

Assessment, 2013 and its 2015 update (SHMA), or relevant future SHMA updates commissioned by the Council.

5.9. To understand the likely mix that will be required to meet the housing needs of current and future populations, the SHMA analysed the existing housing stock, supply trends and the housing market dynamics of the Borough. This analysis determined that there is a fairly balanced housing offer overall across both types and sizes, with no particular imbalance identified at a Borough-wide level. When this is considered against the components that form the Objectively Assessed Need, the SHMA concludes that the focus for future market housing stock over the plan period should be on two and three bedroom properties.

5.10. Although the focus is for mid-sized housing, the SHMA provides a breakdown of the recommended housing mix for the Borough as follows:

SHMA Recommended Mix of Market Housing in Rugby Borough			
1-bed	2-bed	3-bed	4+ -bed
5-10%	25-30%	40-45%	20-25%

5.11. This mix is included in order to guide the implementation of Policy H1. Updates of the SHMA may provide evidence to alter the housing mix in future.

5.12. Policy H1 is relevant for market housing proposals only. Policy H2 provides guidance on the mix and type expected for affordable housing delivery and Policy H6 guides the provision of specialist housing.

Policy H2: Affordable Housing Provision

Affordable housing should be provided on all sites of at least 0.36 hectares in size or capable of accommodating 11 (net) dwelling units or more (including conversions and subdivisions).

On previously developed sites a target affordable housing provision of 20% will be sought.

On green field sites a target affordable housing provision of 30% will be sought.

The tenure and mix of the affordable housing units should be in compliance with the latest SHMA guidance.

The target levels will be expected to be provided unless the local planning authority is satisfied by robust financial viability evidence that development would not be financially viable at the relevant target level. Such evidence will be required to be submitted with the planning application to justify any reduced levels of affordable housing provision proposed for assessment using an open-book

approach and may be subject to independent assessment (e.g. by the District Valuer Services or equivalent).

Development should provide for the appropriate integration of affordable housing and market housing, in order to achieve an inclusive and mixed community.

Affordable housing should be provided on-site unless off-site provision or an appropriate financial contribution in lieu can be robustly justified, and the agreed approach contributes to the objective of creating mixed and balanced communities.

5.13. Affordable housing includes housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) affordable housing for rent;
- b) starter homes;
- c) discounted market sales housing; and
- d) other affordable housing routes to home ownership.

Detailed definitions of these categories are contained within the NPPF and Appendix 7 of this Local Plan.

5.14. The Coventry and Warwickshire Joint Strategic Housing Market Assessment update September 2015, identifies an affordable housing need of 171 dwellings per annum for Rugby Borough which equates to 36% of the total OAN. However, this Local Plan seeks to deliver a housing target which incorporates some of the housing need emanating from Coventry City, which the City authority cannot meet within its own boundaries. For Coventry City the affordable housing need represented 28% of its total annual OAN. The target contained within the Policy H2 will clearly ensure that affordable housing need is met for all existing and future residents of the Borough.

5.15. National policy requires that policies should identify the size, type, and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families and children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their homes). The analysis in the SHMA has shown that there is a predominant long-term marginal requirement for future affordable housing for three-bed properties relative to the Housing Market Area as a whole, but in general a greater need identified for the smaller properties, as indicated in the table below. Based on the evidence pulled together, the SHMA recommends the following strategic mix of affordable housing:

1-bed properties	2-bed properties	3-bed properties	4+ bed properties
30-35%	30-35%	20-25%	5-10%

5.16. The Council's preference is for the provision onsite. In some circumstances, such as physical site constraints or if a Registered Provider cannot provide on-site affordable housing, the Council will

consider an equivalent offsite contribution where justified. When the Council considers an off-site contribution in lieu of onsite provision it will seek to ensure that adequate finance is secured to deliver affordable housing elsewhere in the Borough to meet needs and create mixed and balanced communities. Any commuted sum will be equivalent to the cost of building the required number of affordable dwellings, plus the value of the land required to build them minus what would be payable by a Registered Provider. Any contributions collected by the Council may be used to purchase existing dwellings to use as affordable housing. Off-site contributions will be secured by means of a Section 106 Agreement. The formula used by the Council in calculating an off-site contribution is as follows:

$$\begin{array}{c} \textbf{TOTAL NUMBER OF AFFORDABLE DWELLINGS REQUIRED} \\ \textit{MULTIPLIED BY} \\ \textbf{BUILD COST OF THE REQUIRED DWELLINGS} \\ \textit{PLUS} \\ \textbf{LAND COST} \\ \textit{MINUS} \\ \textbf{THE AMOUNT EQUIVALENT TO THAT WHICH WOULD BE PAYABLE BY A} \\ \textbf{REGISTERED PROVIDER} \\ \textit{EQUALS} \\ \textbf{THE SUM PAYABLE} \end{array}$$

5.17. The specific provision and mix of a site will be informed by evidence available at the time of application and will be negotiated. However, the Council will expect the starting point of negotiation to achieve a mix of 84% either social or affordable rent and 16% intermediate products, as detailed in the 2015 SHMA (or as subsequently amended). Social and affordable rent are grouped together in this instance, as a result of the clear overlap between the two as products, which are likely to be targeted to the same group of households by Registered Providers.

5.18. Where affordable housing provision is sought as part of a proposed development, the Council will use a Section 106 agreement with the developer or landowner to secure the agreed provision in line with Policy D4.

5.19. The requirements set out in Policy H2 are considered to be viable and achievable for all developments anticipated in the Borough. A housing proposal containing a reduced affordable

housing provision can only be sought where the developer can justify that to make the full provision will make the scheme unviable.

5.20. It is for the applicant to demonstrate that the viability of the scheme would be vulnerable. This would normally be done through the submission of a comprehensive financial appraisal of the proposed scheme, together with details of the financial model used, which the Council would be able to have independently assessed.

5.21. As stated, further guidance is included within the Housing Needs SPD. The methodology of the SHMA will be repeated at regular intervals in order to test the continuing appropriateness of Policy H2 and the Housing Needs SPD. Where variance of the detail included within that SPD is found to be necessary, an updated Housing Needs SPD will be produced in order to ensure that the Council's approach to delivering affordable housing remains appropriate throughout the plan period.

Policy H3: Housing for Rural Businesses

Proposals for a permanent dwelling, either by new build or conversion, for occupation by a person engaged in an agricultural operation, or other rural business within the countryside, will only be supported if all of the following criteria are met:

- There is a clearly established essential need for a dwelling;
- The need relates to a full-time worker, or one who is primarily employed in the activity to which the application relates;
- The agricultural unit and/or the rural enterprise concerned, are currently financially sound, and have a clear prospect of remaining so; and
- The essential need could not be fulfilled by another existing dwelling on the unit, or any other existing accommodation in the area which is suitable and available for occupation by the workers concerned.

The size of any such rural workers dwelling should be commensurate with the established essential requirement. Dwellings that are unusually large in relation to the needs of the unit, will not be permitted.

Any permission granted will be subject to an 'occupancy' condition. The variation or removal of such a condition will only be granted if it is clear that its original purpose is obsolete and no longer required.

Proposals for the removal of occupancy conditions would only be permitted if the applicant can demonstrate that long term need for a Rural Workers Dwelling has ceased, and the Council is satisfied that the dwelling has been sufficiently marketed.

5.22. To achieve sustainable development in rural areas national policy is clear that local planning authorities should avoid isolated new homes in the countryside. Only where special circumstances