



INTERIM ADVICE
TO LANDOWNERS/DEVELOPERS

ON

IMPLEMENTATION OF AFFORDABLE HOUSING
POLICY

BY

SOUTH STAFFORDSHIRE COUNCIL

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1.0 INTRODUCTION

- 1.1 Government advice set out in paragraph 14 of Planning Policy Guidance note 3 (PPG3) identifies a community's need for affordable housing as a "material planning consideration" to be considered when determining planning applications.
- 1.2 The role of the planning system in facilitating the provision of affordable housing is now widely accepted. This was also recognised in the conclusions of the independent housing requirement assessment, completed for South Staffordshire Council in 2001, by David Couttie Associates Ltd.
- 1.3 South Staffordshire Council (the Council) intends to publish a Supplementary Planning Document, which will set out detailed policy requirements for the delivery of affordable housing within the Council's area of operation. The target date for publication is June 2007.
- 1.4 It is recognised, however, that there is a need for an interim document to provide guidance for landowners and developers wishing to promote applications involving residential development in the short term. The purpose for publishing this advice, initially as a consultation draft, is explained in Section 2.0 that follows.

2.0 AIMS OF ADVICE

- 2.1 It is recognised that persons submitting planning applications for developments involving residential accommodation may be unclear as to how the Council will apply Policy H6: Affordable Housing Provision which forms part of the South Staffordshire Local Plan adopted on 16th December 1996 (SSLP 1996). Housing needs have changed in the

Council area, in the intervening period as assessed in the independent study carried out during 2001 by David Couttie Associates Ltd (DCA). More recently waiting list information and regional Housing Data have confirmed an increase in need for affordable accommodation and a growing "affordability gap" due to house price movements.

- 2.2 The aim of this document, as an interim measure, is to explain how the Council's Planning and Housing Officers will work with landowners/developers to ensure that affordable housing opportunities are maximised on qualifying sites. Its purpose is to interpret Local Plan Policy and guide Applicants on how affordable housing policy will be applied on an individual scheme basis.
- 2.3 A further objective of this publication is to reduce uncertainty, ensuring a robust and consistent approach, by providing clear guidance, which will be available for consideration by interested parties at an early stage of the planning process. The Council will strongly encourage landowners and developers to take the need for affordable housing into consideration when agreeing financial terms for the sale or purchase of land.

3.0 POLICY CONTEXT

National Policy

- 3.1 Planning Policy Statement 1 (PPS1): Delivering Sustainable Development states that, in promoting sustainable economic development, Planning Authorities, should: "ensure the provision of sufficient good quality, new homes including an appropriate mix of housing and adequate levels of affordable housing in suitable locations...."

- 3.2 Proposed changes to Planning Policy Guidance Note 3: Housing titled “Planning for Mixed Communities”, published in January 2005 confirm that it is Government policy to create sustainable communities that offer a wide range of housing and are socially inclusive. Planning has an important role to play through the provision of an appropriate mix of housing which addresses the needs of households, including what they can afford.
- 3.3 Planning Policy Guidance note 3 (PPG3): Housing (revised 2000) emphasises that a community’s need for affordable housing is a material consideration to be taken into account when making planning decisions. It sets out the Government’s Policy on how the planning system can contribute to the overall supply of affordable housing.
- 3.4 Circular 06/98: Planning and Affordable Housing recognises that where there is a clear lack of affordable housing to meet local needs, as assessed by an up to date housing needs survey, Local Plans should include policies enabling affordable housing to be sought as part of sustainable housing developments.

Regional Spatial Strategy

- 3.5 Regional Planning Guidance for the West Midlands (RPG11) encourages the provision of a mix of house types and sizes to cater for the needs of all sections of the community. It states that Local Authorities should keep under review the need for affordable housing in their area using local housing needs assessments.

Sub Regional Guidance

- 3.6 The adopted Staffordshire and Stoke on Trent Structure Plan 1996-2011 incorporates Policy H8: Affordable Housing. This states that

provision for the affordable housing needs of the local community should be a fundamental consideration in the allocation of sites and the release of land for housing on windfall sites. Local Authorities should assess their needs for affordable housing and, where there is a demonstrable lack of such housing, include policies in their Local Plan for negotiating for the provision of affordable housing on residential sites of an appropriate size, and encourage the supply of affordable housing through other means. A binding agreement should be established to ensure that dwellings for those in need of affordable homes remain available and at low-cost for initial and successive occupants.

Local Policy

- 3.7 The South Staffordshire Local Plan, adopted 16th December 1996, includes Policy H6: Affordable Housing Provision which states “in deciding planning applications the District Council will seek to increase the range of housing choice available in the District in partnership with Housing Associations and private house builders. Encouragement will be given to proposals, which provide affordable housing whether for sale, rent or shared ownership. On the major sites allocated for development in Policy H3 the District Council will negotiate with developers to achieve a mix of housing types, including a proportion of affordable housing.
- 3.8 The SSLP 1996, also incorporates Policy H11: Local Needs Housing in Rural Areas. This confirms that in exceptional circumstances planning permission may be granted for low-cost housing on land that would not usually be released for development. To be considered favourably under Policy H11 any housing proposal would need to be supported by a detailed assessment of the local need to be met and how this could be secured in perpetuity.

3.9 South Staffordshire's Community Strategy was published in April 2003 following consultation with stakeholders. It sets out the vision: "We will strive to make South Staffordshire a safe and healthy place to live, with prosperous villages and thriving communities, where everyone can develop their abilities to the full, and pass on to future generations a better environment".

3.10 South Staffordshire Council Housing Strategy 2003-2008 sets out a corporate priority "to provide an efficient housing service, in partnership with other agencies, and to deal effectively with the Housing requirements of South Staffordshire residents". As evidenced by research demand for affordable rented housing has remained high over recent years, there is a shortfall in the supply of affordable housing for low-income households, and access to home ownership is beyond the reach of the majority of newly forming households.

4.0 HOUSING NEED

4.1 Central Government guidance has emphasised the requirement for Local Authorities to assess housing need, create complementary strategies to address it and to co-ordinate effort in a corporate approach to their strategic and enabling role. In March 2001 South Staffordshire Council commissioned David Couttie Associates Ltd to carry out a detailed District wide assessment of housing need as the basic building block in informing housing, planning and care strategies for the future.

4.2 As a result of the independent research, David Couttie Associates Ltd, made a number of recommendations. These included the following criteria relating to Planning Strategy. These recommendations can be summarised as follows:

- ❖ Negotiate with prospective developers towards achieving at least 30% subsidised affordable homes from the total of all suitable sites coming forward for planning consent over the period to 2011. Each site to be assessed individually, targets being subject to wider planning, economic priority and sustainability considerations;
- ❖ Consideration should be given to the adoption of a 15 unit or 0.5 hectare threshold for affordable housing negotiations;
- ❖ Use site development briefs to promote the additional delivery of 150 un-subsidised low-cost market units in the period to 2006 to meet the needs of new forming households with incomes levels adequate to access the local market.
- ❖ There will be a total need for 2,515 sheltered units by 2006, 1,535 in the affordable sector and 980 in the private market.

4.3 The study established a total annual affordable housing need of 1,044 units. Re-lets of existing social stock averaged 632 units and this was identified as the major means of addressing the scale of need. There is an annual affordable housing shortfall of 412 units. In 2001 this level of need was noted to be over 11 times the scale of supply from new delivery or conversions, resulting in a growing level of unmet need each year. The projected growth of new forming households was also estimated to exacerbate the scale of affordable housing need.

5.0 AFFORDABLE HOUSING DEFINITION

5.1 Government advice set out in PPG3 and Circular 6/98 defines affordable housing as that which is available to people who cannot

afford to rent or buy houses generally available on the open market (Circular 6/98-Paragraph 4). The main aim of providing such housing is to assist those persons who are unable to meet their housing requirements in the open market because of the relationship between local housing costs and incomes.

- 5.2 Policy H6 of the South Staffordshire Local Plan confirms that encouragement will be given to proposals, which provide affordable housing whether for sale, rent or shared ownership. In the light of this policy statement and having regard to the independent housing requirements assessment, undertaken by David Couttie Associates Ltd, the following types of affordable housing are recognised by the Council:

Affordable Housing: Non-market housing which can include social rented housing and intermediate housing.

Intermediate Housing: Housing at prices or rents above those of social rent but below market prices or rents. Can include sub-market renting, low-cost home ownership and shared ownership.

Emerging Government guidance (Consultation on PPS3 – Housing) states that the Government no longer considers low cost market housing to be affordable housing. If applicants are considering the provision of low cost market housing if/before this becomes formal policy, they will need to demonstrate how such properties will be affordable and will remain so in perpetuity. Should this become policy then low cost market housing will be removed from the definition of affordable housing, although applicants could still provide an element of low cost market housing above and beyond the 30% requirement.

- 5.3 To ensure that the affordable housing remains affordable for successive occupiers the Council will require developers to enter into a

legal agreement under Section 106 of the Town and Country Planning Act 1990. The Council will seek, through RSL involvement, to ensure that the properties will be offered at reduced rents, in line with the Housing Corporation target rent requirements, or discounted prices for local people in housing need in perpetuity.

6.0 AFFORDABLE HOUSING PROVISION: SITE THRESHOLD

6.1 The Council will negotiate with land owners/developers for the provision of an appropriate proportion of affordable housing, on all private housing developments of at least 0.5 hectare site size or 15 dwellings or more. Smaller parcels of land, which with further land assembly could reasonably be expected to form a site of at least 0.5 hectare or 15 dwellings, will also be subject to the same requirement.

6.2 In rural locations within settlements with a population of 3,000 or fewer, the Council will apply a lower threshold, this being 0.3 hectares site size or 9 dwellings.

6.3 Policy H11 of the South Staffordshire Local Plan states that exceptionally, planning permission may be granted for low-cost housing (affordable) on land that would not normally be released for developments within villages in the Green Belt and within or on the edge of villages in rural areas outside of the Green Belt (Exceptions Policy). The Council expects this category of new housing to be fully affordable meeting identified local need in perpetuity and:

- Demonstrable need exists within the locality of the development
- The development is subject to a planning obligation that will ensure the homes remain affordable and for local people in perpetuity
- An environmentally acceptable site is identified (only small sites within or immediately adjoining a settlement will be considered); and

- The proposal is related in scale and character to its surroundings, is in keeping with the local building styles, appropriate materials, adequate services, and a safe access can be provided.

Support for this policy stance is provided by Planning Policy Guidance Note 3: Housing Update, "Planning For Sustainable Communities In Rural Areas" published in January 2005.

7.0 AFFORDABLE HOUSING DELIVERY

- 7.1 It is the preference of the Council that all affordable dwellings should be provided on the Application site. This supports the central Government objective of seeking balanced and sustainable communities. There may be exceptional circumstances, however, where an on-site provision would not be practical or desirable, or where an off-site provision would be of superior quality.
- 7.2 The means of delivering affordable housing may vary. The Council's preference is as follows in descending order:
- a) On-site provision.
 - b) A mix of on-site and off-site provision.
 - c) Off-site provision.
 - d) On-site provision/financial contribution.
 - e) Financial contribution.
- 7.3 In exceptional circumstances commuted financial contributions for affordable housing to be provided elsewhere in the District will be considered. The disadvantage of financial contributions is that they do not allow the creation of a mixed and balanced community on the site to be developed and will not necessarily provide affordable housing in the immediate area. The landowner/developer will have to

demonstrate that there are exceptional reasons for a financial contribution as opposed to the provision of housing on or off site.

- 7.4 The developer/landowner will need to demonstrate that the level of financial contribution will be sufficient to procure the provision of the affordable housing requirement. It should be noted that as this mechanism will result in an increased development of general market housing (100% of the housing on site as opposed to 70%) the level of affordable housing required has to be increased by the same proportion to maintain the general market: affordable ratio.

8.0 AFFORDABLE DWELLINGS: ACCOMMODATION AND TENURE MIX

- 8.1 PPG3 paragraph 10 sets out the Central Government view on the importance of creating mixed and inclusive communities, which offer a choice of housing and lifestyle. The Council will seek a mix of housing types and sizes, across both the private market and affordable housing, to meet local housing needs. The affordable housing should be fully integrated into the scheme, in dispersed clusters, and not segregated from the market housing.

- 8.2 To enable the creation of mixed and inclusive communities whilst also meeting housing needs, the Council will be seeking at least 30% affordable housing on qualifying sites. As a guide, this should be broken down further as at least 15% for social rent, 8% for shared ownership and 7% for low cost market housing (see definitions in 5.2 & 10.6). This may vary from site to site depending on local housing needs and exceptional circumstances but these figures should provide some indication and certainty for developers/landowners.

8.3 The independent housing requirements assessment, completed in 2001, indicates the size and type of affordable housing which is required annually to meet need. The Council using waiting list information has subsequently updated this data. Housing requirements have been broken down by reference to 27 parishes across the District.

8.4 The internal occupation size of the affordable dwellings is considered to be an important factor in determining the suitability of such accommodation for those persons in need. It is expected that dwellings offered as affordable units will comply with the following minimum size standards:

| Property occupancy type | Minimum size (m2)* |
|--------------------------------|---------------------------|
| Two bed three person flat | 55.0 |
| Two bed three person house | 65.0 |
| Two bed four person house | 71.0 |
| Three bed four person house | 76.0 |
| Three bed five person house | 81.0 |
| Four bed six person house | 96.0 |
| Two bed three person bungalow | 56.0 |

* Gross internal floor area excluding garage

8.5 Affordable housing provided under Policy H6 (SSLP 1996) should be good quality housing of an acceptable standard. Proposals are required to meet current Housing Corporation Scheme Development Standards. Further details can be found at www.housingcorplibrary.org.uk. These relate to external and internal environment, accessibility, safety and security, energy efficiency and longer-term maintenance. Furthermore all new developments will be expected to comply with the Council's normal planning criteria including layout and design.

9.0 **PARTNERSHIP WORKING WITH RSL'S**

9.1 The Council consider that Housing Associations are currently the most effective providers of affordable housing. Accordingly they will seek to encourage landowners/developers to engage with such organisations at an early stage of the development process. Affordable rent and shared ownership accommodation should be delivered in partnership with an approved RSL. This will ensure that the accommodation meets local need and will remain affordable for subsequent occupations.

9.2 It is the strong preference of the Council, for landowners/developers to work with RSL's that meet the following criteria:

- ❖ Already have rented accommodation in South Staffordshire.
- ❖ Have development experience in South Staffordshire.
- ❖ Have local management arrangements.
- ❖ Actively participate in Council/RSL liaison meetings.
- ❖ Possess a "green light" for development from the Housing Corporation.

9.3 The Housing Associations that currently fulfil this role are listed below in alphabetical order:

| Housing Association | Contact details |
|-------------------------------|--|
| Accord HA | 37 King Street, Darlaston, West Midlands. WS10 8DD Tel: 0121 568 3900 www.accordha.org.uk |
| Beth Johnson HA | Three Counties House, Festival Way, Stoke-on-Trent. ST1 5PX Tel: 01782 219200 www.bethjohnson.org |
| Bromford Housing Group | 1 Venture Court, Broadlands, Wolverhampton. WV10 6TB |

| | |
|-------------------------------|---|
| | Tel: 01902 378600 www.bromford.co.uk |
| Focus HA | 20 Bath Row, Birmingham. B15 1LZ Tel: 0870 60 70 300 www.focus.co.uk |
| Jephson HA | 1 st Floor, Trafalgar House, King Street, Dudley. DY2 8PS Tel: 01384 231237 www.jephson.org.uk |
| South Staffordshire HA | Acton Court, Acton Gate, South Staffs. ST18 9AP Tel: 01785 312000 www.ssha.co.uk |

10.0 PLANNING APPLICATION PROCEDURE

- 10.1 Circular 6/98 states that where a Local Planning Authority considers that the site is suitable for inclusion of an element of affordable housing and the Applicant does not include such a provision as part of the proposed development, such a failure could justify the refusal of planning permission.
- 10.2 This policy will be given extensive publicity when adopted and details will be given to the developers in the area. All developers will be encouraged to enter into detailed pre-application discussions with the Council with the intention of agreement being reached on all affordable housing issues prior to an application being submitted.
- 10.3 On receipt of an Application for residential development on a suitable site, the landowner/developer will be notified by the Council of the Local Plan policies regarding affordable housing and invited to discuss the Application with planning officers and the Principal Housing Officer (Strategy).
- 10.4 The proportion of affordable housing to be included on any suitable site will be dependent principally on the local need for affordable

housing but will also take account of individual site characteristics. The 2001 independent housing requirements assessment concluded that affordable housing of at least 30% on suitable sites was justified. In situations when 30% does not equate to a whole number we will expect the applicant to round up to the nearest whole number so that the requirement of 30% affordable housing is met.

- 10.5 Planning applications will be considered in the normal way taking into account the scale, design and layout of the residential development. The inclusion of affordable housing will be material in determining the Application.
- 10.6 The Applicant will be given the opportunity to detail the means of providing affordable housing, which will be most appropriate on the site. It is the preferred option of the Council for the developer to provide completed units at a price that is acceptable to the selected RSL partner based on the following affordability criteria.

Social Rented Housing

The price paid by the Housing Association for the affordable dwellings will be determined by calculating the ability of the Housing Association to borrow on the basis of the net rent of the affordable housing. The Housing Association will pay to the developer the mortgage that can be serviced by the affordable rent over a 25 year period, after deducting management and maintenance costs and making an allowance for voids and bad debts. The developer will therefore fund the difference between the mortgage funded by the net rent and the cost of developing the units.

Shared ownership housing

The Housing Association will negotiate with the developer regarding the purchase price to be paid. However the Housing Association will need to ensure, in agreement with the Council, that the resulting out-turn costs for the occupier are affordable and meet the objectives of the Council's affordable housing policy. As a base we would expect Housing Associations not to exceed a 3% rent cap on the unsold equity.

Low-cost home ownership housing

To be affordable the price of the housing will relate directly to earnings. In 2005 the average salary in South Staffordshire District was £26,780 (Annual Survey of Hours & Earnings). This income level is sufficient for households to purchase properties on the open market, using the mortgage multiplier of three and a half times income they could afford around £93,750 (these figures will be updated annually). The scale of house price increase has resulted in a larger affordability gap for those households unable to access the market for home ownership. Developers will be required to subsidise this type of housing to ensure that occupancy can be afforded by those households on average incomes or lower.

Emerging Government guidance (Consultation on PPS3 – Housing) states that the Government no longer considers low cost market housing to be affordable housing. If applicants are considering the provision of low cost market housing if/before this becomes formal policy, they will need to demonstrate how such properties will be affordable and will remain so in perpetuity. Should this become policy then low cost market housing will be removed from the definition of affordable housing, although applicants could still provide an element of low cost market housing above and beyond the 30% requirement.

10.7 If the Planning Application is acceptable, the consent will normally be subject to the Applicant entering into a Section 106 Agreement to secure the affordable housing, control occupancy and involve a registered social landlord to ensure that the affordable housing will continue to be available for those in need.

10.8 The Council will retain nomination rights on occupancy of the affordable housing based on priorities detailed in the Council's Allocations Policy.

11.0 SITE SUITABILITY

11.1 In considering applications for residential developments the suitability of the site for affordable housing will be assessed. The identified affordable housing need in the area will be estimated from data collected both from waiting list information and independent housing studies.

11.2 The criteria for suitability of the site for affordable housing are:

- a) The proposed development should be in conformity with the policies and proposals of the adopted Local Plan.
- b) The development should have proximity to local services and facilities and access to public transport.
- c) Consideration as to whether the provision of affordable housing would prejudice the realisation of other planning policy objectives which may need to be given priority in the development of the site.

- d) Consideration of any exceptional costs associated with the development of the site.
- e) The ability to achieve a successful housing development in terms of the mix of affordable house types, the proportion of affordable accommodation, delivery mechanism and subsequent management.

11.3 The ability to provide affordable houses may be affected by exceptional costs associated with site development. Where the landowner/developer can prove legitimate abnormal development constraints exist, the Council, in deciding upon the level of affordable housing, will take these into account.

11.4 If an Applicant seeks a reduction from the affordable housing policy target, it will be necessary for a detailed development appraisal to be submitted, as part of the planning application documentation. This financial analysis should include the following factors: estimate of gross development value; independent agent's assessment of achievable market sale prices; existing use value of the site; abnormal extra-over development costs; cost plan outlining basic construction and ancillary costs; planning obligation costs (excluding delivery of affordable housing); finance costs; estimated financial return.

11.5 The Council will utilise the services of an external consultant to fully investigate any economic submission seeking to justify affordable housing provision below policy target levels. The Applicant will be required to comply with any reasonable request made by such external consultant for additional information, which is considered necessary to robustly examine and appraise the economic viability. The Applicant will be responsible for the costs associated with the independent appraisal.

APPENDIX 1

AFFORDABLE HOUSING PROVISION WITH RSL INVOLVEMENT –

SOCIAL RENTED/SHARED OWNERSHIP

1. The Development [*defined as the development authorised by the planning permission*] shall not be Commenced [*defined as meaning the time when Development is initiated as determined by section 56 of the Principal Act*] prior to the obtaining of the written approval of the Council to a scheme for the provision of affordable housing (comprising [see Interim Guidance para 8.3]) as part of the Development (“the Affordable Housing Scheme”) including locations of dwellings within the Affordable Housing Scheme the registered social landlord partner to whom those dwellings will be transferred the specifications of those dwellings the mechanisms for ensuring affordability for initial and subsequent occupiers and their timetable for provision with respect to time from Commencement of the Development and numbers of general market dwellings that may be residentially occupied as part of the Development prior to beneficial use of dwellings within the Affordable Housing Scheme
2. The Development shall not be continued other than in accordance with the Affordable Housing Scheme
3. The Development shall not be commenced prior to obtaining the written approval of the Council to the completed contracts for the construction of the dwellings within the Affordable Housing Scheme and their transfer to a registered social landlord such contracts for the avoidance of doubt to provide for a right for the Council to enforce any of the provisions thereof and to take the benefit thereof in the event of default by the contracting registered social landlord
4. Occupation of dwellings within the Affordable Housing Scheme as a dwelling shall be limited to persons (together with their dependants and others ordinarily expected to live as part of a single household with that person) nominated by the Council provided always that after a dwelling has been so occupied for the first time such restriction shall apply only for the first three in every four subsequent new residential occupations

APPENDIX 2

AFFORDABLE HOUSING PROVISION - PAYMENT IN LIEU

1. The Development [*defined as the development authorised by the planning permission*] shall not be Commenced [*defined as meaning the time when Development is initiated as determined by section 56 of the Principal Act*] prior to the obtaining of the written approval of the Council to a calculation showing the full costs of providing affordable housing as defined in the Interim Advice to Landowners/Developers published by the Council and dated January 2006 (“the Costs”) within the same or a surrounding parish to that in which the Development is proposed such affordable housing to constitute 30% of the total of the housing comprised within the Development and the affordable housing (i.e. 43% of the housing comprised within the Development)
2. No part of the Development shall be residentially occupied prior to payment of the Costs (increased by the same percentage as the House Price Index as increased between the date on which the Costs was calculated and the date of payment being made) to the Council

**AFFORDABLE HOUSING PROVISION WITHOUT RSL INVOLVEMENT –
DISCOUNTED SALE**

1. The Development [*defined as the development authorised by the planning permission*] shall not be Commenced [*defined as meaning the time when Development is initiated as determined by section 56 of the Principal Act*] prior to the obtaining of the written approval of the Council to a scheme for the provision of affordable housing (comprising [see Interim Guidance para 8.3]) as part of the Development (“the Affordable Housing Scheme”) including locations of dwellings within the Affordable Housing Scheme the specifications of those dwellings the mechanisms for ensuring affordability for initial and subsequent occupiers and their timetable for provision with respect to time from Commencement of the Development and numbers of general market dwellings that may be residentially occupied as part of the Development prior to beneficial use of dwellings within the Affordable Housing Scheme.
2. The Development shall not be continued other than in accordance with the Affordable Housing Scheme.
3. No dwelling forming part of the Affordable Housing Scheme shall be disposed of for a consideration exceeding that certified by the Council as three and a half times its estimate of the then pertaining average gross annual average income within the District (such certification to be provided within four weeks of written request from the owner for the time being of the relevant dwelling).
4. Occupation of dwellings within the Affordable Housing Scheme as a dwelling shall be limited to persons (together with their dependants and others ordinarily expected to live as part of a single household with that person) certified by the Council as being in need of affordable housing within the locality of the Development the Council’s decision as to certification being made within four weeks of receiving a request for such certification including such supporting material as will allow the Council to decide whether such certification should be given.
5. The Council will certify for the purposes of the immediately preceding clause if and only if satisfied that the person (and their expected household) is not able to compete in the general housing market and that person is:
 - a. resident in the Locality in housing considered by the Council to be inadequate for the needs of the household of that person OR
 - b. not currently resident in the Locality and
 - i employed within the Locality or
 - ii with the benefit of an offer of employment within the Locality

6. In the event of breach of the provisions hereof that is not remedied within three months of such breach arising the Council may serve notice on the owner for the time being of such dwelling affected by the breach requiring that person to pay to the Council a sum specified in the notice as representing the cost of procuring a replacement dwelling of similar type and suitable for use as affordable housing elsewhere within the administrative area of the Council such sum to be payable within six months of service and being subject to interest at 4% above the Bank of England base rate from time to time from the date on which it becomes payable to actual payment upon payment of which the affected dwelling shall cease to be subject to the provisions hereof **PROVIDED ALWAYS** that if the breach is remedied prior to payment becoming due such notice shall lapse.