

Frequently Asked Questions on Affordable Housing Contributions

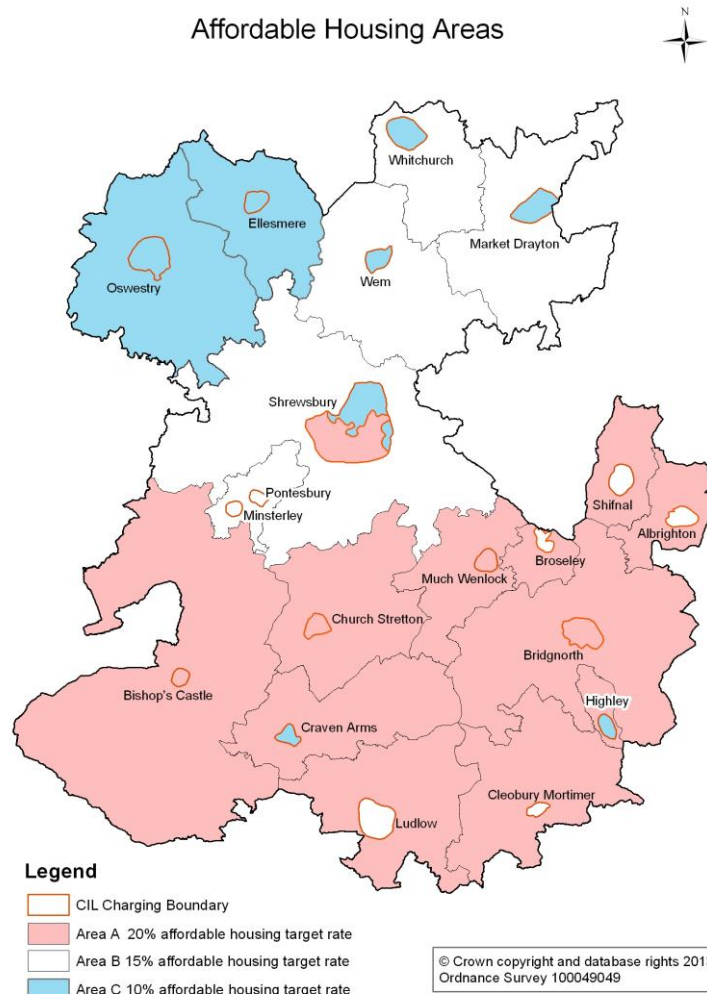
Does this include ALL planning applications for new housing development?

Yes, in accordance with policy CS11 of the Shropshire Core Strategy, all new open market housing developments (other than conversions of a Listed Building) have to make appropriate contributions to the provision of local needs affordable housing.

How much contribution to I need to make?

Until 31st August 2013 a flat contribution rate of 13% applies across Shropshire.

For applications submitted on or after 1st September 2013 the contribution target rates will be 20%, 15% & 10% for areas A, B & C as shown in the map below. A more detailed map showing parish boundaries is available at the end of this document.



Is a payment always required?

The contribution is based on the number of affordable dwellings. Whole numbers are to be provided as homes built on-site, while fractions are to be provided through a financial contribution.

For example, a development of 10 homes with a target rate of 15% = 1.5 affordable homes, of which 1 will be built on-site and 0.5 is converted into a financial contribution. The financial contributions from many developments will be pooled to build affordable homes in the local area. The financial contribution is calculated from the average floorspace of dwellings in the development (in square metres) x £900/sqm standardised cost of construction of an affordable home off-site.

How much can I expect to pay, if say I just intend to build one house?

It will depend on the size of dwelling you are proposing and the applicable target rate. For example, if you are building a terraced house of 80 sq. metres in area B the contribution is calculated as follows: 0.15 (15% being the target rate in area B) x 80 sq. m (average size of dwellings on your development) x £900 per sq. metres (standardised build cost for an affordable home) = £10,800.

Is there a maximum figure?

Yes, the maximum size of an affordable home is 100 sq. metres, so if you are building a house of say 120 sq. metres the maximum contribution would be based on a house of 100 sq. metres. For example at a 20% prevailing target rate: 0.20 x 100 sq. metres x £900 = £18,000.

What if my development comprises dwellings of different sizes?

The calculation uses the average floorspace, based on all the homes on your development (ie. total floorspace divided by number of homes). However, affordable homes do not exceed 100sqm in size, so if the average floorspace exceeds 100 sq. metres, it is capped at 100sqm for the purposes of calculating affordable housing contributions.

If the type of development proposed would be unsuitable for affordable housing can I pay for affordable dwellings 'off site' instead of providing them 'on-site'?

In exceptional circumstances it is possible to pay a commuted sum in lieu of on-site provision of affordable homes, if considered appropriate. This must be agreed with Shropshire Council prior to submission of your planning application. However, the Council will apply a higher build cost figure to account for the land value of providing off site housing instead of on site housing, namely £1,155 per sqm rather than the usual £900 per sqm.

Do conversions of rural buildings into residential accommodation have to make a contribution?

Yes, the affordable housing contributions are calculated in exactly the same way. For live-work units, the fee would be just based on the residential floorspace.

When will I need to pay the affordable housing contribution?

For the majority of developments, the contribution needs to be paid 1 year from commencement of the development, or on completion of the development, whichever is the sooner. For small developments involving only 1 dwelling, the payment period is two years from commencement of the development, or on completion of the development, whichever is the sooner. The timescales for payment and the details of on-site provision of affordable housing and/or financial contributions for fractions of affordable homes are stipulated in a section 106 legal agreement, which is binding on the owner of the land.

I intend to submit an Outline application, but would not intend to submit Reserved Matters for a further 12 months, by which time the prevailing figure may have gone up or down. What will my contribution be?

The S106 agreement would set a formula which applies to the affordable housing target rate that is prevailing at the time that the Reserved Matters application is submitted.

Are there any additional costs?

Yes. You will need to pay the Council's legal costs for setting up the section 106 legal agreement, which incurs a standard fee of £200. You may incur your own legal costs, however, these should be limited given the use of a standard agreement.

Is there anything I need to do before I submit my planning application for housing development?

You need to complete the **affordable housing contribution proforma**, which can be downloaded from the web site. This form requires you to identify the amount of on-site and/or financial contribution to affordable housing required of your development, and provide evidence of title to the application site by way of up to date official copies of the Register of Title. Details of any other party (such as a mortgage company) that would have an interest in the land are also required to enable them to be made a party to the agreement also.

The S106 legal agreement templates are available on the Council's website. Following receipt of your planning application and affordable housing contribution proforma a specific S106 legal agreement will be provided for you to sign upon consent of planning permission.







Where can I find out more about the policy?

The Shropshire Core Strategy is available on the planning policy pages of <http://www.shropshire.gov.uk/planningpolicy.nsf>. Detailed policy information, such as the calculation of the affordable housing contribution, are in the Supplementary Planning Document (SPD) on the Type and Affordability of Housing which can also be found on the above webpages.

Affordable Housing Areas showing Place Plan Boundaries and Parish Boundaries



Legend

-  CIL Charging Boundary
-  Zone A 20% affordable housing target
-  Zone B 15% affordable housing target
-  Zone C 10% affordable housing target
-  Place Plan Boundary
-  Parish Boundaries

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