



# **MID SUSSEX**

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# **DISTRICT COUNCIL**

## **Affordable Housing**

### **Supplementary Planning Document**

**Revised draft for Scrutiny Committee for Community, Housing and Planning – June 2018**



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## Executive Summary

The Mid Sussex Development and Infrastructure Supplementary Planning Document (SPD) was adopted in 2006 and relates to policies in the adopted Mid Sussex Local Plan 2004.

Since the 2004 SPD was prepared, the Government has published the National Planning Policy Framework (NPPF), National Planning Practice Guidance (NPPG), and the Community Infrastructure Levy Regulations 2010 (as amended). Each of these documents have set out a new policy context, and provided updated guidance, for the management and collection of developer contributions.

The District Plan 2014-2031, which was adopted in March 2018 replaced the Local Plan 2004 as the Development Plan for Mid Sussex District.

The Development and Infrastructure SPD is therefore currently being refreshed, in order:

- To ensure that the SPD complies with all relevant national planning policy and guidance;
- To update the document to ensure that it complies with the relevant policies in the District Plan 2014-2031; and
- To update the requirements for each type of contribution, and the costs of those contributions.

There are three separate SPD documents:

- A Development Infrastructure and Contributions SPD, which sets out the overall framework for the management of planning obligations;
- An Affordable Housing SPD, which provides more detailed information on the requirements for on-site and off-site affordable housing provision, and
- A Development Viability SPD which provides information on the viability assessment process, and sets out the District Council's requirement that, where developers believe the requirements make their proposed development unviable, a viability assessment must be submitted to the District Council, with supporting evidence for approval

This SPD identifies the District Council's requirements relating to affordable housing. It should be read in conjunction with the Developer Contributions Infrastructure SPD and the Development Viability SPD.

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## **Section 1 - Introduction**

### **Background**

- 1.1. Mid Sussex District Council (the District Council) is committed to delivering sustainable communities that are safe, healthy and inclusive. To help achieve this, the District Council expects new development to provide or contribute directly towards the provision of affordable housing.
- 1.2. The purpose of this Supplementary Planning Document (SPD) is to provide information about affordable housing for the area of Mid Sussex that falls outside of the remit of the South Downs National Park Authority<sup>1</sup>.
- 1.3. On adoption, this SPD will replace the affordable housing section of the Development and Infrastructure Supplementary Planning Document (February 2006), which will be withdrawn.

### **Scope of this document**

- 1.4. This SPD is intended to provide guidance about how the District Council will secure affordable housing to support proposed development and help deliver sustainable communities.
- 1.5. It should be read alongside the Mid Sussex Development Infrastructure and Contributions SPD and the Mid Sussex Development Viability SPD.

### **Status and use of this document**

- 1.6. In accordance with relevant legislation, this SPD will be subject to consultation, review of feedback received and then formally adopted by the District Council. It will supplement the Mid Sussex District Plan 2014-2031 and, when adopted, will be a material consideration in the determination of planning applications. It should be taken into account during the preparation of proposals for residential and mixed use development from the inception stages and therefore when negotiating site acquisitions and undertaking development feasibility.

### **Legislative and policy context**

- 1.7. This SPD takes into account the statutory framework for planning obligations set out in Section 106 of the Town and Country Planning Act 1990<sup>2</sup> and Regulations 122 and 123 of the Community Infrastructure Levy Regulations 2010 (as amended); Government policy on planning obligations and conditions is set out in the National Planning Policy Framework<sup>3</sup>; and National Planning Practice Guidance.

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<sup>1</sup> The South Downs National Park Authority is the statutory planning authority for the area of Mid Sussex falling within the National Park.

<sup>2</sup> As amended by Section 12(1) of the Planning and Compensation Act 1991

<sup>3</sup> Paragraphs 203-206

- 1.8. This SPD specifically relates to District Plan Policy DP31 Affordable Housing and DP32 Rural Exception Sites (Figure 6) – the main local policies for securing the delivery of new affordable housing and the main contexts for the guidance in this document.

## **Section 2 - Affordable housing on residential development sites**

- 2.1. Providing the amount and type of housing that meets the needs of all sectors of the community is a key objective of the District Plan. For development that meets certain conditions, planning obligations or planning conditions are used to secure the delivery of particular types of provision. This could include:
- On-site provision or, in exceptional circumstances only, commuted financial contributions towards affordable housing;
  - Rural exception sites;
  - Self-build and custom build housing;
  - Accessible and adaptable housing;
  - Specialist accommodation or care; and
  - Gypsy and Traveller accommodation.
- 2.2. One of the roles of the District Council is to enable and co-ordinate the provision of housing to meet the needs of all those within the community. In seeking to meet these needs it is evidenced that some people are unable to meet their housing needs through the private housing market. The District Council is therefore justified to require the provision of affordable forms of housing.
- 2.3. All categories of affordable housing must be demonstrably affordable when the local incomes of households in housing need for rented or low cost home ownership products are taken into account. For instance:
- If they are a home ownership product they must be affordable to those on the local Help to Buy Register or any equivalent replacement;
  - If it is a shared ownership or a shared equity type of affordable housing the percentage sold and rent set must be at an affordable level;
  - If the affordable units are rented housing whether social rent, affordable rent or intermediate rent, the rents (including service charges) must be set and retained at a truly affordable level. This means that they must be capped at a maximum of 80% of market rent or at Local Housing Allowance Level (whichever is lower) in the case of affordable rents; and at a maximum of 80% of market rent in the case of intermediate rents. Social rent levels are determined through the Government's rent policy.

### **When is affordable housing required?**

- 2.4. Policy provision for affordable housing is set out in District Plan Policy DP31: Affordable Housing (see Figure 1). This applies to all types of residential development falling within Use Class C3 that meet the policy thresholds and includes changes of use of any building
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to residential use (where subject to planning permission), mixed use sites that incorporate an element of residential development, sheltered, and extra care housing schemes and conversions.

- 2.5. Other than where existing affordable housing, or sites previously used for affordable housing are to be redeveloped, or where the site lies within the High Weald Area of Outstanding Natural Beauty, contributions will not be sought from developments of 10 dwellings or less, and which have a maximum combined gross floorspace<sup>4</sup> of less than 1,000m<sup>2</sup>. If the number of dwellings to be built on a development site is below the threshold for the number of units required to contribute affordable housing, but has a combined gross floorspace of more than 1,000m<sup>2</sup>, it is expected that affordable units will be built on the development site in accordance with District Plan policy DP31 at 30% affordable housing provision.
- 2.6. In cases where residential developments do not contain 11 dwellings or more or do not have a combined floor space of more than 1000m<sup>2</sup> but lie in the High Weald Area of Outstanding Natural Beauty a commuted payment towards off site provision, equivalent to providing 30% on site affordable housing, will be required where the scheme provides 6-10 units.
- 2.7. Where existing affordable housing, or sites previously used for affordable housing are to be redeveloped, the District Council will expect the same number of affordable units to be replaced on the site, with the scheme reflecting current mix and tenure requirements. The District Council is aware that in some circumstances such re-provision may not be feasible on viability grounds and variations in overall numbers, tenure and size may need to be negotiated. Independent viability evidence will be required in such circumstances. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.
- 2.8. District Plan Policy DP31 will not apply to residential accommodation incidental in use to a main dwelling house or for staff / student accommodation provided this is made clear in the planning application and accepted by the District Council. Such developments might become liable at a later date should an application be made to convert these to stand alone accommodation / non-staff or student accommodation.
- 2.9. In calculating the number of affordable housing units to be provided, the number of units will be rounded up if it is not a whole number.
- 2.10. District Plan Policy DP31 is clear that development proposals that do not provide sufficient affordable housing will be refused unless significant clear evidence is provided and accepted by the District Council to show that the site cannot support the required affordable housing from a viability and deliverability perspective. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.

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<sup>4</sup> Combined gross floor space figure will be calculated in accordance with the RICS measuring guide and is calculated based on the size of the gross internal floorspace including integral garages, on a square metre basis. The calculation excludes ancillary uses such as sheds, greenhouses and adjacent garages. This is the same measuring guide as used to calculate CIL contributions.

- 2.11. If it can be clearly demonstrated and is accepted that the requirement to provide affordable housing cannot be met, the District Council will negotiate a lower provision of on-site affordable housing that is financially viable. In order to ensure that the maximum reasonable level of affordable housing is provided in line with District Plan Policy DP31, and that other plan requirements are met, the District Council will require viability review mechanisms secured by a planning obligation<sup>5</sup> on all residential applications which do not meet the affordable housing requirement, and for all applications where policy requirements are not met in full at the time permission is granted. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.
- 2.12. The provision of affordable housing will be through on-site provision of affordable homes, unless it is agreed in exceptional circumstances, such as those listed later in this document, that this is impractical in which case a financial contribution will be sought depending on the size, location and type of affordable housing required to be provided by the scheme. The provision of affordable housing or financial contributions will be secured through an appropriate planning obligation (by way of an agreement or unilateral undertaking as the District Council considers appropriate in the circumstances).
- 2.13. On phased developments the full 30% affordable housing requirement will be required to be provided on each and every phase and to be fully integrated within the development as a whole. Timescales for delivery will also be included in a planning obligation.

Figure 1 – District Plan policy provision of affordable housing (DP31: Housing)

DP31: Affordable Housing

The Council will seek:

1. the provision of a minimum of 30% on-site affordable housing for all residential developments providing 11 dwellings or more, or a maximum combined gross floorspace<sup>6</sup> of more than 1,000m<sup>2</sup>;
2. for residential developments in the High Weald Area of Outstanding Natural Beauty providing 6 – 10 dwellings, a commuted payment towards off-site provision, equivalent to providing 30% on-site affordable housing;
3. on sites where the most recent use has been affordable housing, as a minimum, the same number of affordable homes should be re-provided, in accordance with current mix and tenure requirements;
4. a mix of tenure of affordable housing, normally approximately 75% social or affordable rented homes, with the remaining 25% for intermediate homes, unless the best available evidence supports a different mix; and
5. free serviced land for the affordable housing.

All affordable housing should be integrated with market housing and meet national technical standards for housing including “optional requirements” set out in this Plan (Policies DP25: Dwelling Space Standards; DP26: Accessibility and DP42: Water Infrastructure and the Water Environment); or any other such standard which supersedes these

Proposals that do not meet these requirements will be refused unless significant clear evidence demonstrates to the Council's satisfaction that the site cannot support the required

<sup>5</sup> Planning obligations are entered into under Section 106 of the Town and Country Planning Act 1990 (amended by Section 12 of the Planning and Compensation Act 1991)

<sup>6</sup> Measured as gross internal floorspace



affordable housing from a viability and deliverability perspective. Viability should be set out in an independent viability assessment on terms agreed by the relevant parties, including the Council, and funded by the developer. This will involve an open book approach. The Council's approach to financial viability, alongside details on tenure mix and the provision of affordable housing will be set out in a Supplementary Planning Document.

The policy will be monitored and kept under review having regard to the Council's Housing Strategy and any changes to evidence of housing needs.

## Definition of affordable housing and types of affordable housing

Figure 2 – Affordable housing definition

**Affordable Housing:** Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing must include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

- 2.14. The affordable housing will be secured through planning obligations and will be funded through the provision of free serviced land; and by Registered Providers using their own resources, loans and if available, central government or Local Authority grants. Community Infrastructure Levy cannot be used to fund affordable housing.
- 2.15. The District Council will work with Registered Providers who are approved by the District Council. Registered Providers are expected to commit to participate in the Mid Sussex Common Housing Register and have a local management base.
- 2.16. Affordable housing providers who are not Registered Providers must be accredited by Homes England<sup>7</sup> and must satisfy the District Council that they have appropriate local management arrangements, a commitment to creating sustainable local communities and a willingness to help the District Council to meet those housing needs identified as a priority for the district.
- 2.17. Works should not begin on site on any development or phase of a development until the District Council approves in writing the identity of the Affordable Housing Provider(s) with responsibility for the provision of the affordable housing units on the development or phase of a development and the developer has entered into a contract with the Affordable Housing Provider(s) to deliver the affordable housing units. This requirement and the evidence to be provided will be detailed in the planning obligation.
- 2.18. A principal requirement of the District Council is to ensure that the necessary serviced land is made available at nil cost for the subsequent construction of the requisite number of affordable housing units to meet needs identified as a priority for the district. This will be secured in a planning obligation.

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<sup>7</sup> Or any subsequent equivalent body

Figure 3 – Definition of affordable housing types

**Social rented housing** – owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the Government's rent policy. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

**Affordable rented housing** – let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable) and affordable rents must be set at this level or the level of the prevailing Local Housing Allowance for the size of unit, whichever is the lower.

**Intermediate housing** – homes for sale and rent provided at a cost above social rent, but below market sale and rent levels, subject to the criteria in the Affordable Housing definition above. These can include shared ownership, shared equity, other low cost homes for sale such as starter homes, and intermediate rent.

**Shared Ownership** – the purchaser buys a proportion of the value of the home and the remaining share is kept by the freeholder which is usually a registered provider. A subsidised rent is paid for the remainder of the equity. Providers should not fix the share of a given property to be sold in advance, but offer specific buyers a size of share appropriate to their individual circumstances. The initial equity share must be between 25% and 75% and the District Council expects that at least 50% of each type and size of shared ownership units on each scheme should initially be sold at shares of 35% or below in order to help ensure affordability. The District Council requires that such units should be affordable to households on the Help To Buy Register for Mid Sussex (or equivalent).

**Shared equity** – the purchaser acquires the whole of the property but effectively only pays a proportion of the value; the remaining value is secured by an equity loan but without any rental obligation. The District Council requires that such units should be affordable to households on the Help to Buy Register for Mid Sussex (or equivalent).

**Intermediate rent** – this is housing available at a rent above social rent but below market rent levels. Generally intermediate rented properties are reserved for specific groups of tenants and short term tenancies. The District Council requires that rents are no more than 80% of the local market rents.

Homes that do not meet the above definition of affordable housing, such as low cost market housing, build to rent, rent to buy and affordable private rented housing will not be considered as affordable housing for planning purposes, unless brought into the definition of affordable housing in the National Planning Policy Framework. In this instance affordability tests will be applied to such options to ensure that they are affordable to local people in housing need. These options are likely to be regarded as intermediate affordable housing.

## **Private Rented Sector**

- 2.19. Private market rented units will not be considered as affordable housing for the purpose of the policy. A private rented scheme will therefore require an affordable housing contribution on site as is the case with other developments unless it is not practical to do so. This could be for example if there are prohibitively high service charges. In such instances a commuted sum may be acceptable.

## **Mechanism and timing for the transfer of land**

- 2.20. The following section deals with the range of issues likely to be covered by a planning obligation in different circumstances.
- 2.21. Affordable housing secured through a planning obligation will ensure the provision of the necessary units as part of the overall scheme generally through 'Developer built homes'. This involves the developer building the affordable housing in accordance with the design standards and requirements of the approved Registered Provider and then transferring the ownership and management of the housing to the Registered Provider at a price that reflects nil land value and nil public subsidy.
- 2.22. In some circumstances however affordable housing is provided through serviced plots which are made available to the Local Authority or an approved Registered Provider at nil cost, with a guarantee that the plot will subsequently only be used to construct the necessary affordable housing in conjunction with the nominated Registered Provider.
- 2.23. With both approaches the District Council will require the developer to have agreed a suitable affordable housing partner and to have entered into a contract with them to deliver the affordable housing units prior to work beginning on site, on any development or phase of a development.
- 2.24. In cases where landowners / developers are experiencing difficulties securing a housing partner they will be required to provide a copy of their brief inviting offers from Registered Providers and the names of the Registered Providers invited to offer. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons, in order for the District Council to establish what obstacles may prevent a developer securing an affordable housing provider and to assist them in overcoming them. In some cases the District Council may take on the brokerage role itself.

### Figure 4 – Serviced plots definition

**Serviced plots:** defined as 'shovel ready' sites with planning permission, where plots or parcels are laid out and the land is ready for construction. Access is provided and each plot or parcel has utilities/ services provided to the plot/ parcel boundary.

## **Incorporating the affordable housing requirement**

- 2.25. It is essential that landowners / developers consider early in the pre-application process how affordable housing will be integrated into a policy compliant development scheme. The landowner / developer will be required to build into their designs at pre-application stage the 30% affordable housing required in accordance with DP31 and the occupancy and design requirements detailed in this SPD.
- 2.26. An Affordable Housing Statement will also be required as part of the planning application, clearly setting out how the application meets the affordable housing requirements. This statement should contain as a minimum details of the specific size, tenure, type and location of the affordable units.
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- 2.27. If such a statement for a policy compliant scheme or a viability assessment (see later) for a non-policy compliant scheme is not provided a planning application will not be validated.
- 2.28. It should also be noted that Affordable Housing Statements and any Viability assessments (in an unredacted format) will be put on the public planning register with the rest of the planning application documents to increase openness and transparency in the planning process.
- 2.29. Redaction of any information will only be allowed in exceptional circumstances. If an applicant considers that there is commercially sensitive information that should remain confidential then this should be clearly identified and full justification provided as to the extent of the harm that would occur if this information was disclosed. The District Council would then assess the case put forward in accordance with the relevant legislation.
- 2.30. Such justification whether or not accepted will also be placed on the public planning register.

### **Tenure**

- 2.31. The appropriateness of the housing tenure (shared ownership or rented) will be assessed for each individual site. Normally, a balance of 75% social or affordable rented homes, with the remaining 25% for intermediate homes will be required unless the best available evidence supports a different mix.

### **Prioritisation of affordable housing and viability review mechanism**

- 2.32. The priority is to increase the number of affordable homes within the district and for developments to provide the correct number and mix of affordable homes in line with District Plan policies DP31 and DP32 (see Figure 1).
  - 2.33. There is a firm expectation that the full quota of affordable housing will be provided on the development site where the provision could reasonably be made without making the development unviable. However, District Plan policy is not intended to render development unviable and harm the delivery of housing.
  - 2.34. If it can be clearly demonstrated and it is accepted by the District Council that the requirement to provide affordable housing cannot be met in full, the District Council will negotiate a lower provision of on-site affordable housing that is financially viable. The District Council's position on vacant building credit is set out in later in this document.
  - 2.35. The District Council will require viability review mechanisms secured through legal agreements on all residential applications which do not meet the affordable housing target and for all applications where policy requirements are not met in full at the time permission is granted. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.
  - 2.36. Land negotiations by developers with landowners should reflect nil public subsidy and the requirement that serviced land for affordable housing is to be made available at nil cost and the District Council will not accept that the provision of affordable housing is unviable when too high a price has clearly been paid for the land.
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2.37. In addition, it should not be assumed that abnormal costs would necessarily be borne exclusively at the expense of compliance with the Development Plan, as a site involving abnormal development costs is likely to attract a lower land value than could be achieved on a site where this was not the case. Indeed developers should make themselves aware of abnormal costs prior to purchasing the site and take them into account in the purchase price agreed.

### Development site standards and characteristics

2.38. The characteristics of a site and the development as a whole should be reflected in the affordable housing mix – dwelling tenure, type and size. The exact tenure, type and size split on each site can be advised through pre-application discussions but is likely to be approximately 25% x 1B/2P, 65% x 2B/4P and 10% x 3B/5P units in accordance with known affordable housing need. 4 bed units may occasionally be required subject to need and affordability.

2.39. The occupancy requirements and minimum floor areas for each unit type are set out in Figure 5 below and it should be noted that affordable units are likely to be fully occupied.

Figure 5 – Occupancy and minimum floor area requirement

No. of bedrooms per affordable housing Unit	No. of persons per affordable housing Unit	Minimum floor area - 1 storey	Minimum floor area - 2 storey	Minimum floor area - 3 storey	Floor area - wheelchair user dwelling
1	2	50m <sup>2</sup>	58m <sup>2</sup>		60m <sup>2</sup> (1B/2PF)
2	4	70m <sup>2</sup>	79m <sup>2</sup>		73m <sup>2</sup> (2B/3PF) 84m <sup>2</sup> (2B/4PF) 103m <sup>2</sup> (2B/4PH)
3	5	86m <sup>2</sup>	93m <sup>2</sup>	99m <sup>2</sup>	121m <sup>2</sup> (3B/5PH)
4	6	99m <sup>2</sup>	106m <sup>2</sup>	112m <sup>2</sup>	138m <sup>2</sup> (4B/6PH)

2.40. Land made available for affordable housing should be fully serviced and of a sufficient size to accommodate the range and type of dwellings necessary to meet the identified housing need and should not be based on the minimum site area possible to accommodate the specified number of units.

2.41. Housing proposals will be expected to make efficient use of land. Any proposal that appears to have an artificially low density in order to avoid the required thresholds for affordable housing will be scrutinised and may be refused planning permission, where they fail to make efficient use of land and provide appropriate levels of affordable housing. The same applies to any site that appears to have been deliberately sub-divided as a possible measure to avoid the required affordable housing threshold.

2.42. Affordable housing provided on-site must be designed to a high standard and fully integrated into the overall scheme layout, in clusters of no more than ten dwellings (unless in high density flatted schemes where clusters of more than 10 units may be allowed – see clause 2.49) rather than concentrated in one location. Consideration of the grouping of

affordable housing in the overall scheme will include how the provision relates to other phases of the same development including where there is a degree of separation provided by roads, open space or landscape feature; and the grouping of affordable housing in nearby previously developed schemes.

- 2.43. Affordable housing units must also be 'tenure blind' so that affordable and private homes are indistinguishable from one another in terms of design, build quality, appearance, materials and site location. This will help to avoid visual separation between private and affordable housing and would not artificially constrain provision by a design approach based on the separation of market and affordable units when additional affordable housing would otherwise be viably achieved.
- 2.44. Account must be made to relevant design and quality codes and standards as set out by the Homes and Community Agency or other associated national bodies. DCLG<sup>8</sup> Nationally Described Space Standards should also be adhered to.
- 2.45. All development will be required to meet and maintain high standards of accessibility so all users can use them safely and easily. Account should also be taken of policy DP28 of the District Plan which requires a reasonable proportion of affordable homes, generally 4% to be provided as wheelchair user dwellings, dependant on the suitability of the site and the need at the time.
- 2.46. In such cases a wheelchair user dwelling means a dwelling which meets the requirements contained in Part M4(3)(1)(a) and (b) and Part M4(3)(2)(b) for wheelchair accessible dwellings as contained in Category 3 – wheelchair user dwellings of Schedule 1 of the Building Regulations 2010 as amended.
- 2.47. In order to properly accommodate these requirements developers will need to allow additional space when designing wheelchair user dwellings, over and above that which is required by Nationally Described Space Standards. This should be approximately 20% of the Gross Internal Area in the case of flats and 30% of the Gross Internal Area in the case of houses, as set out in Figure 5 - Occupancy and minimum floor area requirement.
- 2.48. The requirement for wheelchair provision will be secured through a planning condition and in order to demonstrate compliance with the furniture schedule contained in M4(3) (see below) manoeuvring zones and furniture of the correct sizes will need to be clearly indicated on the submitted unit layouts. Reserved Matters (Detailed planning permission) will not be granted until the submitted layout plans have been agreed.

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<sup>8</sup> The Department for Communities and Local Government is now the Ministry of Housing, Communities and Local Government.

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## Appendix D: Furniture schedule

Space	Furniture to be shown	Furniture size (mm)	Number bedspaces / number furniture items required							
			2	3	4	5	6	7	8	
<b>Living space</b>	Arm chair (or number sofa seats in addition to minimum sofa provision)	850x850	2	3	1	2	3	4	1	
	2 seat settee (optional)	850x1300								
	3 seat settee	850x1850			1	1	1	1		
	TV	220x650	1	1	1	1	1	1	1	
	coffee table	500x1050 or 750 diameter								
	occasional table	450x450								
	storage units	500 x length shown (1 only required)	1000	1000	1500	2000	2000	2000		
<b>Dining space</b>	dining chair		2	3	4	5	6	7	+	
	dining table	800 x length shown (1 only required)	800	1000	1200	1350	1500	1650		
<b>Bedrooms</b>										
<b>Double Bedroom</b>	Principal bedroom double bed; or	2000x1500	1	1	1	1	1	1	1	
	Other double bedroom double bed; or	1900x1350	1	1	1	1	1	1	1	
	single bed (2 number in twin)	1900x900	2	2	2	2	2	2	2	
	bedside table	400x400	2	2	2	2	2	2	2	
	desk and chair	500x1050	1	1	1	1	1	1	1	
	chest of drawers	450x750	1	1	1	1	1	1	1	
	double Wardrobe	600x1200	1	1	1	1	1	1	1	
<b>Twin bedroom</b>	single bed (2 number in twin)	1900x900			2	2	2	2	2	
	bedside table	400x400			2	2	2	2	2	
	chest of drawers	450x750			1	1	1	1	1	
	table and chair	500x1050			1	1	1	1	1	
	double wardrobe	600x1200			1	1	1	1	1	
<b>Single Bedroom</b>	single bed	1900x900		1	1	1	1	1	1	
	bedside table	400x400		1	1	1	1	1	1	
	chest of drawers	450x750		1	1	1	1	1	1	
	table and chair	500x1050		1	1	1	1	1	1	
	double wardrobe	600x1200		1	1	1	1	1	1	
<b>Bathrooms</b>	WC + cistern	500x700								
	Bath	700x1700								
	Wash hand basin	600x450								
	Hand rinse basin	350x200								
<b>Manoeuvring zone</b>										
Bedrooms	Manoeuvring square as per requirements	1200x1200								
Living rooms	Turning circle; or	1500x1500								
	Turning ellipse	1400x1700								

- 2.49. Within flatted development, due to management, service charges and other requirements, rented and shared ownership units must be located on separate floors, around separate cores/ entrances or in separate blocks to both each other and to open market units. All affordable flatted housing units must be tenure blind and provided in small clusters, of no more than ten units around the development.

- 2.50. On high density flatted schemes, it may be agreed by the District Council to allow blocks containing more than ten affordable housing units, provided that the design does not seek to concentrate the affordable housing into flats at the expense of integration.
- 2.51. All accommodation designed for the over 55's which is 3 stories or more should have a lift if at all possible.
- 2.52. Appropriate provision should be made for car parking for the affordable housing units, in line with that for open market housing. Car parking provision for wheelchair accessible housing must comply with the requirements detailed in M4(3)(1)(a) as contained in Category 3 – wheelchair user dwellings of Schedule 1 of the Buildings Regulations 2010 as amended.

### **Commuted payments**

- 2.53. The District Council aims to achieve mixed, balanced and sustainable communities and consequently expects affordable housing to be provided on site and landowners and developers to make provision for this requirement.
- 2.54. Commuted payments towards off-site provision, equivalent to providing 30% on-site affordable housing, will only be accepted (other than for residential developments of 6-10 dwellings and below 1000m<sup>2</sup> in the High Weald Area of Outstanding Natural Beauty – see below), where there are exceptional reasons preventing the provision of on-site affordable housing, namely:
- Where the objectives of achieving a mixed and balanced community could be better met in an alternative location. For example, where the appropriate form of affordable housing cannot be provided within a scheme.
  - Where there are high housing costs for occupiers associated with the development. For example, in conversions of listed buildings which result in high service / maintenance charges and where this cannot be satisfactorily overcome or avoided by alternative design.
  - Where on private 'build for rent' schemes high service charges are levied to reflect additional facilities, making the units to be provided not viable as affordable housing. For example, where gyms are provided.
  - Where on sites providing a small number of units affordable housing is not deliverable, because an affordable housing provider cannot be secured. For example schemes consisting of less than 4 dwellings.
  - Where on-site provision is not viable, but an equivalent or lesser financial contribution is. For example, on extra care schemes where a small number of affordable housing units would make affordable extra care provision unviable.
  - Where the District Council is satisfied that a financial contribution would better meet a greater need elsewhere in the district than on-site provision. For example, in the case of rural schemes where services may be lacking or the location is not sustainable.
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- Where the District Council is satisfied that due to management issues, a financial contribution would be an appropriate alternative to on-site provision. For example single block older persons schemes where separate facilities and entrances cannot be provided.
- 2.55. Commuted sums may also be acceptable in specific circumstances if the District Council wishes to utilise such funding to develop its own affordable housing including temporary accommodation.
- 2.56. A developer's preference for a commuted sum or concerns over any potential impact on the values of surrounding properties through the provision of affordable units, would not be justification for a commuted payment in lieu of on-site provision.
- 2.57. In the High Weald Area of Outstanding Natural Beauty, affordable housing contributions will be sought from developments of 6 to 10 units and below 1000m<sup>2</sup> in the form of a commuted sum equivalent to providing 30% affordable housing on site - in accordance with District Plan policy DP31 (see Figure 1).
- 2.58. Where a commuted sum is considered acceptable, a planning obligation will need to be entered into to enable the provision of affordable housing on an alternative site. The commuted sum must reflect the full cost of providing alternative serviced land for affordable housing (the land to be provided at nil cost). The commuted sum must be sufficient to provide the same number of affordable housing units on an alternative site as would have been provided on site.
- 2.59. The commuted sum will be based on the dwelling type and size of the affordable housing that the District Council deems would be most suited to the current housing needs on that particular development site. The number of units on which the sum is based will be rounded up if it is not a whole number.
- 2.60. The commuted sum will be payable at start on site and the exact sum to be paid and the payment schedule will be reflected in a planning obligation. There will be provisions within the planning obligation in terms of indexation and the method that will be applied (this will usually be the Retail Prices Index), calculated from the date of the planning obligation to the date(s) of payment. A penalty interest rate will be applied in the event of late payment (s).
- 2.61. The District Council will regularly review the amounts set out in the Affordable Housing Commuted Sum Payment Table to reflect any changes in economic viability over the lifetime of the District Plan. This is to ensure that the commuted sum remains financially viable for the relevant development types.
- 2.62. Commuted sums will be used to deliver affordable housing in appropriate, alternative locations.

### **Vacant buildings credit (VBC)**

- 2.63. In 2014, Government introduced a vacant building credit (VBC) which may be applied to sites where a vacant building is brought back into lawful use, or is demolished to be replaced by a new building. The vacant building credit reduces the requirement for affordable housing contributions based on the amount of vacant floor space being brought
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back into use or redeveloped by offering a financial credit. The VBC has implications on the delivery of affordable housing in Mid Sussex where there is a high need for such accommodation.

- 2.64. It is important to note that Section 38(6) of the Planning and Compulsory Purchase Act 2004 and Section 70(2) of the Town and Country Planning Act 1990 provides that the determination of a planning application must be made in accordance with the development plan unless material considerations indicate otherwise.
- 2.65. The District Council acknowledges that national planning policy and guidance set out in the Written Ministerial Statement<sup>9</sup>(WMS) of November 2014 and the National Planning Practice Guidance (NPPG) with respect to the application of VBC are material considerations which should be taken into account in decision taking.
- 2.66. Following the Court of Appeal decision (11 May 2016) regarding these matters, the District Council notes that the provisions of national policy were not found to be inconsistent with the statutory scheme “the policy’s unqualified terms do not demonstrate that it was intended to countermand or frustrate the effective operation of the statute”. It is for the decision maker to assess how much weight is to be afforded to the WMS.
- 2.67. VBC is unlikely to bring forward more development in Mid Sussex. Whilst previously developed (brownfield) land forms a significant component of housing land supply, viability testing of the housing land supply indicates that the policy provision of DP31 is generally viable at full provision, at the policy thresholds. Therefore affordable housing requirements will not prevent sites from coming forward.
- 2.68. The intention of VBC is to bring back into use sites which would not otherwise be developed and not simply to reduce the affordable housing requirement of schemes that would come forward without VBC thereby reducing the supply of affordable housing to meet local needs.
- 2.69. As a result it is the District Council’s view that in most circumstances, it will not be appropriate to apply the VBC in Mid Sussex. Indeed VBC will only be applicable to sites to bring them back into use if they would not otherwise be developed (see below). It will not apply to reduce the affordable housing requirement of schemes that would come forward anyway without VBC.
- 2.70. The current need for affordable housing in Mid Sussex is acute, with the most urgent need for reasonable preference groups forecast to not fully be met over the plan period. In addition, delivery rates of affordable housing has been close to policy requirements of 30% over the ten year period 2006/07 to 2016/17, with around 29% of all completions being affordable housing. Previously developed land also forms a significant component of the housing land supply and there are no indications that the requirement for affordable housing has had, or will have an impact on the delivery of housing from this source without such an incentive.
- 2.71. The NPPF requires that the costs of any requirement likely to be applied to development should provide a competitive return to a willing landowner and willing developer and

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<sup>9</sup> Support for small scale developers, custom and self-builders. Written statement – HCWS50 Made 28 November 2014

affordable housing policy DP31 already accounts for this by being flexible in cases where sites cannot support the required affordable housing from a viability perspective.

- 2.72. There may be some exceptional circumstances where the VBC should be applied and would, in line with the intention of the policy provide an incentive for development on previously developed sites containing vacant buildings that would not otherwise come forward for development. In taking a decision on whether VBC should be applied, the following criteria will be used, as well as site specific factors:
- The building is not in use at the time the application is submitted;
  - The building is not covered by an extant or recently expired permission for the same or substantially the same development;
  - The site is not protected for alternative land use;
  - The building has not been made vacant for the sole purpose of redevelopment; and
  - The building has not be abandoned
- 2.73. To demonstrate that a building has not been made vacant for the sole purpose of redevelopment, an applicant will be required to demonstrate that the relevant buildings (i.e. those for which they are claiming the credit) have been vacant for a continuous period of at least five years before the application was submitted and will also be required to provide evidence that the site has been actively marketed for at least two of those five years at realistic prices.
- 2.74. Where it is considered that the VBC should be applied, the methodology to calculate the credit is set out in Appendix 1 – Vacant Building Credit
- 2.75. The written ministerial statement in November 2014 emphasised that the VBC is intended to be consistent with exemptions from the Community Infrastructure Levy (CIL). When CIL is adopted at Mid Sussex, the District Council will have regard to the CIL definition of an in use building when determining whether a building is vacant for the purposes of the VBC.
- 2.76. This approach will ensure that development cannot benefit from CIL relief on the basis that a building is in use, whilst simultaneously benefiting from VBC on the basis that the building is vacant. The CIL Regulations define an in use building as one which has been in continuous use for any six month period within the preceding three years.
- 2.77. The District Council encourages applicants to seek pre-application advice to identify whether or not the credit will apply and if so, the likely extent of the affordable housing contribution. All schemes where the applicant argues that the VBC should be applied will be required to submit viability information for consideration prior to validation, which will be published as part of the application. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.

### **Securing rural exception sites**

- 2.78. Rural exception sites are sites outside of built up areas used for the development of affordable housing for local people in perpetuity. Such sites would not normally be granted permission for housing, but as implied can be released in exceptional circumstances. Rural
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exception sites are subject to District Plan policy DP32: Rural Exception Sites – set out in Figure 6.

- 2.79. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection.
- 2.80. Such sites are developed as a response to an identified local housing need and are best brought forward through a partnership with the relevant Parish Council and the District Council's Planning and Housing Enabling Teams.
- 2.81. Any developer wishing to bring forward a rural exception site must consult with the Housing Enabling Team at the District Council and also the Parish Council and take on board their opinions and the results of any housing need survey undertaken. Regard must also be paid to any applicable made neighbourhood plan. The District Council works with specialist rural providers who are experienced at delivering rural exception sites and it is important to involve these early on in the planning process.
- 2.82. Where it can be clearly demonstrated from a viability perspective through evidence that the site cannot support a scheme comprising 100% affordable housing, the District Council will consider an element of open market housing, limited to that required to facilitate scheme viability, to a maximum of 20% of the overall scheme, provided that the housing is to meet local needs justified by the best available evidence. The District Council's approach to financial viability and viability review mechanisms is outlined in Section 4 of this document and set out in detail in the Development Viability SPD.
- 2.83. For the affordable housing provided, either solely as an affordable housing scheme, or with an element of market housing, the occupancy of the affordable housing must be restricted in perpetuity to those with a genuine local need for affordable housing.
- 2.84. The new development must integrate any open market units with the affordable housing, units and seek to be 'tenure blind' and make best use of the land.
- 2.85. A planning obligation will be used to secure the transfer of land for affordable housing purposes directly to a Registered Provider (if this has not already taken place). This will include detail on future occupancy, management of the housing provided, and the requirement for the District Council to have 100% nominations in perpetuity to ensure that the land continues to be used for affordable housing to meet local housing need.

Figure 6 - District Plan rural exception sites policy (DP32: Rural Exception Sites)

The development of rural exception sites for affordable housing will be permitted provided:

- i) the development comprises 100% affordable housing;
- ii) the housing is to meet local needs justified by the best available evidence;
- iii) the occupancy of the homes is restricted in perpetuity to those with a genuine local need for affordable housing;
- iv) the scale of the development respects the setting, form and character of the settlement and surrounding landscape; and
- v) it is adjacent to, or in close proximity to a rural settlement containing local services.

Where it can be clearly demonstrated through evidence that the site cannot support a scheme comprising

100% affordable housing from a viability perspective, the Council will consider an element of open market housing, limited to that required to facilitate scheme viability, to a maximum of 20% of the overall scheme, provided that:

- The requirements of ii), iv) and v) can be met for the overall scheme and for the affordable housing element i) and iii); and
- The new development physically integrates the open market and affordable housing, which should seek to be 'tenure blind' and makes best use of the land.

Details of the evidence required to justify an element of open market housing will be set out in a Supplementary Planning Document.

The delivery of rural exception sites will normally be led by Parish Councils, through planning applications, Community Right to Build schemes, Neighbourhood Development Orders or through Neighbourhood Plans.

### **South Downs National Park**

2.86. Development in the Mid Sussex district within the boundaries of the South Downs National Park must provide affordable housing in accordance with the requirements of the South Downs National Park Authority's planning policy. Sites that come forward prior to the adoption of such a policy will need to comply with the policies in the Mid Sussex Local Plan 2004.

### **Community led housing**

2.87. The District Council is committed to enabling the delivery of community led affordable housing projects which empower communities to commission their own housing to meet local needs. Such housing has many models of delivery from general stewardship and oversight of dwellings financed and owned by a Housing Association or land trust, through to actual tenancy management and outright ownership of the asset. Such schemes will be supported in both urban and rural areas

### **Self-build and custom build housing**

2.88. The terms 'self-build' and 'custom build' are used to describe instances where individuals or groups are involved in creating their own home. The amount of personal involvement will vary.

2.89. **Self-build** housing projects are defined as those where a person or persons directly organise the design and construction of their own home. This covers a wide range of projects from a traditional DIY self-build home to projects where the self-builder employs someone to build their home for them. Community-led projects can also be defined as self-build.

2.90. **Custom build** homes are defined as those where a person or persons work with a developer to help deliver their own home. This is more of a hands-off approach and the developer may help to find a plot, manage the construction and arrange development finance.

- 2.91. For the avoidance of doubt it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.
- 2.92. Custom and self-build need not be solely for privately owned housing. Affordable housing may also be developed through low cost home ownership schemes such as shared ownership or affordable rented housing.
- 2.93. The District Council encourages developers of larger residential developments to designate a proportion of the plots for self-build or custom housebuilding in accordance with DP28: Housing Mix, to support the development of sustainable communities.
- 2.94. All other residential developments will be considered as to their suitability to deliver serviced plots and delivery may be required as a result, especially in areas where there is a significant demand as demonstrated on the District Council's Right to Build Register.
- 2.95. An open market site which provides self-build plots will need to be phased so that the open market housing and access is in a separate phase to the self-build plots. Each self-build plot needs to form a separate phase, to facilitate the submission of a reserved matters (detailed) planning application by the intended occupant.
- 2.96. Self-build housing will not be accepted in lieu of and only in addition to on-site affordable housing provision. To ensure quality design the District Council may wish to agree a design code. Affordable self-build must remain affordable in perpetuity, via a planning obligation between the appropriate parties and the District Council.

### **Discounted market sale**

- 2.97. Discounted market sale dwellings at proven affordable housing levels, typically 50% of market value, may be supported in exceptional cases. In all cases the future re-sale value of the property will be expressed in the planning obligation as a simple percentage of open market value, to be safeguarded in perpetuity through the use of re-sale covenants. First purchasers will need to be approved by the District Council and a charge registered with the Land Registry will also require the District Council to formally approve any future purchaser before the deeds of a property can be transferred.

### **Extra Care Housing**

- 2.98. In order to assist in meeting housing need, providing greater choice for older people and those with special needs and creating sustainable, inclusive and mixed communities, the provision of Extra Care Housing will be required in accordance with District Plan Policy DP30.
  - 2.99. Extra Care Housing should be designed to be a home for life. It should promote independent living in self-contained accommodation, where people are able to readily access high quality, flexible support and care services on site to suit their needs, and can include rented, shared ownership or leasehold accommodation.
  - 2.100. Extra Care schemes should be located so they are accessible to local facilities, proportionate in scale to the locality and provide ancillary facilities as part of the
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development. These ancillary facilities should complement locally available amenities and be made available to the wider community.

- 2.101. Whether a proposed development falls within Class C2 or Class C3 of the Use Classes Order 1987 (as amended) is a question of fact and degree in each case. In determining the appropriate categorisation, the District Council will take all the characteristics of a scheme into account to ascertain whether the scheme is subject to the provisions of Policy DP31 in relation to affordable housing provision.
- 2.102. The District Council considers that extra care schemes will fall within Class C3 where the units provided:
1. Are dwellinghouses. This is a question of fact: the primary consideration is whether the unit is self-contained and affords the facilities required for day-to-day private domestic existence; and either
  2. Are occupied by a single person, or by people who are to be regarded as forming a single household, "single household" construed in accordance with s. 258 of the Housing Act 2004; or
  3. Are occupied by not more than six residents living together as a single household. This is again a question of fact and degree, having regard in particular to whether the level of care provided is so extensive that the residents cannot be said to constitute a household.
- 2.103. Specialist accommodation and care homes falling within Use Class C2 are a specialist part of the housing needs market and for Mid Sussex are included in the definition of social infrastructure which also includes community facilities and local services. As such protection of such stock is made by District Plan Policy DP25: Community Facilities and Local Services.
- 2.104. Further detail on Class C2 housing can be found in the Mid Sussex Housing and Economic Development Needs Assessment Addendum (August 2016) and further guidance on the Class C2/ C3 classification may be issued by the District Council from time to time.
- 2.105. Where a scheme is classified as Class C2, such development might become subject to the provisions of Policy DP31 in relation to affordable housing provision at a later date should a relevant change of use planning application be made.
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### **Section 3 - Procedure for securing contributions**

- 3.1. Affordable housing will be secured through planning obligations, and will be funded by developers from cross-subsidy on mainly market housing developments and the provision of free land; and by Registered Providers using their own resources, loans and if available, central government grants. The Community Infrastructure Levy, when adopted, cannot be used to fund affordable housing.
- 3.2. The procedure for securing contributions is set out in Section 4 of the Development Infrastructure and Contributions SPD.

### **Section 4 – Applications that do not meet plan requirements**

- 4.1. It is important to note that economic viability is not the key test of whether there should be on or off site affordable housing provision. Viability determines the overall amount of affordable housing costs, i.e. the appropriate percentage and the type (tenure and mix) of affordable housing sought regardless of whether this is provided on site, off site or as a commuted payment. The District Council will presume at all stages of the pre-application process and planning application that the applicant will be able to meet the District Plan requirements for the delivery of affordable homes.
- 4.2. The District Council should be notified of any issues at the pre-application stage that identify that the full requirement for affordable housing cannot be met on site. Issues of financial viability must be supported by a draft appraisal in a standardised and accessible format (see below). This should include details of discussions with Registered Providers of affordable housing to inform the value of affordable housing assumed within an Assessment.
- 4.3. Where an application does not meet policy requirements for affordable housing, a viability assessment must be submitted in a standardised and accessible format with full supporting evidence to substantiate the inputs and assumptions used (detail set out in Development Viability SPD) prior to a planning application being validated.
- 4.4. If material changes are made to an application after submission that could affect scheme viability, a revised assessment is required which could delay determination. This highlights the importance of engaging with the District Council in pre-application discussions. If it has not been possible to determine the application within the timescale originally envisaged, it may be necessary to submit an updated viability assessment to reflect current market conditions<sup>10</sup>.
- 4.5. The viability assessment will be scrutinised by the District Council with advice from a suitably qualified external consultant and the cost of this external consultant is to be borne by the developer. The assessment will consider whether the approach adopted and inputs used are appropriate and adequately justified by evidence and will determine whether the level of planning obligations and other Development Plan requirements proposed by the

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<sup>10</sup> NPPG – Paragraph 10-017-20140306



applicant are the maximum that can be viably supported or whether further obligations and/or a greater level of policy compliance can be achieved.

- 4.6. On completion of the assessment, the District Council will indicate if additional planning obligations are required. Heads of Terms will be included in the District Council's Planning Report, reflecting the outcome of the viability process. An application will be refused permission if terms cannot be agreed.
- 4.7. Where reductions in affordable housing provision are agreed on viability grounds the District Council will include the estimated scheme Gross Development Value and build costs at the time of planning permission in a planning obligation.
- 4.8. In order to ensure that the maximum reasonable level of affordable housing is provided in line with District Plan Policy DP31, and that other plan requirements are met, the District Council will also require viability review mechanisms through planning obligations on all residential / mixed use applications which do not meet the affordable housing policy and for all applications where policy requirements are not met in full at the time permission is granted.
- 4.9. Potential affordable units will also be identified in planning obligations where affordable housing is not being provided in full or in part on viability grounds. This will enable affordable units to be provided at a later stage if there is an increase in viability and it subsequently proves possible to provide such units.
- 4.10. All Affordable Housing Viability information will be put in the public domain to increase openness and transparency in the planning process, by publishing it on the public planning register with the rest of the planning application documents after the application has been validated.
- 4.11. Redaction of any information will only be allowed in exceptional circumstances, and any justification provided as to the extent of harm that would occur if the information was disclosed will be placed on the public planning register whether or not accepted.
- 4.12. Further detail on viability review mechanisms are set out in the Development Viability SPD.

### **Nominations**

- 4.13. All affordable housing developed through affordable housing policies will require a legal nomination agreement between the District Council and the affordable housing provider. This will enable the District Council to control the occupancy of new affordable housing, and to ensure that it continues to be available to meet local housing needs in perpetuity, by detailing occupancy criteria and nomination arrangements for both initial and future lettings, assignments and disposals (as applicable).
  - 4.14. Applicants will be nominated from the District Council's Common Housing Register and in accordance with the District Council's allocations scheme. It is expected that 100% nomination rights will be provided in perpetuity.
  - 4.15. For schemes developed under rural exception site policies, the Nomination Agreement will specify the local area with which prospective occupants must have a local connection, whether by current residence, employment or family association.
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4.16. The District Council uses a standard form of Nomination Agreement and a draft will be appended to the planning obligation with the expectation that the finalised agreement will be in substantially the same form. The developer must take into account the timing and processes required to ensure that such an agreement is in place prior to the occupation of the affordable housing units.

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## Appendix 1 – Vacant Building Credit

- A1.1. The National Planning Practice Guidance provides limited guidance on how the Vacant Building Credit is calculated in practice. Where it is agreed the VBC can be applied, the District Council will use the methodology outlined below until such time as a different approach is either formally endorsed by Government or the District Council is otherwise directed.
- A1.2 Gross internal area should be calculated in accordance with the RICS Code of Measuring Practice. When the Community Infrastructure Levy is adopted, such information will normally be reflected within the 'Community Infrastructure Levy Additional Information form'.
- A1.3 If the total floorspace of existing buildings to be demolished is equal to or exceeds the total floorspace created then no affordable housing would be provided. If affordable housing provision is in the form of commuted sums, the revised affordable housing figure will be translated into a financial contribution, agreed with the District Council's Housing Team.

Figure 7 – Vacant Building Credit methodology

- Step 1** - Calculate the required affordable housing contribution on a given site – i.e. 30% of the total number of dwellings proposed
- Step 2** - Calculate, as a proportion, the extent of existing floorspace compared against the proposed floorspace. Such calculations should be based on the Gross Internal Area.
- Step 3** - Make a deduction to the number of affordable dwellings to be provided based on the proportion identified at Step 2

This is calculated as follows:

Figure 8 – Vacant Building Credit calculation

$$\mathbf{RAH = AH - ((AH \times EFS) / PFS)}$$

**RAH** = Revised number of affordable housing units to be provided

**AH** = Expected number of affordable housing units to be provided prior to application of vacant building credit (i.e. 30% of total number of dwellings proposed)

**EFS** = Existing floorspace to be demolished

**PFS** = Proposed floorspace to be created

A worked example of the above calculation is provided in Figure 9.

Figure 9 - Worked example of Vacant Building Credit calculation

A development of 100 dwellings creating 10,000 square metres of new floorspace in total, on a site that has a vacant building of 2,000 square metres gross internal area, which is proposed to be demolished as part of the scheme and where it is agreed that VBC can be applied

1. Without the vacant building credit, the affordable housing contribution would be 30 units (30% of 100)
2. Revised contribution is:  $30 \text{ units} - ((30 \text{ units} \times 2,000\text{m}^2) / 10,000\text{m}^2) = 30 \text{ units} - 6 \text{ units} = 24 \text{ units}$