and Thames Basin Heaths

2.17 Core Strategy Policy CS13 – Thames Basin Heaths SPA, sets out a local framework to ensure that the SPA is protected from the implications of additional residential development and mitigation is secured in order to meet the requirements of the European legislation²⁹. Contributions towards SANG form part of the approach to mitigating adverse effects of residential development between 400m and 5 km from the SPA. The Council's IDP sets out the total amount of SANG required to mitigate the impacts of new residential development built within this area and the cost of enhancing and maintaining the required level in perpetuity, including a 'per bedroom' tariff'.

2.18 SANG falls within the definition of infrastructure and therefore contributions must be collected through CIL if it is to be funded through pooled contributions. There are two issues with collecting SANG through CIL.

- The principle of SANG mitigation is based on the impact of additional population, hence the per bedroom tariff, whilst CIL is collected on the net increase in floorspace of a development
- CIL cannot be varied to only collect SANG within 5km of the SPA

²⁵ Both the IDP and Viability Study can be found at www.elmbridge.gov.uk/planning/policy

²⁶ The process for calculating the chargeable amount is set out in Regulation 40 of the CIL Regulations 2010 – www.legislation.gov.uk, the formula is summarised in Appendix A of the Charging Schedule – www.elmbridge.gov.uk.

²⁷ The process for claiming relief on affordable housing is set out in Regulation 50 and 51 of the CIL Regulations 2010

²⁸ The process for claiming charitable relief is set out in Regulation 47 and 48 of the CIL Regulations 2010

²⁹ European Directive 79/409/EEC European Directive 79/409/EEC - www.jncc.gov.uk (transposed into the UK Habitats Regulations UK Habitats Regulations - www.opsi.gov.uk)

2.19 Therefore, in order to ensure that SANG is delivered, it must be treated as an item of essential infrastructure (see below). The Council will ring fence the required amount of funding for SANG, using the 'per dwelling' tariff set out in the IDP, from all CIL eligible development that has been delivered within 400m - 5 km linear distance of the SPA. Money for other infrastructure within this zone will only be allocated once the necessary SANG allocation has been deducted.

Spending Strategy

2.20 Core Strategy Policy CS28: Implementation and Delivery indicates the type of infrastructure that will be supported through the collection of pooled developer contributions. The Council will also publish a list of infrastructure to be funded through CIL³⁰. The specific infrastructure requirements of the Borough are then set out in more detail within the IDP which also sets out whether infrastructure is essential or desirable³¹.

- **Essential** - infrastructure without which development would simply not take place.
- **Desirable** – infrastructure which provides additional facilities and services in an area to take account of the proposed level of new development but that would not prevent development from occurring.

2.21 Whilst infrastructure defined as essential will be prioritised for CIL the Council is committed to working with local communities to ensure that the improvements to other infrastructure funded through CIL meet their needs. This will be achieved through local consultation on needs and where appropriate the transfer of a meaningful amount of funds to neighbourhood groups or the Parish Council in line with the Localism Act.

2.22 The local community and infrastructure providers will be consulted with regards to infrastructure priorities.

Monitoring and Review

2.23 The operation of CIL; the current market conditions and overall economic viability of development in Elmbridge will be reassessed every 3 years based on the level of development coming forward and the economic circumstances being faced by developers in the Borough. In particular the delivery of affordable housing will be assessed as this will provide a key indicator of the viability of development and the need to review the amount of CIL being charged.

2.24 However, it will be important to ensure that the CIL charge remains appropriate and reflects both the funding gap set out in the IDP and the levels of viability within the Borough. To ensure that the charge remains appropriate the Council will use two key indicators:

- The level of housing development coming forward; and
- The funding gap for infrastructure

³⁰ Regulation 123 list – www.elmbridge.gov.uk/planning/policy

³¹ IDP - www.elmbridge.gov.uk/planning/policy

2.25 To trigger a full scale review of the Charging Schedule:

- Housing delivery would need to fall below the levels of housing expected by more than 20% at the end of any rolling three year period;
- The infrastructure gap would need to fall below the projected level of funding that would be generated by new development from CIL.

2.26 The assessment of these circumstances will be outlined in the Council's annual Authority Monitoring Report (AMR) alongside a statement as to whether the circumstances require the Charging Schedule to be revised.

2.27 In the event that it is considered necessary to change the Charging Schedule, a preliminary draft will be prepared for the first round of public consultation, followed by a Draft Charging Schedule for a second period of consultation, followed by an independent examination before the Charging Schedule can be adopted by the Council. This entire process will take a minimum of 18 months with the costs being recouped as part of the administration charge collected. Therefore whilst the Charging Schedule will be revised where appropriate to ensure that it reflects changing circumstances the Council will seek to ensure that the charge is set at a level that supports the delivery of affordable housing whilst maintaining a stable charge in the long term.

2.28 The Council will also set out in its AMR³²:

- The amount of CIL collected within the monitoring year;
- The total amount of CIL collected since the adoption of the charging schedule;
- The expected income from permitted applications;
- How much has been spent; and
- The infrastructure delivered using funding from CIL charges.

³² In accordance with the CIL Regulations 2010 (as amended 2011) – www.legislation.gov.uk

Section 3: Planning Obligations

Planning obligations will be used to secure contributions towards affordable housing and SAMM as part of the Thames Basin Heaths mitigation strategy. Other scheme specific infrastructure may also be secured through this mechanism.

Context

3.1 The Council will consider whether otherwise unacceptable development could be made acceptable through the use of planning obligations. Planning obligations can be used to³³:

- a) restrict the development or use of the land in any specified way;
- b) require specified operations or activities to be carried out in, on, under or over the land;
- c) require the land to be used in any specified way; or
- d) require a sum or sums to be paid to the authority on a specified date or dates or periodically.

3.2 Unless it is agreed otherwise, planning obligations run with the land in perpetuity and may be enforced against the original covenantor, and anyone else that acquires an interest in the land, until such time as they are discharged or otherwise modified. Planning obligations can be secured through:

- Section 106 Agreements between local planning authorities, persons with a legal interest in a piece of land and any other interested parties.
- Unilateral undertakings signed solely by parties with a legal interest in the land. These are appropriate when only the land (and not the Council) needs to be bound by the agreement³⁵.

3.3 In considering the use of planning obligations, they must be³⁴:

- necessary to make the development acceptable in planning terms
- directly related to the development; and
- fair and reasonably related in scale and kind to the development

3.4 Planning Obligations can be used to address the cumulative effects of development i.e. pooled for items that fall outside of the definition of infrastructure and cannot be collected through CIL or for site-specific items of infrastructure³⁵.

³³ In accordance with Section 106 of the Town and Country Planning Act 1990 (as amended by Section 12(1) of the Planning and Compensation Act 1991 – www.legislation.gov.uk

³⁴ CIL Regulations 2010 (as amended 2011) – www.legislation.gov.uk

³⁵ Only pooled from 5 or fewer

Use of Planning Obligations

3.5 The Council will use planning obligations to secure the following³⁶ :

- SAMM in accordance with Core Strategy Policy CS13: Thames Basin Heaths SPA;
- On-site/Off-site/financial contributions towards affordable housing in accordance with Core Strategy Policy CS21: Affordable Housing; and
- Provision of specialist or supported accommodation

3.6 In addition, the Council will use planning obligations to secure scheme specific infrastructure needed to make a development acceptable in planning terms in accordance with the above tests³⁷.

3.7 Contributions will usually be secured through a S106 agreement³⁸ although in limited circumstances the Council may agree to use a planning condition to secure infrastructure or affordable housing contributions e.g. where a scheme comprises 100% affordable housing.

Affordable Housing Delivery Guidance

Definition of Affordable Housing

3.8 National planning policy³⁹ defines affordable housing as follows:

“Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision”

Forms of affordable housing

3.9 National planning policy also defined the various forms of affordable housing as follows:

³⁶ Affordable housing and SAMM do not fall within the definition of infrastructure and so there is no restriction on pooling planning obligation contributions for these items.

³⁷ Pooling of planning obligations for these items limited to 5 or fewer schemes

³⁸ Standard Unilateral Undertaking templates available on the Council's website – www.elmbridge.gov.uk/planning

³⁹ National Planning Policy Framework

“Social rented housing is:

Rented housing owned and managed by local authorities and registered social landlords⁴⁰, for which guideline target rents are determined through the national rent regime⁴¹. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

Affordable rented housing is:

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent^{42 43}.

Intermediate affordable housing is:

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing”.

3.10 The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, ‘low cost market’ housing, may not be considered, for planning purposes, as affordable housing. The Council acknowledges that there are many different ‘products’ that are being introduced by the Homes and Communities Agency (HCA) under the broader national definitions. When new products emerge which meet the definitions above, they may be considered, for planning purposes, as affordable housing.

Development that qualifies for affordable housing provision

3.11 The requirement for affordable housing will be applied in accordance with the provisions of Core Strategy Policy CS21: Affordable Housing which sets a varying requirement for affordable housing either through on-site provision or by financial contribution.

3.12 The policy applies to the gross number of units proposed on all housing sites, mixed use sites that incorporate an element of residential development, sheltered and extra care schemes (falling under Use Class C3), where there is a net increase in the number of units on the site. For example, where it is proposed to demolish 5 houses and build 10, the policy would be applied to 10 units. The policy does not apply to developments where there is no

⁴⁰ Also known as Registered Providers (RPs)

⁴¹ The national rent regime is the regime which the social rents of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2011) and the Rent Influencing Regime Guidance (October 2001)

⁴² Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority (TSA) has issued an explanatory note on these.

⁴³ Including service charges, where applicable.

net increase in the number of units on a site e.g. 5 dwellings being replaced with 5 dwellings or replacement dwellings ('one for one's'). Where additional units are being provided on a site where there are existing units, which will remain, the policy will apply to the net increase only.

3.13 The policy applies to the conversion or change of use of any building, whether or not it is already in residential use. The policy does not, however, apply to:

- residential accommodation, which is to be used as incidental to the main dwelling and whose independent occupancy is restricted by condition e.g. staff/student accommodation, granny annex;
- any part-time/non permanent accommodation i.e. holiday accommodation where full time occupancy is restricted by condition;
- housing for more vulnerable members of the community e.g. those with mental health problems or physical disabilities that require a high level of on-site support;
- accommodation for Gypsies and Travellers;
- care homes and nursing homes falling within Use Class C2 that generally provide non self-contained accommodation; and
- extra care schemes where it can be demonstrated that they fall within Use Class C2

3.14 The size of the development should not be artificially reduced in order to reduce or eliminate the affordable housing requirement, for example by sub-dividing sites or reducing the density of all or part of a site contrary to Core Strategy Policy CS17. The Council will have regard to other policies within the Core Strategy to ensure the efficient use of land and delivery of development that meets local need⁴⁴. Where proposals do not accord with these policies applications will be refused.

On-site provision of affordable housing

3.15 Core Strategy Policy CS21 sets out a presumption for affordable housing to be provided on-site for schemes of 5 or more units. When calculating on-site affordable housing requirements on sites of 15 or more units, the Council will always round up or down to the nearest whole unit/habitable room. For developments of 5-14 units, the amount of affordable housing will be calculated as shown in Table 2 below. This combines on-site provision with a financial contribution where rounding results in partial units. Developers/applicants are welcome to round up and provide an increased number of units on-site instead of a partial financial contribution.

3.16 The Council reserves the right to apply the policy using habitable rooms⁴⁵, where this helps to achieve a better mix of dwellings (See Example A). For example, where a site may be particularly suitable to meeting the Council's priority in seeking rented housing in larger family dwellings (three or more bedrooms) (see paragraphs 3.23-3.24) the Council may calculate the affordable housing proportion in terms of habitable rooms, where it will allow the

⁴⁴ CS2, CS17 and CS19 of Elmbridge Core Strategy - www.elmbridge.gov.uk/planning/policy

⁴⁵ Habitable rooms include all rooms normally used for living or sleeping in and kitchens that have a floor area over 13 sqm. Habitable rooms over 20 sqm will be counted as two rooms. Bed sitting rooms will be counted as 1.5 habitable rooms. Small kitchens (13 sqm or less), utility rooms, halls, bathrooms, balconies, toilets, landings and garages are excluded. Any room at first floor level or above with an external window and with a floor area of 6.5 sqm or more capable of future conversion to a bedroom will be counted as a habitable room.

Council to negotiate a significantly higher proportion of three or more bedroom units for rent within the affordable housing provision than that provided by the site as a whole (see paragraph 3.51).

Example A

- A development is proposed for 30 residential units (flats)
- This is made up of 10 one bedroom flats, 15 two bedroom flats and 5 three bedroom flats
- The number of habitable rooms across the development adds up to 55 bedrooms and 30 living rooms. This totals 85 habitable rooms.
- To meet the 40% affordable housing requirement the development would have to provide 34 habitable rooms as affordable (i.e. 40% of 85) and would be expected to provide at least three of the three-bedroom flats as affordable housing for rent⁴⁶

3.17 Where ordinary sheltered schemes⁴⁷ are required to make a contribution, due to a current oversupply of ordinary sheltered housing for rent, either a financial contribution or on-site shared ownership units will be required. As there is an identified need for both market and affordable provision of extra-care housing, developments of extra-care housing (falling within Use Class C3) will be expected to deliver affordable extra-care provision on site, in accordance with Core Strategy Policy CS21.

3.18 Only in exceptional circumstances will an alternative to on-site provision be acceptable. In such situations the onus will be on the developer to clearly demonstrate that on-site provision would result in insurmountable management or other problems that would compromise viability.

3.19 In these instances, the first priority would be to seek provision on an alternative site in the same locality⁴⁸ as the application site in order to facilitate the creation of sustainable, mixed communities. The arrangement will also need to reflect the fact that the facilitating site will be developed for 100% market housing. The affordable housing target will be applied to the combination of both sites to ensure a pro-rata contribution since, in effect, two sites will be developed. It should be noted however, that in the interest of achieving well integrated and balanced communities, it is unlikely that the Council would accept a proposal that resulted in an inappropriate mix of tenures or increased dominance of affordable housing within a particular location. The formula to be applied in these circumstances will depend on the number of dwellings to be provided on the original site and the proportion of affordable housing that the policy requires (Example B). Any provision would be secured through a S106 agreement.

⁴⁶ Or 12 habitable rooms, to reflect the mix set out in paragraphs 3.22-3.24 below

⁴⁷ Category 1 or 2. See Strategic Review of Housing Provision for Older People in Elmbridge, 2009 – www.elmbridge.gov.uk/planning/policy

⁴⁸ Within the same settlement area, as defined on the Elmbridge Proposals Map, July 2011 - www.elmbridge.gov.uk/planning/policy, or within 1km of the facilitating site, as long as it is still within Elmbridge

Example B

- A developer is required to provide 10 units as off-site affordable housing.
- The proposed development on the alternative site is to build 40 residential units.
- Policy CS21 would require 40% of this to be provided as affordable housing.
- 40% of 40 is 16 units
- The developer is therefore required to provide the 10 units as off-site provision plus the 16 units that would have been required under normal policy requirements
- In total the developer has to provide 26 units (10 off-site + 16 on-site) or 65% of the housing as affordable.

3.20 In considering off-site provision, an appropriate site should have been identified and either; granted planning permission; the principle of residential development, to at least accommodate the off-site provision, agreed through pre-application discussions; or has been submitted alongside the application for the facilitating site. There should be an agreement to deliver the off-site affordable units either at the same time as the facilitating site or within an agreed reasonable time period following completion of the facilitating site.

3.21 In instances where a financial contribution is accepted in lieu of on-site provision this will be equivalent to the proportion that would have been sought on-site. Instead of applying the relevant proportion of 20% (step 4 of the methodology set out in Appendix 1), the Council would apply either 30%, 40% or 50% depending on the number of units proposed in accordance with Core Strategy Policy CS21 and whether the site is Greenfield, brownfield or in public-ownership.

Type and size of affordable housing provision

3.22 Core Strategy Policy CS21 requires the type and size of affordable units to reflect the most up-to-date Strategic Housing Market Assessment (SHMA) or SPD⁴⁹. The SHMA (2008)⁵⁰ identifies a need for additional affordable housing of different sizes from one-bedroom units right through to larger family homes. It identifies a particular need to increase the supply of family-sized homes for rent to meet the needs of families requiring three and four-bedrooms and this is a priority for the Council⁵¹.

3.23 The SHMA sets an overall target that at least 35% of all new affordable, general-needs housing for rent should predominantly be provided in the form of three or four-bedroom houses. However, provision of three-bedroom flats or maisonettes on the ground-floor of flatted developments will be considered, subject to appropriate design and the provision of suitable private outdoor space. The remaining 65% of rented units is to be provided as one or two-bedroom homes, predominantly flats, although alternative dwelling types, such as houses, may make up this element. New provision of intermediate affordable housing should reflect the identified needs, which are concentrated amongst households requiring either one or two bedrooms, although in very limited circumstances, there may be a

⁴⁹ Where the SHMA is more up-to-date than the SPD, the findings of the SHMA take precedence until such a time as the SPD is reviewed/updated.

⁵⁰ The East Surrey Strategic Housing Market Assessment, 2008, page 155 - www.elmbridge.gov.uk/planning/policy

⁵¹ Elmbridge Housing and Homelessness Strategy 2009-12, page 81 – www.elmbridge.gov.uk/housing/affordable

need for intermediate housing for households needing three or more bedrooms⁵².

3.24 The above guidance will inform the Council's approach to site-by-site discussions. It is recognised that the type and size of affordable housing will be informed by the characteristics of the site and the development as a whole. The Council will negotiate the exact tenure, type and size split on each site through pre-application discussions⁵³.

What tenure mix is required?

3.25 Core Strategy Policy CS21 refers to the Council's most up-to-date SHMA or SPD for the tenure mix of affordable units.

3.26 The SHMA (2008)⁵⁴ specifies a target tenure balance ranging from 75% to 50% for social rent and 25% to 50% for intermediate. However, the study was produced on an East Surrey-wide basis and does not take account of the recent addition of affordable rent.

3.27 In Elmbridge, the local priority need is for Social Rented / Affordable Rented accommodation rather than Intermediate affordable tenures⁵⁵, reflecting the fact that the former tenures meet the needs of a broader spread of households in housing need, including those on the lowest incomes. For this reason, the Council expects 70% of affordable housing to be provided as Affordable Rent and / or Social Rent, with the balance to be provided as Intermediate affordable housing. This would mean that the rented element could be provided entirely as Affordable Rent, entirely as Social Rent or in any combination of the two tenures, but in accordance with recent HCA guidance⁵⁶, the Council expects the majority of the rented units to be provided as Affordable Rent, rather than Social Rent. The provision of new Social Rented homes at target rents, whilst welcome, would only be expected on particular developments, in limited circumstances e.g. the replacement of existing affordable housing units where social rented properties form an element of the existing scheme or where additional subsidy is available. The provision of Affordable Rent, however, should have less impact on scheme viability than the equivalent provision of Social Rent.

3.28 Exceptions to this target will ordinarily only be agreed where an alternative mix meets an independently assessed need or where it is demonstrated that delivery against the target is not viable (See Section 4).

3.29 On smaller sites (5-14 units), where it may not be possible to provide a mix of dwellings, the Council would expect the units to reflect priority local need and accord with the following:

⁵² Elmbridge Housing and Homelessness Strategy 2009-12, page 49 – www.elmbridge.gov.uk/housing/affordable

⁵³ Pre-application discussions – www.elmbridge.gov.uk/planning

⁵⁴ The East Surrey Strategic Housing Market Assessment, 2008, page 155 - www.elmbridge.gov.uk/planning/policy

⁵⁵ Elmbridge Housing and Homelessness Strategy 2009-12 – www.elmbridge.gov.uk/housing/affordable

⁵⁶ Homes and Communities Agency (HCA) - Affordable Homes Programme 2011-15 - www.homesandcommunities.co.uk/affordable-homes

Table 2: Provision of affordable housing on smaller sites

Total number of units in the scheme	Total Affordable Units Provided on Site	Proportion of provision collected as a financial contribution	Number of Social Rented or Affordable Rented Units (minimum)	Number of Intermediate Affordable Units (maximum)
5	1	0	1	0
6	1	0.8	1	0
7	2	0	2	0
8	2	0.4	2	0
9	2	0.7	2	0
10	3	0	2	1
11	3	0.3	2	1
12	3	0.6	2	1
13	4	0	3	1
14	4	0.2	3	1

3.30 Developments that are mostly or 100% affordable housing are important in helping to achieve affordable housing targets. For such developments, the tenure split between rented and intermediate housing will usually be decided on a site-by-site basis and will be expected to address the local priority need. In such cases the views of the RP will be given significant weight in determining the tenure split.

Affordability

3.31 In considering planning applications for mixed-tenure sites (market and affordable)⁵⁷, regard will be had to the proposed affordability of any affordable housing to be provided in accordance with the following guidance.

Affordable Rent

3.32 Whilst Social Rented housing is tied to target rents, there is much greater flexibility in relation to the new Affordable Rent model, with rent levels that can be charged at anything up to 80% of market rents⁵⁸. Market rent levels in Elmbridge are amongst the highest in England and whilst creating a favourable environment to deliver increased rental income and additional finance to support new supply, they also present some challenges to ensure that rents remain affordable to meet local needs. At or near 80% of market rent levels, tenants in Elmbridge would face some of the highest Affordable Rents in the country, significantly above Social Rents, without necessarily having correspondingly high household incomes to meet these costs. This would be a particular concern with regards to the affordability of larger properties (with three or more bedrooms), should rents be set at or near to 80% of market levels, given the implications of the proposed Universal Credit Benefit caps for households not in employment, as well as the impact on households in low-paid employment of near-market rents (close to 80%).

⁵⁷ This does not apply to proposals for 100% affordable schemes

⁵⁸ 2011-15 Affordable Homes Programme – Framework (HCA) – www.homesandcommunities.co.uk/affordable-homes

3.33 The guidance below sets out some guiding principles for RPs in setting Affordable Rent levels and in negotiating with private developers on the sale price to be paid for any affordable housing. The principles relate rent levels directly to the Local Housing Allowance (LHA) rates and aim to ensure properties remain affordable to prospective tenants. This helps alleviate concerns around affordability and to also help distinguish between private-sector rents and those set by RPs. The use of a sliding scale of LHA rates is intended to ensure a direct relationship is maintained between rent levels and property size.

3.34 In setting Affordable Rent levels and in negotiating with developers/applicants on the sale price to be paid for any affordable housing (see paragraphs 3.46-3.47 below), RP's should be guided by the following principles:

Outer South West London Broad Rental Market Area (BRMA)

For one and two-bedroom properties, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 90% of the Local Housing Allowance cap⁵⁹ applying to the relevant property size for the month in which the property is to be first let

For three-bedroom properties, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 80% of the LHA cap applying to three-bedroom properties for the month in which the property is to be first let

For properties with four or more bedrooms, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 70% of the LHA cap applying to four-bedroom properties for the month in which the property is to be first let

Walton BRMA

For one and two-bedroom properties, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 95% of the Local Housing Allowance cap⁶⁰ applying to the relevant property size for the month in which the property is to be first let

For three-bedroom properties, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 85% of the LHA cap applying to three-bedroom properties for the month in which

⁵⁹ There are two sets of Local Housing Allowance rates relating to Elmbridge, one being the Outer South West London Broad Rental Market Area (BRMA) (which covers a small part of the east of the Borough, covering The Dittons and Hinchley Wood) and Walton BRMA, which covers the majority of the Borough. The Valuation Office Agency ⁵⁹ is responsible for setting and publishing these rates on a monthly basis.

⁶⁰ There are two sets of Local Housing Allowance rates relating to Elmbridge, one being the Outer South West London Broad Rental Market Area (BRMA) (which covers a small part of the east of the Borough, covering The Dittons and Hinchley Wood) and Walton BRMA, which covers the majority of the Borough. The Valuation Office Agency ⁶⁰ is responsible for setting and publishing these rates on a monthly basis.

the property is to be first let

For properties with four or more bedrooms, the Council expects that the gross rent (including service charges) should not exceed the lower of the following:

- 80% of the market rent, or
- 70% of the LHA cap applying to four-bedroom properties for the month in which the property is to be first let

Intermediate

3.35 Intermediate affordable housing can play an important role in meeting the housing needs of those who can afford to pay more than social rents (and who are unlikely to be a priority for this accommodation) but who cannot afford suitable housing in the open market.

3.36 There are a variety of intermediate affordable housing products, however, shared ownership housing is one form of intermediate housing and has in the past been the most popular form of intermediate tenure provided within Elmbridge through the planning system. With shared-ownership the applicant acquires a new-build property from a Registered Provider on a part rent / part-buy basis. The applicant raises a mortgage in the normal way to buy a share of the property and pays subsidised rent on the remaining share. The applicant can then increase their share in the property as their finances improve if they wish until they own the property outright, a process known as staircasing.

3.37 The Council wishes to ensure that intermediate affordable housing provided within the borough is a realistic and affordable option for households across a spread of incomes, from £20,000 to £60,000 (gross) rather than only being available to households with incomes towards the upper end of this spectrum. Furthermore, applicants/developers will need to demonstrate that any intermediate affordable housing proposed within applications meets the definition of affordable housing, in that it should be available at a total monthly cost which is less than the costs of buying or renting privately within Elmbridge⁶¹.

3.38 The Council considers that a household can be considered to be able to afford intermediate affordable housing when rental elements (on the landlord's share) and mortgage payments (on the part they own) and any service charge, constitute no more than 30% of gross household income. The Council will require that the average cost of intermediate affordable housing provision (mortgage plus rent plus any service charge) is affordable on this measure, to households with gross incomes of no more than £31,000⁶², assuming that purchasing households are able to pay a deposit of 5% of the value of the share of the property they are purchasing, taking out a repayment mortgage over 25 years and based on reasonable assumptions on the mortgage interest rates available on this form of tenure at the time of the application, which should be agreed with the Council.

⁶¹ Data on market rents in Elmbridge is available from the Valuation Office Agency - http://www.voa.gov.uk/corporate/statisticalReleases/110929_PrivateResidentialRentalMarketStatistics.html. This shows that lower quartile rents for 1-bedroom dwellings were £700 between June 2010 and June 2011, with lower quartile rents for 2-bedrooms being £875.

⁶² The figure of £31,000 represents the median gross household income of HomeBuy applicants with a live / work connection to Elmbridge held by Catalyst Housing Group in October 2011, excluding households with incomes of less than £20,000. This figure will be reviewed on an annual basis.

3.39 The Council⁶³ will ensure affordable housing is secured in accordance with the above affordability expectations, as RPs need to be party to ensure compliance with this objective and applicants are advised to give early consideration as to how this can be achieved, especially on higher-value schemes. Steps that can be taken to support affordability include offering initial equity shares at lower levels (for example, 25%); setting annual rents on the share retained by the affordable housing provider (on shared-ownership) at less than the 2.75% of the unsold equity; and taking steps to keep service charges down.

3.40 To ensure that the affordability of intermediate products is kept up-to-date and reflects changes to incomes and housing costs going forward the figure for gross annual income will be indexed against lower quartile house prices in Elmbridge. Where there is a year-on-year uplift in lower quartile house prices in Elmbridge, the gross annual income figure threshold, currently £31,000, would be uplifted on the same percentage basis. These will be reported annually within the AMR.

3.41 The Council acknowledges that the above guidance will impact on the price an RP can pay to a developer for an affordable unit. Where this affects the viability of a scheme and can be robustly demonstrated it will form an element of the negotiation process (see Section 4), although it is acknowledged that generally Affordable Rent should have less impact on viability than Social Rent. The proposed affordability measures are intended to strike an appropriate balance between affordability and viability.

Funding affordable housing

3.42 It is expected that all Intermediate and Affordable Rent properties required under Core Strategy Policy CS21 as a planning obligation on mixed tenure sites (market and affordable) will be delivered without public subsidy. This is in accordance with the recent guidance published by the HCA⁶⁴.

3.43 The HCA will need to give express consent to RPs to invest public subsidy to support the delivery of affordable housing required on section 106 sites and it is likely that consent would only be agreed in the most exceptional of circumstances. Such exceptions may constitute schemes where there are extraordinary costs relating to site remediation or where it is proposed that the quantum of affordable housing to be delivered includes an additional amount over and above the policy requirement. Where any public funding on such sites is sought, it should be recognised that the HCA will seek the opinion of the Council as to the appropriateness of the scheme. Funding could therefore be withheld if the proposed tenure, type and size of units is not considered by the Council to be in line with this Core Strategy Policy CS21 and the HCA takes these comments into consideration.

3.44 As such, developers should assume that there is no public subsidy to support the delivery of affordable housing through planning obligations, both when considering viability issues and when agreeing a price with the landowner for the purchase of the site. Lack of grant funding therefore cannot be used to demonstrate the non-viability of a scheme (Section 4).

⁶³ Secured through S106 of the Town and Country Planning Act 1990 – www.legislation.gov.uk. Unilateral Undertaking templates – www.elmbridge.gov.uk/planning

⁶⁴ 2011-15 Affordable Homes Programme – Framework (HCA) - www.homesandcommunities.co.uk/affordable-homes

3.45 The Council has a very limited amount of capital funding available to support the delivery of affordable housing, mainly derived from cash-in-lieu contributions generated from earlier developments. This funding, held within the “Affordable Housing Enabling Fund”, is primarily intended to support the delivery of affordable housing additional to that delivered through planning policy and further information on this source of funding can be obtained from Council Officers.

Transfer prices

3.46 In return for building the affordable housing units on site, a developer will agree and receive a payment from an RP for the affordable units. This will not be equivalent to the full market value of the property but will be at a discounted rate and will vary depending on the tenure of unit provided. The developer/applicant should enter into early negotiations with an RP in order to determine the transfer price of the units (see Section 4 and Appendices 2 and 3).

3.47 Given the flexibility in charging rent levels, developers and landowners are recommended to take account of the guidance on rent levels given above and to liaise with RPs prior to submitting any applications, to understand how the rent levels can impact on the price that RPs can offer to either purchase the affordable housing or to enter into a management agreement to run it.⁶⁵

Management

3.48 The Council’s preference is for the affordable housing to be transferred to an RP and managed as affordable housing in accordance with the Tenant Services Authority (TSA) guidelines. See Appendix 3 for a list of the Council’s preferred RP’s.

3.49 Developers may, in certain circumstances, develop the affordable housing but choose to retain ownership and manage it directly. In such cases, the Council will ensure that the affordable housing is available to those judged to be in housing need by the Council and that appropriate management arrangements are in place, that the affordable housing is provided at an affordable level and that the housing remains affordable to successive occupiers to be nominated by the Council.⁶⁶

Nominations

3.50 The provision of affordable housing will be subject to a Nominations Agreement⁶⁷ between the Council and RP. The agreement gives the Council 100% nomination rights for first lets and sales and 75% thereafter. The Agreement will set out how the affordable housing will be allocated and the Council will nominate applicants according to housing need and in accordance with the Council’s Housing Allocations Policy.

⁶⁵ 2011-15 Affordable Homes Programme – Framework (HCA) - www.homesandcommunities.co.uk/affordable-homes

⁶⁶ Through S106 of the Town and Country Planning Act 1990 – www.legislation.gov.uk

⁶⁷ A copy of the nominations agreement can be obtained from Council Officers

Design Standards

3.51 To aid the promotion of inclusive and sustainable communities, the provision of on-site affordable housing should integrate seamlessly into the layout of the development through ‘pepper-potting’ within private housing. Within apartment blocks it is accepted that management issues mean whole blocks will generally be affordable or market housing and that larger schemes affordable units will be provided in clusters.

3.52 The Council seeks high design and architectural standards for all development⁶⁸. The affordable housing element of any proposed development should therefore be of the same build quality and appearance as the market housing and must comply with the HCA Design and Quality Standards⁶⁹. Reduction in size, use of substandard materials, or poor finishing and detailing will not be acceptable (see paragraph 3.16).

3.53 Core Strategy Policy 17 highlights the importance of ensuring that all new development is of a high quality with good living conditions. Minimum floor area standards ensure that an adequate amount of space is provided in residential development to achieve a pleasant and healthy living environment. Affordable housing in all new developments must meet the following minimum space standards (Table 3)⁷⁰.

3.54 Developers/applicants should also be aware of other design policies within the Core Strategy that may apply⁷¹.

Table 3: Minimum floor areas

	Dwelling type (bedrooms / persons) ⁷²	Minimum gross internal area (sqm)
Single floor dwelling	1b (bed) 2p (person)	50
	2b3p ⁷³	61
	2b4p ⁶⁹	70
	3b4p	74
	3b5p	86
	3b6p	95
	4b5p	90
Two storey dwelling	2b4p	83
	3b4p	87
	3b5p	96

⁶⁸ Design and Character SPD – www.elmbridge.gov.uk/planning/policy

⁶⁹ HCA ‘Design and Quality Standards’ (April 2007) – www.homesandcommunities.gov.uk

⁷⁰ These are no smaller than and generally exceed the standards contained within the HCAs ‘Design and Quality Standards’ - www.homesandcommunities.gov.uk, mirror standards within the London Housing Design Guide – www.lda.gov.uk, and are supported by RPs

⁷¹ CS17 – Local Character, Density and Design, CS19 – Housing Type and Size, CS20 – Older People, CS27 – Sustainable Buildings

⁷² For dwellings designed for more than 6 people, at least 10 sqm gross internal area should be added for each additional person.

⁷³ The Council will require that all two bedroom, single-floor dwellings to be provided as rented affordable housing (either as social rent or affordable rent) should be built to accommodate 4 bedspaces (i.e. have a minimum GIA of 70 sqm). This requirement does not apply to affordable dwellings to be provided as intermediate affordable housing.

	Dwelling type (bedrooms / persons) ⁷²	Minimum gross internal area (sqm)
	4b5p	100
	4b6p	107
	4b7p	114
	5b	123
Three storey dwelling	3b5p	102
	4b5p	106
	4b6p	113
	4b7p	114
	5b	123

3.55 For dwellings designed for more than 6 people, at least 10 sqm gross internal area should be added for each additional person.

Calculating a financial contribution towards affordable housing

3.56 In developing Core Strategy Policy CS21, the Council has acknowledged that for reasons of viability and housing management, on-site provision of affordable homes on sites of 4 or less dwellings can be problematic. Therefore, on such sites, a financial contribution equivalent to 20% affordable housing provision will be required.

3.57 The Council will seek a financial contribution that would allow affordable housing providers to secure the land in lieu of and equivalent to on-site provision. The proposed approach involves approximating the land value that needs to be replaced elsewhere and allowing for the cost of acquiring and servicing that land e.g. providing access and utilities. The affordable housing percentage is then applied to this figure i.e. 20%. The methodology can also be used to calculate financial contributions where, in exceptional circumstances, this is agreed in lieu of on-site provision and the appropriate percentage equivalent to that would have been sought on-site will be applied (see paragraph 3.21).

3.58 The methodology is described in more detail below and Appendix 1 includes a worked example.

<p>Summary methodology for calculating a financial contribution equivalent to the cost of 20% of the gross number of dwellings on sites of 1-4 dwellings</p> <p>Step 1 – Open Market Value (OMV) of the relevant or comparative development Step 2 – Multiply the OMV (Step 1) by the residual land value percentage (39.2%) Step 3 – Add 15% of the result of Step 2 to reflect site acquisition and servicing costs. Step 4 – Apply the affordable housing policy percentage (i.e. Step 3 x 20%)</p>
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Step 1 – OMV of the relevant or comparative development

3.59 This is the expected sale price of the property, or properties, proposed on the development site, divided by the size of the property (Gross Internal Floor Area) and multiplied by the affordable housing size that would have been required on-site.

3.60 The Council will expect the applicant to inform the Council of the anticipated OMV of the proposed development. This should reflect the location, size and type of the property, or properties, and should be supported by appropriate evidence.⁷⁴

3.61 The affordable housing property size equivalents (i.e. relevant or comparative development) shown below have been based on the minimum floor areas shown above. The affordable housing equivalent closest to the size (no. of bedrooms) and type (no. of storeys) of the proposed market units will be applied.

	Dwelling type (bedrooms)	Minimum gross internal area (sqm)
Single floor dwelling	1	50
	2	66
	3	86
	4	90
Two storey dwelling	2	83
	3	92
	4	104
Three storey dwelling	3	102
	4	110

Step 2 – Multiply the OMV (Step 1) by the residual land value percentage (39.2%)

3.62 This is the value of the land to the developer after all of the development costs associated with planning and constructing the property, or properties, including the developer’s profit, are subtracted from the anticipated sale price of the development. In Elmbridge, the average plot value for a residential development was assessed to be approximately 39.2% of its OMV⁷⁵.

3.63 The calculation therefore applies 39.2% to the OMV of the proposed development (result of Step 1) to establish the indicative base land value.

Step 3 – Add 15% of the result of Step 2 to reflect site acquisition and servicing costs.

3.64 To accurately reflect the cost of going elsewhere and replacing the land on which the affordable housing would have been provided on-site, an additional 15%, as recommended in the Viability Study⁷⁶, is added to the resulting plot value (Step 2) to reflect the costs associated with the acquisition and servicing of an alternative site.

⁷⁴ For the purposes of clarity when calculating the number of bedrooms for the purposes of calculation of the contribution, additional habitable rooms capable of realistic conversion to bedrooms will be included. Habitable rooms capable of future conversion into a bedroom will include, for a dwelling house with more than one storey, any room at first floor level and above with an external window (excluding bathrooms and the like), with a floor area greater than 6.5 sqm.

⁷⁵ Viability Study, 2009, page 48 – www.elmbridge.gov.uk/planning/policy

⁷⁶ Viability Study, 2009, page 48 – www.elmbridge.gov.uk/planning/policy

Step 4 – Apply the affordable housing policy percentage (i.e. Step 3 x 20%)

3.65 In order to calculate the appropriate financial contribution, the affordable housing policy percentage is applied to the result of Step 3 (in this case 20%).

Spending Strategy

3.66 Any financial contributions will be used to provide affordable housing in partnership with RPs and where possible in the same locality⁷⁷ as the facilitating site.

Monitoring and Review

3.67 The Council will record monies collected, allocated and spent as well as the units delivered on-site in the AMR. This will reflect the indicators set out in the Objective-led Performance Framework in Appendix 1 of Core Strategy, specifically objectives 10 and 11.

3.68 Contingency plans are set out for a number of important issues⁷⁸, including the provision of affordable housing, and these will be triggered should monitoring highlight areas where objectives are not being met as predicted.

3.69 In addition, the SHMA will be reviewed every 3-5 years and will inform any future updates to this SPD.

Provision of specialist housing units

3.70 On some sites, where there is a local need, the provision of specialist or supported housing may be required. For example, homes designed specifically for wheelchair users, people with learning disabilities or other special needs groups⁷⁹. The Council is prepared to consider the provision of such specialist housing in lieu of conventional affordable housing requirements, and any such proposals will need to be considered on their own merits in response to a local need.

3.71 For the Council to assess if there is need for housing to meet specific needs and to consider a proposal either on a stand-alone basis or to replace part or all of any general-needs affordable housing requirement, applicants will be required to:

- Demonstrate that there is a local need for such housing
- Demonstrate that it meets a priority as set down in borough or county-wide strategies
- Provide evidence that the housing will be affordable to those people that it is intended to house
- Give details of the long-term lease, management and maintenance arrangements of the accommodation
- Provide evidence of their experience of delivering and managing high quality schemes of

⁷⁷ Within the same settlement area, as defined on the Elmbridge Proposals Map, July 2011 - www.elmbridge.gov.uk/planning/policy, or within 1km of the facilitating site, as long as this is within Elmbridge

⁷⁸ See Contingency Planning section of Core Strategy, pg 87 – www.elmbridge.gov.uk/planning/policy

⁷⁹ Elmbridge Housing and Homelessness Strategy and the Surrey Joint Accommodation Strategy for People with Care and Support Needs 2010-2014

the type of housing they propose to deliver

- Provide evidence that there is a confirmed source of revenue funding for any support or care element of the scheme, for example from Surrey County Council
- Demonstrate status as a not for profit/charitable organisation

3.72 Core Strategy Policy CS19: Housing Type and Size seeks to ensure that an appropriate proportion of new housing is wheelchair accessible, or easily adaptable for residents who are wheelchair users. Specific proposals for wheelchair user housing should be discussed and agreed with the Council's Housing Service on a scheme-by-scheme basis to ensure they meet an identified need and can be suitably accommodated within the confines of the site. Where a need is identified by the Council's Housing Services, such schemes should be developed to sufficiently high space standards to ensure the home is capable of sensibly accommodating the necessary furniture and equipment associated with the particular needs of users. Developers are encouraged to explore design solutions with the Borough Council at an early stage of the scheme. Such dwellings should satisfy all the requirements laid down in the "Wheelchair Housing Design Guide" (2nd edition), written by Stephen Thorpe and Habinteg Housing Association⁸⁰.

3.73 Where the provision of such dwellings is demonstrated to either impact on viability of delivering the overall affordable housing target and / or to require dwellings to be significantly more than the size standards laid out elsewhere, then the Council may agree to negotiate a reduction in the overall proportion of affordable housing required. For further information on viability see Section 4.

Thames Basin Heaths Mitigation - Strategic Access Management and Monitoring (SAMM)

The SAMM project

3.74 SAMM forms part of the approach to mitigating adverse effects of residential development between 400m and 5km from the Thames Basin Heaths SPA in addition to SANGs (Section 2). The SAMM project introduces mitigation measures on the SPA itself, including a monitoring programme that will provide the baseline assessment and ongoing data to measure the effect of visitor numbers on the SPA. It will also evaluate the success of avoidance and mitigation measures, including the effectiveness of SANG. The access management element focuses on "soft", non-infrastructure measures e.g. wardening, leaflets and educational material.

3.75 The project is jointly funded through developer contributions collected across the 11 affected authorities and provided for in perpetuity⁸¹. It is coordinated strategically through the JSPB⁸², by Natural England with Hampshire County Council fulfilling the role of Treasurer. The charge collected is pooled with other SPA affected local authorities for strategic allocation. The Council has been collecting SAMM since October 2010 and all parties signed a Memorandum of Agreement in June 2011 to facilitate the transfer of funds for strategic allocation and delivery of the project. Further details of the project can be found in the IDP.

⁸⁰ Available in hard copy only

⁸¹ Perpetuities and Accumulations Act 2009 – www.legislation.gov.uk

⁸² JSPB - www.surreyheath.gov.uk/planning/tbh/TBHJSP.htm

Development that qualifies for SAMM contributions

3.76 Developments within Use Class C3 (Dwellinghouses) where there is a net gain of 1 or more units and proposals for 1 or more net new units of staff accommodation falling within Use Class C1 and C2, are considered to give rise to likely significant effect to the SPA and will be required to contribute towards SAMM. Replacement dwellings will not be required to provide avoidance measures.

3.77 Large residential development proposals, which due to their scale and potential impact and ability to offer their own alternative avoidance measures, will be considered on a case by case basis.

3.78 Conversions from C3 (Dwelling Houses) to C4 (Houses of Multiple Occupation) are considered to give rise to likely significant effect to the SPA. Therefore⁸³ such development will require the prior approval of the Borough Council and is likely to be required to contribute SAMM.

3.79 Proposals for other forms of development either by virtue of proximity to the SPA or where the use is a quasi-residential use such as certain types of hotels will be required to contribute toward avoidance measures. In such cases this will take the form of a contribution to SAMM measures.

3.80 Future changes to the legal/regulatory frameworks or to Government policy may mean that certain types of development which currently require planning permission may not do so in future. However, if there is a net gain in housing units as set out above, the development will require the prior approval of the Borough Council and is likely to be required to contribute SAMM.

3.81 Such cases will be dealt with on an individual basis and applicants are advised to seek advice before submitting a planning application or carrying out conversions under Permitted Development Rights.

Calculating and charging SAMM

3.82 New development will be required to make financial contributions towards SAMM. In addition, contributions may also be used to fund the staffing costs for monitoring and administration either within the Borough Council or by a joint body to oversee parts or all of this work. Monitoring will include surveys to be undertaken in future to check visitor numbers to SANGs and the SPA.

3.83 In order to be consistent with the approach taken to CIL and in recognition of the importance of affordable housing provision in the Borough, the tariff will not apply to affordable housing units. A 34%⁸⁴ supplement will apply to all other residential units to compensate for the exclusion of affordable housing. This has been reflected in the tariff calculations in Table 4 below.

⁸³ Regulation 75 of the Conservation of Habitats and Species Regulations 2010

⁸⁴ The affordable housing target contained within Core Strategy Policy CS21: Affordable Housing (1,150) as a proportion of the overall housing target in Policy CS2: Housing provision, location and distribution (3,375)

3.84 The tariff payable depends on the number of bedrooms, and is based on local occupancy figures and the projected mix of housing likely to be delivered in the local area. The methodology for calculating a local 'per bedroom' tariff for Elmbridge is in accordance with the methodology in Natural England's SAMM Tariff Guidance document⁸⁵. Further details are contained within the IDP.

Table 4: Elmbridge SAMM tariff

No of bedrooms ⁸⁶	Occupancy	Tariff @ £392 per person
1	1.31	514
2	1.76	670
3	2.51	984
4	2.86	1,121
5+	3.73	1,462

3.85 In the case of conversions from C3 to C4, each C4 bedroom will be considered to have an average occupancy rate of 1 person, unless there is evidence to suggest that a higher rate of occupation will be achieved. The occupancy rate of the existing C3 dwelling house will be subtracted from the occupancy of the HMO to calculate the number of persons for whom avoidance is required. A worked example (Example C) is shown below to illustrate this calculation:

Example C

Conversion of a 3 bed C3 dwelling house to 5 bed HMO:
 Existing Occupancy Rate (C3): (3 bed, from Interim Strategy) 2.51 people
 HMO Occupancy Rate: (1 x 5) 5 people
 Avoidance Measures Required: (5 - 2.51) 2.49 people

Spending Strategy

3.86 The Council will transfer SAMM monies every quarter to Hampshire County Council for strategic allocation. These will be spent in accordance with the SAMM business plan⁸⁷.

Monitoring and Review

3.87 The amount of SAMM collected and transferred for strategic allocation will be recorded in the Council's AMR. Detailed records of all SAMM expenditure and resource allocation across the Thames Basin Heaths area will be published in the JSPB monitoring reports which are publicly available⁸⁸.

⁸⁵ Natural England SAMM tariff guidance – www.elmbridge.gov.uk/planning/policy

⁸⁶ For the purposes of clarity when calculating the number of bedrooms for the purposes of calculation of the contribution, additional habitable rooms capable of realistic conversion to bedrooms will be included. Habitable rooms capable of future conversion into a bedroom will include, for a dwelling house with more than one storey, any room at first floor level and above with an external window (excluding bathrooms and the like), with a floor area greater than 6.5 sqm.

⁸⁷ SAMM Business Plan – www.elmbridge.gov.uk/planning/policy

⁸⁸ JSPB - www.surreyheath.gov.uk/planning/tbh/TBHJSP

3.88 Contributions will be reviewed on an annual basis and updated to reflect increased costs or works. This will not affect contributions already paid or committed.

3.89 Natural England is committed to reviewing the tariff guidance regularly and initially within the first two years of adoption. Once amendments are agreed by the JSPB any changes made will need to be reflected in reviewing this local tariff.

Section 4: Implementation

Viability

4.1 Developers and landowners are expected to consider the overall cost of development prior to negotiating the sale or purchase of land or the acquisition or sale of an option⁸⁹. Early consultation with the Council is therefore encouraged (see below and Appendix 2) and will help with feasibility studies, early designs and scheme deliverability. Site selection and early discussions around value expectations with landowners will be crucial. The price of land will not be accepted as a reason for non-viability where it has been purchased following 1 August 2011.

4.2 In the exceptional circumstances where it is considered that development viability is affected by a range of factors such as high abnormal costs and / or competing or existing use values, this must be demonstrated through the submission of a financial appraisal and raised with the Council at the earliest opportunity. The Council will adopt an 'open book' approach to this assessment and the applicant will be expected to provide all relevant financial and other information sufficient to enable the Council or independent valuer⁹⁰ to assess the nature, extent and impact of the constraints upon the viability of the scheme⁹¹. Commercial confidentiality will be respected and protected. A list of information to be included in a financial appraisal is included below. This list is not exhaustive and additional information may be required.

1. Site or building acquisition costs	<p>How much the developer/applicant has paid or is proposing to pay for the land or buildings, with any deductions or additions for abnormal costs, value enhancements, VAT or other factors made clear.</p> <p>Evidence should be submitted to explain how this figure has been reached – including relevant information to substantiate valuation and/or proof of purchase price.</p> <p>The nature of the developer's/applicant's interest should be clarified i.e. purchase completed with date, option details, proposed purchase etc.</p>
2. Construction costs	<p>The estimated construction costs explained in terms of what is included and on what basis e.g. floor area, price per sqm etc. Abnormal costs should be itemised. Details of any other allowances, contingencies that are being assumed.</p>
3. Projected sale prices	<p>Estimated sales values for each property – clearly listed by type with floor areas shown accompanied by supporting information – agents' and valuers' advice etc</p> <p>Any other information related to anticipated sales prices which influences the appraisal position.</p>

⁸⁹ Costs can be estimated using the Planning Contributions Charge Sheet – www.elmbridge.gov.uk/planning

⁹⁰ Applicant to pay for independent review (see paragraph 4.3)

⁹¹ Information will be available to members subject to confidentiality

4. Fee and other on-site costs	An itemised breakdown of other costs incurred/estimated to be incurred – in acquisition, planning, development, finance, professional and legal fees, marketing etc. Where these are linked to other appraisal information these links should be made clear for ease of interpretation.
5. Profit margin	<p>The profit margin clearly expressed as a % of GDV, or other factor and whether there are any other profit, overhead areas factored in.</p> <p>Any factors that are behind this expectation which the Council needs to be aware of bearing in mind the HCA's appraisal guide input of 17.5-20% of GDV.</p>
6. Other costs and receipts	<p>Itemised allowances for any other contributions or costs associated with the development including any other planning obligations contributions, CIL, sustainability requirements etc</p> <p>Affordable housing assumptions – affordable housing, build cost and revenue assumptions – in accordance with Core Strategy Policy CS21, for each property, taking account of type, size and tenure</p>

4.3 The Council will also require the developer/applicant to pay for an independent review of the information submitted. This is standard practice and is recognised by the HCA⁹². Agreement to pay the Council's cost will be required prior to advice being sought. Any external consultant used by the Council will be subject to entering a confidentiality agreement. To avoid delays, the Council would also encourage the use of a standard appraisal tool such as the HCA Development Appraisal Tool⁹³.

4.4 If, following the independent review, the Council concludes that it is in fact economically viable to meet requirements, this could lead to the application being refused. However, if the Council is satisfied that there are genuine economic constraints in meeting policy requirements, it will seek to negotiate and fully explore all available options to achieve economic viability.

4.5 CIL charges will be non-negotiable. Similarly, in order to meet the requirements of European legislation and mitigate the adverse impacts of development on the Thames Basin Heaths SPA, SAMM contributions will also be non-negotiable. However, in accordance with Government policy, affordable housing contributions and other requirements set out within the Core Strategy e.g. Code for Sustainable Homes, Lifetime Homes etc will be negotiable.

4.6 Where non-viability is demonstrated the Council will seek to explore the following options⁹⁴:

1. Additional design requirements – CSH, Lifetime Homes etc
2. Nature and extent of any scheme specific planning obligations required where relevant

⁹² HCA Good Practice Note – Investment and Planning Obligations – Responding to the Downturn, August 2009 - www.homesandcommunities.co.uk

⁹³ HCA Development Appraisal Tool - www.homesandcommunities.co.uk/ourwork/development-appraisal-tool

⁹⁴ One or more may apply.

3. Affordable Housing
- Review approach to rounding
 - Vary tenure mix
 - Vary size and / or type
 - Reduction in overall number of affordable units
 - Support case for seeking public subsidy or use of Council's enabling fund
- Or
- Varying financial contribution towards affordable housing

Planning application process

4.7 Appendix 2 includes a flow diagram illustrating the process for submitting a planning application. The Council expects to reach agreement on planning contributions and the content of an agreement⁹⁵ prior to a planning application being submitted. Applicants are therefore strongly recommended to approach the Council early on for any relevant pre-application discussions, particularly if viability is an issue. Details of the pre-application process can be found on the Council's website⁹⁶. This will enable early consideration of funding implications and opportunities, flag any viability issues and provide a greater degree of certainty as the application moves forward.

4.8 The information in Appendix 4 will be required in order to validate a planning application⁹⁷. However, in order to avoid delays in the processing of planning applications, it is recommended that this information be provided at an early stage to inform any pre-application discussions, particularly where provision in accordance with policy is being challenged. In these cases, where a financial appraisal is being submitted, the applicant can pay for an independent review of the information during the pre-application process. Alternatively, applicants can agree to pay for an independent review when applications are submitted, and this will take place as the application is processed. However, once an application is submitted, discussions regarding viability will not be permitted to delay the determination of the planning application within the statutory timescale.

4.9 The Council will not grant planning permission until the developer has entered into an agreement. The provision of such an agreement will not be permitted to delay the determination of a planning application beyond the statutory limits.

Index linking of contributions

4.10 The Council will index agreed financial contributions from the date planning permission is granted to the date of payment. The Index applied to CIL and SAMM contributions will be the national all in tender index⁹⁸. The Index applied to affordable housing contributions will be the Land Registry Housing Price Index (Surrey based)⁹⁹.

⁹⁵ Secured through S106 of the Town and Country Planning Act 1990 – www.legislation.gov.uk

⁹⁶ Pre-application enquiries - www.elmbridge.gov.uk/planning/control/PreAppEnquiries

⁹⁷ Validation - www.elmbridge.gov.uk/planning/apps/notes

⁹⁸ National all in tender price index published by the Building Cost Information Service (BCIS)

⁹⁹ Land Registry Housing Price Index – www1.landregistry.gov.uk/houseprices/

Timing of payments

4.11 The Council has significant scope¹⁰⁰ for introducing an instalments policy that better reflects the financing and income streams expected by developers and therefore better supports the delivery new development. This policy will be set out in a separate schedule on the Council's website to enable it to be updated to reflect changing circumstances.

¹⁰⁰ In accordance with the CIL Regulations 2010 (as amended 2011) – www.legislation.gov.uk

Appendix 1 - Calculating a financial contribution equivalent to the cost of 20% of the gross number of dwellings on sites of 1-4 units - Worked Example

Example A:

1 x 4-bed house Size – 200 m² 2-storey OMV - £1,000,000
Guide size for relevant or comparative affordable home – 104 m²

1 x 4-bed house Size – 200 m² 2-storey OMV - £1,000,000
Guide size for relevant or comparative affordable home – 104 m²

1 x 3-bed house Size – 120 m² 2-storey OMV - £600,000
Guide size for relevant or comparative affordable home – 92 m²

Step 1 – Open Market Value (OMV) of a relevant or comparative development

Market value of proposed property / size of the property x affordable housing size that would have been required on-site.

4-bed house – £1,000,000 / 200 m² = £5,000 per m²

£5,000 x 104 m² = £520,000 x 2 = £1,040,000

3-bed house - £600,000 / 120 m² = £5,000 per m²

£5,000 x 92 m² = £460,000

Total OMV of relevant or comparative development = (£1,040,000 + £460,000) £1,500,000

Step 2 - Multiply the OMV (Step 1) by the residual land value percentage (39.2%)

£1,500,000 x 39.2% = £588,000

Step 3 – Add 15% of the result of Step 2 to reflect site acquisition and servicing costs

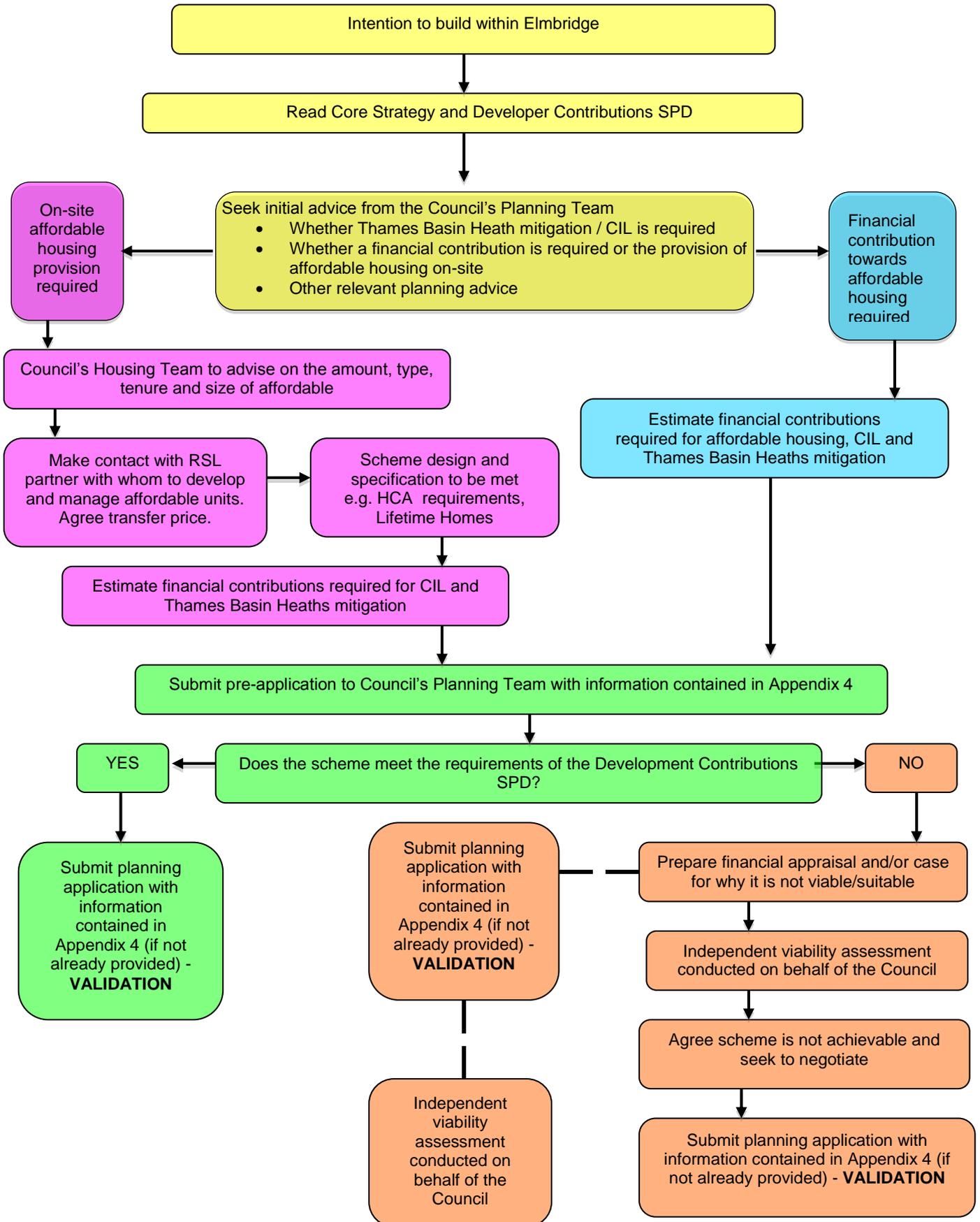
£588,000 + 15% = £676,200 (base plot/land value)

Step 4 – Apply the affordable housing policy percentage (i.e. Step 3 x 20%)

£676,200 x 20% = £135,240



Appendix 2: Planning application process



Appendix 3 - Key Council Contacts, Useful Links and Preferred Development Partners

Planning Contacts

For general enquiries about this SPD or other planning issues relating to the Local Development Framework please contact:

Planning Policy Team

Planning Services

Elmbridge Borough Council
Civic Centre
High Street
Esher, Surrey
KT10 9SD
01372 474787
tplan@elmbridge.gov.uk

For general enquiries relating to the development of a specific site / pre-application enquiries please contact to **duty officer**:

Development Management Team

Planning Services

Elmbridge Borough Council
Civic Centre
High Street
Esher, Surrey
KT10 9SD
01372 474787

For **pre-application enquiries** please view the Council's procedures - www.elmbridge.gov.uk/planning/control/PreAppEnquiries

Housing Contacts

For enquires relating to this guidance note and issues such as the delivery of affordable housing, RP involvement and possible funding sources please contact:

Housing Strategy and Enabling Manager

Elmbridge Borough Council
Civic Centre
High Street
Esher, Surrey
KT10 9SD
01372 474631
housingpolicy@elmbridge.gov.uk

Further information:

Other information relating to the Council's Housing and Planning functions can be found on the Council's website – www.elmbridge.gov.uk

This includes the Core Strategy, Housing and Homelessness Strategy, Viability Study, Housing Needs Survey and East Surrey Strategic Housing Market Assessment.

Further useful information, including the design standards and specification for affordable units, can be found on the Homes and Communities Agency website – www.homesandcommunities.co.uk

Registered Providers – Preferred Development Partners (Updated June 2014)



A2 Dominion
Mrs Nancy Waterhouse
Assistant Director -
Development (South)
Spelthorne House,
Thames Street,
Staines-Upon-Thames,
KT18 4TA

Website: www.a2dominion.co.uk
Telephone: 0208 825 1467
Email:
nancy.waterhouse@a2dominion.co.uk



Paragon Community Housing Group
Mr Chris Marchant
Assistant Director of
Development
Case House
85-89 High Street
Walton on Thames
Surrey, KT12 1DZ

Website: www.paragonchg.co.uk
Telephone: 01932 235979
Email:
cmarchant@ParagonCHG.co.uk



Rosemary Simmons Memorial Housing Association
Mr Paul Yates
Chief Executive
Rosemary House
Portsmouth Road
Esher, Surrey, KT10 9AA

Website: www.rsmha.org.uk
Telephone: 01372 461440
Email: pyates@rsmha.org.uk



Southern Housing Group
Mr Jeremy Barkway
Development Manager
Spire Court
Albion Way
Horsham
West Sussex, RH12 1JW

Website: www.shgroup.org.uk
Telephone: 01403 224850
Email:
Jeremy.barkway@shgroup.org.uk



Thames Valley Housing Association

Mr Geoff Bryant
Land & New Business
Manager
Premier House
52 London Road
Twickenham
Middlesex, TW1 3RP

Website: www.tvha.co.uk
Telephone: 020 8607 0686
Email: geoff_bryant@tvha.co.uk



Transform Housing & Support

Victoria Firmstone
Development Manager
Transform Housing &
Support
Bradmere House, Brook
Way, Leatherhead
Surrey, KT22 7NA

Website:
www.transformhousing.org.uk
Telephone: 01372 387119
Email:
vfirmstone@transformhousing.org.uk
(Supported housing only)

Appendix 4 – Information required for validation

The information below will be required in order to validate a planning application¹⁰¹. However, in order to avoid delays in the processing of planning applications, it is strongly recommended that this information be provided at an early stage to inform any pre-application discussions, particularly where provision in accordance with policy requirements is being challenged.

Complete and sign the Planning Contributions Charge Sheet¹⁰² and appropriate Unilateral Undertaking templates to indicate contributions required for CIL, affordable housing (on-site or financial) and Thames Basin Heaths (if relevant).

Where affordable housing is being provided on-site the following information will also be required for all units proposed

- Number of habitable rooms
- Floor areas (sqm)
- Tenure, size and type
- Location of units on development site
- Evidence to show the design and specification of the affordable units meets the HCA standards
- Confirmation as to whether public subsidy will be sought
- A claim form for social housing relief
- Specialist housing provision statement (where relevant)
- Details of rent levels and how these relate to market rents and LHA levels, proposed service charges, equity and rent elements of shared ownership properties.

If it is considered not viable to meet policy requirements the following will also be required:

- Financial appraisal
- Fee for independent review of information
- Statement setting out case for non-viability

¹⁰¹ Validation - www.elmbridge.gov.uk/planning/apps/notes

¹⁰² Planning Contributions Charge Sheet – www.elmbridge.gov.uk/planning/policy