

Richmondshire
Affordable Housing
Supplementary Planning Document (SPD)

Draft Version December 2012

1.0 General Provisions

- 1.1 One of the key objectives of the Richmondshire Local Plan is to provide affordable housing to meet local needs. Core Policy CP6 provides the mechanisms by which the Council can seek to secure affordable housing and is designed to reflect the robust evidence of the North Yorkshire Strategic Housing Market Assessment (NYSHMA) 2011 and, the Richmondshire Affordable Housing Viability Assessment (AHVA) 2011.
- 1.2 In order to deliver affordable housing on new developments Core Policy CP6 provides two routes through which affordable housing can be provided. For market sites, it sets the threshold at which affordable housing will be required and what proportion of that development should be affordable housing. In addition, it allows for small sites in rural areas to be considered for providing local needs housing at parish level known as 'rural exceptions'.
- 1.3 The Council wishes to provide additional opportunities to increase affordable housing supply and has therefore widened the scope of the 'rural exceptions' policy to allow individual households to build their own affordable home. This 'widening' also encompasses the concept of permitting some market housing on rural exception sites (in certain circumstances) to provide a tool which underpins the aim of the policy should traditional sources of finance for such sites be unavailable to meet the local need.
- 1.4 This Supplementary Planning Document (SPD) provides additional advice and guidance on the implementation of this Policy CP6 thereby assisting to deliver the affordable housing targets of the Plan area and supersedes the Interim Affordable Housing Supplementary Planning Guidance (SPG) 2008.

Monitoring and Review

- 1.5 Monitoring of affordable housing delivery will be undertaken annually as part of the Annual Monitoring Report (AMR). The AMR is published each December and will be available on the Council website under the Planning Policy Pages.
- 1.6 The SPD will be kept under review in light of all material information and guidance. A review may be triggered by national changes in policy, updated housing needs information or by operational issues raised by the public, private or third sector.

2.0 Policy CP6 Providing Affordable Housing

The Council will work with private developers and registered providers to achieve the following targets for affordable housing in **all** developments with a net gain in dwellings, subject to economic viability assessment:

Central Richmondshire and Lower Wensleydale Sub Areas 40%

North Richmondshire Sub Area 30%

In rural locations, outside of village development limits, small-scale housing schemes may be permitted on suitable sites. These 'rural exceptions' must meet a proven local affordable housing need and the dwellings must remain affordable in perpetuity.

In certain circumstances, the Council may accept an element of on-site market-housing to help subsidise the delivery of the affordable homes.

- 2.1 The Core Strategy seeks to deliver 3060 new dwellings over the Plan period of which up to 40% will be new affordable homes. The two main ways of achieving this are set out in CP6 and include: developer contributions for affordable housing on market developments; and, the use of rural exception sites.
- 2.2 In order to assist in providing as much affordable housing as possible the threshold at which developer contributions will be required is one dwelling. Therefore all eligible new housing will make a contribution to meeting the affordable housing needs in the Plan area.
- 2.3 The starting point in negotiations will be for on-site provision. However, where it is not practical to provide the affordable housing on-site, such as a small site, there will be a contribution of a commuted sum towards provision elsewhere in the locality. Off-site provision in the locality may also be justified where greater affordable housing benefits could be achieved. The amount of the commuted payment will be based on the equivalent amount which would be contributed by the developer/landowner were the affordable housing to be provided on-site. Detailed guidance on developer contributions is provided in Section 5.0 of this document.

3.0 The Need for Affordable Housing

- 3.1 The NYSHMA confirmed the high level of local housing need and the severe problems of affordability in the District. It found that Richmondshire has experienced a rise in average house prices since 2000 peaking, in line with wider markets, at a high of £228,700 in 2007/8. The income required to purchase a lower quartile house, based on a 3.5 times multiplier of household income is £41,429. However, in the current market many lending institutions require that mortgage payments should be less than 20% of household

income. Therefore, the minimum income needed to purchase a lower quartile property would be £58,495.

- 3.2 Lower quartile house prices vary across the Plan area (£123,488 in Central Richmondshire, £170,000 in Lower Wensleydale and £179,000 in North Richmondshire) although median gross household income remains similar at £23,000. Therefore, the affordability ratio between median gross household income and a lower quartile house in the Central Area is in excess of 5 times income and over 8 times in North Richmondshire.
- 3.3 The NYSHMA indicates that the Plan area will be required to provide for a gross annual affordable housing need of approximately 249 dwellings per annum over the next 5 years in order to both clear the existing backlog and meet future household need. The table below demonstrates the need across the 3 sub-areas.

Table 1 – Housing Need within the Plan Area

Sub Area	Housing Need (pa)	
	%	No.
Central Richmondshire	72	180
Lower Wensleydale	21	51
North Richmondshire	7	18
Total	100	249

- 3.4 Spatial Principle SP4 sets out the Scale and Distribution of Housing across the Plan area, providing the spatial distribution of the proposed annual build rate of 180 dwellings. However, taking the evidence provided in the SHMA it is unlikely that new development will ever meet the demand for affordable housing. Therefore, it is more important than ever to set the most ambitious affordable housing targets possible with the caveat that those targets must be viable.

4.0 The Richmondshire Affordable Housing Viability Assessment

- 4.1 The Richmondshire Affordable Housing Viability Assessment (AHVA) 2011 examined the impact of differing percentages of affordable housing on a range of sites across the Plan area and, in particular, the appropriate target and threshold reflecting the varying local market and land supply conditions.

- 4.2 The research concluded that there was no evidence to suggest that a lower site size threshold, other than the national indicative rate at the time of the research, would affect viability or hold sites back. It was suggested that smaller sites can generate 'exclusivity' and hence produce higher land values which supports the policy that an affordable housing contribution should be sought from all sites either through on-site provision or by an off-site contribution.
- 4.3 The Council will therefore seek contributions from all housing developments regardless of size in order to maximise the provision of affordable housing and therefore set the threshold at a single dwelling net gain.

5.0 Affordable Housing as Part of Medium and Large Market Housing Sites

On-Site Provision in Larger Developments

- 5.1 The Council will normally seek (and prefers) affordable housing to be provided on-site which assists to satisfy its ambition for balanced and mixed communities and, provides a more varied tenure mix and house type. This will be secured through a Planning Obligation (Section 106 Agreement or Unilateral Undertaking).

Off-Site Provision in Larger Developments

- 5.2 The starting point in negotiations will be for on-site provision. However, on rare occasions where it is not practical to provide affordable housing on-site (e.g. a smaller site) there will be a contribution in the form of a commuted sum towards provision elsewhere in the locality. Off-site provision in the locality may also be justified where greater affordable housing benefits could be achieved.
- 5.3 If it is proposed that the affordable housing requirement on a market site should be waived in lieu of off-site provision then the Council may either agree to commute the requirement to another site in the locality (where it must be in addition to any affordable housing requirement on the alternative site) **or** accept a financial contribution which can be used to acquire and refurbish existing dwellings to be used as affordable housing **or** a combination of both.
- 5.4 In such cases the Council will need to be satisfied that the 'off-site' affordable homes are provided within the same timescale as the market housing unless otherwise agreed by the Council
- 5.5 The amount of commuted payment is based on the equivalent amount which would be contributed by the developer/landowner were the affordable housing to be provided on site.

- 5.6 The mechanism for transfer of commuted sums and commuted dwellings will be secured through a S106 Agreement.

Financial Contributions for Whole Affordable Dwellings in Lieu of On-Site Provision

- 5.7 Where the Council has agreed that off-site provision is acceptable the contribution will be based on the full cost of providing the affordable housing elsewhere including the cost of acquiring the land.

- 5.8 Therefore, the financial contribution equates to:

The average gross internal floor area of the proposed units **multiplied** by the typical average build cost of providing an affordable dwelling at Code Level 4 standards, including all additional development costs (infrastructure, services, professional fees, and cost of acquiring the land).

- 5.9 The trigger point at which the financial contribution must be made will be specified in the S106 agreement but must be made once the development has started and before the whole scheme is occupied.

Financial Contributions for Fractions of an Affordable Dwelling

- 5.10 Where the affordable housing target does not produce a round number on a site the balance will be provided as a financial contribution. For example on a site of 13 dwellings in an area with a 40% target the total number of affordable homes required will be 5.2 dwellings. Therefore 5 dwellings should be provided on site with a financial contribution of 0.2. This contribution should be equivalent to 0.2 (or 20%) of the amount which would be contributed by the developer/landowner were the affordable housing to be provided on site.

The formula for calculating contribution is detailed in paragraph 5.17

The Use of Contributions for Off-Site Provision

- 5.11 Off-site affordable housing contributions will be collected into a single pot and used to further the provision of additional affordable housing, normally in the locality in which it was collected.

Contributions from Small Market Housing Developments

- 5.12 During the seven year period 2004 -2011 23% of planning permissions granted (an average of 57 per annum) were on sites for single dwellings. The majority were in villages and smaller settlements and a relatively high proportion were in the higher value council tax bands.

- 5.13 Contributions towards providing affordable housing will normally be sought and provided on-site in **ALL** developments, where viable. Where a

development is for a single unit or a small number that does not enable a dwelling(s) to be provided on site, the calculation of any off-site financial contribution will be calculated as follows:

The cost of providing the affordable dwelling **multiplied** by the affordable housing target of the sub-area **minus** the reflective proportion of the Registered Provider Transfer Price.

- 5.15 The full cost of provision of affordable housing includes an average build cost (the figure excludes conversions which generally prove more costly than new-build) and a maximum gross external floor area of 100 m² plus land acquisition and associated fees. The affordable dwelling must meet Code 4 Sustainable Homes.
- 5.16 The contribution sought will be based on the affordable housing target for each sub-area of the Plan area. These are:
- 30% affordable housing in North Richmondshire; and, 40% affordable housing elsewhere and therefore 30% and 40% respectively of the cost of providing an affordable dwelling in those locations.
- 5.17 The RP transfer price proportion will also reflect the sub-area target. Therefore if the development is in North Richmondshire the allowance would be 0.3 of the transfer price and 0.4 in the Central and Lower Wensleydale sub-areas.

Calculation of the Contribution

$$\text{AHC} = (\text{T} \times \text{F} \times \text{C}) - \text{P}$$

Where:

AHC = Affordable housing contribution

T = Affordable housing target percentage

F = Average gross internal floor area OR 100sqm, whichever is less

C: Assumed standardised cost of construction for an affordable dwelling per sqm

P = the reflective proportion of the Registered Provider Transfer Price.

N.B. Figures will be published annually to allow the formula to be populated with the most recent information.

6.0 Rural Exception Sites

- 6.1 Rural exception sites (RES) are situated in locations which would not normally obtain planning consent for new housing development. Where Parish housing

needs surveys (HNS) have shown that there is a clear need for affordable housing in a rural locality, an exception may be made and permission may be granted on suitable sites outside development limits for housing which is affordable and will remain so in perpetuity.

- 6.2 The exception is made because it is development of affordable housing for local people. Sites will generally be small in scale and proportionate to the size of the existing settlement. Exception sites are normally developed by a Registered Provider or Housing Association although the Council would equally welcome applications from Community Land Trusts (as defined in Section 79 of the Housing and Regeneration Act 2008) and the private sector to provide affordable housing. The dwellings should offer a range of affordable tenures which reflect the particular need in a locality.

Size and Scale

- 6.3 Exception sites tend to be small in scale, generally up to 12 dwellings. Sites over this size are unlikely to be acceptable in most of the villages in the Plan area. However, where there is evidence of unmet local housing need, consideration will be given to applications for larger schemes where the development would not have a negative impact on the existing form, character or landscape setting of the particular settlement.
- 6.4 Under normal circumstances the Council advises that the number of dwellings proposed on an exception site should be approximately half of the local housing need figure as determined by the parish needs survey. Therefore if the survey determines that 20 households are in need then 10 dwellings should be constructed. This is to ensure that there is always sufficient demand.
- 6.5 The criteria to be used in the selection of appropriate exceptions sites are as follows:
- The site should be located adjacent to Development Limits.
 - The development should not be incompatible with previous planning history which demonstrates that there are particularly sensitive factors other than the principle of development.
 - Where possible, sites should consolidate rather than arbitrarily change the existing form of the settlement. It is important to respect the existing pattern and shape of the village.
 - Sites should avoid areas protected by special landscape, nature conservation or archaeological policies.
 - Sites should not adversely affect the setting of any Listed Building.
 - The loss of important landscape trees and hedgerows should be avoided.

- Associated highway and improvement works should not detract from the quality of the environment and any development which would create obviously dangerous highway conditions must be avoided.
- Development should not compromise residential amenity of existing properties.
- The loss of public open space and playing fields should be avoided.

Establishing the Need

- 6.6 Proposals under this Policy will only be considered where it can be demonstrated that there is a local affordable housing need. Evidence of need should be extracted from the Richmondshire Strategic Housing Market Assessment 2011 (and any subsequent updates during the Plan period) and, by carrying out a parish housing needs survey. Both sets of evidence should accompany the planning application. Parish HNS should be carried out by the Council's Rural Housing Enabler (RHE) or in another form approved by the Council.

Circumstances under which Market Housing Cross Subsidy may be Considered.

- 6.7 The Council is keen to use the tools at its disposal to provide affordable housing and although rural exceptions sites should normally be limited to 100% affordable housing restricted for local needs in perpetuity proposals to cross-subsidise the affordable housing may be considered. The provision of affordable housing is a corporate priority and rural exception sites assist to deliver housing which cannot be provided by the market. Former national policy (PPS3 Housing) restricted the use of rural exceptions sites to 100% affordable housing in perpetuity and, in most cases, their construction was subsidised through central government grants. Unfortunately, grant levels have been significantly reduced which may affect the Council's ability to provide new affordable housing where it is most needed.
- 6.8 Paragraph 54 of The National Planning Policy Framework (NPPF) suggests that local planning authorities consider the option of market-housing cross-subsidy on exception sites. The circumstances and conditions under which cross-subsidy will be permitted are set out below.

All rural exception sites must conform to the criteria set out in paragraph 6.5 and cross-subsidy may be permitted where:

- A parish housing needs survey has identified a housing need; and, a suitable site has been found but HCA grant would not be available for a minimum of two years; or,
- A reduced grant rate and/or abnormal site conditions make a 100% affordable housing scheme economically unviable; or,

- The applicant is a Community Land Trust as defined in The Housing and Regeneration Act 2008.
- 6.9 The Council will expect an ‘open-book’ approach to any application to cross-subsidise on an exception site and will not accept any land valuations which exceed comparable financial transactions in the Plan area.
- 6.10 The maximum number of open market dwellings permitted will be the minimum required to subsidise the development of the affordable housing.
- 6.11 In cases where the Council and applicant disagree about elements of the development appraisal the matter will be referred to the District Valuer for arbitration. The Council will expect the applicant to be liable and, to pay in advance, for the cost of the District Valuer’s services.

Definition of Local Connection

- 6.12 All affordable dwellings situated on an exception site must be occupied by eligible occupiers i.e. those that possess a ‘local connection’, as their main or principal residence and have a need to reside there because they are:
- (i) existing residents of the relevant parish establishing a separate household; or
 - (ii) a head of household who or whose partner is in or is taking up permanent employment in an already established business within the relevant parish; or
 - (iii) householders currently living permanently in a dwelling which is either shared but not self contained, overcrowded or is otherwise unsatisfactory by environmental health standards and which is within the relevant parish; or
 - (iv) persons having to leave tied accommodation within the relevant parish; or
 - (v) persons currently living in accommodation which is temporary or occupied on insecure terms
 - (vi) persons having a medical need for alternative accommodation
 - (vii) former residents of the relevant parish with immediate relatives in the parish accepted in writing by the Council as having an exceptional need to return to the area; or

Categories set out in paragraphs (i), (ii), (iii), (iv), (v), (vi) above will apply only to persons who have resided or worked permanently in the relevant parish for the preceding three years.

- 6.13 Housing provided through the Policy should be offered in the first instance to those who meet the local connection criteria relating to the Parish within which the need has been identified. If, no eligible occupier can be found within the Parish then those who meet the local connection criteria in the immediate neighbouring Parishes will be eligible. If no one here is available, then a third priority area would then become valid, embracing all Parishes, including those which fall within the Yorkshire Dales National Park.

Safeguarding Affordable Housing

- 6.14 A Registered Provider or Housing Association is often best suited to the provision and management of affordable housing. However, the growing movement of local housing and land trusts could play a role in the provision of affordable housing. A Section 106 Agreement will be necessary as part of any planning permission and will detail the arrangements for the allocation and occupation of the housing in perpetuity.

7.0 Build Your Own Affordable Home Scheme or Single Plot Exception Sites

- 7.1 The Council wishes to encourage those in housing need to build their own affordable home. The single plot exception site scheme or build your own affordable home allows those who cannot satisfy their housing need in the open market to construct their own dwelling. Such sites must meet the criteria for exceptions site as set out at paragraph 6.5 above.
- 7.2 The cost of the development would be provided through conventional means whereby the prospective home-owner must seek their own development finance through the use of their own capital or mortgage.
- 7.3 The re-sale value of the home will be fixed in perpetuity at the equivalent of the estimated build cost at the date of the subsequent sale plus any other reasonable expenses incurred by the present occupier. This ensures that it remains affordable to others in similar circumstances who may wish to become subsequent occupiers and reflects the spirit of the grant of planning permission. Future purchasers must meet the local connection criteria as set out in the S106 agreement.
- 7.4 To be eligible for the scheme applicants must demonstrate an exceptional affordable housing need and either:
- Cannot afford to buy a suitable home available in the local area; or,
 - Cannot identify a suitable home in the area that meets their needs to rent or buy.

Housing need should be met in the local area (Parish) if:

- There is a requirement for employment reasons to live in the local area; or,
- There is a need to live in a local area to receive or provide support to/from a close relative; or,
- There is evidence of residency for a minimum period of 3 years

7.5 The Council would normally expect applications to come from prospective occupiers of the proposed dwelling however there may be circumstances such as an employer wishing to build a home for an employee where consideration will be given to an application if it meets the criteria set out in paragraph 7.4. Speculative development will not be permitted.

7.6 If, at some point in the future, the dwelling is no longer required by the occupant the subsequent disposal will be governed by the means and conditions set out in the S106 agreement. No disposal may be undertaken without the express written consent of Richmondshire District Council. The owner must commission an independent 'valuation' by a Chartered Surveyor to which the market discount will be applied. The Council must be satisfied that any prospective purchaser meets the local needs criteria. Inheritance of the property by family members will be permitted if local needs criteria are satisfied. If such a local need cannot be established then the property must be sold to another party in local need.

7.7 However, to balance any conflict between ensuring that there is a supply of affordable housing for local people and having a dwelling standing empty because there are no other local people who would qualify as eligible occupiers, the Council will allow the property to be marketed more widely. In addition it is anticipated that this wider search for eligible occupiers will ensure that the occupier will not become trapped in a dwelling which they cannot sell and which could be virtually un-mortgageable due to the strict occupancy criteria.

7.8 Therefore, should the owner wish to dispose of the property then the following rules governing the search for a new occupier will apply:

For six weeks the property must be marketed and any sale restricted to those in housing need and with a local connection. Local is defined as the Parish in which the dwelling is situated. Local connection is set out in xx. If no purchaser can be found then,

- For six weeks the property must be marketed and any sale restricted to those in housing need and with a local connection to the surrounding Parishes. If no purchaser can be found then,
- For twelve weeks the Council will consider applications from persons with a housing need arising in the District. If no purchaser can be found

then the dwelling may be sold at the affordable price and without the local restriction. However, the local restrictions will apply should be property then be resold.

- If, after the total marketing period of twenty four weeks, the property remains unsold, then the owner may apply to the Council to have the affordable housing restrictions removed from the title. The property may then be sold at open market value with the difference between the open market value and the affordable value recycled into providing other affordable housing elsewhere in the Plan area.

7.9 All dwellings proposed under the single plot exception site scheme will be restricted in size to no more than 100 square metres gross internal floor area with a curtilage not exceeding 0.1 hectare. The size restriction is designed to assist to keep the dwelling affordable. Permitted development rights will be removed to retain control over future extensions although applications for extensions and adaptations will be considered on their individual merits such as the needs of a disabled occupant or to accommodate the growth of a family. No financial gain should be made from enlarging the dwelling and so any potential sale price will be restricted to a dwelling of 100 square metres GIA.

8.0 Transfer Prices

A nominated Registered Provider (housing association) will purchase completed homes from the developer at specified prices. These prices are based on the target rents set by government and the borrowing capacity this revenue will generate.

Transfer prices will be reviewed annually and the rates published on the Council website.

9.0 Definition of Affordable Housing

Annex 2 of The National Planning Policy Framework (NPPF) 2012 defines affordable housing as:

- Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

- Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the Local Planning Authority or with the Homes and Communities Agency.
- Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges where applicable).
- Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.
- Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

10.0 Exempt Accommodation

Agricultural, Forestry Worker and Holiday Accommodation

Applications for new dwellings, where occupancy is restricted to agricultural / forestry workers are exempt from providing affordable housing. In addition, the Council will not seek an affordable housing provision when these occupancy restrictions are lifted.

Applications for new dwellings restricted to use as holiday dwellings are exempt from providing affordable housing. However, if this restriction is lifted affordable housing will be sought once the threshold is passed in accordance with Requirement H1 (above).

Service Family Accommodation

Service Family Accommodation will only be exempt from providing affordable housing where it is subject to an occupancy restriction limiting it to military personnel in perpetuity. The requirement for 50% affordable housing will only be sought if and when the occupancy restriction is lifted. Once the appropriate threshold has been passed, the affordable housing will be clawed

back on alternative dwellings as the occupancy restriction is lifted by transferring ownership to a Registered Social Landlord.

Care and Retirement Accommodation

Planning applications made for institutional care and nursing homes, which are accepted as coming under Use Class C2, are exempt from the provision of affordable housing. However, all other forms of care and retirement accommodation which are self-contained (including extra care schemes and sheltered housing) must provide affordable accommodation. In this situation, to calculate the 50% target each unit of accommodation will be treated as a separate dwelling.

Land Sales Already Negotiated

The Council understands that in the short term, some land negotiations may have occurred before the adoption of this Supplementary Planning Document (January 2013). If the applicant can prove to the Council that a land value had been agreed before this guidance was adopted, for example by production of a dated option agreement, the Council may be prepared to take this into account when agreeing the affordable housing contribution.

Dwellings to Accommodate Family Members in Housing Need

Proposals for dwellings which are intended to house a family member in housing need are exempt from making an affordable housing contribution until the dwelling is no longer required for that family member. The affordable housing contribution will become payable when the dwelling is sold on the open market. If the dwelling is not sold but instead let on a tenancy then the affordable housing contribution will become payable if the monthly rent is greater than an affordable rent. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rate (including service charges where applicable).

11.0 How Applications Will Be Negotiated

The Council encourages affordable housing pre-application discussions with both Planning Policy and a Development Management Case Officer. The Council wishes to avoid situations where land is purchased without the need to provide affordable housing being taken into account. However, if the requirement to provide affordable housing has not been taken into account, developers should not expect that the requirement will be waived (either in whole or part).

To make the process fair, equitable and timely, the applicant must complete the Affordable Housing Pro-forma (available from www.richmondshire.gov.uk), which provides details of the affordable housing contribution. This Proforma, if agreed, will be countersigned by a Planning Policy Officer and should be submitted with the planning application. If not, the application will not be validated by the Council. If the applicant has no intention of complying with the affordable housing policies, the application will be registered and quickly recommended for refusal.

12.0 Financial Viability

If the affordable housing contribution proposed falls below the 50% target, the applicant must submit a Financial Viability Assessment with the planning application in order for it to be validated. The Assessment will be evaluated by the District Valuation Officer on behalf of the Council, although the detail will remain confidential. This evaluation will be paid for, in advance, by the applicant. The Financial Viability Assessment must include all the expected development costs and receipts to produce a residual valuation. Where this demonstrates that the target is not financially viable then the affordable housing contribution target will be reduced and/or Social Housing Grant will be sought to bring additionality.

The information to accompany the application must include the following details and include supporting and verifying evidence of the values and costs given:

1. Scheme drawings, layouts, brief specifications and house/building sizes.
2. Anticipated sale prices or lease rents with evidence of the values of similar schemes in the locality.
3. Land cost and fees.
4. Build costs of the houses/units and site infrastructure supported by independent quantity surveyor estimates.
5. Cost of abnormalities, if any, with supporting reports and independent quantity surveyor estimates.
6. Design and project management fees, planning and building regulation fees.
7. Findings of geotechnical and environmental surveys together with a summary of the findings.

8. Interim/development finance calculation with details of the loan facility from the funder.