



# East Herts Affordable Housing SPD

Consultation Draft:

2 January 2019 - 13 February 2019





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## 1 Introduction

- 1.1 The purpose of this Affordable Housing Supplementary Planning Document (SPD) is to aid the effective implementation of the Council's strategic housing objectives and the affordable housing policies in the East Herts District Plan 2018, adopted October 2018.
- 1.2 The approach to affordable housing outlined in this document seeks to ensure the effective and consistent implementation of the District Plan policies relating to the provision of Affordable Housing in East Herts District.
- 1.3 This SPD provides further information and guidance on District Plan policies relating to affordable housing (full policies can be found in Appendix A). The relevant policies are:
  - Policy HOU1 – Type and Mix of Housing
  - Policy HOU3 - Affordable Housing
  - Policy HOU4 – Rural Exception Affordable Housing Sites
  - Policy HOU7 - Accessible and Adaptable home
  - Policy HOU8 – Self Build and Custom Build Housing
- 1.4 The guidance in the SPD will assist applicants, developers and providers of affordable housing, to understand how the District Plan Policies will be implemented.
- 1.5 This SPD is a material consideration in the determination of planning applications and will also inform pre-application discussions on residential development.
- 1.6 This document has been prepared in accordance with Regulations 8 & 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
- 1.7 This Supplementary Planning Document replaces the Affordable Housing and Lifetime Homes SPD 2008.

## 2 Before making a planning application

- 2.1 Applicants are advised to seek pre-application planning advice to discuss all aspects of the planning proposal including the affordable housing requirements of the proposed scheme (<http://www.eastherts.gov.uk/preapplicationservice>).
- 2.2 The purpose of pre-application planning advice in relation to affordable housing is to establish how affordable homes will be delivered, and to help provide all parties with greater certainty as the proposals move forward.



- 2.3** An Affordable Housing Statement (i.e. the proposed approach to meeting the affordable housing requirement of the District Plan policies and the housing mix identified in the most recent Strategic Housing Market Assessment (or subsequent documents)) should be submitted with any pre-application materials to enable pre-application consideration and discussion.
- 2.4** The Affordable Housing Statement should be submitted as part of the pre-application process. It should include:
- the intended number, type, tenure, size (sq metres) and number of persons per unit; and
  - the proportion of affordable housing to meet M4(3): Category 3 Wheelchair User Dwelling standards and the units identified.
- 2.5** Pre-application discussions in relation to affordable housing will seek to:
- consider the number, type, size and tenure of affordable housing to be provided;
  - consider the location;
  - identify/involve the (potential) Registered Provider/s and consider the arrangements for the provision of affordable housing prior to the submission of a planning application; and
  - consider the Heads of Terms of the S106 Agreement that will be required to ensure the delivery of the affordable housing. A S106 agreement is necessary to secure the required affordable housing requirements set out in the District Plan; the agreement must be completed before planning permission is issued.
- 2.6** Any viability submission should be discussed at pre-application stage and a viability assessment should be included as part of the planning application where relevant.

## 3 The Affordable Housing Requirement

- 3.1** The specific requirement for affordable housing will be calculated in accordance with District Plan policies and other material considerations, including the most-up-to-date Strategic Housing Market Assessment (SHMA), the National Planning Policy Framework (NPPF) and relevant Planning Practice Guidance (PPG).
- 3.2** The majority of affordable housing in East Herts District is achieved by requiring developers to provide affordable housing as part of open market development, through District Plan Policy HOU3, and secured by legal agreement (S106). In addition, affordable housing can be provided on rural exceptions sites where there is a proven need (Policy HOU4).



- 3.3** Affordable housing will be sought on all sites that propose residential development that falls within the use class C3 (dwelling houses), including sheltered and extra care housing for older people, unless the development is for 10 units or less and the dwellings would have a combined internal floor space of no more than 1,000 square metres.
- 3.4** The proportion of affordable housing that will be sought is:
- up to 35% on sites proposing 10 or fewer gross additional dwellings and where the dwellings would have a combined gross floor space greater than 1,000 sq metres;
  - up to 35% on sites proposing 11 to 14 gross additional dwellings;
  - up to 40% on sites proposing 15 or more gross additional dwellings.
- 3.5** Any calculation that results in a requirement of 0.5+ of a unit will be rounded up to the next whole unit. Any calculation that results in a requirement including a proportion of a unit below 0.5 will be rounded down to the nearest whole unit.
- 3.6** On a site with significantly more affordable housing than required by Policy HOU3, the Council will ensure that the policy compliant level of affordable housing of 35% or 40% will be secured as affordable for first and subsequent occupiers of those homes and there are provisions for recycling subsidy should the property no longer be an affordable unit.
- 3.7** The phasing of a development or division of the site into separate parts will not result in reducing the proportion of affordable housing to be delivered. Where a site can clearly be identified, irrespective of ownership, the entire site will be used to determine whether the site meets the size criteria for affordable housing provision.
- 3.8** Inclusion of affordable housing on a development should include provisions for (a) that housing to either remain at an affordable price for future eligible households and/ or (b) the subsidy, from whatever source, is used to ensure that first lets or sales are affordable to be recycled for alternative affordable housing provision preferably within the district of East Herts.

## 4 Housing Mix

- 4.1** Affordable Housing will be expected to be provided in line with Policy HOU1 of the District Plan which requires any planning application for residential development of ten units or more to take account of the Council's most up-to-date evidence of housing needs in accordance with Policy HOU3. The tenure mix will be negotiated by the Council on a site by site basis and the type and size of affordable units sought will accord with the most up to date evidence on housing need.



- 4.2 The SHMA is an objective analysis of the housing circumstances in the District. It provides an evidence base to support the Council's affordable housing requirement, however, the Council shall at all times seek to use the most up-to-date information available.
- 4.3 The most recent SHMA (2017) identifies a requirement that 84% of new affordable provision should be for rent with the remaining 16% being for intermediate tenures (see Appendix B).
- 4.4 The Council's current preferred intermediate tenure is shared ownership as supported by the evidence in the SHMA. Where applicants wish to propose an alternative intermediate housing product the Council will consider this against the definition set out in the NPPF and a consideration of how the product proposed meets identified need now and in the future.
- 4.5 Where affordable rented housing is proposed, the Council will seek rents, including service charges, which are below or capped at the Local Housing Allowance rate (LHA) (or its equivalent).
- 4.6 Currently, the East Herts area has three Local Housing Allowance rate areas, these being:
- Harlow and Stortford;
  - South East Herts: and
  - Stevenage and North Herts.
- Each of these areas attracts a different LHA rate. Providers will need to ensure that affordable rents do not exceed the LHA for the area in which the property is situated.
- 4.7 For Shared Ownership housing the initial share sold must be between 25% and 75 % of the total value.
- 4.8 Shared Ownership should provide buyers with the option to staircase up to 100% ownership unless the property is within a Designated Protected Area.
- 4.9 In the main, rural areas within East Herts are largely designated as Designated Protected Areas. Where development is in a Designated Protected Area, staircasing on shared ownership properties is restricted to 80% to retain the home as affordable in perpetuity.
- 4.10 A full list of Designated Protected Areas can be found here: [http://www.legislation.gov.uk/ukxi/2009/2098/pdfs/ukxi\\_20092098\\_en.pdf](http://www.legislation.gov.uk/ukxi/2009/2098/pdfs/ukxi_20092098_en.pdf)

## 5 Design and Layout

- 5.1 Affordable housing should be integrated with market housing. The design and appearance should be indistinguishable from market units and built using the same materials, form and quality of design.

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**5.2** As a minimum, the design and layout of affordable housing units must meet current Nationally Described Space Standards as set out below:

Table 1: Minimum gross internal floor areas and storage (m<sup>2</sup>)

Number of bedrooms (b)	Number of bed spaces (p = persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37)			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	143	
6b	7p	116	123	129	4.0
	8p	125	132	138	

**5.3** Plans submitted to the Council for planning consideration should clearly show the position of all affordable units within the development, except in those outline applications where only illustrative plans are submitted.

**5.4** To achieve mixed, inclusive and sustainable communities affordable housing should:



- on all sites be distributed across the site rather than provided in one single parcel;
- on sites incorporating 30 or more residential units be provided in groups of no more than 15% of the total number of units being provided or 25 affordable units, whichever is the lesser.

**5.5** To meet the needs of the current and future households the requirement is for all new dwellings to meet Building Regulation M4(2): Category 2- Accessible and Adaptable Dwellings.

**5.6** On sites proposing 11 or more gross additional dwellings, a proportion of affordable dwellings will be expected to meet Building Regulations Requirement M4(3): Category 3 – Wheelchair User Dwellings. Such dwellings may be wheelchair adaptable or wheelchair accessible. The Council will therefore negotiate the proportion of wheelchair adaptable/accessible dwellings.

**5.7** The most recent assessment of need for wheelchair user dwellings will inform negotiations. The SHMA identifies a need for 15% of affordable housing to meet wheelchair user requirements.

**5.8** The Council's preference is for wheelchair user dwellings to be equipped with a wet room.

**5.9** Where there is a specific and clearly evidenced need, which is outside of that provided for by the wheelchair standard, the Council may have different requirements to meet that need. Such a requirement will be subject to viability considerations.

**5.10** All development, including affordable housing, should make efficient use of land and meet density requirements - see policy HOU2 (Appendix A).

## 6 Provision of Affordable Housing On-Site

**6.1** The Council will secure affordable housing requirements through entering into a legal agreement with the developer/landowner or receive a Unilateral Undertaking under Section 106 of the Town and Country Planning Act (1990) (as amended) or in some cases dependent on the scale or nature of development, via conditions.

**6.2** The affordable housing clauses in the S106 Agreement will include obligations relating to:

- the size, type, tenure, location, design and layout of the affordable housing;
- the number of affordable dwellings to be delivered;
- limitations on the occupation of the affordable housing;
- nomination rights;



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- the phasing of [the delivery of] affordable housing in relation to market housing;
- triggers relating to any review mechanism or commencement schedule;
- indexation;
- the retention of the housing as affordable:
  - obligations relating to the affordable dwellings for first and subsequent residents;
  - requirements to replace the affordable dwellings and for subsidy recycling;
  - continued use of affordable dwellings in perpetuity;
  - review (clawback) provisions, where relevant.

**6.3** The S106 Agreement will contain a clause(s) that triggers the delivery/payment of the contribution. This will usually be the commencement of development and will be set out in the obligations.

**6.4** The Council expects that the S106 guideline(s) and guideline clauses which can be provided by the Council will be utilised.

Points to note:

Affordable Rent	The rent charged for Affordable Rent housing should not exceed 80% of market rent inclusive of service charges and shall not exceed Local Housing Allowance levels (or future equivalent) without prior approval from the Council.
Prescribed Persons	These are persons deemed by the Council in its capacity as Housing Authority for the District of East Hertfordshire and/or by a Registered Provider which purchases the Affordable Housing Land in its capacity as the housing manager of the Affordable Dwelling to be in need of Affordable Housing in line with identified housing needs.
Shared Ownership and Staircasing	The initial share acquired by the purchaser should be between 25% and 75% of the value and staircasing can occur to 100% except in Designated Protected Areas or Rural Exception Sites where the equity which can be acquired is capped at 80%.

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<p>Nominations Agreement</p>	<p>This is to be agreed for the rental units prior to occupation by Prescribed Persons and must set out the allocation process between the Council and the Registered Provider/provider of the affordable homes for rent.</p>
<p>Triggers</p>	<p>For all development the delivery of affordable housing will be staggered and ‘triggers’ will be built into the S106 agreement. These triggers will be designed to ensure the affordable housing is secured and delivered in a timely manner and will be agreed with the Council.</p> <p>A development should not commence until there is a Registered Provider on board or an alternative mechanism for delivery the affordable homes agreed with the Council.</p>
<p>Securing and Retaining Affordable Housing (Mortgagee clauses)</p>	<p>Policy HOU3 (vi) states that the affordable housing unit shall be retained as affordable or the subsidy will be recycled for alternative affordable housing provision. Therefore, in the circumstances where the dwelling(s) is no longer used for affordable housing, the subsidy must be recycled to replace the dwelling(s) that have been lost.</p> <p>The Council will therefore require provisions in the S106 agreement that:</p> <ul style="list-style-type: none"> <li>• keep the units within the definition of affordable housing, and</li> <li>• require any purchaser (other than an occupier) to preserve the accommodation as affordable housing, or replace it within the District like for like, and</li> </ul> <p>There are a number of reasons why affordable housing dwellings may legitimately cease to be counted as affordable housing, for example:</p> <ul style="list-style-type: none"> <li>• a tenant’s statutory acquisition of a rented dwelling is exercised,</li> <li>• shared ownership staircasing to 100% ownership takes place,</li> <li>• there is a discharge of the charge on a shared-equity dwelling.</li> </ul> <p>In all cases the Council expects the dwelling to be replaced within the District, or any receipts arising from the disposal of the dwelling to be recycled to provide further affordable housing in the District.</p>



## 7 Provision of Affordable Housing on an Alternative Site

- 7.1** The Council expects that, in accordance with the District Plan Policy HOU3, the required affordable housing will be provided on-site.
- 7.2** In exceptional circumstances, the Council may permit a proportion of, or the entire affordable housing requirement to be delivered on an alternative site within the District.
- 7.3** Applicants proposing off-site provision should provide justification, setting out why off site provision is necessary, as part of a planning application.
- 7.4** Where off-site provision is agreed by the Council, the amount of affordable housing to be delivered will be calculated using the following formula:
- 40% affordable housing requirement:  $40/60 \times M$
  - 35% affordable housing requirement:  $35/65 \times M$   
*Where M = the number of open market units*
- 7.5** It is strongly recommended that pre-application advice is sought if an applicant considers that an off-site contribution is appropriate.

## 8 Commuted sums in lieu of Affordable Housing

- 8.1** Commuted sums will only be considered where the Council is satisfied that there is justification for not providing affordable housing on-site or on an alternative site.
- 8.2** The Council will use the formula in paragraph 7.4 to calculate the amount of affordable housing subject to a commuted sum.
- 8.3** The Council will seek to secure financial contributions broadly equivalent to the cost of providing the affordable housing on-site via a methodology agreed between the applicant and the Council.
- 8.4** It is strongly recommended that pre-application advice is sought if an applicant considers that a commuted sum is appropriate.
- 8.5** Commuted sums will be subject to indexation for the residential development. Indexing using BCIS mean averages for Hertfordshire will apply.
- 8.6** The applicant should notify the Council when the development commences or the trigger for payment/delivery has been reached. On receipt of the notification the Council will issue an invoice for the amount payable including any indexation.



- 8.7** The Council will monitor Building Control and other sources and will issue an invoice if the Applicant fails to advise the Council that the payment has been triggered.
- 8.8** Indexation applies until the date of the invoice, so in these circumstances the amount may be higher than if the applicant had advised the Council when the payment was triggered. Penalty interest is payable to all unpaid contributions and accrues from the date payment is triggered to the date of actual payment.

## 9 Provision of land in lieu of Affordable Housing

- 9.1** The Council may accept or seek the provision of land in lieu of part or all of the affordable housing contribution.
- 9.2** If the proposal for alternative land is accepted by the Council, land should be serviced to its boundaries and be of a size that is of equivalent value to on-site provision and in an agreed location close to the original site.

## 10 Vacant Building Credit

- 10.1** The NPPF provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floor space of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floor space.
- 10.2** Where a site is considered to be a brownfield development and contains an existing building at the time the application is made and it is proposed to:
- demolish the building for redevelopment; or
  - bring the building back into use.

Vacant Building Credit will apply where the building is wholly vacant and to be redeveloped completely and may result in a proportionate reduction in the Affordable Housing Contribution.

Vacant Building Credit does not apply where the building:

- has been abandoned in planning terms; or
- has been vacated for the sole purpose of redevelopment; or
- is covered by an extant or recently expired planning permission.



- 10.3** The proportion of the vacant building floor space as part of the total new floor space should be used to calculate the proportion of the affordable housing required by the policy.

Illustrative example:

- a proposed new development for 100 homes (with a floor space of 100 sq metres each) results in total proposed floor space of 10,000 sq metres.
- Policy HOU3 requires 40% affordable housing - which equates to 40 affordable homes and 60 market homes.
- however, there are existing vacant buildings on the site with a floor space of 8,000 sq metres, therefore, this is credited to the proposed development in the following way:
- floor space of the vacant building(s) divided by the total proposed gross floor space, then multiplied by the affordable housing requirement (e.g.  $(8,000 \div 10,000) \times 40 = 8$ ).
- the final figure is the revised affordable percentage and is applied to total proposed number of homes.
- that is 8% of 100 = 8 affordable homes and 92 market homes.

- 10.4** To undertake this calculation the internal area of the building will need to be measured. This should be done in accordance with the RICS Code of Measuring Practice -

[http://www.rics.org/Global/prop%20measurement\\_2ndedition\\_2018.pdf](http://www.rics.org/Global/prop%20measurement_2ndedition_2018.pdf)

## 11 Specialist Housing

- 11.1** The District Plan requirement as set out in Policy HOU3 is that the affordable housing applies to all types of residential development including sheltered and extra care housing, care homes and nursing homes.
- 11.2** In exceptional cases for Care Homes and Nursing Homes (Dwellings C2 Category) where the provision of separate accommodation is not possible, but the site is considered suitable, the Council will consider off-site provision or a commuted sum in lieu of on-site provision.
- 11.3** Adaptable and Accessible Homes requirements for dwellings are covered in 5.5 - 5.9 of this Supplementary Planning Document.

## 12 Rural Exception Sites

- 12.1** The Council may permit schemes for affordable housing on rural sites, which would not usually secure planning permission, to meet an evidenced local housing need. Proposed developments must accord with Policy HOU4.



- 12.2** Evidence must be submitted as part of the planning application to support the requirement for localised housing need and should reflect the evidenced need in terms of unit sizes and affordable housing tenures within the village or /parish. Local Parish Council support would be beneficial to demonstrate a local housing need.
- 12.3** In East Herts there are rural areas which fall within a Designated Protected Area (DPA). In these areas the maximum proportion of a shared ownership dwelling that can be sold at initial sale or subsequently through staircasing is restricted to 80%.
- 12.4** If a viability assessment is required it should be undertaken as set out in Chapter 18. Where a viability assessment demonstrates that a cross subsidy is necessary to make the scheme viable, a small number of market homes may be permitted. In these circumstances, the market housing will be expected to meet identified local needs.
- 12.5** A Rural Exception Scheme will be subject to a Local Lettings Cascade as part of the planning requirement which will prioritise the rental allocation of affordable homes provided to residents with a local connection to the village and will be agreed with the Council.

## 13 Self-Build and Custom Build - Community Housing

- 13.1** The District Plan sets out in Policy HOU8 how Self-Build and Custom Build Housing will be implemented.
- 13.2** Self-Build or Custom Build Housing is housing built or commissioned by individuals (or groups of individuals) to be occupied by themselves as their sole or main residence. For the purposes of planning policy, self-build and custom build dwellings share the same definition and the terms are used interchangeably. Self-build is where a person is directly involved in organising and constructing their home, where as custom build is where a person commissions a specialist developer to help to deliver their own home. Both routes require significant input from the homeowner in the design process of the dwelling.
- 13.3** Self-Build and Custom Build/Community Led Housing can be developed as an affordable housing tenure. The Council supports Custom Build and Community Led Housing principles and will expect schemes to come forward through Neighbourhood Planning and through masterplanning processes on large sites.
- 13.4** The Self-Build Register held by the Council can include individuals and groups of individuals or Registered Providers who may wish to deliver self-build affordable housing in the District. This will be supported through the policy of self-build plot provision on sites providing over 200 dwellings.



**13.5** Community Led Housing can be delivered in various ways which should be agreed with the Council. Options to delivery Community Led Housing can include:

- Community Land Trusts (CLTs).
- Charities including Almshouse Charities.
- Community Benefit Societies or Mutuals.
- Community Interest Companies.
- Co-operative Societies.
- Parish and Town Council-led development.

## 14 Registered Providers

**14.1** Any affordable housing provided should remain at an affordable price for future eligible households, or mechanisms should be provided to enable the subsidy to be recycled for alternative affordable housing provision.

**14.2** The Council believes that most effective way of doing this is through a Registered Provider (RP), such as a housing association (or through direct provision by the Council's housing company). Therefore, developers are encouraged to identify a suitable provider to deliver the required affordable housing at the earliest opportunity.

**14.3** Where it is proposed that the completed units are not to be transferred to a Registered Provider, the Council will need to be satisfied that, in accordance with the definition of affordable housing in the NPPF, provisions are in place to ensure that the affordable housing will remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. This will usually take the form of restrictive covenants within any S106.

**14.4** If, in any type of scheme, it is proposed that a Registered Provider is not to be involved in the management of affordable housing, the Council will usually secure the provision of affordable housing for successive occupants through the use of planning obligations, restricting occupancy to households who cannot compete in the housing market.

## 15 Funding

**15.1** Affordable housing provided as part of planning agreements arising from market-led-developments are unlikely to receive grant funding. It should therefore be assumed in all viability assessments that the affordable units required by the Council's District Plan can be delivered without grant funding.



- 15.2** If grant funding for affordable housing is available at the time of application and/or delivery from Homes England, the Council or another funding body, the criteria should be requested from the funding body by the applicant and the applicant must be able to demonstrate to the Council that the viability assessment is based on reasonable and realistic assumptions about subsidy.

## 16 Affordability

- 16.1** Affordable housing is provided for eligible households whose needs are not met by the market and includes social rented, affordable rented and intermediate housing.
- 16.2** Affordable rents, including service charges, should be set no higher than current Local Housing Allowance (LHA) rates in the District and shall be secured as part of a S106 Agreement.
- 16.3** The Broad Market Rental Areas (BMRA) for East Herts are:
- Harlow and Stortford;
  - South East Herts; and
  - Stevenage and North Herts.

## 17 Nomination Rights

- 17.1** The Council will normally seek 100% nomination rights for the initial lets of affordable rented housing for rent and a minimum of 75% of relets.
- 17.2** A Nomination Agreement should be entered into prior to occupation of the affordable rented dwellings and will be a requirement of the S106.
- 17.3** Shared ownership properties are available to applicants eligible if they are a person who meets the Local Authority Shared Ownership Cascade (<http://www.eastherts.gov.uk/article/35169/Housing-Development>) and are financially eligible through the Government's criteria and regulations.

## 18 Viability

- 18.1** The percentage of affordable housing that the Council will expect to secure from development schemes has been informed by development viability assessments which demonstrate that the policy requirements are viable for most locations across the District.
- 18.2** The Council recognises that in some cases there may be abnormal development costs which need to be considered.





**18.3** Negotiations to reduce obligations based on site specific viability considerations should only be necessary where the site circumstances suggest exceptional or abnormal costs that will make policy compliance unviable.

**18.4** Where an application is submitted that does not meet the affordable housing requirement or an applicant considers that an agreed affordable housing contribution should be amended because of viability, the Council will require the applicant to provide a viability assessment for the development alongside the application. In doing so an 'open book' approach should be undertaken in accordance with planning practice guidance.

**18.5** The viability assessment should be discussed at pre-application stage.

It should include:

- a summary clearly setting out why the applicant is seeking a variation to the policy requirements for affordable housing;
- detailed appraisal(s) of how the applicant has reached their view of the development's viability. This should be supported by robust evidence from reliable sources and include:
  - a statement on whether the site has been acquired, or on an option basis
  - benchmark site value supported by a valuation report, clear valuation methodology or adjusted (for policy compliance) transactional information.
  - estimated selling prices for the market housing supported by an independent chartered surveyor report of expected selling prices and setting out the comparables used
  - estimated affordable housing sale/capital values supported by offers from Registered Providers where possible or commuted sum calculation (in exceptional circumstances), with details on assumptions on affordable house types and tenures, where appropriate
  - any other potential financial support or income to improve the viability of the scheme, for example grants
  - detailed build costs supported by appropriate industry sources for example BCIS
  - detailed site costs broken down into rates and quantities
  - a detailed breakdown of preliminary costs (if excluded from build costs) and duration of build
  - development contingencies
  - detailed breakdown of professional fees
  - costs of planning contributions including those to be secured in Section 106



- detailed breakdown of sales, marketing and disposal fees
- finance costs, including interest rate and supporting evidence/funders' letters where available
- detailed development programme
- developer's profit allowance for both market and affordable housing and an assessment of development risk
- resultant Residual Land Value (RLV) derived from the above information and compared with the benchmark land value
- landowners return clearly identified and related to the Existing Use Value.

**18.6** The Council will not normally take into account what the applicant has paid, or agreed to pay, for the land above standard benchmark values. The Council expects that the cost of the development is reflected in the purchase price of the land.

**18.7** The Council may instruct an independent viability consultant to carry out an assessment of the viability appraisal to determine whether the information and data submitted supports the applicant's request to vary the affordable housing requirements on the basis of financial viability.

**18.8** The applicant will be required to meet the costs of the independent assessment of the appraisal.

**18.9** Where the Council is satisfied that planning obligation liabilities, including the affordable housing requirement, render the scheme unviable, it will decide on the necessary revision to the affordable housing requirement to restore viability, such as:

- a lower percentage of affordable housing to be provided, but retaining the tenure split and mix; or
- adjusting the tenure split or tenure type; or
- a combination of the above;
- other options such as rephrasing;
- a Review Mechanism (Clawback).

## 19 Monitoring

**19.1** The provision of affordable housing will be monitored by the Council and publicised on the Council's Website through the Authority Monitoring Report ([www.eastherts.gov.uk/amr](http://www.eastherts.gov.uk/amr)).



## 20 Appendix A

### Policy HOU1 Type and Mix of Housing

- I. On new housing developments of 5 or more gross additional dwellings, an appropriate mix of housing tenures, types and sizes will be expected in order to create mixed and balanced communities appropriate to local character and taking account of the latest Strategic Housing Market Assessment and any additional up-to-date evidence, including the latest East Herts Housing and Health Strategy; local demographic context and trends; local housing need and demand; and site issues and design considerations
- II. Affordable Housing should be provided in accordance with Policy HOU3 (Affordable Housing).
- III. Where appropriate, provision of specialist housing will be encouraged for older people and vulnerable groups in accordance with Policy HOU6 (Specialist Housing for Older and Vulnerable People).
- IV. Provision of accessible and adaptable dwellings to meet the changing needs of occupants over their lifetime should be provided in accordance with Policy HOU7 (Accessible and Adaptable Homes).
- V. Self-Build Housing in accordance with Policy HOU8 (Self-Build and Custom Build Housing)
- VI. Where appropriate, provision of specialist accommodation will be expected for Gypsies and Travellers and Travelling Showpeople and Non-Nomadic Gypsies and Travellers and Travelling Showpeople, in accordance with Policies HOU9 (Gypsies and Travellers and Travelling Showpeople) and HOU10 (New Park Home Sites for Non-Nomadic Gypsies and Travellers and Travelling Showpeople).

### Policy HOU3 Affordable Housing

- I. Affordable housing provision will be expected on all development sites that propose development that falls within Class C3 (Dwelling Houses) as follows:
  - a. up to 35% on sites proposing 10 or fewer gross additional dwellings, where the dwellings would have a combined gross floor space greater than 1,000 square metres;
  - b. up to 35% on sites proposing 11 to 14 gross additional dwellings;
  - c. up to 40% on sites proposing 15 or more gross additional dwellings
- II. Affordable Housing provision will be expected to incorporate a mix of tenures taking account of the Council's most up to date evidence on housing need. The Council will negotiate the tenure mix to be provided on a site, having regard to the affordable housing products defined



within the National Planning Policy Framework, through the planning application process.

- III. Lower provision may be permitted if it is demonstrated that the 35% and 40%, as appropriate referred to in I (a), (b) and (c) above, cannot be achieved due to viability reasons or where it would prejudice the need to secure other infrastructure priorities.
- IV. Affordable Housing should normally be provided on site, apart from in exceptional circumstances when agreed with the Council. Applicants will be required to provide justification as part of the planning application setting out the need for off-site provision or financial contributions in lieu to be made.
- V. The affordable housing units should be integrated into the open market housing development using appropriate design methods, i.e. tenure blind, and 'pepper-potted' across the site in clusters appropriate to the size and scale of the development.
- VI. To secure the benefits of affordable housing for first and subsequent occupiers affordable rented and intermediate housing will be retained as affordable by means of an appropriate legal agreement or condition with the Council, or the subsidy will be recycled for alternative affordable housing provision.

## Policy HOU4 Rural Exception Affordable Housing Sites

- I. Proposals for rural exception affordable housing schemes, on sites that would not normally be acceptable for general housing development, may be permitted, subject to the following criteria:
  - a. The exception site is adjacent to an existing built-up area boundary, or is well related to existing residential development and amenities located in, or adjacent to, a clearly identifiable village or settlement;
  - b. The proposed development will contribute towards meeting an identified need for affordable housing within the parish; and
  - c. The proposed development would be appropriate to the settlement and area in which it is proposed to be located in terms of scale, form and character.
- II. The Council will base its assessment of identified housing need on the Housing Register and other available up-to-date housing needs assessments.
- III. A small number of market homes may be permitted, at the Council's discretion, where a viability assessment demonstrates that a cross subsidy is necessary to make the scheme viable. Any market housing provided will be expected to meet identified local needs.
- IV. Where permission is granted this will be subject to planning obligations and will include safeguards that the scheme provides for the identified local affordable housing need and will continue to do so in perpetuity.



## Policy HOU7 Accessible and Adaptable Homes

- I. In order to ensure delivery of new homes that are readily accessible and adaptable to meet the changing needs of occupants, and to support independent living, the Council will require that:
  - a. all new residential development should meet the Building Regulations Requirement M4(2): Category 2 – Accessible and Adaptable Dwellings; and
  - b. on sites proposing 11 or more gross additional dwellings, a proportion of dwellings will be expected to meet the Building Regulations Requirement M4(3): Category 3 – Wheelchair User Dwellings, where appropriate.
- II. Only where circumstances exist where it can be demonstrated by the applicant that it is not practically achievable or financially viable to deliver this policy, will new development be exempt from the requirement.

## Policy HOU8 Self-Build and Custom Build Housing

- I. To support prospective self-builders, on sites of more than 200 dwellings, developers will be expected to supply at least 1% of dwelling plots for sale to self-builders, having regard to the need identified on the Council’s Self-Build and Custom Build Register.
- II. The Council will support locally proposed self-build projects identified within a neighbourhood Plan wherever possible.
- III. Planning permissions should include conditions requiring self-build developments to be completed within 3 years of a self-builder purchasing a plot.
- IV. Where plots have been made available and marketed appropriately for at least 12 months and have not sold out, the plot(s) may either remain on the open market as self-build or be built out by the developer.

## 21 Appendix B

### Affordable housing mix

Affordable Rent	Size	Number	Per cent
Flat	1 bedroom	660	21%
	2+ bedrooms	360	11%
House	2 bedrooms	930	29%
	3 bedrooms	970	31%

# East Herts Affordable Housing SPD (2019)



	4+ bedrooms	250	8%
<i>Subtotal</i>		<i>3170</i>	<i>100%</i>
% of affordable housing		84%	
<b>Intermediate Affordable Housing</b>	<b>Size</b>	<b>Number</b>	<b>Per cent</b>
	1 bedroom	80	13%
	2+ bedrooms	70	11%
	2 bedrooms	180	30%
	3 bedrooms	240	39%
	4+ bedrooms	40	7%
<i>Subtotal</i>		<i>610</i>	<i>100%</i>
% of affordable housing		16%	