

Affordable Housing

Supplementary Planning Document

July 2024

Calderdale
Council



Affordable Housing Supplementary Planning Document

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Purpose and Status of SPD

1.1 Supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in an adopted local plan. As they do not form part of the development plan, they cannot introduce new planning policies into the development plan. They are, however, a material consideration in decision-making. They should not add unnecessarily to the financial burdens on development. They are subject to public consultation before they are adopted (see the consultation statement below).

1.2 This SPD is intended primarily to guide applicants and potential applicants through the process of complying with national and local policies on providing affordable housing as part of housing development. It will also set consistent procedures for Council staff to follow when processing applications. It replaces the Council's Affordable Housing Supporting Guidance Updated Dec 2021.

Definition of Affordable Housing

1.3 Affordable housing is defined in Annex 2 to the National Planning Policy Framework and in Planning Practice Guidance and is summarised here for ease of reference. A full definition is given in Appendix 3.

1.4 Affordable housing are homes for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). Basic types of affordable housing are:

- a. **Affordable housing for rent:** Homes let at Social Rent or Affordable Rent, at least 20% below local market rents.
- b. **Other affordable routes to home ownership:** Housing provided for sale that provides a route to home ownership for those who cannot buy outright. It includes shared ownership and equity loans.
- c. **Homes for discounted market sale:** These are homes sold at a discount of at least 20% below local market value.

The Need for Affordable Housing in Calderdale

1.5 The need for affordable housing in Calderdale is provided in the Local Plan (Chapter 19 Housing) and its supporting evidence. A total of 3,140 affordable homes are needed (equivalent to 224 dwellings per year). The Updated Affordable Housing Trajectory submitted as evidence by the Council to the Calderdale Local Plan examination identifies potential for 2,758 affordable homes on allocated sites over the lifetime of the Local Plan.

1.6 The need for more affordable housing is recognised at Borough and regional level. In May 2024 the Mayor of the West Yorkshire Combined Authority, Tracy Brabin, made ten pledges including building 5,000 sustainable homes including affordable housing. This is supported by funding to develop a pipeline of housing sites across West Yorkshire. The Calderdale Housing Strategy 2021 Action Plan includes a commitment to provide a range of new housing in new development through a range of methods including promoting Section 106 agreements to achieve affordable housing on private sites and provide guidance to developers on affordable housing needs and procedures through an SPD.

Consultation

1.7 Prior to preparation of this SPD the Council consulted on a draft SPD for four weeks over the summer of 2023. In response to comments made as a part of the consultation, the Council undertook additional research including a refresh of parts of the 2018 Strategic Housing Market Assessment and a review of transfer values. It also took advice from Registered Providers operating in the Borough to ensure some aspects of the SPD can be successfully implemented. This SPD reflects this work.

2 Policy

National Policy

2.1 National policy makes clear the importance of providing affordable housing. It should be met on-site unless off-site provision can be robustly justified or contributes to creating mixed and balanced communities. Affordable housing should generally not be required for minor developments and should be reduced on brownfield sites or where vacant buildings are being reused or redeveloped..

2.2 Major development will require at least 10% of the total number of homes to be available for affordable home ownership, except for:

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

Local Plan Policy

2.3 The affordable housing policy is contained in Policy HS6 of the adopted Local Plan and forms the basis of this SPD. The policy aims to deal with the historic backlog in the provision of affordable homes while meeting newly arising needs. The policy seeks an element of affordable housing as part of private housing development; direct provision by the local authority is unlikely to be pursued as the existing stock was transferred to Pennine Housing 2000 (now Together Housing Group) in 2001.

2.4 The Local Plan recognises that the strength of the market and level of prices varies across the Borough and therefore designates four market zones in which the threshold for providing affordable homes and the minimum proportion required varies. It sets an overall threshold for the provision of affordable homes of eleven homes or more (see Table 3.1). However, it does require development of ten or fewer very large homes to make a contribution.

2.5 In rural areas the Council will respond to local needs for affordable homes by granting permission, exceptionally, for affordable homes on-sites where policies to protect the countryside would normally preclude such development but where additional affordable housing would meet evidenced local need.

Policy HS6

Affordable Housing

- I. The Council will not require an inclusion of an element of affordable homes in housing developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres (gross internal area).
- II. The Council will expect details of the affordable housing mix to be provided in a statement of Affordable Housing Contribution to be informed by the most recent SHMA, together with the Council's published guidance on affordable housing provision.
- III. In some instances, the proportion may be less than that prescribed in Table 19.6 of the Local Plan, where robust viability evidence demonstrates that there are development costs which would otherwise prejudice the implementation of the proposal. For any deviation from the stated requirements, the Council will take account of the most recent evidence, such as the SHMA and any subsequent updates or other relevant and recent information.
- IV. The affordable homes should be incorporated within the development but where justified, a financial contribution of at least equal value may be accepted to provide affordable homes elsewhere or to re-use or improve the existing housing stock.
- V. Planning applications which include proposals for affordable housing must ensure that there are secure and practical arrangements to retain the benefits of affordability for initial and subsequent owners and occupiers, such as the involvement of a registered provider and where appropriate by the use of conditions or planning obligations.
- VI. The affordable housing provision should be indistinguishable from market housing in terms of achieving the same high quality of design.
- VII. Permission will be granted for affordable housing on exception sites where policies to protect the countryside would normally preclude planning permission being granted provided that:
 - a. The site is either within, or well related to, a settlement not included in Tiers 1 to 3 of the Settlement Hierarchy, and the scale of proposed schemes relates to that of the settlement concerned
 - b. There is a proven local need for affordable housing in the particular settlement
 - c. Residential development would reflect the principles of sustainable development including the objective of maintaining or enhancing the vitality of the particular rural community
 - d. There are secure arrangements in place to ensure that the affordable housing units remain affordable in perpetuity, where appropriate
 - e. There are secure arrangements in place to ensure that the affordable housing units are offered to local people (defined as current residents or those who have an existing family or employment connection) in the first instance, and
 - f. The proposal complies with other relevant Local Plan policies

2 Policy

Table 2.1 Monitoring Indicators for HS6 Affordable Housing

Outcomes	Meet the Affordable Housing needs of the market sub areas and Borough
Indicators	Number and proportion of Affordable Homes delivered in the Borough; Number and proportion of Affordable Homes delivered by market sub-areas; Number of affordable homes on rural exception sites.
Targets	Number of Affordable Homes as per SHMA

Neighbourhood Planning

2.6 Neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct, and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. These plans are produced by the community, are examined, and adopted following approval in a referendum in the local area. They are then 'made' by the Local Planning Authority and become part of the development plan.

2.7 The plans may include their own requirements for affordable housing (and other housing requirements) based on assessments for the area.

2.8 Applicants should check Neighbourhood Plans on the [Council's website](#).⁽¹⁾

1 <https://new.calderdale.gov.uk/planning-and-building-control/planning-policy/neighbourhood-planning>

3 Where and how much affordable housing is required?

Thresholds by Area

3.1 The basic threshold for requiring affordable housing varies by market zone as set out in Table 19.6 of the Local Plan (reproduced in Table 3.1 below). This should form the starting point of calculating the affordable housing required. Smaller land parcels on one site developed incrementally, will also need to provide affordable housing if the overall site capacity is more than 10 dwellings.

3.2 Policy HS6(I) of the Local Plan states that: "The Council will not require an inclusion of an element of affordable homes in housing developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres (gross internal area)." The inclusion of a threshold for floor area is intended to ensure that developments of large homes which would fall below the development size threshold nevertheless contribute to affordable housing provision.

Table 3.1 Provision of Affordable Housing to Meet Policy HS6

Zone	Housing Market Locations	Performance Designation	Size Threshold (No. Dwellings)	Proportion Affordable Housing
Zone A	Hebden Bridge, Charlestown, Ripponden, Rishworth, Barkisland	Very Hot	>10	35%
Zone B	Northowram, Shelf, Norwood Green, Halifax Town Centre, Skircoat, Lightcliffe (part)	Hot	>10	30%
Zone C	Todmorden, Walsden, Cornholme, Mytholmroyd, Sowerby Bridge, Illingworth, Luddendenfoot, Luddenden, Bradshaw, Brighouse, Rastrick, Clifton, Southowram, Hipperholme, Bailiff Bridge, Lightcliffe (part)	Medium	15+	25%
Zone D	Elland, Greetland, Holywell Green, Stainland, Wheatley, Ovenden, Mixenden, Boothtown, West Halifax	Cold	15+	20%

3.3 The zone within which the site is located can be determined by the [map on the Council's website](#) and in Appendix 2 of this SPD.

Affordable Homes Requirement

3.4 The Local Plan allocates sites for residential use which together will account for the delivery of in the order of 9,250 new homes within the Plan period. It also recognises that sites not specifically identified in the Local Plan, known as windfall sites, will also have an important role to play in delivering housing with about 900 homes expected to be delivered by these sites.

Principle 1: Allocated Sites

The Council will require affordable homes to be provided on allocated sites in accordance with Policy HS6 of the Local Plan and this SPD.

Principle 2: Windfall Sites

The Council will require affordable homes to be provided on windfall sites in accordance with Local Plan Policy HS6 and this SPD.

3 Where and how much affordable housing is required?

Principle 3 - Thresholds for Affordable Housing

Thresholds for providing affordable housing are mostly based on the proposed number of units but also the gross internal floor area:

- Developments of 10 units or fewer in zones A and B and with a combined gross internal floor area of no more than 1,000 square metres are **not** required by the Policy to provide affordable housing.
- Developments of 10 units or fewer in zones A and B but with a combined gross internal floor area greater than 1,000 square metres **are** required by the Policy to include affordable housing.
- Developments of more than 10 units in zones A and B regardless of gross internal floor area will be required to provide affordable housing.
- Developments of less than 15 units in zones C and D and with a combined gross internal floor area of no more than 1,000 square metres are **not** required by the Policy to provide affordable housing.
- Developments of less than 15 units in zones C and D but with a combined gross internal floor area greater than 1,000 square metres **are** required by the Policy to include affordable housing.
- Developments of 15 or more dwellings in zones C and D will be required irrespective of the overall gross internal floor area.

In order to take account of the gross internal floor area, planning applications must be accompanied by a schedule setting out the gross internal floor area (in square metres) of each dwelling. For outline planning applications where the house types and sizes are not known this information will need to be submitted at the full or reserved matters stage.

3.5 As sites capable of accommodating 15 or more dwellings will need to meet the requirements of Policy HS3 'Housing Mix' and Policy HS2 'Residential Density', it is unlikely that most proposals for a development of large houses below the affordable housing threshold with a total floorspace over 1000m² will meet the policy requirements of the Local Plan. The overriding need to meet the borough's housing requirement figure in the Local Plan precludes proposals that do not maximise the development potential of sites.

Principle 4: Number of Affordable Homes

In calculating the number of affordable homes required on any site the number shall be rounded up or down to the nearest whole number after discounts have been applied.

Worked Example

Site in Zone B (Size threshold more than 10 units; 30% affordable)

Option 1

Development of 12 homes (125m² gross internal area each).

Exceeds threshold for number of units and combined gross floorspace:

30% affordable homes required = 4 homes

Option 2

Development of 6 homes on the same site (250m² gross internal area each) = 1500m²

Exceeds the threshold for combined gross floorspace:

30% affordable homes required = 2 homes

Brownfield Sites and Vacant Building Credit

3.6 There have been many examples in Calderdale of existing buildings, such as former textile mills being reused to provide new homes. The reuse of existing buildings for residential purposes benefits the environment in terms

3 Where and how much affordable housing is required?

of re-using the embodied energy contained in its construction and retaining the positive contribution a building may make to the character and appearance of an area. National planning policy supports this through the provision of vacant building credit for brownfield development on sites containing buildings.

Principle 5: Vacant Building Credit

Where a vacant building is used for new homes, or is replaced by new homes, the developer will be credited for the existing building reused and will only be required to make an affordable housing contribution for any increase in floorspace.

3.7 National planning policy requires the affordable housing contribution from development of vacant buildings to be reduced by a proportionate amount equivalent to the existing gross floorspace of the existing buildings; known as Vacant Building Credit. This only applies where a building⁽²⁾ occupies a brownfield site⁽³⁾ and the building is vacant on the date the application is submitted. Buildings demolished before this will not be eligible. However, developers may still be able to prove that the full provision of affordable housing required by Policy HS6 would make development unviable (see paragraph 5.38).

3.8 Buildings should have been abandoned and should not be covered by an extant or recently expired planning permission for the same or substantially the same use. Conversions of buildings which have been vacated to enable conversion to take place do not qualify for Vacant Building Credit and the normal affordable homes policy will apply. The Council will take account of the condition of the property when it was last used and evidence regarding the owner's long-term intentions. Reference should also be made to Local Plan Policy EE1 "Safeguarding Existing Employment Areas, Land and Premises" to ensure the development complies with all planning policies.

3.9 Vacant Building Credit will be applied separately to any considerations of viability. In outline applications vacant building credit may be agreed in principle and referred to in the S106 agreement but the exact amount of deduction will not be confirmed until the floorspace of homes to be developed has been consented. The building should not be demolished until the application providing details of the replacement homes has been approved.

The following evidence should be included in the Affordable Housing Statement to obtain Vacant Building Credit:

Table 3.2 Evidence Required to Support Vacant Building Credit

Requirement	Evidence Accepted
Brownfield Site	Recorded on the Brownfield Register and/or meets NPPF definition of previously developed land.
Vacant Building	Applicants will need to show that the whole building is vacant and has not been used for more than 12 months in the previous three-year period. This can be evidenced by Council Tax records, statutory declarations, and photographic evidence. The Council will also consider the condition of the building and its planning history.
The building has not been made vacant for the sole purpose of redevelopment	Evidence that the building has been marketed for at least twelve months for its previous use or other non-residential use since becoming vacant. Tax records, accounting statements and statutory declarations.

2 "Buildings" are as defined by the Community Infrastructure Levy Regulations and exclude buildings into which people would not normally go or only go intermittently for maintaining or inspecting machinery. Part 5, 40 (11) of the Community Infrastructure Levy Regulation as amended by the Community Infrastructure Levy Regulations 2014.

3 "Brownfield" is defined by national guidance. DLUHC National Planning Policy Framework Annex 2 Previously Developed Land

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Requirement	Evidence Accepted
Amount of Vacant Building Credit	<p>The Affordable Housing Statement should include:</p> <ul style="list-style-type: none"> Gross Internal Area (GIA) of the existing building rounded to the nearest square metre (confirmed by floorplans) GIA of the proposed residential development rounded to the nearest square metre

Worked Example

Vacant Building Credit: Conversion

Vacant mill converted to 24 flats in Zone C (25% affordable housing).

Normal affordable housing requirement for 24 flats would be 6 (25% x 24).

Existing gross floor area of mill building: 1,500 sq m

Proposed gross floor area in residential use: 1,800 sq m

Additional floor area: 300 sq m (16.7% of the total floor area of the development).

Affordable Housing Requirement:

16.7% of the affordable housing requirement (6 flats) = **1 Affordable Flat**

Worked Example

Vacant Building Credit: New Build

Vacant mill to be replaced by 30 houses in Zone C (25% affordable housing).

Normal affordable housing requirement for 30 homes would be 7 affordable homes (25% x 30).

Gross floor area of demolished mill: 1,500 sq m.

Gross Floor area of new homes: 3,000 sq m.

Additional floor area: 1,500 sq m (50% of the total floor area of the development)

Affordable Housing Requirement: 50% of the affordable housing requirement

(7 homes) = **3 Affordable houses**

Build to Rent Development

3.10 These are new residential schemes that are built for rent at market rates. Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed in single ownership. Planning Guidance on Build to Rent sets out the provision of requirements for affordable housing in developments incorporating build to rent.

3.11 Rents in Calderdale are generally lower than the national average and households in housing need may find it easier to rent than buy, even at full market values. Therefore, the Council will not require a higher proportion of affordable rent homes than the 20% set out in the National Guidance.

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Principle 6: Build to Rent Development

- I. The threshold of development requiring affordable housing in build to rent developments is that set out in Table 19.6 of the Local Plan.
- II. The proportion of affordable housing in Build to Rent developments will normally be 20%.
- III. Affordable housing will usually be provided in the form of affordable private rent (with rents at a minimum discount of 20% relative to local market rents). The level of discount will be maintained in new tenancies.

Worked Example

Mixed Development of Buy to Rent and market sale homes

Application for 100 Homes in Zone A (35% affordable housing)

Development of 25 Build to Rent and 75 Market Sale

Affordable Housing requirement:

25 Build to Rent with 20% affordable homes requirement = 5 Affordable Rent

75 Market Sale homes with 35% affordable homes requirement = 26 Affordable Homes

Total

31 Affordable Homes

Largely Affordable Housing Development

3.12 Calderdale works with Registered Providers (English based bodies that provide social housing and are registered with the Regulator of Social Housing under the Housing and Regeneration Act 2008) to build new affordable housing to meet its needs. This usually consists of low cost rented accommodation, shared ownership, or low-cost home ownership accommodation. Additionally, some market housing may be provided. Registered Providers may be charities, not for profit bodies or for-profit providers of social housing.

Principle 7: Developments of largely affordable housing

The Council will not normally require developers' schemes that wholly or largely consist of affordable homes to provide additional affordable homes in accordance with Policy HS6, provided mechanisms are in place and have been approved by the Council to ensure such homes remain affordable. In major developments of this type where some market homes are provided, at least 10% of the total should be available for affordable home ownership (see 4.4 below).

Self and Custom Build Housing

3.13 Both the Government and Calderdale Council wish to support people wanting to build or commission their own homes in the Borough. Policy HS5 in the Local Plan promotes and supports sites for self-build and custom build on housing sites where other material considerations indicate that support is appropriate. For developments of 100 homes or more, the Council will seek 5% of the overall capacity to be provided in the form of serviced plots for custom and self-build. Further advice on this type of development is given in the Self and Custom Build Housing SPD.

3.14 Serviced plots for self and custom build homes cannot be accepted as a contribution to affordable housing since this means of providing homes is likely to require considerable resources on the part of the purchase to achieve a suitable home. Nevertheless, to encourage this type of development, serviced plots for custom and self-build will be exempt from the need to contribute to affordable housing provision.

3.15 There are a number of mechanisms for delivering self and custom build housing that is also affordable housing. These mechanisms include:

3 Where and how much affordable housing is required?

- Developers/landowners work in partnership with a recognised Housing Association or alternative registered affordable housing provider
- A self-builder commits (via an agreed legal document) that the resale of the dwelling shall be restricted to an eligible household for at least a 20% discount on market prices

Principle 8: Self and Custom Build Housing

- I. Serviced plots provided for self and custom build homes (either through Policy HS5 or otherwise) will not normally be accepted as part of the affordable housing provision to meet the requirements of Policy HS6.
- II. Development proposals wholly for custom and self-build homes or serviced plots for custom and self-build will not normally be required to contribute to affordable housing provision (subject to a legal agreement restricting the development to custom and self-build homes) providing that, if plots revert to market homes, then an affordable housing contribution will be payable in accordance with Local Plan policy).
- III. Where serviced plots are provided in accordance with Policy HS5 then the affordable housing requirement will apply to the balance of market homes. If the service plots are later replaced by housing for sale at market prices, then the amount of affordable housing shall be increased to compensate.

Worked Example

Mixed Development of Buy to Rent and Market Sale Homes

Development of 120 homes in Zone C:

Serviced plots for self and custom build: 5% of 120 = 6 plots.

Affordable Housing Provision:

25% of 114 (120-6) = **28 affordable homes.**

Remaining market homes: 86.

Two of the serviced plots are unsold and are developed for market housing.

Serviced plots developed for custom and self-build: 4 plots

Affordable Housing Provision: 25% of 116 (114+2) = **29 affordable homes**

Remaining market homes: 87

Specialist Accommodation

Principle 9: Specialist Accommodation

- I. Development meeting specialist needs including those of the elderly or disabled will normally be required to contribute to affordable housing where it provides self-contained units of accommodation, even where support and communal facilities are offered.
- II. Affordable provision within the development will be provided in accordance with Local Plan Policy HS6. It will be expected that the level of care and access to facilities for occupants of affordable housing will be the same as residents in the market housing within the scheme.
- III. It is accepted that transferring ownership of some accommodation to a registered provider in this type of development may not be practical and in these circumstances a commuted sum or off site provision may be negotiated.

3.16 Demand for specialist accommodation is likely to rise as the population ages. The private sector has a key role in meeting some of this need. Policy HS4 of the Local Plan supports this trend and sets out criteria for development. Case law confirms that development of this type may be required to provide affordable housing if the dwellings provided within the development are self-contained units of accommodation, providing all the facilities

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needed for day to day living, even if shared amenities and care is provided centrally.⁽⁴⁾ This will include developments such as:

- Age restricted general market housing or other market housing designed for specialist needs. These may include shared amenities but not support or care services.
- Retirement living or sheltered housing. Purpose built dwellings with limited communal facilities with some support to enable residents to live independently (for example a 24-hour alarm system or house manager).
- Extra care housing, housing with care, retirement communities. Purpose built dwellings where residents can live independently but with access to a medium to high level of care if required and meals etc at a communal facility.

3.17 Residential care homes, nursing home or other facilities where residents have individual rooms within a residential building with care meeting all their daily needs (such as all meals provided by staff rather than cooked by residents and shared toilet and bathing areas) are excluded from this requirement.

3.18 Developers should provide details of the type of accommodation to be provided as part of an affordable housing statement so that officers can judge whether a contribution is required. It is accepted that transferring ownership of some accommodation to a Registered Provider may not be practical in this type of development and in these circumstances a commuted sum may be negotiated.

3.19 It is recognised that some provision may be made by charitable trusts who provide homes for older or disabled individuals meeting specific criteria. Although some may fall into the definition of dwellings, the Council will adopt a flexible approach to requirements for affordable housing for development by charitable trusts.

Other Housing

3.20 Other forms of residential development that are capable of being occupied as normal self-contained residential dwellings will be expected to contribute to affordable housing. Where separate ownership of such homes is not practical, a financial contribution towards affordable housing may be more appropriate.

Rural Exception Sites

3.21 National policy is that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs. Local Plan Policy HS6 sets out criteria for this type of development in Calderdale. This SPD sets the evidence required for achieving rural exemption development.

a) Demonstrating the Need for Rural Exception Sites

Principle 10: Demonstrating the Need for Rural Exception Sites

- I. The Council will work with communities to identify and meet the need for affordable homes in rural settlements.
- II. Planning applications for Rural Exception Housing Sites should include evidence of the need for affordable housing in the local area by a Housing Needs Assessment showing evidence that market housing cannot meet local needs.

3.22 The Local Plan requires that there is a proven need for affordable housing in the settlement for which it is proposed. The Council will work with parish and town councils, neighbourhood planning qualifying bodies, Registered Providers, and local landowners to identify and meet the need for affordable homes in rural settlements. In the longer term, a new Strategic Housing Market Assessment may consider the need for affordable housing in all settlements including rural settlements.

3.23 Assessments should demonstrate the exceptional circumstances that justify provision for affordable housing in these settlements (beyond needs for the Borough as a whole). This may be done by a bespoke Housing Needs Assessment commissioned by the landowner, parish/town councils or neighbourhood forums, or by using evidence already produced, for example for a neighbourhood plan.⁽⁵⁾

4 Rectory Homes V Secretary of State for Housing, Communities and Local Government & South Oxfordshire District Council (2020) EWHC 2098

5 Examples of assessments for Neighbourhood Plans may be found at: [Neighbourhood Plan | Todmorden Town Council \(todmorden-tc.gov.uk\)](https://www.todmorden-tc.gov.uk/), [Housing Needs Assessment Report Published – Sowerby Neighbourhood Plan \(sowerbynyp.co.uk\)](https://www.sowerbynyp.co.uk/)

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3.24 Evidence should include:

- The affordability threshold for the area (level of income required to access different tenures), demonstrating that access to housing in the area is difficult for those on average or low incomes
- Population projections for the area, indicating likely future population pressures
- Demand for affordable housing in the form of bids for social rented homes in the area
- Numbers of social housing in the area
- The size and type of housing required to inform the proposed development
- The quantity of affordable homes required to inform and justify the proposed development

3.25 Surveys of residents and stakeholders (such as local estate agents) may be helpful as a check against data and to highlight individual circumstances.

b) Location and Type of Housing Appropriate to Rural Exemption Sites

3.26 Policy HS6 requires rural exception sites for affordable housing to be within or well related to settlements not included in tiers 1 to 3 of the settlement hierarchy (defined in Table 2.1 "Settlement Hierarchy" of the Local Plan). This allows for this type of development to be located within or closely related to Local Centres and other settlements.

3.27 In seeking locations for rural exception housing, reference should be made to other Local Plan policies particularly those designed to protect rural areas and Calderdale's distinctive landscapes and natural environment (for example Policies GB1 and GB2 covering the Green Belt and the Area around Todmorden, GN3 protecting the Natural Environment and GN4 protecting the Special Landscape Areas).

3.28 Policy HS6 requires that the scale of rural exception sites should relate to that of the settlement concerned. The scale of development proposed should not overwhelm small settlements such that they change the character of the settlement or the area. The size and type of housing provided should respond to identified local needs for affordable homes.

c) Ensuring rural exception housing remains affordable

Principle 11: Ensuring Rural Affordable Housing Remains Affordable

Homes built on exception sites are intended for those most in housing need in the local area. The Council and provider will agree means to ensure that:

- I. There are arrangements to ensure that the benefits of affordability are passed to future occupants
- II. They remain the sole dwelling of the occupant
- III. Local occupancy conditions will be used to ensure homes go to local people in need

3.29 To be truly affordable, homes on exception sites should be offered at less than market rents or prices. In very exceptional circumstances, small scale proposals for sale at market prices may be permitted, (for example to bring back into use a heavily contaminated site), but only when all other means of achieving viability have been exhausted. In particular, land prices inflated beyond existing use values will not be a reason for allowing market housing on these sites.

3.30 Provision will normally be through a Registered Provider already operating in the Borough (or one set up to provide affordable homes on this site). The affordability will normally be protected through a Section 106 agreement linked to the planning permission. This will ensure that they remain affordable and will be let or sold to those in most need.

3.31 The S106 agreement will require homes to be let at affordable rents or discounted sales prices and that they remain the sole or main dwelling of the occupant. It is also likely to require that occupants should have a need for affordable homes and be unable to buy or rent homes in the area on the open market. It should also include a local lettings requirement to ensure that they are offered to local people or those with a strong local connection in the first instance. Those with "Local connections" are current residents and those with existing and proven family or employment in the immediate area.

3.32 If necessary, the Council must be provided with evidence to verify that potential occupants meet the criteria.

3 Where and how much affordable housing is required?

d) Planning Applications for rural exception housing

3.33 Applications for rural exception sites should:

- Be clear that the application is for a development under this policy.
- Include an affordable housing statement proving that the development will meet the identified need of the settlement or parish.

4 Type of Affordable Housing Required

Types of Affordable Housing Provision

4.1 Government guidance states that, in the interests of creating mixed and balanced communities, affordable housing should be provided on-site and integrated with the market housing wherever possible. The Council's preference is the provision of new affordable homes on application sites as this assists in the development of mixed and balanced communities and reflects national planning policy. Local Plan Policy HS6 requires affordable homes to be incorporated within the main development but allows for a financial contribution to be accepted to provide affordable housing elsewhere or re-use or improve the existing housing stock.

Principle 12: Type of Affordable Housing Provision

The priorities for affordable housing contributions are as follows:

1. On-site as part of the proposed development
2. Off-site provision of land which could be developed for a greater number of dwellings (in conjunction with other funding) (see paragraph 5.32)
3. A commuted sum equivalent to or greater than the relevant on-site provision (see paragraph 5.33)

Off site provision must be suitable for development and management by Registered Providers

4.2 Examples where off-site provision may be considered include where:

- a. An independent viability assessment provided by the developer confirms that on-site delivery is not viable and this is accepted by the Council.
- b. No Registered Provider is willing to purchase the affordable units.
- c. Delivery off-site or through a commuted sum would deliver a more sustainable development or more affordable units.
- d. Where it is not practical to transfer homes within a development to a Registered Provider, for example specialist accommodation with shared facilities.
- e. Necessary service charges would make rented accommodation unaffordable for tenants of Registered Providers.

Tenure Mix of Affordable Homes

4.3 Affordable housing can be for sale or rent. The most appropriate mix on any development site will be determined on a case-by-case basis but will be informed by the most up to date information on housing need from the Council (either from the SHMA or separate statement of needs), by national guidance and by the purchasing Registered Provider.

Principle 13: Priorities for Affordable Homes

The Council's priorities are (in order of need):

- I. Homes for social or affordable rent
- II. Homes that provide an affordable route to home ownership including: ownership, relevant equity loans, and Rent to Buy (which includes a period of intermediate rent)
- III. Discounted market housing

In all cases measure should be taken to ensure that there are arrangements in place to ensure the homes are affordable for future occupants.

The Council will negotiate the affordable housing tenure mix on a site by site basis. However, it will seek to maximise the proportion of affordable homes for social or affordable rent while complying with national policy on discount market sales housing.

4.4 National policy requires a minimum of 10% of the total number of homes on major sites to be available for affordable home ownership (with a discount of at least 20% below market value) and this will form part of the affordable housing requirement. Exceptions to this policy are for:

4 Type of Affordable Housing Required

- Developments solely for Build to Rent
- Accommodation for people with specific needs
- Custom or Self build development
- Development exclusively for affordable housing including rural exception sites

4.5 The greatest need in Calderdale is for affordable homes to rent. Therefore, the Council will prioritise this type of tenure when considering the mix of affordable homes:

Worked Example

Affordable Tenure Mix

Application for 90 homes in Zone B (30% Affordable).

Total Affordable Housing Required $30\% * 90 = 27$.

Consisting of:

Discounted Market Housing $90 * 10\% = 9$.

Affordable/social rent or other routes to home ownership $27 - 9 = 18$.

Balance of homes for sale at Market Value 63.

4 Type of Affordable Housing Required

Size and Type of Affordable Homes

4.6 Generally, the Council will determine the type and size of affordable homes provided on a site-by-site basis. It will usually seek a mix of types and sizes to be provided as the affordable housing contribution. Developers are encouraged to discuss the size and type of affordable homes with the Council and the purchasing Registered Provider as early as possible in the process.

4.7 When determining the mix of affordable housing sizes and types developers should refer to the latest Strategic Housing Market Assessment and any subsequent updates on the Councils website. This will indicate the overall mix of homes required and the mix of affordable housing for the Borough. Developers are encouraged to discuss the size and type of affordable homes required with the Council and the purchasing registered provider.

4.8 The Local Plan does not specify minimum space standards. However individual Registered Providers will have their own standards and the space standards should be agreed with the purchasing Registered Provider early in the process.

4.9 The Council may issue additional up to date guidance on the size and type of affordable homes required as well as more area or site-specific guidance in certain cases, for example on very large sites. This guidance will be based on:

- Overall housing needs across the Borough
- The needs of registered applicants on the Keychoice choice-based lettings system
- Needs for properties of a particular size or facilities to meet identified special needs
- The requirements of Registered Providers partners

4.10 Size in this case refers to the number of bedrooms or rooms, not specific space standards.

Affordable Homes to Meet Particular Needs

4.11 There is often a need for affordable specialist housing types to meet particular needs. For example, there is a strong demand for affordable bungalows. However, these may take more land than conventional houses and developers are reluctant to include them within the overall housing mix. The Council has encouraged this provision by accepting fewer affordable homes in return for the developer providing affordable bungalows on a two for one basis and wishes to see this approach continue (possibly including other forms of specialist housing). However, the Council needs to meet its affordable housing targets so this practice will normally be limited to larger sites where specialist housing forms only part of the overall affordable housing mix.

Principle 14: Homes to Meet Particular Needs

In principle the Council will support the inclusion of specialist housing types as part of the affordable housing. Where these require larger than normal plots such as bungalows the Council will consider reducing the overall number of affordable homes to accommodate these on the basis of “two for one” or similar. This should not form the majority of affordable housing on the site. The proportion should be evidenced from the most recent Strategic Housing Market Assessment and the Choice Based Lettings waiting list.

Worked Example

Specialist Housing Mix

Application for 120 homes in Zone B (30% affordable)

Total Affordable Housing Required: $30\% \times 120 = 40$

Council agrees to include 10 bungalows for over 50s in the mix on the basis of two for one

Total mix of types: 10 affordable bungalows (equivalent to 20 affordable houses) 20 affordable houses

4 Type of Affordable Housing Required

Affordable Housing Design

4.12 As set out in Local Plan Policy HS6, the affordable housing provision should be indistinguishable from market housing. Therefore, the Council expects that as a guiding principle the external appearance of affordable homes should achieve the same high standard of design as the remainder of the development and be in keeping with homes on the rest of the site. This is to ensure social cohesion in a development and make management of the site easier.

4.13 Affordable Housing will be expected to comply with Local Plan Policy HS4 and be designed to be adaptable to meet the needs of residents in accordance with Building Regulations Standards M4(2) or equivalent. Affordable homes sold to Registered Providers will also have to meet the design and specification of individual Registered Providers and national standards set out by Homes England. It is accepted that to meet these standards, there may be a requirement for some differences from the rest of the development, but these should be kept to a minimum.

Location of Plots Within a Development

4.14 Normally the grouping of many affordable homes in one part of a development will not be acceptable because of the impact it may have on social cohesion across the development. However, registered providers may find it convenient for maintenance purposes to have their stock in clusters. Early discussion with the purchasing Registered Provider will assist in locating affordable homes to ease management and avoid social division.

Principle 15: Location of Affordable Homes within Development Sites

- I. The Council will normally require affordable homes to be distributed across a development.
- II. Small groupings of affordable homes (usually no more than 10-12 homes) will be accepted if it can be demonstrated to the Council's satisfaction that there is a management reason for this approach.
- III. The Council will not accept the concentration of affordable homes in areas of lower environmental quality, for example, next to main roads or overhead power lines.

Phasing

4.15 Larger housing developments may be divided into phases as a means of managing the development. There may be an outline planning permission for the whole development with each phase having a reserved matters application covering detailed matters. This is not an unusual approach to large scale development taking place over several years and allows the development to be adjusted to meet changing circumstances, whilst the principle for development for the site overall has already been established.

4.16 The Council would prefer that affordable homes are spread throughout a phased development rather than concentrated in a single phase. However, it is recognised that there may be practical considerations that prevent this. The Council will seek early discussion with developers to determine the location of affordable homes in each phase. These will be secured by trigger points in the Section 106 Agreement or by conditions attached to an outline permission.

Principle 16: Phasing

The Council will normally seek affordable homes in all phases of a development in accordance with Local Plan Policy HS6 and this SPD.

4.17 The process for achieving this across large developments with an outline and several reserved matters applications is described in the next section.

5 What is the process for securing affordable housing?

Pre-application Enquiries and Consultation

5.1 Developers are encouraged to contact the Council as early as possible to discuss, amongst other things, the affordable housing requirement, and its location within the development. It will help if the developer can submit their own ideas on how the affordable housing requirement is to be met.

5.2 At this stage the Council will be able to indicate any site-specific requirements for affordable homes and help with the preparation of an Affordable Housing Statement. The Council will also seek permission from developers to open confidential discussions with Registered Providers. Early agreement of the number and location of affordable dwellings will allow developers to include this in their marketing material.

Selection of Registered Providers

5.3 In most circumstances affordable housing for rent will be delivered in partnership with a Registered Provider. The Council wants to work with a range of Registered Providers. At the same time there are considerable advantages if the Registered Provider already has a presence in the Borough or nearby as they will have an existing infrastructure in place for management and maintenance of the new stock.

Principle 17: Allocation of Affordable Housing to Registered Providers

1. The Council will create and maintain a Panel of registered providers who wish to buy homes in Calderdale secured by a Section 106 agreement
2. Inclusion in the Panel will be open to registered providers that meet the criteria given in paragraph 5.5
3. The council will ask developers to provide details of the S106 properties for sale, including number, type, proposed tenure, and site location. Developers may also provide a list of registered providers from the Panel or with whom they have established relationships for consideration.
4. The Council will select the registered provider and will justify this selection.
5. Registered providers and developers will be responsible for reaching agreement on prices, specifications, and other requirements, although the Council may assist in this process.

5.4 The Council will create and maintain a Panel of Registered Providers who wish to buy homes secured by a Section 106 agreement. This will include details of the Registered Provider and any special requirements. The Panel will be included on the Council's website and updated regularly.

5.5 Registered providers that wish to be offered opportunities to buy property secured by S106 agreements should meet with the following criteria:

- Registered with the Regulator of Social Housing and included on the statutory register
- Be willing to enter into a nomination agreement with the Council to take tenants from the choice-based letting system
- Agree to exchange information with the Council about development and registered provider stock in the Borough
- Provide details of the type of housing they are seeking to invest in, and any specific requirements (for example only in certain areas of the Borough)
- Nominate a single point of contact to liaise with the Council
- Maintain a management base within reasonable distance of Calderdale and to be able to demonstrate effective stock management

5.6 In return the Council will offer registered providers in the scheme:

- Support through a Key Account Management system with a single named officer acting as liaison with the Council
- Assistance with development of affordable housing
- The opportunity to buy new affordable homes secured through S106 agreements on planning applications

5 What is the process for securing affordable housing?

- Operational support
- Funding opportunities and support with funding bids

5.7 The council will ask developers to provide details of the S106 properties for sale, including number, type, proposed tenure, and site location. Developers may also provide a list of registered providers from the Panel or with whom they have established relationships for consideration.

5.8 The allocation of a registered provider to the site will then be made using the following criteria:

- Whether the development meets the specific requirements of the registered providers as described on the Panel
- Whether they are included on the developer's list of preferred registered providers (provided they meet the criteria for inclusion in the scheme)

5.9 The final decision will rest with the Council who will document the reasons for selection and communicate this to the developer and Registered Providers participating in the scheme.

5.10 Registered Providers will not be penalised for turning down opportunities to buy S106 properties and will be offered further properties. Registered providers should provide feedback to the Council about why they have turned down homes or subsequent failure to purchase from the developer so that adjustment can be made.

5.11 The Council will endeavour to make this process as speedy and smooth as possible. A time limit may be placed on offers of stock to registered providers. Developers are urged to contact the Council at an early stage in their development to allow time for the process.

5.12 Registered Providers and developers will be responsible for reaching agreement on prices, specifications, and other requirements, although the Council may assist in this process. If a registered provider is unable to reach agreement with a developer or withdraws, the Council will offer the opportunity to buy to other suitable registered providers in the scheme. If no registered providers in the scheme are interested in buying homes, the Council may negotiate an alternative contribution to affordable housing.

5.13 Registered Providers, who are on the Panel, can be represented at the following liaison meetings organised by the Council. These are forums for registered providers operating in the Borough or who wish to invest in the Borough. Neither have executive powers.

- The Registered Provider Executive is a senior officer group held quarterly that focuses on new development for Registered Providers that operate or wish to operate in the Borough.
- Calderdale Housing Associations liaison meetings concentrate on operational issues and allow registered providers to discuss matters of mutual interest with the Council. Attendance is open to all RPs holding stock in the Borough or who wish to operate in the Borough, whether or not they wish to be offered affordable housing stock from market development.

Statement of Affordable Housing

5.14 Policy HS6 requires “details of the affordable housing mix to be provided in a Statement of Affordable Housing Contribution informed by the most recent SHMA, together with Council's published guidance on affordable housing provision”. The statement should specify what affordable housing is proposed, a justification for the amount and type proposed, and the location within the site.

5.15 Outline planning permissions for development where an affordable housing contribution is required will usually include a planning condition requiring an Affordable Housing Statement to be submitted with the reserved matters application. Permissions for mixed use development which includes a housing element will have a condition requiring an Affordable Housing Statement for that element of the development.

5.16 The Affordable Housing Statement should be submitted as part of the planning application. This may be preceded with discussions and agreements with officers beforehand.

5 What is the process for securing affordable housing?

Principle 18: Affordable Housing Statements

An Affordable Housing Statement should be submitted with:

- A full application for housing on a site where affordable housing is required
- Reserved matters applications for housing on eligible sites, material alterations that change the number or type of housing

Affordable Housing Statements should contain details of how the development will meet the requirements of Local Plan Policy HS6 including:

- The number of dwellings to be disposed of as affordable
- Number, type and size of affordable dwellings proposed
- Floor area of affordable homes
- The developer's preferred distribution of tenure amongst affordable dwellings
- Location of affordable dwellings within the development
- Means of disposal for discounted homes for sale and method for ensuring discounts are passed on at each subsequent title transfer and that purchasers meet any agreed criteria
- Any terms required for a S106 agreement or other means of securing the affordable housing contribution
- Details of phasing and the proposed amount of affordable housing for each stage
- If necessary, evidence why fewer affordable homes should be provided on-site than required by local plan policy and proposed alternative means of meeting the affordable housing requirement (see paragraph 5.38)

Full guidance on Affordable Housing Statements is given in Appendix 7.

Planning Applications

5.17 Adequate provision of affordable housing is a material consideration in deciding a planning application. Normally, officers will recommend affordable housing numbers and mix based on Local Plan policy and this SPD. The detailed mix, specifications, and the price to be paid should be agreed by the developer and the purchasing Registered Provider. This will be easier and quicker if pre-application discussions have taken place and a Registered Provider appointed by the Council.

5.18 The usual procedure is that the Council will be "minded to permit" a development subject to an agreement under Section 106 of the Town and Country Planning Act 1990. This may cover measures in addition to the provision of affordable homes to make the development acceptable. Exceptionally, planning conditions may be used.

Section 106 Agreements

5.19 Policy HS6 requires planning applications which include proposals for affordable housing to ensure that there are secure and practical arrangements to retain the benefits of affordability for initial and subsequent owners and occupiers, such as the involvement of a registered provider and where appropriate using conditions or planning obligations.

5.20 The Council will use S106 agreements for securing affordable housing on development sites. These are usually drawn up by the Council for each application. A S106 agreement may include clauses to:

- a. Restrict commencement of development until the affordable housing has been approved by the Council (if this has not already been approved as part of the application)
- b. Provide allocation requirements
- c. Ensure dwellings are transferred to a registered social landlord at the agreed price
- d. Identify the registered social landlord
- e. Arrangements for nomination of tenants
- f. Identify the plot numbers of affordable dwelling units and reference the plan showing plot numbers
- g. Refer to any design standards
- h. Ensure the provision of any financial contribution and schedule for payment
- i. Schedule for sale of affordable housing

5 What is the process for securing affordable housing?

- j. The amount of affordable housing to be provided in each phase
- k. Ensure there are arrangements in place to ensure the benefits of affordability are passed on to future occupants
- l. Set trigger points for the sale of affordable housing to a registered provider
- m. Set the discount on discounted market homes
- n. Set arrangements for the sale for discount market homes and arrangements if they cannot be sold under agreed conditions
- o. Set service charges
- p. Arrangements for nomination of tenants

Purchase by Registered Providers

5.21 Transfer values are the amount paid by Registered Providers to developers for affordable homes. They are usually determined by negotiation between individual Registered Providers and developers. Consequentially, transfer values will not be set in this SPD. However, Registered Providers and developers have stated that indicative transfer values set by the local authority can be a useful starting point in negotiations and as a guide to likely development values.

5.22 The Council has commissioned research to provide indicative values that will allow a development to proceed but which are not set too high to prevent Registered Providers taking on affordable homes from development. This has been done by determining a value based on the cost of delivering affordable housing (expressed as a percentage of open market values). This has been tested against a hypothetical “typical” Calderdale development with the value varied to arrive at a figure that retains viability of the whole development while allowing Registered Providers to buy affordable homes for rent. Before accepting offsite provision, the Council will need to be sure the site is suitable for development and management by Registered Providers. It will do this by consulting the partner Register Provider for the site (if identified) or other Registered Providers that are interested in this sort of development.

5.23 Additionally, as it is indicative and to allow for adjustment, the transfer value will be published on the Council's website and regularly reviewed to ensure that it is realistic.

Principle 19: Transfer Values

- I. The Council will publish an indicative transfer value on its website as the basis for valuation of development and negotiation between developer and Registered Provider
- II. The value will be regularly reviewed to ensure that development can remain viable and that affordable units can continue to be purchased by Registered Providers.

Process for homes providing other routes to home ownership

5.24 Properties to be made available for shared ownership and other routes to home ownership will normally be purchased from the developer by a Registered Provider using the process outlined above. The Council will agree with the Registered Provider the minimum and maximum share that can be purchased, service charges and maintenance responsibilities and this may be set out in the S106 agreement.

Process for Discount Market Homes

5.25 The Section 106 agreement will normally include a clause requiring that discount market homes shall be marketed for sale by the developer for the initial sale and shall only be sold to persons meeting the agreed eligibility criteria. If, after being on the market for minimum period (to be set in the S106 agreement), no willing buyer can be found that meets criteria for purchase at a discount then the home may be sold on the open market with restrictions on resale removed.

5.26 At the initial and subsequent sales, the seller will provide the market value of the discounted market homes by using an independent valuer. The Council will also require confirmation that the home is being sold with the discount agreed in the Section 106 agreement applied to the price. For the initial and subsequent sales, the seller must also provide proof that the sale conforms to the requirements of the Section 106 agreement, in particular the discount on the market price is being carried forward and that it will be the purchaser's main dwelling. This proof will normally consist of:

5 What is the process for securing affordable housing?

- Evidence that the intended purchaser meets the Eligibility Criteria (normally in the Section 106 agreement)
- A market valuation to which the fixed discount shall be applied
- Details of the sales price which shall be no more than the discounted market valuation
- Acknowledgement that the buyer agrees to not dispose of the property except in accordance with the terms of the original Section 106 agreement

5.27 The sale may not take place until the Council has issued a compliance certificate within a timescale set out in the S106 agreement.

Principle 20: Fees for Discounted Market Homes

Section 106 agreements for discounted market homes shall include a fee to be paid by the developer per home to allow for the costs of processing two sales after the initial sale. The fee will be published on the Council website and regularly reviewed.

5.28 Although developers normally handle the initial sale of discounted market homes, they impose a burden on the Council at this and subsequent sales because they require the Council to certify the eligibility of buyers as well as deal with queries from sellers, potential buyers, conveyancers, and estate agents. Therefore, S106 agreements will add a charge to developers to cover the cost of this based on an estimate of the staff time required to deal with queries and to prepare a certificate of conformity for two sales after the initial sale. The money from these fees will be ring-fenced. The fee will be published on the Council's website so that it can be updated.

Compensation for Loss of Affordable Housing

5.29 The Section 106 agreement may require the Council to be compensated for the loss of an affordable home if it is sold at other than a discount. The owner may apply to the Council to dispose of discounted market homes at other than a discount when:

- The dwelling has been marketed for more than six months and all reasonable efforts have failed to find a qualifying buyer
- Marketing the home for a period of six months with a discount and eligibility criteria would cause undue hardship

5.30 The Council would expect to be provided with proof that the property had been actively marketed with the restrictions in place before agreeing to this. In these circumstances the Council may:

- i. Set out the steps it requires the buyer to take to sell the property to eligible buyers at the discount
- ii. Purchase the property itself at the discount market price
- iii. Remove the obligation in the deeds which apply to Discount Market Homes (effectively allowing the sale at other than the Discounted Market Price)

5.31 Since option (iii) removes the property from the pool of affordable housing in the Borough the Council will expect to be compensated so it can provide replacement affordable housing. In these circumstances the compensation shall be the lower of the following two amounts:

- The original discount applied to the proceeds of sale, or
- The proceeds of sale less the amount outstanding to any Mortgagee of the relevant Discount Market Home but not other costs or expenses incurred by the owner in connection with the sale of the Discount Market Home
- The intention is to ensure that in paying compensation to the Council the owner can cover outstanding mortgage costs

Process for Off-Site Provision

5.32 Off-site provision will include land or homes that are not on the application site but are owned by the developer and located elsewhere within Calderdale. Off-site provision will need to be robustly justified in the Affordable Housing Statement and must contribute to the objective of creating mixed and balanced communities. Off-site provision will be the subject of negotiation between the developer, the Council and if possible, the Registered Provider that will develop the site or buy the homes. The terms of the provision will be set out in the S106 agreement which will also set deadlines for the transfer of the off-site provision.

5 What is the process for securing affordable housing?

Principle 21: Off-Site Provision

Prior to the completion of the S106 agreement the developer will provide satisfactory evidence as to why affordable homes cannot be provided on-site.

The developer should also be able to prove that the off-site provision proposed is of equal quality and open market value to the alternative on-site provision.

Process for Commuted Sums

5.33 In exceptional circumstances, such as where on-site delivery to a registered provider is not possible or where it would deliver a more sustainable development, a commuted sum of broadly equivalent value in lieu of part or all of the affordable housing provision on a site may be accepted. This would have to have a sound planning or housing reasons and would have been robustly justified. The Council will have to agree that on site provision is not possible and agree with the developer the affordable housing mix that would have been provided on-site (in accordance with Policy HS6 and this SPD).

5.34 The agreed commuted sum and arrangements for payment (and terms for repayment if necessary) will be contained in the S106 Agreement.

Principle 22: Commuted Sums

- I. A commuted sum will be accepted where on-site provision is not possible.
- II. The commuted sum will be paid to the Council to support the provision of affordable homes elsewhere.
- III. The commuted sum will be negotiated with the Council but will be set so that the developer will not be any better off by paying a commuted sum than they would have been by selling the affordable homes at the transfer value or a discount.
- IV. A 20% supplement shall be payable as part of the commuted sum to cover the cost of administration.
- V. The Council's Annual Infrastructure Funding Statement will include details of contributions received in relation to affordable housing.

5.35 The amount of the commuted sum will be based on the discount on the value of homes that would have been sold to registered providers for social or affordable rent plus the discount that would have been offered on discounted market homes.

5.36 In all cases 20% is added to the total to cover the additional administration costs incurred by the Council in collecting and distributing the commuted sum.

5.37 The open market value will be calculated by an independent surveyor appointed by and paid for by the developer. The Council may assess the valuation using an independent surveyor paid for by the developer in accordance with the approach to assessing viability (see below).

Worked Example

Calculating a Commuted Sum

A site includes nine potential affordable homes; six that would have been sold to a registered provider for affordable rent plus three to be sold at a 25% discount

Homes for rent: Open Market Value is £200,00 Indicative Transfer Value is 55% of Open Market Value

A. Total Open Market Value $6 \times £200,000 = £1,200,000$.

B. Indicative Transfer Value 55% of $£1,200,000 = £660,000$.

C. Commuted Sum: (A-B); $£1,200,000$ minus $£660,000 = £540,000$.

5 What is the process for securing affordable housing?

D. Admin. Fee: (CX20%) £540,000 X 20% = £108,000.

E. Total: £648,000.

Homes for Discounted Market Sale: Open Market Value £200,000. Proposed Discount 25%

A. Total Open Market Value: 3 X £200,000 = £600,000.

B. Commuted Sum: 25% X £600,000 = £150,000.

C. Admin Fee (F X 20%) = £150,000 X 20% = £30,000.

D. Total: £180,000.

Total Commuted Sum: £828,000.

Viability

5.38 The sites allocated in the Local Plan were tested for their viability (including the provision of affordable housing) before they were allocated. Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable.

5.39 It is recognised that there may be circumstances where development with affordable homes in accordance with the Local Plan policies may not be viable, because of for example a changing market or unexpected site circumstances. It is up to the applicant to demonstrate whether circumstances justify the need for a viability assessment at the application stage including the need to reduce or omit the affordable housing contribution (or locate it elsewhere).

5.40 The approach to viability assessments follows the recommended approach to assessment in the National Planning Practice Guidance and the checklist in Appendix 8.

5.41 A similar process will be used where developers are asked to prove values or justify exceptions to the requirement that affordable homes are provided on-site.

Principle 23: Approach to Viability and Other Assessments

- I. The developer seeking an exception to policy for reasons of viability will provide and fund a Statement to prove that the inclusion of affordable housing as required by Local Plan policies will make a development unviable. The assessment data should be transparent and verifiable. All inputs used in the viability assessment must be fully justified with evidence.
- II. The Council will assess the viability assessment using an independent surveyor selected by the Council but paid for by the developer. In addition to the evidence provided by the developer the Council-appointed surveyor may require clarification from the developer where details are obscure or missing.
- III. The assessment report will be shared with the developer. Challenges should be fully evidenced. Guidance on what should be included in a viability statement is given in Appendix 8.
- IV. The weight given to the viability assessment in reaching a decision about the affordable housing contribution will depend on changes since the plan was adopted and unforeseen circumstances on-site. Particular attention will be paid to the price paid or proposed for the site and under no circumstances will the price paid for the land be accepted as justification for failing to accord with relevant policies in the plan.

Separate guidance will be published on First Homes based on the procedure and principles set out above.

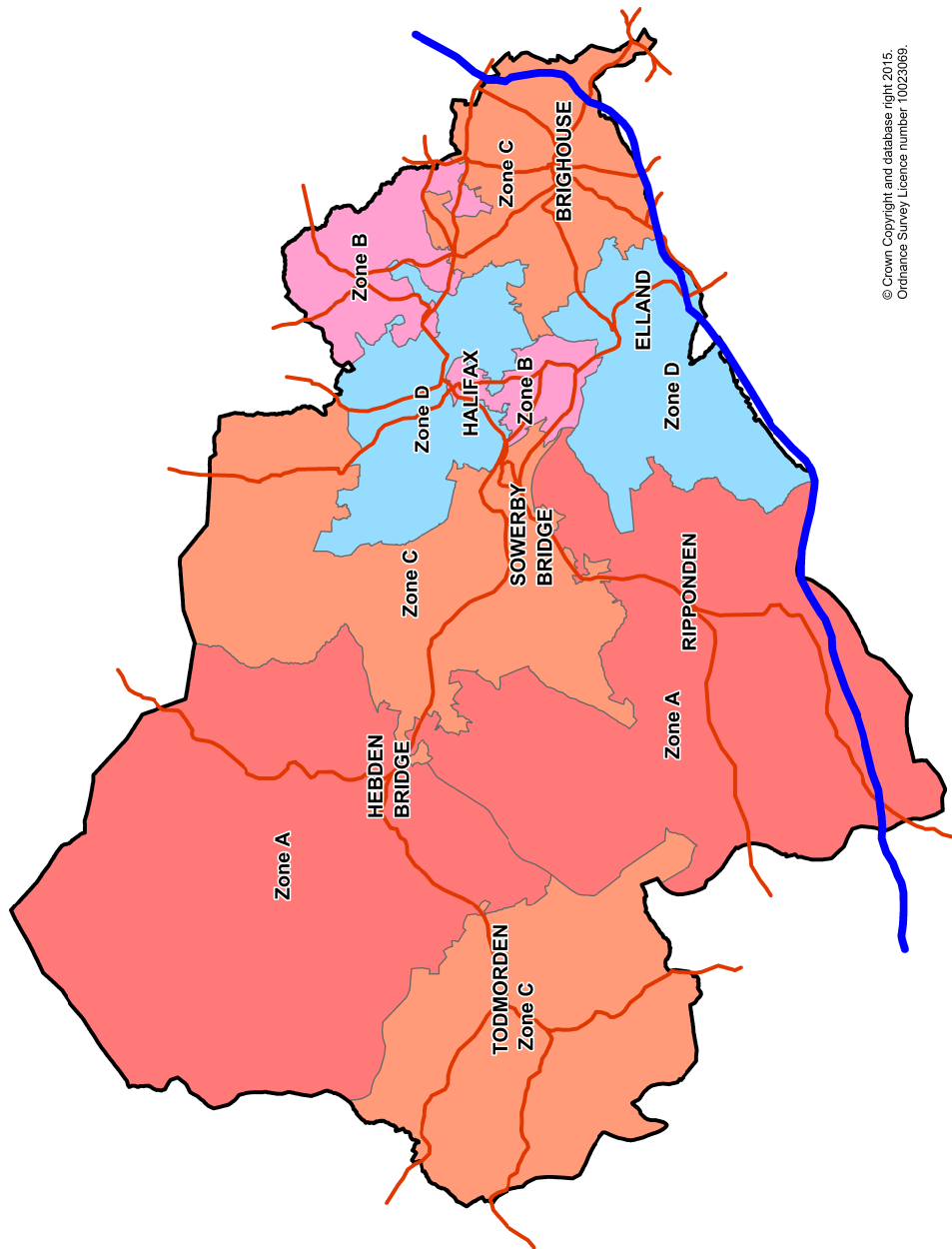
Calderdale Council

- [Calderdale Local Plan](#) — Adopted March 2023
- [Planning | Calderdale Council](#)
- [Housing | Calderdale Council](#)
- [Housing strategy and priorities | Calderdale Council](#)
- [Local Plan Evidence base: homes | Calderdale Council](#)
- [Local Plan Examination Library | Calderdale Council](#)
- [Neighbourhood planning | Calderdale Council](#)
- Placemaking and Design Guide Supplementary Planning Document
- Garden Communities Supplementary Planning Documents:
 - [Thornhills Garden Community Masterplan](#)
 - [Thornhills Garden Community Design Code](#)
 - [Woodhouse Garden Community Masterplan](#)
 - [Woodhouse Garden Community Design Code](#)
- [Self and Custom Build Housing Supplementary Planning Document](#)

Department for Levelling Up, Housing and Communities

- [National Planning Policy Framework - Guidance - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [Build to rent - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [First Homes - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [Housing for older and disabled people - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [Planning obligations - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](#)
- Planning Guidance: [Viability - GOV.UK \(www.gov.uk\)](#)

Appendix 2: Affordable Housing Zones Map



You can also view an [interactive map](#) on the Council's website.

Appendix 3: Definitions of Affordable Homes

A3.1 Affordable housing is defined in Annex 2 to the National Planning Policy Framework and summarised here for ease of reference.

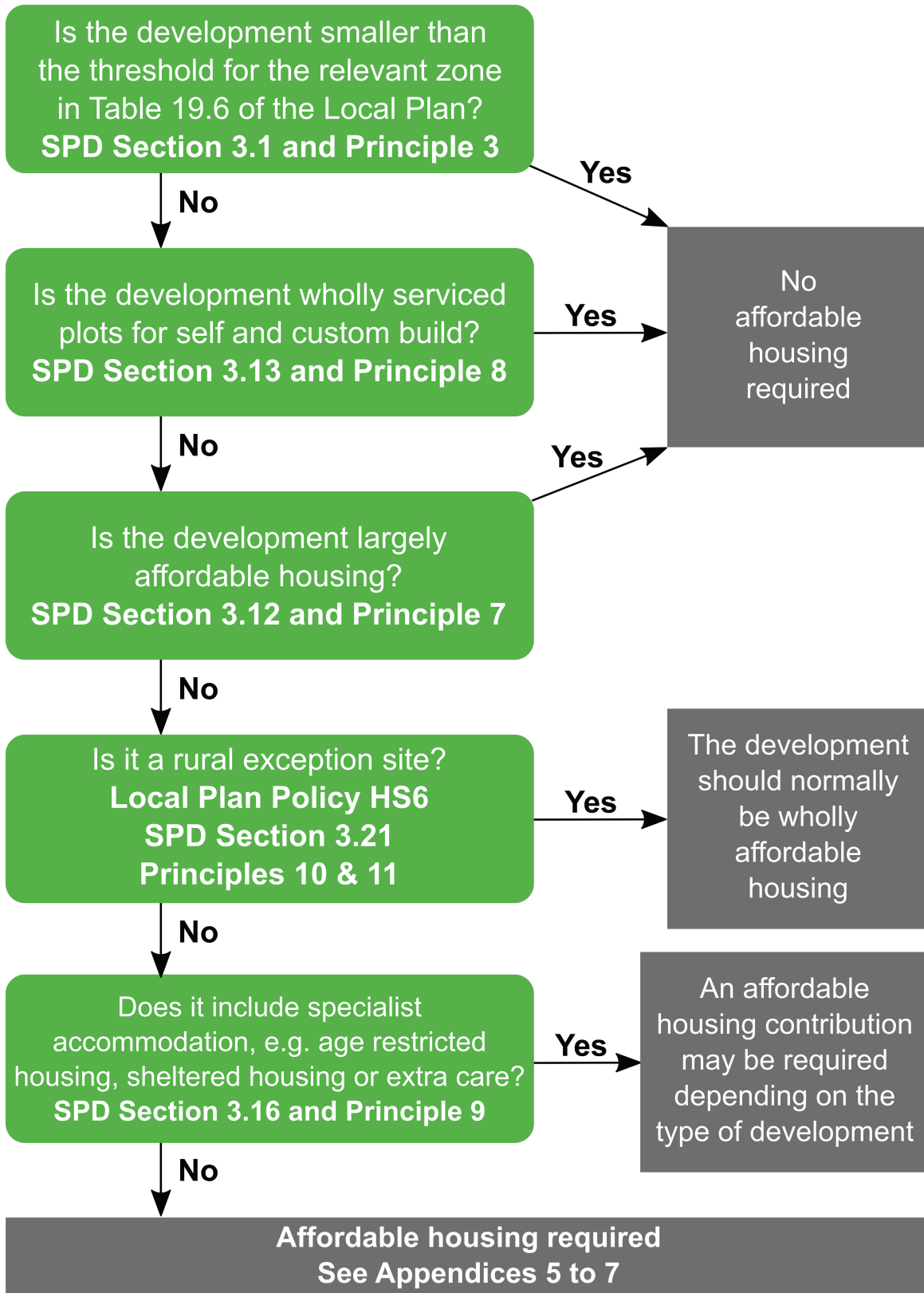
A3.2 Affordable housing are homes for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). Basic types of affordable housing are:

- a. Affordable housing for rent: This must meet all the following conditions:
 - i. The rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent or is at least 20% below local market rents (including service charges where applicable).
 - ii. The landlord is a Registered Provider, except where affordable housing is provided as part of a Build to Rent scheme; and
 - iii. It includes provisions to remain at an affordable rent for future eligible households.
- b. Affordable Private Rent. A class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord (see Build to rent - GOV.UK (www.gov.uk)).
- c. Homes that provide a route to ownership for those who could not achieve ownership through the market. It includes shared ownership, relevant equity loans and rent to buy (which includes a period of intermediate rent):
- d. Homes for discounted market sale: These are homes sold at a discount below local market value. Provision will be made to ensure housing remains at a discount for future eligible households. These include First Homes: (Discounted Market Sale Homes) which:
 - i. Must be discounted by a minimum of 30% against the market value.
 - ii. Are sold to first time buyers having a combined income not exceeding £80,000 with a mortgage or home purchase plan to fund a minimum of 50% of the discounted purchase price
 - iii. On their first sale they will have a restriction registered on the title at HM Land Registry to ensure the discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer.
 - iv. After the discount has been applied, the first sale must be at a price no higher than £250,000.
 - v. First Homes are the government's preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.

A3.3 Full guidance is given in Planning Practice Guidance on First Homes. The Local Plan was submitted for examination in the transition period so there was no requirement to reflect the national First Homes policy in the plan. As there is no reference to First Homes in the Local Plan then any policy in the SPD by definition cannot be supplementary to a Local Plan policy. (Paragraph 018 and 019 of the guidance). Nevertheless, the Council accepts First Homes as an element of affordable housing and will apply the policy set out in the Planning Practice Guidance.

Appendix 4: Is Affordable Housing Required?

Refer to relevant policies in the Local Plan and paragraphs in the SPD



Refer to relevant policies in the Local Plan and paragraphs in the SPD.

<p>Can affordable housing be provided on site? See sections 4 and 5</p>	<p>Decide tenure mix, size, type and location of homes with Council and selected Registered Provider</p>
<p>Can affordable housing be provided off-site either as land or homes? See section 5.32</p>	<p>Provide satisfactory evidence: why provision cannot be made on site. Off-site provision is to be of equal quality and value to on-site provision. Principle 21</p>
<p>Can affordable housing be replaced by a commuted sum? See section 5.33</p>	<p>Negotiate commuted sum based with Council based on Principle 22</p>
<p>Does the developer consider that the affordable housing requirement makes the site unviable? See section 5.38</p>	<p>Provide a viability assessment to prove that all or part of the affordable housing provision makes the development unviable for assessment by the Council. Principle 23 / Appendix 8</p>

Appendix 6: Processes for Providing Affordable Housing

Refer to relevant policies in the Local Plan and Section 5 of the SPD.

Pre-application Enquiry from Developer
Calderdale Council Development Team determines need for affordable housing
Calderdale Council Development Team responds to developer with Local Plan affordable housing requirement
Developer proposes development schedule including the amount and mix of affordable housing
Assessment of developer proposals by Calderdale Council's Development Team and Housing Team
Calderdale Council's Housing Team seeks developer permission to select and contact Registered Provider to partner developer
Calderdale Housing Team offers project to partner Registered Providers (See paragraph 5.3)
Developer, Registered Provider and Calderdale Council's Housing Team agree affordable housing contribution
Preparation of Affordable Housing Statement by Developer
Submission of Planning Application
Terms of S106 agreement agreed with developer
Decision on Planning Application

Appendix 7: Contents of Affordable Housing Statement

A7.1 Where an application for residential development generates a requirement for affordable housing, the Council's Validation Checklist requires an Affordable Housing Statement to be submitted. The information required in the statement is set out in the Validation Checklist and is replicated below, for the purposes of the SPD.

Requirement	Reference
The total number of dwellings proposed	Local Plan Policy HS6
The number of dwellings to be disposed of as affordable	SPD Paragraphs 3.1 - 3.9 Principles 1 - 5
The number of serviced plots for self and custom build	Local Plan Policy HS5 SPD Paragraphs 3.13 - 3.15 Principle 8
The mix of tenure of affordable dwellings with a justification if necessary	SPD Paragraphs 4.3 - 4.4 Principle 13
Number, type and size of affordable dwellings proposed	Local Plan Policy HS6
Floor area of affordable homes	SPD Paragraphs 4.6 - 4.13 Principle 14
A plan showing location of affordable dwellings within the development	SPD Paragraph 4.14 Principle 15
A phasing plan showing the number and tenure of affordable homes proposed at each phase	SPD Paragraphs 4.15 - 4.17 Principle 16
Means of disposal for discounted homes for sale and method for ensuring discounts are passed on at each subsequent title transfer and that purchasers meet any agreed criteria	SPD Paragraphs 5.25 - 5.28 Principles 16 - 20
A statement setting out the proposed draft heads of terms for any necessary S106 agreement	SPD Paragraphs 5.19 - 5.20

A7.2 Justifications for reducing the number of affordable homes to be included in the Affordable Housing Statement where relevant.

	Evidence	SPD Reference
Site capacity below threshold	Number of dwellings Gross Floor Area of all dwellings (m ²)	Principle 3

Appendix 7: Contents of Affordable Housing Statement

	Evidence	SPD Reference
Vacant Building Credit	<p>Proof that the building is vacant, has not been used for more than 12 months in the last 3 years</p> <p>Evidence the building has been marketed for non-housing use</p> <p>Gross Internal Area</p> <p>Gross Internal Area of the Proposed Development</p>	<p>Paragraphs 3.6 - 3.9</p> <p>Principle 5</p>
Build to Rent Development	<p>Number of Build to rent units proposed</p>	<p>Paragraphs 3.10 - 3.11</p> <p>Principle 6</p>
Largely Affordable Housing Development	<p>Proposed tenure</p> <p>Arrangements to ensure the homes remain affordable in perpetuity</p>	<p>Paragraph 3.12</p> <p>Principle 7</p>
Self and Custom Build Housing	<p>Number of homes or serviced plots</p> <p>Heads of terms for S106 agreement restricting the development to self and custom build</p>	<p>Paragraphs 3.13 - 3.15</p> <p>Principle 8</p>
Specialist Accommodation	<p>Details of the type of accommodation and services to be provided (including shared facilities)</p> <p>Details of Charitable Trusts providing the accommodation</p>	<p>Paragraphs 3.16 - 3.19</p> <p>Principle 9</p>
Rural Exception Sites	<p>These would normally be only for affordable housing</p> <p>Evidence for the need for affordable housing on rural sites. Details of location of site in relation to nearby settlements</p> <p>Local services</p> <p>Housing needs assessment justifying affordable housing</p> <p>Arrangements for management</p> <p>Heads of terms for legal agreement ensuring homes remain affordable and occupied by persons which meet criteria</p>	<p>Paragraphs 3.21 - 3.33</p> <p>Principles 10, and 11</p>

Appendix 7: Contents of Affordable Housing Statement

	Evidence	SPD Reference
	If the development is to include homes for sale this should be justified by a viability assessment	
Off-site Provision	<p>Evidence showing why homes cannot be provided on-site</p> <p>Open Market valuation and other evidence proving that the alternative site or homes is of equal quality to the development site</p> <p>Fee to cover Council's cost of assessing Valuation and other evidence</p>	<p>Paragraph 5.32</p> <p>Principle 21</p>
Commuted Sum	<p>Evidence showing why homes cannot be provided on-site</p> <p>Gross Development Value of development proposed on development site</p> <p>Fee to cover Council's cost of assessing Open Market Value</p>	<p>Paragraphs 5.33 - 5.34</p> <p>Principle 22</p>
Viability	<p>Viability Statement providing evidence that the inclusion of all or part of the affordable housing element will make the development unviable</p> <p>Fee for assessment of viability (set out on the Council's website)</p>	<p>Paragraphs 5.38 - 5.41</p> <p>Principle 23</p> <p>Appendix 8</p>

Appendix 8: Viability Checklist

Based on financial viability in planning prepared for West Yorkshire Combined Authority by Cushman & Wakefield, 2024

Land, Ownership, Developer and Planning Status	
	Information to be provided
Site details	Insert site address, gross area, net developable area, brief description of the site including existing use and condition.
Scheme description	Please provide a brief summary of the development proposed including an accommodation schedule specifying the quantity and mix of homes, market and affordable, net and gross floor areas plus any other uses. Please also include the size of areas of public open space excluding private gardens.
Ownership	Freehold/Leasehold. Owner details and terms and conditions of transfer of land if applicable. Developer details. Details of RP identified if applicable
Planning status of scheme	Please confirm planning status of development proposal. This should include whether approved, partly approved (e.g. outline), not approved and Local Plan designation. Include any extant planning permissions for alternative schemes.

Financial Viability Appraisal inputs	
Revenue	
Gross Development Value	Please provide £ per sq. ft/psm. for each unit type, total floor area and total market housing GDV
	Please provide £ per sq. ft/psm. for each unit type, total floor area and affordable housing GDV:
	Please provide £ per sq. ft/psm for each unit type, total floor area and total BTR GDV:
	Please provide evidence to support these values
Purchaser's costs (Build To Rent only)	
Other income (if applicable)	
Net realisation	
Total Costs	
Benchmark Land Value	Please provide total BLV and on a per plot basis. Provide evidence and justify the BLV used. This should include the existing use value and premium, or where appropriate, an alternative use value.
Land Acquisition Costs	Please provide a breakdown of the land acquisition costs including: Land cost.

Appendix 8: Viability Checklist

Financial Viability Appraisal inputs	
	<p>Agent and legal fees.</p> <p>SDLT.</p> <p>VAT if applicable.</p> <p>Total land cost.</p> <p>Land cost per plot.</p>
Abnormal site development costs	Please provide a breakdown of all costs over and above base build costs. Please provide evidence to support these.
Standard construction costs	Please provide a breakdown of all construction costs and confirm if these costs have been tendered. Please provide evidence to support these.
External Works (plot externals, standard estate roads and sewers, plot connections)	<p>Please provide a breakdown of external works and costs.</p> <p>Please provide evidence to support these costs.</p>
Garages	Are garages included in the standard build costs? If not, please specify the cost of external garages.
Contingencies	Total contingencies per plot and as a percentage of construction cost including contingency over and above contractor's contingency allowance.
Professional fees	<p>Please provide a breakdown of all fees: Total sum</p> <p>Total fees as a percentage of construction cost</p>
S106	Any signed S106 agreement or allowance for S106 contributions
Sales agent and marketing costs	
Sales legal	
Finance	Any conditions of funding or other restrictions that might impact on viability
Profit	<p>Market Housing:</p> <p>Affordable Housing:</p>
Development phasing/programme	<p>Lead-in/Pre-Construction:</p> <p>Main Construction:</p> <p>Sales:</p>