

Affordable Housing

Supplementary Planning Document

Adopted January 2014

Bassetlaw District Council



BASSETLAW
DISTRICT COUNCIL
NORTH NOTTINGHAMSHIRE

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1 Introduction

- 1.1 This Supplementary Planning Document (SPD) updates and replaces the original Affordable Housing SPD produced in June 2012. It forms part of the Bassetlaw Local Development Framework.
- 1.2 This SPD has been produced to expand upon policy set out in the Core Strategy (adopted by the Council in December 2011) in relation to affordable housing. In particular this SPD gives guidance on:
- The amount of affordable housing contribution being sought from housing developments;
 - Affordable Housing Providers;
 - Occupancy and management arrangement;
 - Providing affordable housing contributions through on-site or off-site contributions;
 - Development viability impacts;
 - Rural exception sites; and
 - Section 106 agreements for affordable housing provision.

This SPD also provides a summary and links to other sources of information that relate to the delivery of affordable housing such as the Strategic Housing Market Assessment.

- 1.3 It is essential that applicants discuss the issue of affordable housing with the District Council well in advance of an application being submitted to ensure that all relevant affordable housing issues are being properly addressed and that the most appropriate provision is being made.
- 1.4 Appendix A provides a useful guide on how to apply the affordable housing policy and the key elements of this SPD to anyone not familiar with calculating what their affordable housing contribution is likely to be from their intended residential development. This section also provides examples of how to apply the affordable housing targets and contribution figures.
- 1.5 This SPD will be reviewed when any relevant circumstances change and it is felt by the council that the SPD needs to reflect those changes. This SPD will also be re-visited at the point the Council's Core Strategy is reviewed.

2 Policy Context & Local Evidence

- 2.1 This SPD has been prepared in accordance with relevant local and national policy and guidance. In addition, it has taken into account other documents prepared by and for the Council. These are summarised below.

National

National Planning Policy Framework (NPPF)

- 2.2 The NPPF states that Local Planning Authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing. They should set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. They should also consider rural exception sites, where appropriate.
- 2.3 NPPF paragraph 173 states that:

To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

- 2.4 The Council took this into account in the affordable housing viability work that supported its Core Strategy (see Affordable Housing Viability Study below) and appreciates that there may be instances where it is necessary to assess the planning gain that individual applications can deliver.

Local

Core Strategy & Development Management Policies DPD

- 2.5 The Core Strategy sets out a range of affordable housing targets across the District, based on an assessment of viability in relation to individual settlements, and makes provision for rural exception sites and the conversion of rural buildings for affordable housing. Please refer to Core Strategy policies CS2 – CS9; DM2 – DM3 and to Section 6 below.
- 2.6 The Core Strategy also sets out the trigger for affordable housing provision, or a contribution towards that figure, at one new dwelling.

Strategic Housing Market Assessment

- 2.7 The Strategic Housing Market Assessment (SHMA) assesses housing need, both market and affordable, for the whole of the North Derbyshire & Bassetlaw Housing Market Areas. It was completed in 2007 and is currently being updated.
- 2.8 In line with the requirements of the NPPF the SHMA provides an objectively assessed need for market and affordable housing in the wider housing market area. This provides an overview for the Council to determine specific affordable housing needs that will be fit for purpose within the different parts of the district.
- 2.9 The updated SHMA will also bring into consideration the outcomes of the Localism Act and Welfare Reform.
- 2.10 For more information, please refer to the most up to date SHMA for Bassetlaw, which is available on the council's website.

Waiting List

- 2.11 In October 2013 there were 3455 people defined as being in housing need on the Council's Housing Register. This waiting list is updated annually and is shared with Registered Housing Providers and is considered to reflect the needs of affordable tenants across the district.

Affordable Housing Viability Study

- 2.12 The Council's Affordable Housing Viability Study was completed in 2009. While acknowledging the overall level of need within the District, the Study concluded that land values were such that most new development was unlikely to deliver a target of 45%. Instead, it recommended a more sophisticated approach, based upon a range of lower targets across the District. The Council took the view that deliverability was paramount and has set out a range of realistic targets in the Core Strategy & Development Management Policies DPD.

3 Planning For Affordable Housing

Amount of Affordable Housing

- 3.1 The District Council will expect new development to contribute towards the delivery of the affordable housing targets set out, in relation to individual settlements, below. These targets, as set out in the Core Strategy, will be the starting point for negotiations.

Affordable Housing Target	35%	25%	15%
Settlement	Beckingham Dunham East Markham Everton Gringley-on-the-Hill Mattersey Misson Tuxford Walkeringham	Blyth Clarlborough and Hayton Elkesley Gamston North Leverton North and South Wheatley Ranskill Rampton Retford Sturton le Steeple Sutton Cum Lound	Carlton in Lindrick Cuckney Harworth Bircotes Langold Nether Langwith Worksop

Table 1: Affordable Housing Targets for Bassetlaw

- 3.2 In terms of the application of the targets, a standard mathematical approach will be taken when the amount of affordable housing to be provided is not a whole number. 0.5 or more of a dwelling will be rounded up to one dwelling (e.g. 3.5 dwellings will be rounded up to 4). Anything below 0.5 will be rounded down (e.g. 3.4 dwellings will be rounded down to 3).
- 3.3 Where existing dwellings are being demolished, the application of the target will apply to the net increase in dwellings on a site. The target also applies to conversions (e.g. barn conversions) as well as new build.

Type of Affordable Housing

- 3.4 The type and tenure of affordable accommodation required on development sites will be determined, in discussion with the applicant, by consideration of a combination of information including:
- Strategic Housing Market Area Assessment;
 - Local housing needs surveys;
 - Waiting list/Choice Based Lettings data;
 - Availability and type of existing stock;
 - Local housing market data; and
 - Neighbourhood Plans

- 3.5 As well as the scale of need, the dwelling mix will depend on the nature of the development, the location and constraints of the site, the facilities available locally and any local development aspirations for the area.
- 3.6 The Council's preference on the type and split of tenure of affordable houses, that will form the starting point for negotiations, will be based on the findings of the most up to date Strategic Housing Market Assessment (SHMA)¹. Additional up to date evidence of specific local need shown at the time of any negotiation will also be considered by the council. Notwithstanding this position, in order to facilitate development, and to ensure that a mix of different housing types and tenures is available both in specific localities and across the District, the Council will consider proposals for different types and size of properties. This includes intermediate and affordable rented units as well any emerging hybrid models where this is supported by evidence of local need or development viability (see also Section 5).

Affordable Housing Providers

- 3.7 The Council's preference will be for affordable units to be delivered by or transferred to a Registered Housing Provider (RHP). Developers are encouraged to involve an RHP at the earliest opportunity and to take advantage of its experience in the delivery of affordable housing and securing funding, when available.
- 3.8 Although the Council will not impose the choice of a particular RHP partner on a developer, it has worked closely with a number of RHPs, which operate within Bassetlaw. A list of housing providers that have recently acquired stock in the district are shown in Appendix D. The Council's Strategic Housing team will be able to provide advice on which RHPs may be suitable for particular schemes.
- 3.9 The Council also recognises that some developers may secure contractual arrangements with the Homes & Communities Agency (HCA) or successive body, which enable them to provide affordable housing directly and oblige them to meet certain standards on quality of accommodation and service and on the cost of homes. While these obligations on developers are not as extensive as the regulatory expectations for RHPs, the Council will consider developers with continuing contractual arrangements with the HCA as suitable to provide affordable housing.
- 3.10 It is the Council's preference that the affordable housing provider is a party to the S106. Where a private developer wishes to deliver and retain control over affordable housing, they will be expected to enter into a S106 agreement with the Council to ensure that the property remains affordable in perpetuity. In all cases, the Council expects that affordable houses are free from encumbrances of service charges and that properties are built to

¹ For more information please refer to the North Derbyshire and Bassetlaw Strategic Housing Market Assessment available on the Council's website.

“Design Quality Standards” unless it can be demonstrated that the RHP does not require this (i.e. if they are not applying for funding).

Occupancy and Management

- 3.11 Affordable housing must be managed by RHPs (or other bodies whose accountability, governance and regulation are equivalent to RHPs) that are able to demonstrate their ability to fund the scheme, and provide guaranteed and appropriate long-term management and maintenance arrangements, within an appropriate regulatory regime where required. Any RHP governance should be substantiated in the criteria established by the HCA or any successive body.
- 3.12 Properties provided by developers on-site as affordable housing will be expected to be available to those in housing need, both initially and in the long term (or in perpetuity in the case of rural exception sites - see Section 6).
- 3.13 People in housing need will comprise:
- people nominated by Bassetlaw District Council from its Housing Needs Register in line with its published Allocations Policy;
 - those nominated by a RHP, where the Council does not have nomination rights (e.g. in respect of intermediate housing or specialist supported housing); and
 - those nominated from other registers of housing need as agreed by the Council.
- 3.14 This will include households in the North Derbyshire & Bassetlaw Housing Market Area, which have access rights to affordable housing through the sub-regional choice based lettings scheme.
- 3.15 The default selection process for occupiers of affordable housing will be via the Sub-Regional Choice Based Lettings process (or successor), subject to any special arrangements approved by the Council. The exceptions to this are where affordable housing schemes have been provided for a particular group such as disabled or elderly people, and the selection process for residents is approved by the Council, or where occupancy is limited by condition or by the terms of a Section 106 obligation.
- 3.16 The local Choice Based Lettings system is called Homefinder (please see www.a1homefinder.org.uk/Data/ASPPages/1/273.aspx) and includes all local authority and RHP properties in the North Derbyshire & Bassetlaw sub region. Vacancies are advertised to households on the Housing Register (the ‘waiting list’) and applicants bid for properties that meet their needs and for which they are eligible. Allocations are made on the basis of the applicant’s:
- local connections to the area;
 - level of housing need; and

- any specialist features of the accommodation (e.g. sheltered; adapted; etc.)

3.17 On individual larger sites, the Council will consider negotiating Local Lettings Plans with RHPs managing the affordable housing, in order to promote the development of sustainable communities, taking account of issues such as the proportion of working households, number of school children, etc.

3.18 The Council will seek to negotiate 100% nomination rights on the first lets/sales of all affordable homes, potentially dropping to 75% for subsequent relets. Please see Section 6 for rural exception sites.

4 Delivering Affordable Housing Provision

On-site Provision

- 4.1 The Council will normally expect developments to deliver affordable housing on-site unless there are demonstrable viability reasons² why this cannot be achieved. Usually, this will be in the form of units built for, and transferred to, a Registered Housing Provider (RHP) or free serviced land to enable an RHP to deliver affordable housing itself. The amount of free serviced land will reflect the level of contribution secured in the case of a particular development, and may also involve a contribution towards the cost of building works.
- 4.2 Free serviced land is defined as cleared, decontaminated land with all services (e.g. electricity, gas, water, sewerage, telephone, broadband, lighting, etc.) and infrastructure (e.g. roads to an adoptable standard, footpaths, boundary walls, etc.) necessary for development provided right up to the edge of the land. There must be no legal, physical or financial barriers to the servicing of the land by the developer constructing the affordable housing.
- 4.3 For full or reserved matters applications, developers will be expected to provide details of the specific location of affordable housing within the site, usually including plot numbers, number of bedrooms and type of tenure. The Council will usually expect affordable units to be distributed around the site, rather than grouped together in a particular area. On large sites, RHPs may prefer small clusters of units for management reasons. In exceptional circumstances, such as a development of flats, it may be appropriate to have the affordable housing in one location within the development (providing that this can be adequately justified).
- 4.4 Affordable housing should not be distinguishable from market housing in terms of location, appearance, build quality and materials. Reductions in size, use of sub-standard materials, or poor finishing and detailing are not an acceptable shortcut to affordability.

Off-site provision

- 4.5 The Council recognises that there can be exceptional circumstances where an alternative to the inclusion of affordable housing on-site may be appropriate.
- 4.6 On-site provision will always be the Council's preference. Off-site provision or a commuted sum will, however, be considered where it is robustly justified, usually where provision of affordable housing on-site cannot reasonably be accommodated or the Council feels that on-site provision is not appropriate in a given location (e.g. if the Council feels that there is more benefit to be gained by making improvements to existing stock).

² Further information on development viability considerations are set out in section 5.

4.7 Where off-site provision is agreed in principle, the Council will also consider offers from the developer of an equivalent, alternative parcel of land for the provision of affordable housing elsewhere in the District, provided its future development would be consistent with planning policy and/or a contribution towards building works.

4.8 Applicants will need to provide evidenced based reasons why on-site provision is not appropriate. Such reasons may include:

- The conversion or redevelopment of existing buildings (e.g. barn conversions or listed buildings) where the resulting dwellings may not meet the standards required to attract grant funding and may, therefore, be unacceptable to a RHP (RHP);
- Insurmountable problems with funding meaning that a RHP is unable to commit to the scheme (N.B. Neither the absence of grant funding nor the absence of a RHP willing/able to take on the scheme will be considered as evidence until non-grant funded options and direct provision by the developer have been fully explored);
- Where off-site provision has a larger capacity for affordable housing than would be gained from on-site provision and where housing need priorities would be better met. The proposed site should form part of the planning application or run parallel to it through an application linked by obligation; and/or
- Where there is a dominance of a particular type or tenure of affordable housing, or an overly high concentration of affordable housing in the immediate area, and further provision would be unlikely to support the creation of mixed communities.

Commuted sums

4.9 The commuted sum payments formula aims to put a land owner in the same position whether the affordable housing contribution is made on site or in the form of a commuted sum. The commuted sum is calculated as follows:

1. Calculate scheme Residual Value assuming no Affordable Housing;
2. Calculate scheme Residual Value assuming an Affordable Housing contribution is made;
3. Calculate the difference between the figures produced at 1 and 2.

4.10 Figure 1 below shows how a gross residual value is reduced to a net residual value by the impact of Section 106 contributions.

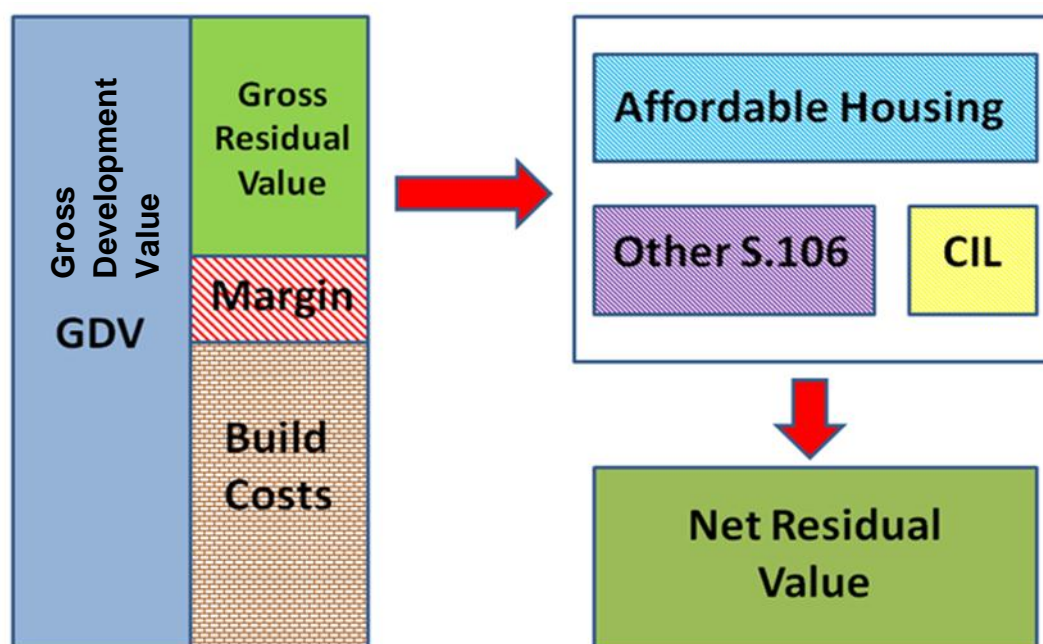


Figure 1: Residual Value and Section 106 contributions

4.11 The net residual value is subject to a test of site deliverability, which considers in turn the relationship between Residual Value and Existing Use Value. This is shown in Figure 2 below.

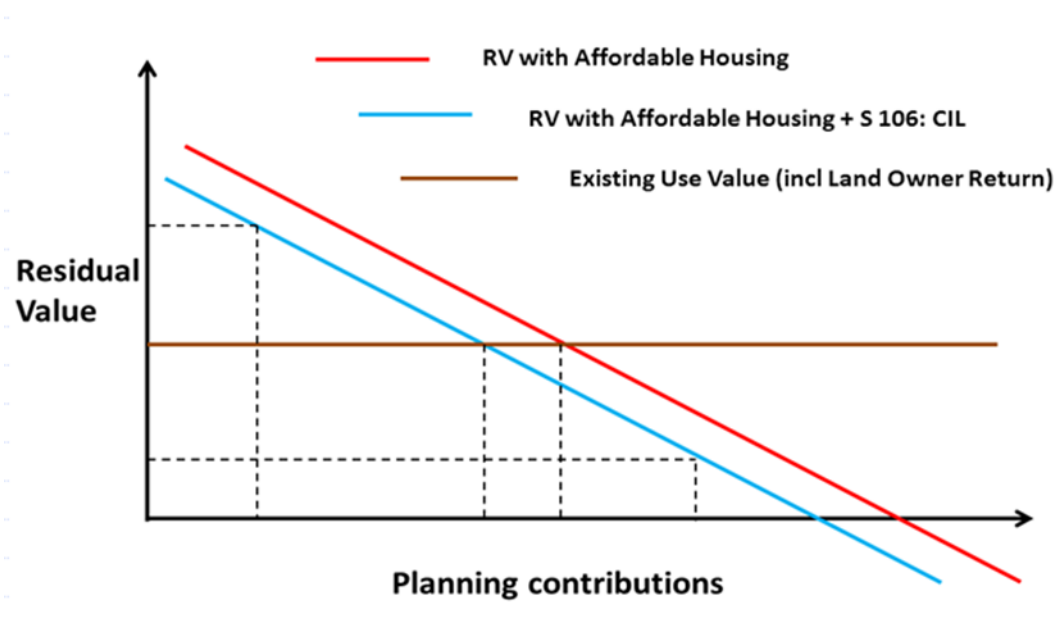


Figure 2: Site Deliverability

4.12 This diagram shows that Residual Value falls as Affordable Housing is added to a scheme, but that for a site to be considered viable, the Residual Value (RV) must exceed the Existing Use Value (EUV). Without this happening, a site is unlikely to come forward as there will be insufficient land owner return.

Indicative commuted sums

- 4.13 Indicative commuted sums have been calculated for all settlements likely to see housing development over the Plan period (see Section 3 above). This has been achieved using the Council's Viability Toolkit which has been in operation since 2009.
- 4.14 The calculations are made on the basis of HM Land Registry house prices, RICS BCIS (Building Cost Information Service) build costs, a developer net profit margin of 15% on gross development value³ and a 6% on cost for Affordable Housing. It is assumed that no grant is available for Affordable Housing. All other assumptions are in line with the Council's Affordable Housing Viability Report. Other planning gain contributions are assumed to be £5000 per unit across all tenures. It will be noted that the sums are calculated on the broad sub-market areas tested in the Council's Affordable Housing Viability Study.
- 4.15 Table 2 shows a range of commuted sums from £63,333 to £103,429 per Affordable Housing unit depending on location (more information is provided in Appendix E). The figures are calculated by taking the residual value at 100% market housing versus the residual value at specified proportions of affordable housing. The commuted sum is shown at a similar level since it is broken down on a per unit basis.
- 4.16 The sums set out show what will be required for a RHP to:
- Purchase a land plot in the market; and
 - Meet the 'gap' between total build costs and what the RHP is likely to be able to raise as private finance against future rental streams.
- 4.17 Table 2 also shows the cost of providing Affordable Housing units per individual house within a development scheme. This figure can be used to give an indication of the commuted sum per house that a scheme developer should expect to pay in lieu of on-site provision (or for part provision if a full Affordable Unit cannot be provided), but should not be used to calculate contributions.

³15% profit margin used at the time of establishing this evidence base, higher profit margins may be acceptable in development viability applications when based on current market conditions at the time of application.

Sub market ⁴	Main settlements included	% of the Scheme to be Affordable	Cost to deliver an Affordable Housing unit in the area	Indicative commuted sum per unit ⁵
Northern Rural	Beckingham	35%	£103,429	£36,200
	Everton			
	Gringley on the Hill			
	Mattersey			
	Misson			
	Misterton			
	Walkeringham			
Tuxford and East Markham	East Markham	35%	£91,714	£32,100
	Tuxford			
Rural Belt	Blyth	25%	£84,933	£21,233
	Clarborough			
	Dunham on Trent			
	Elkesley			
	Gamston			
	Hayton			
	North Leverton			
	North & South Wheatley			
	Rampton			
	Ranskill			
	Sturton-le-Steeple			
	Sutton cum Lound			
Retford	Retford	25%	£74,533	£18,633
South West Rural Bassetlaw	Cuckney	15%	£70,889	£10,633
	Nether Langwith			
Worksop and Carlton	Carlton in Lindrick	15%	£63,333	£9,500
	Langold			
	Harworth Bircotes			
	Worksop			

Table 2: Financial Contributions

Sums payable

4.18 The following range of commuted sums will apply in relation to every Affordable Housing unit contribution (for more details, please refer to Table 2):

- At a 35% contribution £91,714 to £103,429
- At a 25% contribution £74,533 to £84,933
- At a 15% contribution £63,333 to £70,889

Accounting for Existing Use Value

4.19 In all the examples shown above it is assumed that the EUV will have no impact on the calculation of the contribution (as it remains below the calculated sums shown above). In

⁴ Please refer to Appendix F.

⁵ Please note: These indicative figures have been calculated from the "Contribution per Affordable Housing unit" figures, are rounded to whole pounds and should not be used in calculating contributions.

practice, the EUV will be an important factor in determining viability, as indeed it is with on-site viability assessments.

- 4.20 The assessment of EUV can be difficult. In some instances this will be the valuation of a property that is fully let for a period of time and has an 'investment' value. In other instances EUV will be the residual value of a cleared site. In every instance, EUV should be based on a general market assumption i.e. particularly 'good' deals done by land owners historically should be discounted in favour of an approach which looks at what a reasonable tenant would have paid for a tenancy.
- 4.21 In instances where there is little prospect of a current business continuing and/or a property has reached a point of physical or functional obsolescence, the EUV might appropriately be based on the residual value of the site assuming it was to be re-developed under the same planning use class. Under all circumstances 'hope value' should be discounted from the process; however consideration will need to be given to allow for a value premium over EUV to incentivise sale of the land by the land owner.
- 4.22 For an example of how this applies, please see Appendix A on how to use this SPD.

Where will the Commuted Sum be spent?

- 4.23 It is the primary aim that commuted sum payments will be spent on delivering affordable homes in the area they are collected. However, in locations where there is limited or no opportunity to purchase existing dwellings for use as affordable homes, the commuted sum will be used within the wider sub area (as defined in the in appendix H) to deliver an affordable home in a nearby settlement following the affordable housing delivery options set out in this section. This process will ensure that the affordable housing relates as close as is practicable to the application site.

Delivering Affordable Housing on Small Scale Developments (Discretionary Relief for small scale developments)

- 4.24 There are occasions when applications for small scale developments are submitted to the Council which must be accessed against the affordable housing targets outlined in the Core Strategy. Due to the size of these applications, it is not reasonable to secure on-site provision of affordable housing.
- 4.25 The amount of off-site contribution that can be achieved from small scale developments can be determined from table 2. It is the Council's preference to only seek off-site contributions when the level of contribution can independently fund the delivery of a least one affordable house within the time frame, stated in the associated legal agreement. Consideration will also be given to any agreed development viability considerations in line with the aims of NPPF paragraph 173.

Affordable housing delivery options

- 4.26 The Council can deliver affordable housing using off-site commuted sum payments in different methods. These methods can cover a range of measures including the building of bespoke affordable housing schemes on alternative sites, purchasing existing properties to be let through the Council's Arm's Length Management Organisation (ALMO) A1 Housing and deliver additional affordable housing in partnership working with other partners (such as Registered Housing Providers).
- 4.27 When collecting smaller off-site commuted sum payments, the Council's preferred delivery option is to purchase existing private dwellings and make them available as social rented properties (through A1 Housing). This could involve the purchase of a former council house that has been sold through the Right to Buy scheme (RTB). This option recognises that in the majority of cases these houses are likely to be in an area of identified need and be closely located to other properties already under the management of A1 Housing. This proximity would allow for a more efficient management of any new affordable homes purchased. In light of this, the Council will seek to purchase properties under the following priority:
- A. Right to Buy properties bought from the council within the last 10 years (the vendor must notify the council if they intend to sell a property they bought under the Right to Buy scheme if they have owned it for less than 10 years); then
 - B. Right to But properties bought from the council more than 10 years ago (the vendor does not have to notify the council in this instance); then
 - C. All other open market dwellings.
- 4.28 In order to achieve this aim, commuted sums will only be sought when it will generate a sufficient affordable housing contribution from an individual application, at a level where an affordable house can be delivered through one of the routes detailed above.

Establishing a deliverable level of commuted sum payments from small scale developments

- 4.29 In order to establish what the minimum commuted sum contribution required to independently fund the delivery of a least one affordable house (within the time frame stated in a planning permissions associated legal agreement), certain assumptions have been made. This includes what type and size of properties are in demand in the different sub markets and would be available to purchase (i.e. are there 2 bed properties available in Rural Belt sub market?), and the average cost to buy the property.
- 4.30 The average cost to purchase a Right to Buy (RTB) property is based on the average beacon values for Local Authority housing in the different sub areas. This is a process where values are assigned for large groups of properties that contain properties of similar design, age, type, or construction. A sample property, 'the beacon' is selected, which is representative of the group, and is inspected and valued by the council. The beacon valuation is compared

with other properties within the group where the aim is to establish the range of values, if any, from the beacon. They do not represent an individual valuation of a specific type of property within a specific sub area. These beacon values are shown in Appendix F.

- 4.31 Table 3 below shows the average cost for the Council to purchase a RTB property (the beacon value) across the different affordable housing sub markets compared to the indicative commuted sum payments expected per dwelling in these areas.

Sub market	Main settlements	% of scheme to be affordable	Indicative commuted sum per unit	Average cost to purchase a RTB affordable housing unit (as of January 2014)
Northern Rural	Gringley on the Hill	35%	£36,200	£116,429
	Misterton			
	Walkeringham			
	Beckingham			
	Everton			
	Mattersey			
	Misson			
Tuxford and East Markham	Tuxford	35%	£32,100	£107,500
	East Markham			
Rural Belt	North Leverton	25%	£21,233	£112,500
	Dunham			
	Ranskill			
	Elkesley			
	Gamston			
	North Wheatley			
	Clarborough Hayton			
	Sturton le Steeple			
	Rampton			
Retford	Blyth			
Retford	Retford	25%	£18,633	£80,000
South West Rural Bassetlaw	Cuckney	15%	£10,633	£95,000
Worksop and Carlton	Worksop	15%	£9,500	£74,583
	Carlton in Lindrick			
	Langold			
	Harworth Bircotes			
	Rhodesia			
	Shireoaks			

Table 3: Average cost to purchase a RTB affordable housing unit

- 4.32 Table 3 shows that the expected level of contribution needed to enable the council to directly deliver as least one affordable house from a commuted sum payment (i.e. to purchase a RTB property) is significantly higher than the amount of commuted sum payment that can be achieved from most small scale developments (i.e. 1 new dwelling).

When will there be discretionary relief from commuted sum payments for small scale developments?

- 4.33 Small scale developments which cannot deliver an on-site contribution and the off-site commuted sum payment is below the average value needed to enable the council to deliver an affordable house through the purchase of a RTB property will be able to apply for discretionary relief from the council as part of their planning application.
- 4.34 Any applicant seeking this relief must make it clear that the level of commuted sum contribution triggered by their application⁶ is below the level of contribution the council is seeking per application⁷. Appendix G provides a sample of appropriate text which could be included in an application to address apply for such relief.

Commuted Sum payments and Development Viability

- 4.35 Development Viability as set out in section 5 below can always be considered for any application triggering an affordable housing contribution. If a development viability appraisal satisfactorily demonstrates that a reduced contribution should be sought, then this reduced sum will be considered against the commuted sum payment considerations as set out below. If the reduced sum is below the commuted sum payment needed for that area (to enable the council to purchase a RTB property), the applicants can then also seek discretionary relief from providing any of this commuted sum payment on the grounds of affordable housing delivery as set out above.

⁶ This process is detailed in figures 1 and 2 and the amount of contribution sought is shown in table 2.

⁷ This level of contribution is based on the amount needed to purchase a RTB house in the corresponding sub area as summarized in table 3.

5 Development Viability

- 5.1 It is accepted that there may be times when exceptional or abnormal development costs (e.g. land decontamination) may impact upon a site's ability to provide the requisite level of affordable housing or equivalent commuted sum. Such costs will not be taken to include circumstances when a developer has paid too much for a site on the open market, particularly when the likely planning obligations expected of that site are known in advance of any purchase.
- 5.2 Where an applicant claims that their site is unable to meet the required levels of affordable housing or equivalent commuted sum, applications will need to be accompanied by a detailed viability assessment. Where there is a dispute between the Council and the applicant about the conclusions of the assessment, it will be referred to an independent assessor at the applicant's reasonable expense.
- 5.3 The housing market and related financing arrangements are subject to fluctuations and at the time of this SPD's adoption is in a state of recovery. Therefore it is recognised that the amount of acceptable developer profit that may be used in viability assessment will change over time⁸. The profit margin used in a viability assessment must be satisfactorily justified by the applicant.
- 5.4 The financial appraisal should be presented on a residual land value basis taking into account all the reasonable costs of the development including required contributions to local services and infrastructure, the provision of affordable housing and a reasonable profit margin to the developer (please see Appendix B for further details). It should also include a valuation of the site in its existing, or in the case of a vacant or derelict site, its last use (i.e. before any application for residential development) not its purchase price or hope value. Consideration should also be given to include a sufficient margin over existing use value (EUV) to incentive the sale of sites by a land owner, either through a value premium for brownfield sites⁹ or an uplift ("multiplier") for greenfield sites¹⁰. Any margin or uplift applied must be agreed through the planning application process and may involve an independent valuation where agreement cannot be achieved. The appraisal should accompany the planning application and, preferably, form part of pre-application discussions. In considering financial appraisals and other information, the council will respect confidentiality and commercial sensitivity, within the confines of the Freedom of Information Act 2000.
- 5.5 Where the Council is satisfied that the viability of a development would be jeopardised by provision of the full affordable housing target, and taking into account any other planning

⁸ When establishing the indicative commuted sums (see paragraph 4.14) a 15% profit margin was considered appropriate.

⁹ This is a value over EUV which is required to incentivise the land owner to sell the site and is normally additional to the EUV.

¹⁰ For greenfield sites any uplift ("multiplier") must reflect the impact the successful planning application would have on the potential to increase the value of the site.

obligations, it will first negotiate over varying the preferred mix and tenure of dwellings. If the target still cannot be met, then the Council will negotiate over varying the percentage of affordable housing being sought.

- 5.6 Where an initial percentage is agreed that is less than the required target, the S106 Agreement will include provisions for a review mechanism such that if the development is not commenced or completed within a certain timeframe (to be agreed with the applicant and commensurate with the nature and scale of the application) of the date of the planning permission, a further consideration of viability will be carried out at a later stage (and every X years thereafter) for the purposes of determining whether the percentage of affordable housing should increase for the balance of the development still to be completed. In these circumstances, any revision will not be limited to the required target but may increase to cover any shortfall against that target on an earlier part of the development. This process may be referred to overage or clawback.
- 5.7 In exceptional circumstances (e.g. where there is a considerable time lag between the grant of planning permission and implementation, which has adverse implications in terms of the financial viability of the scheme, or where insurmountable subsidy issues occur) the Council will be prepared to review the S106 agreement in relation to affordable housing. If it considers that the applicant/developer has made a sound case, it may be prepared to renegotiate the affordable housing contribution. The Council will first consider negotiating a different tenure mix or for the provision of a lower proportion of affordable homes or for a number of built units with no additional public subsidy as the affordable housing contribution, but this itself will be subject to further reviews where the development is not completed within a certain period from the review of the S106 agreement.

6 Rural Exception Sites

- 6.1 A rural exception site is land that is allocated for, or where permission is granted for, affordable housing, which would not usually be released for housing development. Such sites will be expected to deliver 100% affordable housing¹¹, which will be expected to remain affordable in perpetuity (schemes involving shared ownership will normally have staircasing limits placed at a maximum 80% ownership).
- 6.2 The Council has its own rural housing enabling partnership arrangement, through the Trent Valley Partnership, which seeks to deliver rural exception sites, working alongside Parish Councils and local communities. The Council will, however, consider proposals for exception schemes brought forward through other routes. Such proposals will be expected to be facilitated through a Registered Housing Provider and will be secured through legal agreement, which will ensure that the affordable housing scheme remains available to those in local need; at an affordable rate initially and in perpetuity; and is managed appropriately. Other providers may be considered if it can be demonstrated satisfactorily that the affordable housing will be retained as such in perpetuity.
- 6.3 For the purposes of the rural exception sites policy, the Council defines local need as identified needs in the individual village or, second, the local area it serves (defined as being the Parish in which it sits). Before the Council will grant planning permission for affordable housing on a rural exception site, therefore, it must be satisfied that there is a genuine need for affordable housing in the locality. To establish that a genuine need exists, the Council will require evidence from a Parish level Housing Needs Survey (to be completed by, or advised by, the Trent Valley Partnership; Rural Community Action Nottinghamshire; or a similar organisation with the necessary experience) that is sufficiently recent to provide a reliable evidence base (in most cases this will be considered to be three years) or some other objective proof of local need, proportionate to the scale of the development being proposed.
- 6.4 The Council will expect rural exception sites to:
- comply with local and national planning policy;
 - be strongly supported by representations from local residents and Parish Council;
 - demonstrate that the affordable housing could not reasonably be provided elsewhere on a site allocated for residential development;
 - be situated within or physically adjoining the development boundary of settlements as defined on the LDF Proposals Maps and be reasonably accessible to village services and facilities.

¹¹ Any exceptions to this will only be considered in line with the guidance given in the NPPF regarding cross-subsidising rural exceptions sites through an element of market housing.

- be of a scale appropriate to the size and character of individual village concerned, and the level of services and facilities available in the village.
- 6.5 The housing mix and tenure split of affordable housing on rural exception sites will be determined by the particular local need identified in the village or local area it serves.
- 6.6 Any permission will be subject to conditions and/or a legal obligation to ensure that initial and all subsequent occupancy is restricted to members of the local community in need of affordable housing. For the purposes of this policy, 'local' will be defined as those who:
- are currently resident in the village (or, where no need is identified in the village, in the parish within which the village is located);
 - have an employment connection to that local community, or
 - who have a family connection to that local community.
- 6.7 If there are no households in the local community in housing need at the stage of letting or selling the property, it will be made available to other households in need, looking next at adjoining parishes and then to need in the wider District in accordance with the normal lettings policy for affordable housing. To ensure that this is achieved, the Council will seek to negotiate appropriate agreements with the Registered Housing Provider implementing the scheme.
- 6.8 Anyone contemplating bringing forward a scheme for a rural exception site is advised to discuss their proposals with the Council's Planning Officers prior to the submission of any planning application. Schemes should not be submitted on a purely speculative basis.

7 Section 106 Agreements

- 7.1 Affordable housing will be secured in the long term (or in perpetuity in the case of rural exception sites) by a planning obligation under Section 106 of the Town and Country Planning Act 1990 or by an alternative form of equally effective provision. S106 agreements run with the land, rather than the planning permission, and apply to successive owners.
- 7.2 The Council will usually expect, as a minimum, Heads of Terms for affordable housing provision to be submitted with both full and outline applications. They will normally set out:
- the numbers, type, tenure and location on the site of the affordable housing provision;
 - the timing of the construction of the affordable housing provision (the aim would be to have the affordable housing finished at agreed stages in relation to the overall development);
 - the arrangements to ensure that such provision is affordable for both initial and subsequent occupiers;
 - the occupancy criteria to be used for determining the identity of prospective and successive occupiers of the affordable housing and the means by which such occupancy criteria shall be enforced (where rural exception sites are concerned this will be in line with an agreed Local Lettings Policy);
 - the control and management of the housing (which will usually be by the transfer of the affordable homes to a Registered Housing Provider) and any hand-over arrangements.
- 7.3 With the exception of rural exception sites, the Council will consider the inclusion of Mortgagee in Possession Clauses in a S106 agreement when a Registered Housing Provider is involved with the application. The Council will be guided in its judgment on this by the needs of the Registered Housing Provider and the practicality of securing successful delivery of the affordable housing units. The wording of any mortgagee in possession clause should ensure that if a registered social landlord is unable to repay its private loan, the Council or another registered social landlord has the opportunity to take over the affordable housing units (and financial liability) before the units could be sold on the open market.
- 7.4 S106 agreements for commuted sums may be reviewed in the same way as schemes for on-site provision of affordable housing, particularly where outline applications are concerned and/or where the sum is based upon an affordable housing figure that is less than the required target. In these instances of overage or clawback, the Council will seek to ensure that the agreement is reviewed as reserved matters are agreed and/or if the development is not completed within X years of the date of the planning permission. Further consideration will be carried out every X years thereafter for the purposes of determining whether the percentage of affordable housing should increase for the balance of the development still to be completed. In these circumstances, any revision will not be limited to the required target

but may increase to cover any shortfall against that target on an earlier part of the development.

- 7.5 Payment of commuted sums will be made on commencement of construction and/or at agreed additional phases of development. Commuted sums will be held in trust by the Council and used to provide affordable housing elsewhere within the District.

Appendix A: How to use the affordable housing policy and this SPD: Process and Examples

To help applicants determine what type of affordable housing contribution their residential development is likely to require, and notwithstanding any subsequent negotiations, it is recommended that the following process and examples are considered. The process shown below is an example and does not cover issues of type or tenure of onsite affordable housing contributions; please refer to section 3 in this SPD for more information on this.

Process for determining what your affordable housing contribution is likely to be

Step 1: What Affordable Housing Target applies to your planning application?

Please refer to the relevant policy in the Bassetlaw Core Strategy or table 1 in this SPD (page 5) to see what the affordable housing target is for the settlement your housing application is in. The target will either be 15%, 25% or 35% depending upon which settlement your application site is in.

Step 2: How many houses are in your planning application?

You will need to know how many new houses your application will deliver if granted planning permission? This will need to take into account any replacement or lost houses your application includes, as the affordable housing contribution only applies to the net gain in houses a planning application delivers.

Step 3: Calculate the affordable housing contribution for your planning application

You will need to multiply the number of new houses your application is for by the relevant affordable housing target:

$$\text{Number of houses in application} \times \text{affordable housing target} = \text{affordable housing contribution}$$

Step 4: On-site Site Affordable Housing Contribution

If the answer to step 3 is **less** than 1 (i.e. a full house is required) move to step 5, if the answer to step 3 is **more** than 1 consider the following:

In line with section 4 in this SPD any application with an expected affordable housing contribution of more than 1, will normally be expected to deliver this affordable housing on-site. For on-site contributions the affordable housing target (calculated at step 3) will be rounded up (or down) to the nearest whole number. This whole number gives the amount of houses in the application that are expected to be provided as affordable homes in line with the process and definition set out in Section 3 and appendix c in this SPD and the relevant sections of the NPPF.

Examples of how this figure is reached can be found at the end in this section.

Please note, if an applicant can provide evidenced based reasons why an on-site provision is not appropriate for their application, an off-site contribution can be considered instead in line with remaining steps below. Please see paragraph 4.8 in this SPD for examples of reasons why on-set provision of affordable housing may not be appropriate.

Step 5: Calculating the indicative Off-site Site Affordable Housing Contribution

Please refer to table 2 (page 13) in this SPD to determine indicative commuted sum payment that the council will seek from your application. To calculate this sum you must multiply your affordable housing contribution figure (step 3) by the cost of delivering an affordable housing unit in the corresponding area of your application as shown in table 2:

$$\text{Affordable housing contribution} \times \text{Cost to deliver an affordable housing unit in the area} = \text{indicative commuted sum payment}$$

Step 6: Supporting the deliverable provision of Affordable housing

In line with Section 4 in this SPD commuted sum payments will be used to support the direct delivery of affordable homes. Only contributions that equal the cost of purchasing existing houses, as shown in table 3 in this SPD, will be expected to be provided.

If the indicative commuted sum payment for your application (step 5) is **below** the corresponding average cost to purchase a Right to Buy (RTB) affordable housing unit in the area of your application (table 3) you may apply for discretionary relief from providing any off-site commuted sum payment in line with the text set out in Appendix G in this SPD.

If the indicative commuted sum payment for your application (step 5) is **above** the corresponding average cost to purchase a Right to Buy (RTB) affordable housing unit in the area of your application (table 3) you will be expected to provide that cost shown in table 3 as your commuted sum payment.

If your indicative commuted sum payment is high enough to deliver more than 1 affordable house (through purchasing existing houses), you will be expected to provide a sufficient commuted sum payment to pay for the corresponding number of whole houses (but not any payments towards part houses). This will be the relevant multiple of the figure shown in table 3.

Step 7: Considering the viability of your development

If your planning application triggers a commuted sum payment (step 6) but you consider that providing this money will stop you being able to deliver your development you can seek to reduce the amount payable though a development viability appraisal in line with the process set out in Section 5 and Appendix B in this SPD. This process is a form of negotiation between you (the applicant) and the council.

If the your development viability is accepted and your indicative commuted sum payable is lowered but not zero (or a negative figure) you must repeat **Step 6** to see what level of commuted sum is required or if your commuted sum payment is low enough to seek discretionary relief.

Examples of calculating the likely affordable housing contribution required for an application

Example 1: On-site contribution

In line with the adopted targets and paragraph 3.2 in this SPD; examples of calculating an on-site contribution are:

- A)** A development of 12 dwellings in a settlement with a 35% affordable housing target equates to an onsite affordable housing contribution of:
 $12 \times 0.35 = 4.2$ dwellings this is then rounded down to 4 dwellings.

Therefore the onsite contribution would be for 4 of the 12 dwellings to be provided as affordable homes.

- B)** A development of 19 dwellings in a settlement with a 25% affordable housing target equates to an onsite affordable housing contribution of:
 $19 \times 0.25 = 4.75$ dwellings this is then rounded up to 5 dwellings.

Therefore the onsite contribution would be for 5 of the 19 dwellings to be provided as affordable homes.

Note: any application proposing an onsite contribution will therefore be expected to deliver whole units and no additional commuted sum (off-site contribution) will be sought on the remaining figure. However if the applicant is seeking an off-site contribution instead of onsite provision the exact figure will be used to calculate the contribution as set out below.

Example 2: Off-site contribution

In line with the identified costs to deliver affordable housing units in table 1 in this SPD and the average cost of purchasing a former RTB home in table 2; examples of calculating an off-site contribution are:

- A)** 3 new homes in Retford where a 25% Affordable Housing target applies.
This gives an affordable housing target of: $3 \times 0.25 = 0.75$

A target of 0.75 equals an indicative commuted sum of: $0.75 \times £74,533 = £55,900$

The average cost to purchase a RTB in Retford is £80,000.

Therefore the affordable housing contribution from this scheme is below the value needed to purchase an affordable home in this area, so the applicant can apply for relief from providing a commuted sum payment from this application in line with the process set out in section 4 in this SPD.

- B)** 4 new homes in Tuxford where a 35% Affordable Housing target applies.
This gives an affordable housing target of: $4 \times 0.35 = 1.4$

Providing he applicant can justify that an on-site contribution of 1 dwelling cannot be provided in this case, the target of 1.4 equals an indicative commuted sum of:

$$1.4 \times £91,714 = £128,400$$

The average cost to purchase a RTB in Tuxford is £107,500.

Therefore the affordable housing contribution from this scheme is above the value needed to purchase an affordable home so the contribution of £107,500 will be sought from this application.

Note: the additional £20,900 (£128,400 – £107,500) will not be sought as it is insufficient to enable the authority to purchase a second RTB home from this scheme.

Example 3: Accounting for the Existing Use Value

In line with the considerations set out in paragraphs 4.23 to 4.25 in this SPD an applicant can seek to have the existing use value of a site taken into consideration when calculating an off-site contribution. In the case of example 2 B) above this consideration would work as follows:

Existing Use Value (EUV) of the site in Tuxford is say £240,000¹². Therefore the commuted sum payable then becomes the Residual Value of the scheme for 100% Market Housing less the EUV. On the basis of a Residual Value (RV) at 100% market housing of, say, £320,000, the commuted sum payable is:

$$RV \text{ at } 100\% - EUV = £320,000 - £240,000 = £80,000$$

As this commuted sum payment is below the value needed to purchase an affordable home in Tuxford (£107,000), the applicant can apply for relief from providing a commuted sum payment from this application in line with the process set out in section 4 in this SPD.

¹² This figure also includes an appropriate premium added to the EUV to incentivise the sale of the site by the land owner.

Appendix B: Development Viability Guidance

Financial appraisals submitted to support claims that a development is unable to deliver its affordable housing requirements will be expected to be on a residual valuation basis e.g.:

$$\text{value of development} - \text{cost of development} - \text{profit} = \text{residual land value}$$

The residual value is the amount the developer should bid or pay for the land. Clearly, if the residual value is higher than the existing use value then the scheme is viable (other issues notwithstanding).

If you want to demonstrate that your development will not be viable with an affordable housing contribution (in whole or in part), you must be able to justify this by showing that the overall cost of the development (including any affordable housing contribution) will be more than the value of the finished scheme.

The diagram below shows that for one development the cost of development; land costs; profit and affordable housing contribution are equal to the value of the development, therefore the development is viable with the affordable housing contribution. However, the second development shows that all together the costs, profit and affordable housing contribution are more than the value of the development, therefore the development is unviable with the affordable housing contribution added.

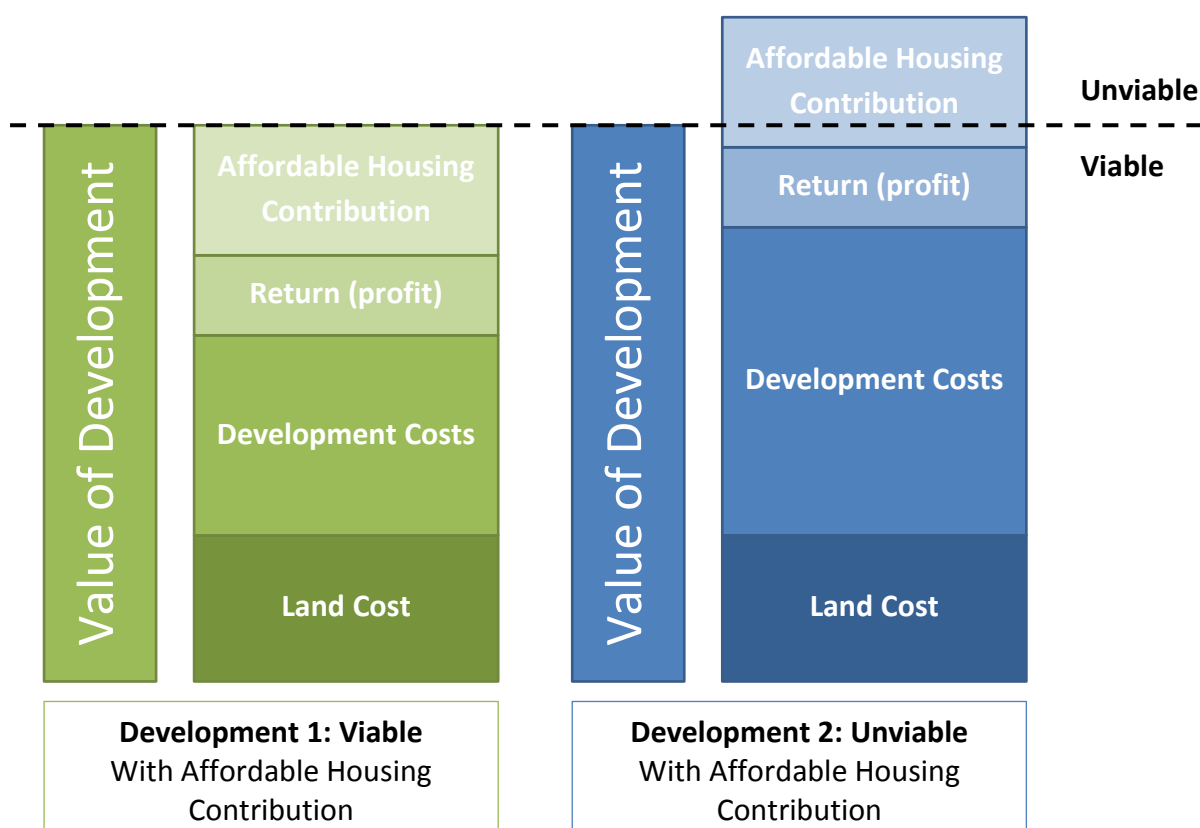


Figure 3: Development Viability Examples

Viability Appraisal Content

An appraisal will be expected to include, as a minimum:

- **Building costs:** to include siteworks and houseworks expressed as a price per m² of proposed built form;
- **Site abnormals:** which may be considered to include site remediation; decontamination; or unusual engineering or infrastructure costs;
- **Professional fees:** which should be broken down to include planning application costs; building costs (e.g. NHBC); marketing costs; and sales fees;
- **Planning obligations:** all non-affordable housing S106/CIL costs that will be incurred by the proposal;
- **Finance costs:** which should be costs associated with borrowing incurred over the development period to cover expenditure before receipts are secured;
- **Contingencies:** which should be an allowance to cover the risk of cost overruns on the above;
- **Developers profit/return:** which should be the level of return that is expected to the developer (related to market risk and the needs of investors);
- **Residential and Non-Residential market values:** expected sales and/or yield for the development proposed broken down by unit type (with evidence of recent sales values for comparable schemes (in terms of location and size of the development) including date of sale, size of property, value achieved and address details);
- **Grant funding:** which should be an allowance for any grant funding secured to deliver any elements of the development, including affordable housing.

Applicants will also be expected to demonstrate that they have, as a minimum, considered different options in relation to:

- **Scale and mix of uses:** amendments to scheme layout and design can have a significant impact on value generation
- **Phasing of development:** whereas high upfront infrastructure costs can have a detrimental impact, bringing forward high-value generating uses in the programme will have a converse positive impact. Similarly, discounting the cashflow can assist with overall viability.
- **Affordable housing mix and tenure:** changing the mix and tenure of housing can have a significant effect on the percentage of affordable housing that can be delivered.

Viability Appraisal Evidence Basis

Any application seeking to make an argument that their scheme is unviable must provide sufficient evidence to justify this claim by showing what the land cost; development cost; percentage of profit and development value is expected to be and any assumptions made. These figures must be soundly evidenced to allow the authority to see where these costs and values have come from for each application.

This evidence can include:

- Development Costs:
 - Quotes from reputable builders for the cost of the scheme (three quotes will allow an average cost to be established resulting in a more robust set of evidence); or,
 - A pounds per square metre (£/sqm) cost for the type of housing in your scheme based on up to date build costs set out in nationally recognised estimations for the construction industry, e.g. the Royal Chartered Institute of Surveyors (RICS) Building Cost Information Service (BCIS).
- Land Costs
 - Receipt for the purchase of the land; or,
 - A residual land valuation based on all other costs against expected development value.
- Value of the Development
 - Quotes from reputable estate agents on the expected sales value of the completed development (using three different estate agents will allow an average value to be established resulting in a more robust set of evidence); or,
 - Copies of the sales particulars for recent comparable homes that have been sold in the area.

A simple excel spread sheet template is available to download from the Council's Planning pages at:

http://www.bassetlaw.gov.uk/planning_and_building/planning_policy/supplementary_planning_docs.aspx

This spread sheet can help to compare expected costs against expected development value and determine if sufficient residual value remains to make an affordable housing contribution. A completed copy of this spread sheet can be submitted as part of your evidence.

Appendix C: What is Affordable Housing?

For the purposes of this document, and in line with national planning policy set out in the National Planning Policy Framework, affordable housing is defined 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 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 per cent 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 definition of affordable housing, such as "low cost market housing", may not be considered as affordable housing for planning purposes. market housing but who are not eligible for affordable housing.

In the event that national policy changes, it will be the most up-to-date definition that will be used by the Council for the purposes of delivering affordable housing.

Appendix D: Housing Providers within Bassetlaw

Housing providers that have recently acquire stock within in the Bassetlaw district:

- Acis
- Derwent Living
- Jephson
- Longhurst
- Nottingham Community

Appendix E: Calculations behind the Commuted Sum Payments

	100%	15%			25%			35%			Average
		15%	C Sum	C Sum per AH unit	25%	C Sum	C Sum per AH unit	35%	C Sum	C Sum per AH unit	
Northern Rural	£2,077,000	£1,612,000	£465,000	£103,333	£1,301,000	£776,000	£103,467	£991,000	£1,086,000	£103,429	£103,410
Tuxford & East Markham	£1,622,000	£1,209,000	£413,000	£91,778	£934,000	£688,000	£91,733	£659,000	£963,000	£91,714	£91,742
Rural Belt	£1,357,000	£975,000	£382,000	£84,889	£720,000	£637,000	£84,933	£465,000	£892,000	£84,952	£84,925
Retford	£951,000	£616,000	£335,000	£74,444	£392,000	£559,000	£74,533	£167,000	£784,000	£74,667	£74,548
SW Rural Bassetlaw	£803,000	£484,000	£319,000	£70,889	£272,000	£531,000	£70,800	£59,000	£744,000	£70,857	£70,849
Worksop & Carlton	£505,000	£220,000	£285,000	£63,333	£30,000	£475,000	£63,333	£-160,000	£665,000	£63,333	£63,333

Appendix F: Average Values of Right to Buy Properties by sub area

Sub area	Settlement	Type of property	Average RTB values	Average RTB Value per sub area
Northern Rural	Beckingham	3 bed semi	£125,000	£116,429
	Everton		£125,000	
	Gringley on the Hill		£125,000	
	Mattersey		£95,000	
	Misson		£125,000	
	Misterton		£95,000	
	Walkeringham		£125,000	
Tuxford and East Markham	East Markham	3 bed semi	£125,000	£107,500
	Tuxford		£90,000	
Rural Belt	Blyth	3 bed semi	£115,000	£112,500
	Clarborough		£115,000	
	Dunham on Trent		£125,000	
	Elkesley		£90,000	
	Gamston		£125,000	
	Hayton		£115,000	
	North Leverton		£90,000	
	North & South Wheatley		£125,000	
	Rampton		£125,000	
	Ranskill		£95,000	
	Sturton-le-Steeple		£115,000	
	Sutton cum Lound		£115,000	
Retford	Retford	2 bed semi	£80,000	£80,000
South West Rural Bassetlaw	Cuckney	3 bed semi	£95,000	£95,000
	Nether Langwith		£95,000	
Worksop and Carlton	Carlton in Lindrick	2 bed semi	£75,000	£74,583
	Harworth Bircotes		£75,000	
	Langold		£72,500	
	Rhodesia		£72,500	
	Shireoaks		£80,000	
	Worksop		£72,500	

Appendix G: Discretionary Relief from Commuted Sum Payments

The following sample text can be used to support any relevant residential planning application seeking discretionary relief from providing a commuted sum payment in line with the protocol set out section 4 of this SPD. Where relevant, this discretionary relief text should be submitted with any relevant planning application in order to address affordable housing policy requirements as part of the Council's planning application validation process.

Discretionary relief text (Blank Sections to be completed by the applicant):

With regard to my planning application for: _____

In line with the requirements of Bassetlaw's Adopted Core Strategy, my planning application for residential development will result in a net gain of one or more dwellings and as such must address the affordable housing policy set out in the corresponding policy for the settlement my application is located in.

In line with policy and the details of the Bassetlaw Affordable Housing SPD (April 2014) this proposed development triggers the need for an affordable housing commuted sum payment of £_____. Following the guidance set out in the Bassetlaw Affordable Housing SPD, this contribution would be insufficient to enable Bassetlaw District Council to directly deliver an off-site affordable house (as shown in table 3 of the Bassetlaw Affordable Housing SPD) at the cost of £_____ as of January 2014.

Therefore, I would like to seek discretionary relief from paying any commuted sum payment in respect of affordable housing for this application.

Appendix H: Indicative Map of the Sub Market Areas

