Affordable Housing
Supplementary Planning Document 2019

July 2019
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1. **Introduction**

**Purpose**

1.1 This Supplementary Planning Document (SPD) updates and replaces the original Affordable Housing SPD for West Suffolk produced in October 2013. It is a material consideration when making planning decisions.

1.2 The purpose of any SPD is to provide additional guidance on key development plan policies and how they will operate. It should not introduce new policy but supplement existing policies in the former councils’ Core Strategies. This SPD aims to provide advice to developers, including registered providers (RPs) on the council’s approach to affordable housing provision.

1.3 This document will help guide the delivery of affordable housing in West Suffolk which will help to meet the strategic vision and objectives set out in the existing former St Edmundsbury and former Forest Heath area Local Plans by supporting the creation of a sustainable long-term future for communities within West Suffolk.

1.4 Guidance is presented on the criteria for delivering affordable housing, including the thresholds and percentages applicable, as well as advice on viability and how and when commuted sum payments will be considered. The SPD also provides advice on the Section 106 (s106) agreements, which will be used to secure the provision of affordable housing on new developments.

**Why is a revised SPD required?**

1.5 This SPD has been produced to expand upon the policies set out in West Suffolk Council’s, (known as the “council” for the purposes of this document), core strategies (CS5 for former St Edmundsbury area and CS9 for the former Forest Heath area) and to provide clear policy advice to ensure the delivery of affordable homes in West Suffolk. The council is in the process of producing a West Suffolk Local Plan and until such time we currently have two separate core strategies as set out above.

1.6 In particular this SPD gives guidance on:

- The amount of affordable housing contributions being sought from housing developments
- Affordable housing providers
- Providing affordable housing through on-site and off-site contributions
- Development viability impacts
- Rural exception sites
• Section 106 agreements for affordable housing provision
• Management and occupancy arrangements.

1.7 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.

1.8 In this updated SPD we have made particular effort to:

• Emphasise the importance of delivering affordable housing so that we can provide suitable housing for people living and working in the area and that early engagement in dialogue with planning and housing officers will help achieve this.

• Provide a comprehensive methodology on the calculation of commuted sums. Commuted sum payments will be based on local house prices and the difference between what a registered provider will pay for an affordable property and the subsequent uplift in market value, if the affordable dwelling is no longer provided on site. This approach will help to provide an element of ‘future-proofing’.

1.9 West Suffolk has a good track record of delivering new affordable housing. Between 2012/13 and 2017/18, 32% of all new homes built were delivered as affordable homes in West Suffolk on larger sites (10 units and above), indicating that the council has been successful in delivering over their 30% requirements as set out in our adopted policy. Over the past six years, West Suffolk has delivered 866 affordable homes, representing 24% of all net housing completions. West Suffolk Housing Delivery Report.pdf

1.10 This SPD will be reviewed should circumstances change, including updates to Government policy and when it is considered by the Council that the SPD needs to reflect those changes. The SPD will also be reviewed once the West Suffolk Local Plan is adopted. In the meantime this SPD will continue to refer to our core strategies as within the former Forest Heath and former St Edmundsbury Boundary areas.
2. Planning Policy context and 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 Planning Policy Framework 2019 (NPPF)

2.2 The National Planning Policy Framework 2019 produced by the Ministry of Housing, Communities and Local Government sets out the Government’s planning policies for England and how these are expected to be applied. Paragraph 61 of the NPPF aims to promote the delivery of a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities by: ‘Ensuring the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).’

2.3 Specifically for affordable housing, the NPPF expects ‘affordable housing to be provided on site unless off-site provision or an appropriate financial contribution in lieu can be robustly justified; and that the agreed approach contributes to the objective of creating mixed and balanced communities.’

2.4 The NPPF introduces a new policy requirement:

Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership [as part of the overall affordable housing contribution from the site], unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:

a) provides solely for Build to Rent homes;
b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);
c) is proposed to be developed by people who wish to build or commission their own homes; or
d) is exclusively for affordable housing, an entry level exception site or a rural exception site.
Local housing policy

2.5 Affordable housing has a significant role to play in meeting the council’s strategic priority to ‘Increase and improve the provision of appropriate housing in West Suffolk in both our towns and rural areas’. We also continue to work with registered providers and developers to provide affordable housing across West Suffolk. Increasing the range of housing products available to people in housing need and providing quality alternatives to homelessness will help to deliver this priority.

West Suffolk’s Housing Strategy

2.6 West Suffolk’s Housing Strategy (2018-23) seeks to deliver a step-change in the provision of affordable housing by setting out plans to manage growth and meet the changing needs and aspirations of local residents over their lifetime. This will be achieved by facilitating choice and providing ways of helping residents move through different types of tenure as their circumstances change. The strategy also seeks to secure viable affordable housing to meet identified local needs to help achieve a more balanced, sustainable housing market and make best use of the existing housing stock.

West Suffolk’s Tenancy Strategy

2.7 West Suffolk’s Tenancy Strategy (2018) sets out how the council expects registered providers and other approved providers to operate affordable housing tenancies, and how affordable homes should be managed in future. The council expects that all new affordable homes must be delivered in accordance with this guidance.

West Suffolk Strategic Framework

2.8 The priority of affordable housing delivery forms a key part of the West Suffolk Council Strategic Framework. At the time of adoption of this SPD, the 2018-20 Framework included the Council’s objective of: “ensuring there is sufficient mix of housing types to meet the needs of our local communities, including delivering 30% affordable housing on any private development.” West Suffolk Strategic Framework

Core Strategy and Development Management Policies

2.9 The core strategy sets out a range of affordable housing targets across West Suffolk, based on an assessment of viability in relation to individual settlements, and makes provisions for rural exception sites and the conversion of rural buildings for affordable housing. Please refer to core strategy policies:
The former Forest Heath area Core Strategy

- CS9 which covers affordable housing requirements

The former St Edmundsbury area Core Strategy

- CS5 and Policy DM29 (see Table 1), which cover affordable housing requirements and affordable housing in rural areas.
- Policy DM29 relates specifically to the former St Edmundsbury area and the provision of rural housing exception sites within the former St Edmundsbury area.
- The Core Strategies also set out the trigger for affordable housing provision and further detail of these can be found in Section 3.

Housing Needs Assessment or Strategic Housing Market Assessment (SHMA)

2.10 A Strategic Housing Market Assessment (SHMA) is required to set out the number of homes needed in the future and to inform local plans and housing strategies, which seek to meet housing need, support a healthy economy and achieve a ‘balanced’ housing market. The SHMA was last updated in 2013 but in addition, every three months a Housing Market Bulletin is produced to show recent changes in house prices, numbers of sales, affordability, and other market forces.

2.11 In line with the requirements of the NPPF, the SHMA provides an objectively assessed need for market and affordable housing in the wider market area. This provides an overview for the council to determine specific affordable housing needs that will be fit for purpose within different parts of West Suffolk.

2.12 For more information, please refer to the most up to date SHMA for the former Forest Heath and former St Edmundsbury area.

Housing register

2.13 The housing register for West Suffolk provides more local detail about the number of households in need of affordable housing in West Suffolk. The housing register currently shows a high overall requirement for affordable dwellings based on a one to four bedroom need.

2.14 In July 2019 West Suffolk’s’ live housing register held 1456 households. This represents the number of households with an identified housing need and is made up of families and vulnerable people. The households on the housing register require social and affordable rented homes.
This register does not include those people on median to high incomes who are on waiting lists for intermediate affordable housing such as shared ownership or equity share schemes. The Help to Buy agent for West Suffolk is Bedfordshire Pilgrims Housing Association and they hold a separate register of people who want to acquire a low cost home in the area. Their website is [www.helptobuyese.org.uk](http://www.helptobuyese.org.uk)
3. **Providing affordable housing**

3.1 It is important that everyone living in West Suffolk has the opportunity to live in a decent and affordable home. One of the priorities of the West Suffolk Housing Strategy is to ensure “Partners will work together to continue to enhance the supply of affordable housing, using land, resources and influence.”

3.2 This reflects the commitment of West Suffolk to help local people who cannot afford to buy or rent a home on the open market in the area.

**What is affordable housing?**

3.3 The type and tenure of affordable housing required on development sites will be determined, in discussion with the applicant, by consideration of a combination of information including the:

- Strategic Housing Market Assessment
- Local housing needs surveys/rural profiling data
- Housing register/Choice Based Lettings data
- Availability and type of existing stock
- Local housing market
- Neighbourhood plans.

3.4 As well as the scale and 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.

3.5 The council’s preference on the type and tenure of affordable housing, that will form the starting point for negotiations, will be based on the findings of the SHMA and housing register. The Strategic Housing Team at West Suffolk will also consider relevant additional up to date evidence of specific local need, identified at the time of negotiations.

**Amount of affordable housing required**

3.6 The council will expect new developments to contribute towards the delivery of affordable housing, in relation to individual settlements. These targets are set out in the core strategies and have been tested as viable and are considered a reasonable target to achieve on all developments. Although it should be noted that different criteria will apply in relation to rural exception sites (see page 20).
3.7 **Developments within the former Forest Heath area boundaries**

*Policy CS9 Provision for Affordable Housing*

*On all schemes of 10 or more dwellings or sites of 0.5 hectares a target of 30% of the total net new dwellings will be sought as affordable*

Where this policy would result in a requirement that part of a dwelling should be affordable, a financial contribution of equivalent value to that ‘part dwelling’ will be required.

3.8 **Developments within the former St Edmundsbury area boundaries**

*Policy CS5 Provision for Affordable Housing*

*In new developments of 10 or more dwellings or sites of 0.5 hectares a target of 30% of the total net new dwellings will be sought as affordable*

Where this policy would result in a requirement that part of a dwelling should be affordable, a financial contribution of equivalent value to that ‘part dwelling’ will be required.

3.9 **In accordance with the revised NPPF as defined within its Annex 2**

West Suffolk Council will be seeking to secure affordable housing on major developments where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more.

3.10 Where existing dwellings are being demolished, the application of the target will apply to the net increase in dwellings in a site. The target also applies to conversions (e.g. barn conversions) as well as new build.

3.11 **The NPPF 2019 specifies the affordable housing products available and defines these as:**

Affordable housing as 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:

**Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents.
(including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

**Affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

**Discounted market sales housing**: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

**Starter homes**: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

* NB: These products will be considered, subject to the evidence of need. (The Council’s preferred choice for home ownership is shared ownership as there is robust evidence to justify the need for this product type)
3.12 Homes that do not meet the above definition of affordable housing, will not be considered as affordable housing in West Suffolk. When new products emerge which meet the Government’s definition they will be considered as affordable housing for planning policy purposes. Gypsy and Traveller pitches will only be classed as affordable housing units where they are managed under legal agreements by an RP, the council or Suffolk County Council, subject to a nominations agreement and occupied by a nominee of the council’s choosing.

3.13 Our core strategy policies CS5 and CS9 as defined above are silent on the inclusion of starter homes, discount market housing and other routes to affordable housing ownership. The council will have due regard to the definitions in the NPPF (2019) and the consideration of these products in new applications where it can be demonstrated that it addresses an affordable housing need across West Suffolk. This SPD cannot change approved Policy CS5 or CS9, but it can highlight how these products will be considered.

3.14 The revised NPPF (2019) introduces entry level exception sites which are: ‘suitable for first time buyers (or those looking to rent their first home), unless the need for such homes is already being met within the authority’s area. These sites should:

a) comprise of entry level homes that offer one or more types of affordable housing as defined by the NPPF; and

b) be adjacent to existing settlements, proportionate in size to them [not be larger than one hectare or exceed 5% of the size of the existing settlement], not compromise the protection given to areas or assets of particular importance in the NPPF and comply with any local design policies and standards.’

Tenure mix

3.15 The findings from the Housing Needs Assessment (or SHMA) will be particularly important to the determination of an agreed mix, to reflect current need. The council will also use the most up to date information available on local need to inform its negotiations on the affordable housing mix, including local registers of need for rented and intermediate housing.

3.16 The tenure mix required on each site will take into account the tenure profile of the surrounding area. It will be based on the prevailing need for affordable housing units, and is to be agreed with the Council’s Strategic Housing Team on a site-by-site basis. If the proposed affordable housing mix between social/affordable
rented and intermediate housing is not acceptable, then the Council’s Strategic Housing Team could object to the planning application and this could lead to a refusal of the planning permission.

*Table 1 shows the tenure mix sought by policy CS5 and CS9.*

<table>
<thead>
<tr>
<th>Size of site (gross)</th>
<th>Affordable housing – on-site mix</th>
<th>Units sought off-site</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Former St Edmundsbury Area CS5 Policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 or more: or a site area requirement of 0.5ha in the former St Edmundsbury Area</td>
<td>80% social and affordable rent, <em>20% intermediate</em> <em>(On smaller sites where the requirement for affordable housing may trigger one or two dwellings and the NPPF requires at least 10% of the intermediate percentage as stated above to be delivered as a form of low cost home ownership, it will at the discretion of the RP as to whether they will be willing to take a single dwelling. Alternatively if this is not supported by the RP, the 10% required will need to be secured as a commuted sum in lieu of onsite provision.)</em></td>
<td>Only in exceptional circumstances.</td>
</tr>
<tr>
<td><strong>Former Forest Heath Area CS9 Policy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 or more: or a site area of more than 0.5ha in the former Forest Heath Area</td>
<td>70% social and affordable rent, <em>30% intermediate</em> <em>(On smaller sites where the requirement for affordable housing may trigger one or two dwellings and the NPPF requires at least 10% of the intermediate percentage to be delivered as a form of low cost home ownership it will at the discretion of the RP as to whether they will be willing to take a single low cost ownership product. Alternatively this will</em></td>
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<tr>
<td></td>
<td><em>need to be secured as a commuted sum in lieu of onsite provision.</em></td>
<td></td>
</tr>
</tbody>
</table>

Note: * The council’s preference on sites which will deliver only two or three affordable dwellings is that these are provided as all Affordable Rent. This decision has been made in accordance with the recommendation of local RPs.

**Extra care and sheltered housing schemes**

3.17 Extra care and continuing retirement communities often provide self-contained units for sale to meet the needs of a growing older population. Extra care housing can take a variety of forms which can influence whether it is part of the C2 (Residential Institution) or C3 (Dwelling House) Use Class. The nature and type of service and accommodation in a scheme will determine the use class and therefore whether or not it needs to accord with the provisions to provide affordable housing on site as part of Policy CS5 and CS9.

3.18 For the purposes of this supplementary guidance, extra care housing will be regarded as a model of housing that combines independent housing with flexible levels of care and support. Schemes might incorporate purpose-built, self-contained and accessible rented, shared ownership, or leasehold accommodation. Extra care schemes will be subject to planning obligations to make a contribution to affordable housing under s106 agreements depending on the specific characteristics of the relevant scheme. The obligation to make an affordable housing contribution will depend on which Use Class Order the council considers the scheme to be.

3.19 In relation to extra care schemes, the factors which differentiate C2 and C3 are those relating to the predominant level of care provided and whether it is provided as a condition of residency, which is more likely to indicate a C2 classification. However, receiving a care service does not in itself necessarily determine it as C2 accommodation if it is not a requirement. If the level of care provided is high or equivalent to the service normally associated with residential care homes, a C2 classification would be indicated.

3.20 The council will take all the characteristics of a scheme into account in determining the use class and will not consider any one factor as the defining criterion.
The affordable housing requirement for an extra care scheme

3.21 Where a C3 use is determined, an Extra Care housing scheme will be subject to the provisions of policy CS5 (former St Edmundsbury Area) or CS9 (former Forest Heath Area) and be required to achieve 30% affordable housing on-site (dependent on the size of the development).

Affordable housing – registered providers

3.22 The council will require the affordable dwellings on a new development to be delivered by or transferred to a registered provider (RP). Developers are encouraged to involve an RP at the earliest opportunity and to take advantage of their experience in the delivery of affordable housing and securing funding, when available.

3.23 Although the council will not impose the choice of a particular RP partner on a developer, it has worked closely with a number of RPs, which operate within West Suffolk. West Suffolk Council would expect that affordable rents are affordable to those on local incomes and therefore will require that all affordable rents do not exceed the prescribed local housing allowance.

3.24 Where a private developer is obligated to provide affordable housing it will be expected that they enter into a Section 106 agreement. The s106 agreement will require that a nominations agreement is entered into with the council to ensure that the affordable dwellings remain affordable in perpetuity. In all cases, the council expects that affordable houses are free from burdens of service charges and has a preference that properties are built to MHCLG “Nationally Described Space Standard”. Further guidance on site can be found in Section 4 of this document.
4. Delivering Affordable Housing

4.1 A significant proportion of affordable housing within West Suffolk and nationally is likely to be delivered without any public subsidy from Homes England. Applicants will need to consider this when purchasing land and considering the development economics. Applicants are responsible for the delivery of affordable housing and working with RPs is common practice. Therefore early engagement with an RP is highly recommended.

4.2 The council does not preclude alternative arrangements for developing affordable housing. Innovative partnerships which maximise the opportunities for attracting external funding will be considered.

4.3 Appendix 4 of this document contains an affordable housing checklist. This checklist is designed to guide applicants and illustrate what affordable housing related information will be required as part of the planning application process.

Planning applications

4.4 All relevant planning proposals should comply with Government guidance and the adopted former Forest Heath and former St Edmundsbury Area Local Plans, as supplemented by this SPD. Failure to do so may lead to a refusal for planning permission unless amendments can be made, planning conditions imposed or legal agreements introduced to minimise or counter any potential negative impact of the development site.

4.5 As part of the decision-making process, the council will need to reach an appropriate balance between a wide range of competing planning objectives and material considerations in order to manage the development and use of land in the wider public interest. A balance will need to be struck between the relevant policies in the local plan and the specific circumstances of each case.

4.6 For full details on planning conditions, obligations and the Community Infrastructure Levy, please see separate documents entitled:

- Planning Guidance Documents
- S106 and Community Infrastructure Levy Schedule.
Full applications

4.7 Full applications should confirm the amount of development proposed, including the amount of affordable housing to be provided; the dwelling mix in terms of tenure and unit size and the location of the affordable homes. In addition, it would be helpful if applications identified if any plots are designated for custom or self-build dwellings. In the event that the affordable housing cannot be provided on site, application documentation should confirm the percentage of financial contribution to be provided. This must be agreed with the council.

Outline and reserved matters applications

4.8 If an outline application is made, the council will require applicants to define the affordable housing element of the scheme. This will be secured through planning obligation. Outline applications are therefore advised to set out the following:

- The percentage of affordable housing to be provided
- The indicative dwelling mix and location of the affordable homes
- The indicative tenure mix and dwelling types and sizes.

4.9 Reserved matters applications should confirm the affordable housing mix proposed on the site. Developers will be expected to provide details of the specific location of affordable housing within the site, usually including plot numbers, number of bedrooms, gross internal floor area of each affordable dwelling type and tenure. The dwelling and tenure mix should broadly reflect the indicative housing mix specified within the outline application.

Distribution of new affordable homes within the development site

4.10 The nature and size of the proposed development will influence the distribution of the affordable homes. In all cases they should be an integral part of the development. The required density on a given site will need to have regard to its wider context and other policies associated with the local plan.

4.11 The council will usually expect affordable units to be distributed around the site, rather than grouped together in a particular area. On large sites, RPs 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 will still create a balanced and sustainable community).
4.12 On the basis of local experience, the affordable housing in villages with a population under 3000 should not be concentrated in clusters greater than six properties and in towns, key service centres and villages (as defined in the core strategy) clusters no greater than 15 properties.

4.13 On phased developments or large developments split into parcels of land, developers must take into account the clustering of affordable housing on neighbouring parcels to ensure the even distribution of affordable housing clusters throughout the development area as a whole.

**Access to flatted development**

4.14 Developers should avoid designs that would result in high maintenance and services charges affecting the affordable part of the development. When designing a scheme it is recommended that applicants liaise with the Council’s Planning and Strategic Housing Team early in the design process.

4.15 In flatted schemes, no more than 15 affordable dwellings should normally have access from a common stairwell or lift. This is in line with the [Homes England Housing Quality indicator 2.15](#).

**Design of new affordable homes**

4.16 To ensure the creation of mixed and integrated communities the affordable housing should be “tenure blind”. This means that it should not be visually distinguishable from the market housing on the site in terms of build quality, materials, detailing, levels of amenity space and privacy. Reductions in size, use of sub-standard materials, or poor finishing and detailing are not an acceptable shortcut to affordability.

4.17 The council’s preference is that all new affordable housing proposed meets the new Nationally Described Space Standards for each dwelling type. The council has introduced a Technical Advice Note that sets out West Suffolk Council’s interpretation of the Nationally Described Space Standards published in March 2015, which came into effect in October 2015. This should be read in conjunction with Building Regulations requirement M4 (2) ‘accessible and adaptable dwellings’.

4.18 The Technical Advice Note is helping the council to guide appropriate space standards when considering applications for residential (Use Class C3) development in West Suffolk. This will result in residential developments that are well designed and fit for purpose, have a positive impact on residents’ health and well-being, provide adequate space for occupants’ amenities and enable
Chapter 4: Affordable Housing Provision

4.19 The Suffolk Design Guide 2018 provides further details, identifying the principles that should be followed to deliver good quality design of new development across Suffolk. These principles apply equally to affordable housing and market housing.

4.20 Where sites or areas are subject to other guidance prepared by the council for example a masterplan or strategic design codes, developers must consider the affordable housing requirements carefully to reflect all appropriate guidance.

**Accessible housing, lifetime homes and specialist accommodation**

4.21 The council will encourage all affordable homes to achieve Lifetime Homes Standard. The Lifetime Homes Standard incorporates design features which can be adapted to different occupiers needs or to encourage the provision of lifetime homes and the council will work with developers to ensure such provision.

**The phasing of affordable housing provision**

4.22 Affordable housing units must be provided without unreasonable delay; as a guide, the affordable housing units should be completed proportionately with the market housing. However the council will consider the timing of affordable housing delivery on a case by case basis.

4.23 The timing of the delivery of the affordable housing is particularly important on larger schemes, where poor timing can result in isolated pockets of development and cause problems with infrastructure delivery, leading to a poor living environment for new residents in the short term. Phasing of affordable housing delivery should generally be commensurate with market housing, taking into account the phasing of other infrastructure. If a clawback agreement has been negotiated, the affordable housing delivery during the first phase of development will be set out in the agreement, and affordable housing delivery may be increased during later phases of the scheme (For further information please refer to Appendix 1).

**Off-site provision**

4.24 The council recognises that there can be exceptional circumstances where an alternative to the inclusion of affordable housing on-site may be appropriate.
4.25 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).

4.26 Applicants will need to provide evidence 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 RP

- Insurmountable problems with funding meaning that a RP is unable to commit to the scheme (N.B. neither the absence of grant funding nor the absence of a RP 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 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.

4.27 The alternatives to on-site provision are set out in priority order in Table 2.

Table 2: Hierarchy of Alternatives to on-site provision

<table>
<thead>
<tr>
<th>Type of Provision</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of affordable units on an alternative site.</td>
<td>This may include two separate sites within one application, but this will be at the absolute discretion of the local planning authority.</td>
</tr>
<tr>
<td>Purchase of land for a RP or other body identified council within the same settlement.</td>
<td>Suitable land within the same settlement or place as the application site will be transferred at no cost to a RP or any other body identified by the council, who will then finance and build the required affordable homes on that land. The location should be</td>
</tr>
<tr>
<td>Type of Provision</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Purchase of existing housing units within the local authority area.</td>
<td>The developer will purchase the required number of units on the open market and sell them to a RP or other body identified by the council at a 30%-40% discount. The location, quality, cost, size and design of the units must be agreed with the RP and the council’s housing officer to ensure the units meet the prevailing need and are of an appropriate standard.</td>
</tr>
<tr>
<td>Purchase of land for a RP or other body identified by the council elsewhere in district.</td>
<td>Suitable land elsewhere in West Suffolk will be transferred at no cost to a RP or other body identified by the council, who will then finance and build the required affordable homes on that land. The location should be agreed with the appointed housing officer.</td>
</tr>
<tr>
<td>Commuted sum for affordable housing.</td>
<td>The council may be willing to accept this option on sites of 0.5 hectares or more but only if all other options have been discounted.</td>
</tr>
</tbody>
</table>

4.28 In respect of the alternatives to on-site provision listed in Table 2, land should be provided at no cost to an RP or other body identified by the council and the gap between construction costs and what an RP or other body is able to afford should be reflected in negotiations between developers and landowners. Where off-site affordable housing is exceptionally agreed, payments-in-lieu will normally only be agreed where, for example:

- On smaller sites, where RPs may not want affordable housing because of management difficulties
- Service charges and other costs are prohibitively expensive to occupiers of affordable housing
- The council/RP does not consider it appropriate to have units in that location due to their unaffordability
- The site is in a remote, rural location outside of any of the villages listed in the settlement hierarchies in the council’s core strategies.
• Where such issues could reasonably have been anticipated and addressed prior to the submission of an application, the application is likely to be refused.

**Committed sums**

4.29 As noted above, the presumption is that affordable housing will be provided on site. Financial contributions in lieu of on-site provision of affordable housing will only be considered if:

• The requirement that 30% of all homes results in less than a whole number of homes. In such instances, the fraction of a home will be taken as a committed sum

• In exceptional circumstances where the council is satisfied that there is good case in housing needs terms for an affordable property or properties not to be provided on site.

4.30 The committed sum payments formula aims to ensure that the housing developer is neither advantaged nor disadvantaged by providing a committed sum in lieu of onsite provision. The council wishes to ensure that the calculation of the committed sum is simple and transparent. The committed sum calculation is as follows:

Step 1. Calculate the open market value of the dwelling(s) on the site that would otherwise being provided as an affordable rented dwelling

Step 2. Calculate the amount a registered housing provider (or other provider of affordable housing) would pay for the dwelling(s) if it were to be provided as affordable rented housing

Step 3. Subtract the figure at step 2 from the figure at step 1. This is the committed sum.

**How the committed sum calculation should be applied**

4.31 The calculation can be used to calculate the committed sum arising from one or more dwelling not provided on site.

4.32 If the calculation is to be used to work out the committed sum relating to a fraction of a property, the same method should be used but at steps 1 and 2, the property to which the values and prices apply should be a property on site that could reasonably be provided as affordable housing.

4.33 If, for whatever reason, the developer and council agree that there are no properties in the development that could reasonably be used in steps 1 and 2 of the negotiation, both parties shall agree on an alternative ‘reference’ property. The reference property would be a property of the same type as that or those foregone on site, with
the same number of bedrooms and in the same location (meaning within the same town or village or broad location) that a RP (or other provider of affordable housing) could reasonably be expected to purchase in the open market to mitigate the non-provision of that dwelling on site.

4.34 If a large number of affordable dwellings are to be funded via a commuted sum rather than on site (or off site) provision, the developer and council may agree to a RP offer price (or that of another provider of affordable housing) being based on a mix of affordable rented and low cost home ownership homes.

4.35 Open market values may be derived from web-based information, the Land Registry or from specific valuations.

4.36 Registered providers’ prices (or those offered by another provider of affordable housing) may be derived from actual offers made for the dwellings concerned, exemplar offers for the type of dwellings in question, whether made by a provider in relation to those particular properties or not, typical values evidenced with reference to similar schemes or the capitalised value of the net rental stream for social and affordable rent (gross rent less service charge, management, maintenance, voids and bad debts), and the value of the first tranche sale plus the capitalised value of the net rental stream for the shared ownership units.

4.37 The council does not wish the calculation of commuted sums to place too onerous a burden on developers and it is expected that in many cases the developer will already be in contract with a RP and therefore have information regarding what a provider would offer or indeed has offered to pay for a particular type of dwelling or tenure. If this information has already been used in the developer’s viability appraisal this may be used.

4.38 Regardless of the source of any market values or RP’s prices, the council reserves the right to substitute its own figures and evidence should it wish to challenge any of the developer’s inputs. The final commuted sum figure will then be derived through negotiation.

4.39 Should the developer provide no evidence at all, the council reserves the right to use its own calculation and should the developer not provide any subsequent evidence to the contrary, the council expects that its figures will form the agreed level of commuted sum payment.
How will the Commuted Sum be spent?

4.40 When financial contributions are received, these will be pooled and spent on the provision of affordable housing to achieve any of the following:

- development of more affordable housing by whatever route;
- achieve more larger/specialist/costly homes that otherwise would not be provided;
- acquisition of land for affordable housing and onward disposal;
- offset the cost of any land being provided by the council which might otherwise be sold on the open market;
- purchase of existing or additional units for use as affordable housing;
- to provide financial support for the development of affordable housing in West Suffolk.

Section 106 agreements

4.41 Delivery of affordable housing will be secured through a planning obligation. This will consist of a Section 106 (s106) Agreement. A Section 106 of the Town and Country Planning Act 1990 (as amended) allows the local planning authority to enter into a legally binding agreement with anyone who has an interest in the land with a landowner in association with the granting of planning permission in order to secure planning obligations such as contributions towards or the provision of affordable housing.

4.42 The s106 obligations should be completed to enable the grant of planning permission within the statutory 8 week & 12 week periods, or by an agreed extension to these timescales.

4.43 Where affordable housing is to be secured by Section 106 Agreement, the council will provide its standard draft and the applicant will be required to pay the council’s legal and administrative costs incurred in negotiating and completing the deed and the costs of the transfer of any land to the council, as well as to pay a contribution towards the cost of monitoring for compliance.

4.44 The proposed heads of terms of any agreement will need to be established before instructions to draft a section 106 agreement are issued.

4.45 The council will be reasonable in applying its policies on affordable housing and will have regard to best practice and other advice, including the Homes England guidance on promoting mortgage access for affordable housing. The council, in particular, recognises the tests in the Community Infrastructure Levy (Amendment)
Regulations 2018 (Regulation 122) and in the NPPF 2018 for planning obligations.

4.46 If a payment in lieu has been agreed, the council will negotiate for payment or a proportion of payment to be triggered on completion of an agreed number of units or particular development phase. s106 agreements should refer to payment upon the completion of the units to which that payment relates. Any financial contributions will normally be index linked to the Building Cost Information Service (BCIS) and take into account of any price increases in the index during the time period that elapses between the date of the deed and when the contribution is due to be paid.

4.47 Planning obligations will only be sought where they meet all of the following tests:

a) Necessary to make the development acceptable in planning terms
b) Directly related to the development
c) Fairly and reasonably related in scale and kind to the development.

4.48 The council will expect all RPs to enter into a nominations agreement with the council to ensure the management and occupation of the affordable dwellings in accordance with the council’s policies. Please see section 6 for further details.

**Rural exception sites (RES)**

4.49 The former St Edmundsbury area Core Strategy Policy DM29 and former Forest Heath area CS9 Policy permits small-scale affordable housing developments adjacent to existing villages in the countryside as an exception to normal policy. This only applies where the proposed development is small-scale, and where affordable housing is required to meet recognised local need in those villages.

4.50 Paragraph 77 of the NPPF 2019 adds that in rural areas, housing should respond to local needs particularly for affordable housing, including through rural exception sites, where appropriate. Consideration should be given to allowing some market housing where it would facilitate the provision of significant additional affordable housing to meet local needs.

4.51 An exception site is normally expected to consist of:

- no more than 10 units in a larger villages
- no more than five units in a smaller villages.
4.52 An application for affordable housing to meet local needs will be viewed favourably where:

- the need is proven – this must be based on robust evidence using an up to date profile of the village, such as rural profiling data or a parish plan
- the need cannot be met on other more suitable sites in a nearby town or the village
- the site is suitable in all other respects.

4.53 The new housing should:

- be delivered through a RP or other body recognised by the council (including a village or other charitable trust, or exceptionally with the involvement of a developer)
- meet the type of local need identified
- be available to people with a local connection as a matter of priority
- remain affordable in perpetuity (this is explained further in paragraphs 6.11-6.13).

4.54 Rural exception sites should be located adjacent to the development boundary of the village.

4.55 To encourage rural exceptions developments, the council will:

- promote the rural exceptions policy with parish councils, supporting relevant neighbourhood plans
- advise of the information it holds on rural needs (through the appointed housing officer).

4.56 While the whole of a rural exceptions scheme is normally expected to deliver 100% affordable housing, the council may consider a small element of market housing. This will only be accepted where a viability assessment demonstrates that cross subsidy from market housing is necessary to make the scheme viable. Given that such housing development would only proceed on an exceptions basis, we would expect the land value achieved to reflect this and be considerably lower than that achievable on an unfettered housing development site.

4.57 Where rural exception sites are proposed, they should take account of the provisions of any conservation area appraisals/management plans, village design statements, parish plans or neighbourhood plans. The Historic England Affordable Housing guidance is relevant as is the guidance on the conversion of traditional farm buildings.
Local Connection Criteria

4.58 Affordable housing within West Suffolk will ordinarily be allocated in line with the prioritisation criteria detailed in West Suffolk’s Allocation Scheme. On certain rural sites, the council may seek to prioritise the letting and or sale of affordable housing to those with a local connection to the parish in which the homes are being developed.

4.59 The exact definitions of local connection applying to a particular scheme will be clearly set out in the Section 106 agreement, where applicable.
5. **Viability testing**

5.1 A viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by the development is more than the cost of developing it.

5.2 The [National Planning Guidance (NPPG)](https://www.gov.uk/government/publications/national-planning-policy-guidance) sets out the Government’s recommended approach to viability assessment for planning. The approach supports transparency in the viability assessment process so that it is clear what policy requirements will inform planning decisions including the contributions expected from the developer. (For example the level and type of affordable housing and for supporting infrastructure including education, transport and health).

5.3 The approach to viability should accord fully with the NPPG (dated May 2019) and any subsequent amendment to it.
6. **Management and Occupancy**

**Management**

6.1 The council’s preference is for affordable housing to be transferred to a RP or another body recognised by the council, once it has been built. It will then be managed as affordable housing with reference to Homes England guidelines and the Council’s Tenancy Strategy. An agreement with the provider of the affordable housing should be reached at an early stage of the process as it will normally provide some financing for the affordable units.

6.2 Equity share may be more appropriate on smaller schemes and may directly involve the council or RP. In other circumstances, developers may choose to retain ownership of the affordable housing and manage it directly. In any case, the council will want to ensure that appropriate management arrangements are in place.

6.3 The council welcomes the opportunity to work with a range of RPs with a local presence in West Suffolk or whose nearest local office is no more the 50 miles from the development site.

**Affordability**

6.4 The council will need to be satisfied that rental levels, service charges and shared ownership or shared equity costs are genuinely affordable to occupants both in the short term and the long term. The council will seek to ensure that all affordable rent levels, including any service charge do not exceed the local housing allowance.

**Control of occupancy**

6.5 The council will ensure that occupancy of the affordable housing units provided is restricted to eligible and qualifying households whose needs are not met by the market. There will be an obligation set within the s106 for RPs or developers who retain the affordable housing to enter into a nomination agreements.

6.6 People in housing need will comprise:

- People nominated by West Suffolk
- Those nominated by a registered provider, where the council does not have nomination rights, for example in respect of some intermediate housing and specialist supported housing
- Those nominated from other registers of housing need as agreed by the council.
6.7 This will include households in the Cambridge Sub Regional Housing Market Area, which have access rights to affordable housing through the sub regional Choice Based Lettings Scheme.

6.8 Where deemed appropriate, the council will consider negotiating local lettings plans in order to promote the development of sustainable communities, taking account of issues such as the proportion of working households, number of school children.

6.9 For rented properties (social and affordable rented housing) the council will expect to be able to nominate 100% of the initial lettings and 75% of re-lets.

6.10 For shared ownership and shared equity properties secured through s106 agreements on privately developed sites the council expects that all properties will be advertised through the Help to Buy agent (or any successor body or arrangement) with the agent being able to nominate to 100% of initial sales and re-sales.

**Perpetuity**

6.11 In accordance with the definition of affordable housing, the council will ensure that affordable homes delivered under Policy CS5 and CS9 either remain available at affordable rents in perpetuity, or the ‘release’ of development subsidy at the point of resale is recycled to provide further affordable housing to meet identified local needs.

6.12 All money received as a result of occupants either purchasing their property through the ‘right to acquire’ or ‘right to buy’ or acquiring a further share through ‘stair casing’ should, subject to any statutory restrictions, be used to provide affordable housing within West Suffolk. Recovered Homes England grant must either be paid back to the agency or recycled to provide affordable housing, in accordance with the Homes England guidance on recycled capital grant funding. Equity share arrangements will be set out through a Section 106 agreements as a charge on the property.

6.13 Affordable rented housing on rural exception sites (Policy DM29) should be provided in perpetuity. Shared ownership dwellings will have the ability to stair case to 100% on rural exception sites but subsequent sales will need to comply with the local connection criteria set out within the s106.
Appendices
Appendix 1: Example of clawback for on-site provision

A residential scheme of 300 units is to be carried out in 3 phases of 100 units each.

The viability appraisal has shown that it is not viable to provide 30% of the units as affordable housing: agreement is reached that the development can proceed with the provision of 20% affordable housing instead.

Phase 1

At the end of the first phase 100 houses have been built, of which 20 are affordable.

The viability of the scheme is reappraised and it is found that 25% affordable housing could now be provided.

Therefore, 25% of the next 200 houses to be built are required to be affordable.

Phase 2 is completed. 100 houses are built, giving 25 more affordable units – 45 units in total out of the 200 houses built in Phases 1 and 2.

A further viability appraisal is carried out and the scheme can now provide 30% affordable housing. The percentage required in the core strategy is the highest percentage that can be required.

This only applies to the final 100 houses to be built in Phase 3.

Phase 3 is completed with 30 more affordable units, totalling 75 affordable units out of the full scheme of 300 units.

This gives an overall affordable housing percentage of 25% across the whole 300 unit scheme.

Alternative scenario at the end of Phase 1

At the end of Phase 1, it is concluded that the remaining scheme (200 units) could support 30% affordable units on site, that is, 60 more affordable units.

The full scheme would then provide 80 Affordable Housing units (60 + 20), or 26.7% of the total. This is the maximum level of affordable housing that could be achieved.
Appendix 2: Viability appraisal content

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

- **Building costs**: to include site works and unit construction works expressed as a price per m² of proposed built form
- **Land value**: a sum of money available for the purchase of land can be calculated from the value of the completed development minus the costs of development
- **Site abnormal**: 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; 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 and should be at a reasonable level
- **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 cash flow 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.
Appendix 3: Calculating a commuted sum.

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

Example 1: Off-site contribution

Using the above methodology the example below indicates an example of the amount of commuted sum that a developer could be expected to pay in lieu of off-site affordable housing provision.

Scenario A

30 new homes proposed in Newmarket where with a 30% affordable housing target applies.

This gives an affordable housing target of: 30 x 0.3 = 9

The estimated open market value of a three bed semi-detached property in Newmarket is £200,000.

A registered provider or other housing provider would pay approx. £130,000 for that property as an affordable dwelling.

Therefore the commuted sum is the difference between the open market value and the value paid for an affordable dwelling by a Registered Provider.

Commuted sum payable = £200,000 - £130,000 = £70,000(x 9) = £630,000

Example 2: On-site contribution

An example of calculating an on-site contribution is:

A development of 12 dwellings in Bury St Edmunds would trigger a 30% affordable housing requirement. This would equate to an on-site affordable housing contribution of:

12 x 0.3 = 3.6 dwellings.

Therefore the onsite contribution would be for 3 of the 12 dwellings to be provided as affordable homes on site and 0.6 of a dwelling to be provided as a commuted sum. The methodology for calculating the 0.6 of a dwelling is the same as the calculation for an off-site contribution.

The estimated open market value of a three bed semi-detached property in Bury St Edmunds is £220,000.
A registered provider or other housing provider would pay approx. £130,000 for that property as an affordable dwelling. Therefore the commuted sum is the difference between the open market value and the value paid for an affordable dwelling by a registered provider.

Commuted sum = £220,000 - £130,000 = £90,000 (then multiply £90,000 by 0.6) = £54,000.

Commuted sum payable for 0.6 of a three bed semi-detached property in Bury St Edmunds is £54,000.

*Please note these figures used are hypothetical and do not represent an accurate open market value or do they indicate an indicative price paid by a registered provider of social housing for a three bed semi-detached property.
Appendix 4: Affordable Housing Checklist

The list below offers a guide to what will be required in a planning application submission in relation to affordable housing. For outline planning applications, the list below will not be wholly relevant and submitted documents may show indicative information. This is a guide only, the list is not exhaustive.

- Site plan showing tenures (rented and intermediate)
- Floor plans showing tenures with areas (rented and intermediate)
- Floor plans showing the location of the wheelchair accessible unit(s), if applicable
- Gross internal floor areas of all affordable dwellings
- A schedule of accommodation showing number, size (number of bedrooms), type (houses, flats and duplexes) and tenure of units, including highlighting wheelchair accessible units
- Number of bed spaces
- Car parking plan showing tenures
- Phasing plan
- Elevations of affordable housing and private housing.
Glossary

Abnormal development costs
Costs associated with difficult ground conditions e.g. contamination.

Affordability
A measure of whether housing may be afforded by certain groups of households.

Affordable rent
Rents charged can be no higher than 80% of the full market rent. They may be let by a RP to tenants eligible for social rented housing; rents charged should not therefore exceed the local housing allowance rate.

Affordable housing
Affordable Housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.

Build costs
Including costs of construction: preliminaries, sub and superstructure; plus an allowance for external works.

Community Infrastructure Levy (CIL)
A charge that allows local authorities to raise funds from developers undertaking new building projects in their area. The money collected can be used to help provide a wide range of infrastructure that is needed as a result of development. The levy is non-negotiable and is charged on a per square metre basis across a range of development uses.

Committed sum
A sum of money paid by the applicant in lieu of providing affordable housing on site.

Developer cost
All-encompassing term including base build costs (see above) plus any additional costs incurred such as fees, finance and developer margin.

Developer’s profit or margin
A sum of money required by a developer to undertake the scheme in question.

Equity share
The purchaser buys a percentage of the equity in a property and does not pay rent on the remaining share. The remaining equity is transferred to the council or a RP. Equity share can be low cost market housing and either freehold or leasehold. If sold, the purchaser and council realise their respective percentages. If the purchaser staircases up to 100% of the
property, the capital receipts will be ring-fenced to deliver more affordable housing and/or to tackle homelessness.

**Existing use value (EUV)**
The value of a site in its current use; for example, farmland, industrial or commercial land.

**Extra care development**
Sometimes referred to as very sheltered housing, this is a type of supported housing for older people that aims to enable them to live independently for as long as possible, live in appropriate housing and access flexible services that are responsive to their needs.

**Finance (developer)**
Usually considered in two ways. Finance on the building process; and finance on the land. Relates to current market circumstances.

**Gross development value (GDV)**
The total revenue from the scheme. This may include housing as well as commercial revenue (in a mixed use scheme). It should include revenue from the sale of open market housing as well as the value of affordable units reflected in any payment by a housing association(s) to the developer.

**Homes England**
The non-departmental public body that funds new affordable housing in England.

**Intermediate affordable housing**
Housing at prices and rents above those of social rent, but below market prices or rents. It can include shared equity products (e.g. new build HomeBuy), other low cost homes and intermediate rent, but does not include affordable rented housing.

**Local housing allowance**
Local housing allowance (LHA) is used to work out how much housing benefit or universal credit you get if you rent from a private landlord.

**Land value**
The actual amount paid for land taking into account the competition for sites. It should be distinguished from residual value (RV) which is the figure that indicates how much should be paid for a site.

**Lifetime homes**
The Lifetime Homes Standard is a series of sixteen design criteria intended to make homes more easily adaptable for lifetime use at minimal cost.
Local plan
A suite of planning documents which guides development in an area over a certain period of time, encompassing DPDs (development plan documents) and SPDs (supplementary planning documents).

Low cost market housing
Low cost (discounted) open market housing is housing provided at a discount to the full market value, usually between 20% and 40% below market value. The purchaser owns the whole property, there is no third party. According to the NPPF definition, it cannot be considered as affordable housing for planning purposes.

Major development
For housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. For non-residential development it means additional floor space of 1,000m2 or more, or a site of 1 hectare or more, or as otherwise provided in the Town and Country Planning (Development Management Procedure) (England) Order 2015.

Market housing
Private housing for rent or for sale, where the price is set in the open market.

National Planning Policy Framework (NPPF)
Sets out the Government’s planning policies for England and how these are expected to be applied.

Planning obligation
A contribution, either in kind or in financial terms which is necessary to mitigate the impacts of the proposed development. Affordable housing is a planning obligation as are, for example, education and open space contributions (see Section 106).

Registered provider (RP)
An independent, registered, non-profit making organisation to build, improve and manage affordable housing for sale or rent. An RP must be registered with and regulated by the current government regulating authority.

Residual value (RV)
The difference between gross development value (GDV) and total scheme costs. RV provides an indication to the developer and/or land owner of what should be paid for a site. Should not be confused with land value (see above).

Planning obligations
Planning obligations are agreements entered into between the council and developers, usually in conjunction with the granting of planning permission. Planning obligations apply to land, binding it and whoever
owns it. They are made using powers under section 106 of the Town and Country Planning Act 1990, which is why they are also called "Section 106" or "s106" agreements.

**Section 106 (of the Town and Country Planning Act 1990)**
A legally binding agreement between the parties to a development; typically the developer, housing association, local authority and/or land owner. The agreement runs with the land (see planning obligation).

**Self and custom build**
Self-build and custom housebuilding means the building or completion by – a) individuals b) associations of individuals; or c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals.

**Shared equity**
Shared equity schemes give the purchaser a loan that acts as part of the deposit on a property. A mortgage is still required on the remainder of the property price, but because the loan counts towards your deposit you may be able to take out a mortgage where you might otherwise struggle. Legally, the purchaser owns 100% of the property.

**Shared ownership**
The purchaser buys a percentage share of a property and pays rent on the share that they do not own. Shared ownership properties are always leasehold but the purchaser may gradually acquire the freehold in stages from the RP (known as ‘staircasing’).

**Social rented housing**
Rented housing owned and managed by local authorities and RPs, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under the same rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant. Rents are lower than affordable rents, typically at 40%-60% of market rents.

**Supplementary planning documents (SPDs)**
These provide specific policy guidance in respect of policies in the local plan core strategy and other development plan documents. They are not subject to independent examination.

**Tenure mix**
Development schemes usually comprise a range of housing tenures. These are described above including market and affordable housing.
**Use class**
The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. Those referred to in this document are C2, residential institutions (includes residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres) and C3, dwelling houses (this includes single family house, supported housing schemes where people live as a single household and groups of up to 6 unrelated people living as a single household).

**Viability**
Financial variable that determines whether a scheme progresses or not. For a scheme to be viable there must be a reasonable developer and land owner return. The scale of land owner return depends on the planning process itself.

**Viability appraisal**
Development calculation taking into account scheme revenue and scheme cost and accounting for key variables such as house prices, development costs and developer profit.