

# Affordable Housing

## Supplementary Planning Document

June 2023

# DRAFT

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) and are a material consideration in planning decisions.

**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.

## 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 summarised here for ease of reference. A full definition is given in Appendix 2.

**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. Intermediate tenure: Homes that provide a route to ownership for those who could not achieve home ownership through the market.
- c. Homes for discounted market sale: These are homes sold at a discount below local market value. These include Starter Homes and First Homes.

## 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 2020 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 the draft SPD, consultation took place with Registered Providers on the contents of the SPD and the proposed changes to transfer values.

## 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 Policy HS6 - Affordable Housing** of the adopted Local Plan 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.

**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 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

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### Neighbourhood Plan Policy

**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: [Neighbourhood Development Plans](#)

## 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 below) and 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.

**Table 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%

**3.2** The zone within which the site is located can be determined by the [map on the Council's website](#) and in Appendix 1 of this SPD.

### Allocated and Windfall Sites

**3.3** 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.

#### Principle 3: 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.



## 3 Where and how much affordable housing is required?

### Brownfield Sites and Vacant Building Credit

**3.4** 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 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 4: 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.

**3.5** 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<sup>(1)</sup> occupies a brownfield site<sup>(2)</sup> and the building is vacant on the date the application is submitted. Buildings demolished before this will not be eligible. However, developers may be able to prove that the full provision of affordable housing required by Policy HS6 would make development unviable (see para 5.27).

**3.6** 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.

**3.7** 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 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 6 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 its previous use or other non-residential use since becoming vacant Tax records, accounting statements and statutory declarations.

1 "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.

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

## 3 Where and how much affordable housing is required?

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

### 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

**3.8** 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 sets out the provision of requirements for affordable housing in developments incorporating build to rent.

**3.9** 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.

## 3 Where and how much affordable housing is required?

### Principle 5: Build to Rent Development

- I. The size 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 - 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

#### Question 1

##### Consultation Question 1: Build to Rent Development

Should more than 20% affordable housing contribution be required for this type of development?

### Starter Home Development

**3.10** The Council will work with landowners and developers to identify sites not allocated for housing, but which nevertheless may be suitable for starter homes targeted at young first-time buyers.

### Principle 6: Starter Home Development

- I. Starter Home development on “exception site” (commercial and industrial land that is either under used or unviable in its current or former use, and which has not currently been identified for housing) are not required to contribute towards affordable housing.
- II. Where starter homes are proposed on sites other than exception sites and/or as part of a larger development, they will count as a contribution towards the discounted market element of the affordable housing requirement with the balance to be made up of other forms of discounted sale and homes for affordable or social rent.

### Wholly Affordable Housing Development

**3.11** 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. Registered Providers may be charities, not for profit bodies or for-profit providers of social housing.

## 3 Where and how much affordable housing is required?

### Principle 7: Wholly Affordable Housing Development

The Council will not normally require developers of such affordable housing schemes to provide additional affordable homes, provided mechanisms are in place and have been approved by the Council to ensure such homes remain affordable.

### Self and Custom Build Housing

**3.12** 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-built 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 generally seek 5% of the overall capacity to be provided in the form of serviced sites for custom and self-build. Further advice on this type of development is given in the Self and Custom Build Housing SPD.

**3.13** 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.

### 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**

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**

## 3 Where and how much affordable housing is required?

### 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 housing will be required in specialist development in accordance with the provisions of Local Plan policy and other policies within this SPD.
- III. 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.

**3.14** 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 needed for day to day living, even if shared amenities and care is provided centrally.<sup>(3)</sup> 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.

**3.15** 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.

**3.16** 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.

**3.17** 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

**3.18** 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

**3.19** National policy enables local authorities to have policies that support the release of small sites for affordable housing in exceptional circumstances where land would not otherwise be allocated for housing. Local Plan Policy HS6 (VII) sets out criteria for this type of development in Calderdale. This SPD sets the evidence required for achieving rural exemption development.

<sup>3</sup> Rectory Homes V Secretary of State for Housing, Communities and Local Government & South Oxfordshire District Council (2020) EWHC 2098

## 3 Where and how much affordable housing is required?

### 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.

**3.20** Policy HS6 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.

**3.21** 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.<sup>(4)</sup>

**3.22** Evidence should include:

- a. 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.
- b. Population projections for the area, indicating likely future population pressures.
- c. Demand for affordable housing in the form of bids for social rented homes in the area.
- d. Numbers of social housing in the area.
- e. The size and type of housing required to inform the proposed development
- f. The quantity of affordable homes required to inform and justify the proposed development

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

### Location and Type of Housing Appropriate to Rural Exemption Sites

**3.24** 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.

**3.25** 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 Green Belt and the Area around Todmorden, GN3 protecting the Natural Environment and GN4 protecting the Special Landscape Area).

**3.26** 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.

### 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. Homes are kept affordable in perpetuity.

<sup>4</sup> Examples of assessments for Neighbourhood Plans may be found: [Neighbourhood Plan | Todmorden Town Council \(todmorden-tc.gov.uk\)](https://www.todmorden-tc.gov.uk/), [Housing Needs Assessment Report Published – Sowerby Neighbourhood Plan \(sowerbynp.co.uk\)](https://www.sowerby-np.co.uk/)

## 3 Where and how much affordable housing is required?

- II. They remain the sole dwelling of the occupant.
- III. Local occupancy conditions may be used to ensure homes go to local people in need.

**3.27** 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.

**3.28** 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 are affordable in perpetuity and can be let or sold to those in most need.

**3.29** The S106 agreement will require homes to be let at affordable rents or discounted sales prices, that the homes are affordable in perpetuity 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 parish on the open market. It may 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. "Local connections" could include:

- a. Those who have lived in the settlement or parish for at least the last 12 months.
- b. Those who have previously lived in the settlement or parish for at least ten years and wish to return.
- c. Those who have to work in the settlement or parish.
- d. Those who have immediate family in settlement or parish, who have lived there for at least the past five years.
- e. Those who need to live in the parish or settlement because they are in receipt of essential support or because they are providing essential support to a permanent resident.

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

### Planning Applications for Rural Exception Housing

**3.31** Applications for rural exception sites should:

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

#### Question 2

##### Consultation Question 2: Rural Exception Sites

Is the evidence to justify rural exception sites reasonable?

#### Question 3

##### Consultation Question 3: Rural Exception Sites

Should local occupancy conditions be required for this type of development?



## 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 preferences 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 Section 5.23
3. A commuted sum equivalent to or greater than the relevant on-site provision - see Section 5.24

**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.

### Tenure Mix of Affordable Housing

**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. Intermediate tenure; Shared Ownership, relevant Equity Loans and Rent to Buy (which includes a period of intermediate rent).
- III. Discounted Market Housing.

In all cases measures should be taken to ensure that the tenure or percentage discounts on market price are maintained in perpetuity.

**4.4** National policy which requires a minimum of ten percent of the total number of homes on major sites to be available for affordable home ownership. Because the need for affordable housing in Calderdale is primarily for homes at affordable or social rent Principle 14 shall apply:

#### **Principle 14: Priorities for Affordable Homes**

The Council will normally seek to limit the proportion of homes offered for affordable home ownership to ten percent of the total number of homes on the site. The balance of affordable homes shall be provided as social or affordable rent or intermediate tenure.



## 4 Type of Affordable Housing Required

### Worked Example

#### Affordable Tenure Mix

Application for 90 Homes in Zone B (30% Affordable)

Total Affordable Housing:  $90 \times 30\% = 27$

Total Discounted Market Housing:  $90 \times 10\% = 9$

Balance of homes for social or affordable rent or intermediate tenure:

$27 - 9$  affordable home ownership = 18

### Question 4

#### Consultation Question 4: Tenure Mix of Affordable Housing

Is there a justification for more affordable homes for sale or intermediate tenure?

### Size and Type of Affordable Homes

**4.5** The Local Plan does not specify minimum space standards. Nevertheless, the Council wants to be sure that all homes have adequate internal space. Homes England which may fund purchases by Registered Providers also requires that affordable housing is a minimum of 85% of National Described Space Standards. Therefore, it may be necessary to ensure affordable homes to be built to at least Nationally Described Space Standards where this is compatible with the need for affordable homes to be indistinguishable from homes for sale on the open market within the same development. The internal space standards to be used should be discussed with the purchasing Registered Provider early in the process.

**4.6** 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 an identified special needs.
- The requirements of the purchasing Registered Providers.

**4.7** Generally, a mix of sizes and types will be sought to meet local housing needs Developers are also encouraged to open early discussion with the Council and the purchasing Registered Provider to determine the mix of type and size needed.

### Question 5

#### Consultation Question 5: Size and Type of Affordable Homes

Is more specific advice needed in the SPD on the type of affordable housing required or should this be done on a site by site basis?

## 4 Type of Affordable Housing Required

### Question 6

#### Consultation Question 6: Size and Type of Affordable Homes

Is there a need for specialist affordable housing that should be set out here, e.g. supported housing?

### Affordable Housing Design

**4.8** As set out in Local Plan Policy HS6, the affordable housing provision should be indistinguishable from market housing. Therefore, the Council expects affordable housing to 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.

**4.9** 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. As far as possible, the affordable homes should be indistinguishable from open market housing in terms of style, quality of specification, finish and materials and external layout (including landscaping).

**4.10** 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

**4.11** 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

**4.12** 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.

**4.13** However, the Council needs to be certain that the development will deliver all the required affordable homes across the life of the development and that affordable homes are not concentrated in a single phase (particularly later phases).

#### 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 Type of Affordable Housing Required

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**4.14** 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 and registered providers to include this in their marketing material.

## Selection of Registered Providers

**5.3** In most circumstances affordable housing 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 the provider has an existing infrastructure in place for management and maintenance.

### Principle 17: Allocation of Affordable Housing to Registered Providers

Potential affordable dwellings will be allocated to a Registered Provider that meet the following criteria:

- The Provider is registered with Homes England
- The Provider must have had a consistent presence at the Calderdale Registered Provider Executive Meetings and/or the Calderdale Housing Association Liaison Meetings (CHALMS)

Development sites will be offered to members of CHALMS in a fair and equitable manner to ensure all members get the same opportunity to be involved in the development of affordable housing.

**5.4** The Registered Provider Executive Meeting and CHALMS are held regularly and Registered Providers who wish to develop a presence in the area are welcome to attend.

**5.5** This process should take place, if possible, at the pre-application stage. Registered Providers which meet the criteria are approached in alphabetical order.

- The Council will approach a Registered Provider who is next on the framework with details of the affordable housing proposals (this will either take place at the pre-application stage if discussions have taken place with a developer, or once a S106 agreement has been completed).
- The Registered Provider will complete an expression of interest form and return it to the Council within 10 working days.
- If the expression of interest form is satisfactory, the Council will allocate the site to the Registered Provider and introduce them to the developer
- Upon completion the Registered Provider will negotiate with the developer to buy properties and report the price paid to the Council.

**5.6** Where the developer's choice of Registered Provider is not a member of CHALMS (and does not wish to join) then the development will only be offered to them after it has been offered to and rejected by CHALMS members (and provided the Registered Provider accepts the terms of the S106 agreement).

### Worked Example

#### Development with 6 Affordable Homes

The next registered provider to be selected on the framework is Registered Provider X (the previous five providers have either been allocated previous sites or have been offered and declined previous sites).

Registered Provider X decides it do not wish to be involved with this site. The Council therefore offers it to the next Registered Provider on the Framework. Registered

## 5 What is the process for securing affordable housing?

Provider Y is interested in the scheme and complete an expression of interest form. This is acceptable and the Council introduces Registered Provider Y to the developer.

### Question 7

#### Consultation Question 7: Selection of Registered Providers

Is the current system working and should it be perpetuated in the SPD?

### Statement of Affordable Housing

**5.7** 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. The statement will form part of the planning obligations statement required by the local list of information to accompany a planning application.<sup>(5)</sup>

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

#### Principle 18: Affordable Housing Statements

An Affordable Housing Statement should be submitted with:

- Outline planning applications
- 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

Statements for outline applications may contain less detail than for a full application and will be updated a full or reserved matters application stage.

Affordable Housing Statements should contain details of:

- 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
- 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 Section 5.27)

Full guidance on Affordable Housing Statements is given in Appendix 6.

### Planning Applications

**5.9** 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

5 [Local list | Calderdale Council](#)

## 5 What is the process for securing affordable housing?

and will negotiate over the detailed mix, specifications, and the price to be paid. This will be easier and faster if pre-application discussions have taken place and a Registered Provider appointed by the Council.

**5.10** 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.

**5.11** Outline applications which meet the threshold for affordable homes will usually also be subject to a Section 106 agreement requiring affordable homes to be provided in accordance with Local Plan policy with numbers and details to be agreed at the reserved matters stages. An exception may be where the outline application details the affordable homes to be provided in which case details will be agreed at outline stage.

### Section 106 Agreements

**5.12** 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.

**5.13** The Council uses S106 agreement for securing affordable housing on development sites. This is usually drawn up by the Council for each application. A model template is being developed nationally for agreements covering First Homes. A standard 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. Identify the plot numbers of affordable dwelling units and reference the plan showing plot numbers.
- f. Refer to any design standards.
- g. Ensure the provision of any financial contribution and schedule for payment.
- h. Schedule for sale of affordable housing.
- i. Ensure the units remain affordable in perpetuity.
- j. Prevent occupation of a specified proportion of the general housing market units until the affordable housing has been transferred to a registered social landlord.
- k. Set rent levels for shared ownership homes.
- l. Set the discount on discounted market homes.
- m. Set arrangements for the sale for discount market homes and arrangements if they cannot be sold under agreed conditions.
- n. Set service charges.

### Purchase by Registered Providers

**5.14** The Council will no longer set transfer values to guide registered providers. Instead, developers and registered providers may negotiate a price for homes to be purchased as affordable dwellings. In doing so, Registered Providers may have to adhere to guidance set by Homes England and will be expected to pay less than the full market value per home.

#### **Principle 19: Purchase by Registered Providers**

- I. Registered Providers may negotiate a price with developers without reference to the Local Authority.
- II. Registered Providers should report to the Local Planning Authority the price paid including any extras and service charges.

## 5 What is the process for securing affordable housing?

### Question 8

#### Consultation Question 8: Purchase by Registered Providers

Is the removal of set transfer values acceptable?

### Process for Intermediate Tenure

**5.15** Properties to be made available for shared ownership and other intermediate tenures 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. The Council will expect receipts from the sale element of shared ownership to be recycled within Calderdale.

### Process for Discount Market Homes

**5.16** 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.

**5.17** 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:

- 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.

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

**5.19** 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. The cost is estimated to be £360 per sale with homes changing hands on average every four years. Therefore, S106 agreements will add a charge to developers to cover the cost of this. The basis for this charge and the charge itself will be published on the Council's website and will be regularly reviewed to take account of inflation and experience in implementing the policy.

## 5 What is the process for securing affordable housing?

### Question 9

#### Consultation Question 9: Process for Discount Market Housing

Is it acceptable to charge a fee to cover the cost of subsequent sales? What is a reasonable amount?

### Compensation for Loss of Affordable Housing

#### 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. The fee will be published on the Council website and regularly reviewed.

**5.20** 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.

**5.21** 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:

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

**5.22** Since option (c) 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:

- Thirty percent of 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.

#### Worked Example 1

##### Discounted Market Homes Compensation

Discounted Market Home with a market value £250,000

Brought at discount sales value of £175,000 with a 10% deposit and a £157,500 mortgage

At time of sale £150,000 owing on mortgage

Options for compensation to Council are:

a) 30% of £250,000 = £75,000

b) £250,000 less £150,000 = £100,000



## 5 What is the process for securing affordable housing?

Compensation to Council is **£75,000**

### Worked Example 2

#### Discounted Market Homes Compensation

Discounted Market Home with a Market Value £200,000

Brought at discount sales value of £175,000 with a 10% deposit and a £157,500 mortgage

At time of sale £157,000 owing on mortgage

Options for compensation to Council are;

- a) 30% of £200,000 = £60,000
- b) £200,000 less £157,000 = £43,000

Compensation to Council is **£43,000**

### Process for Off-Site Provision

#### Principle 21: Off-Site Provision

- I. Prior to the completion of the Section 106 agreement the developer will provide satisfactory evidence as to why affordable homes cannot be provided on-site.
- II. 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.

**5.23** 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 Section 106 agreement which will also set deadlines for the transfer of the off-site provision.

### Process for Commuted Sums

**5.24** Normally Council and Government policy is for affordable homes to be provided on site as part of a development. However, 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 to be robustly justified.

#### 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 based on half the Gross Development Value of the homes on the site that would otherwise have been sold to a registered provider and the price paid by Registered Providers on other sites.
- IV. A 20% supplement shall be payable as part of the commuted sum to cover the cost of administration.
- V. An annual account shall be presented on the Council's website of commuted sums received and how they have been spent.

## 5 What is the process for securing affordable housing?

**5.25** The Gross Development Value shall be calculated by an independent surveyor appointed and paid for by the developer. The Council will assess the Gross Development Value using an independent surveyor paid for by the developer in accordance with the approach to assessing viability (see below).

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

### Worked Example 1

#### Calculating a Commuted Sum

Development in Affordable Housing Zone A (35% affordable)

Gross Development Value £5,500,000

Value of proportion of homes that would have been on-site affordable £1,925,000  
(35% of £5,500,000)

Base Commuted Sum £981,500 (50% of £1,925,000)

Plus, Administrative Fee £38,500 (20% of Base Commuted Sum)

**TOTAL Commuted Sum: £1,020,000** (subject to negotiation)

### Worked Example 2

#### Calculating a Commuted Sum for a Converted Mill Applying Vacant Building Credit

Development in Affordable Housing Zone A.

Vacant Mill to be converted into 24 flats. Gross Development Value £5,500,000.  
Additional floor area 300 sq m (15% of total development area)

Value of proportion of homes that would have been on-site affordable £1,925,000  
(35% of £5,500,000)

Base Commuted Sum £1,925,000 x 50% = £981,500

Vacant Building Credit £981,500 = £147,225

Plus, Administrative Fee £29,445 (20% of £147,225)

**TOTAL Commuted Sum: £176,670** (subject to negotiation)

### Question 10

#### Consultation Question 10: Commuted Sums

Is the process for calculating commuted sums reasonable, in particular the proportion of Gross Development Value required and a fee for administration costs?

## 5 What is the process for securing affordable housing?

### Viability

**5.27** 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.

**5.28** It is recognised that there may be circumstances where development including provision for affordable homes in accordance with the Local Plan policies (on-site or off-site) may not be viable, because of for example a changing market or unexpected sites 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).

**5.29** The approach to viability assessments follows the recommended approach to assessment in the National Planning Practice Guidance.

**5.30** 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. This will be submitted with the planning application as part of the Affordable Housing Statement. 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. The developer will have one opportunity to provide this.
- III. The assessment report will be shared with the developer who will have one opportunity comment on the report. Challenges should be fully evidenced.
- 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 a relevant justification for failing to accord with relevant policies in the Plan.

#### **Question 11**

##### **Consultation Question 11: Viability**

Is the process for viability assessment acceptable?

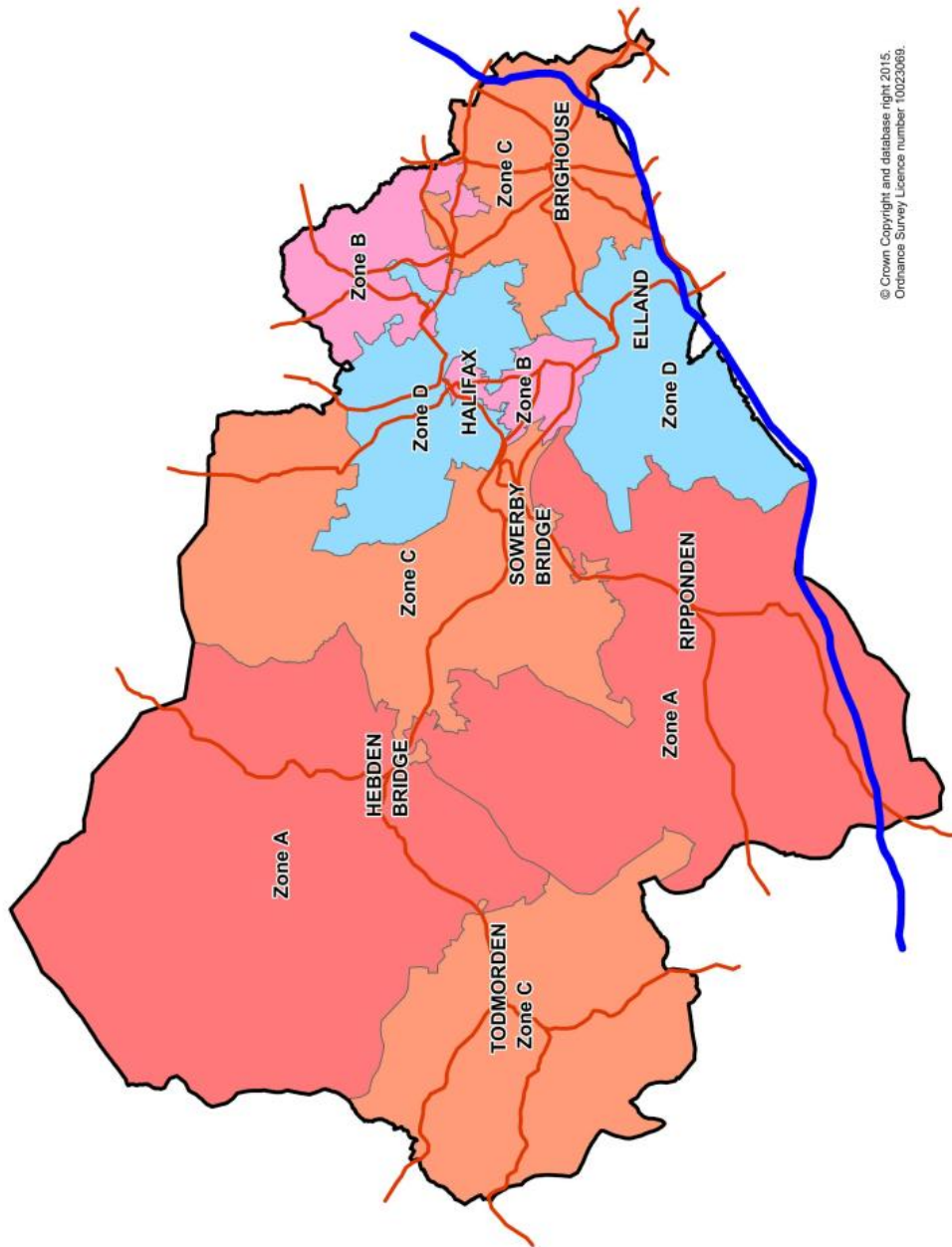
### Calderdale Council

- [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 Development Plans \(NDPs\) | Calderdale Council](#)
- Placemaking Supplementary Planning Guidance
- Garden Communities Supplementary Planning Document
- 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 \(www.gov.uk\)](#)
- Starter Homes: [House of Commons Hansard Ministerial Statements for 02 Mar 2015 \(pt 0001\) \(parliament.uk\)](#)

# Appendix 1: Affordable Housing Zones



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See the [interactive map](#) on the Council's website

## Appendix 2: Definitions of Affordable Homes

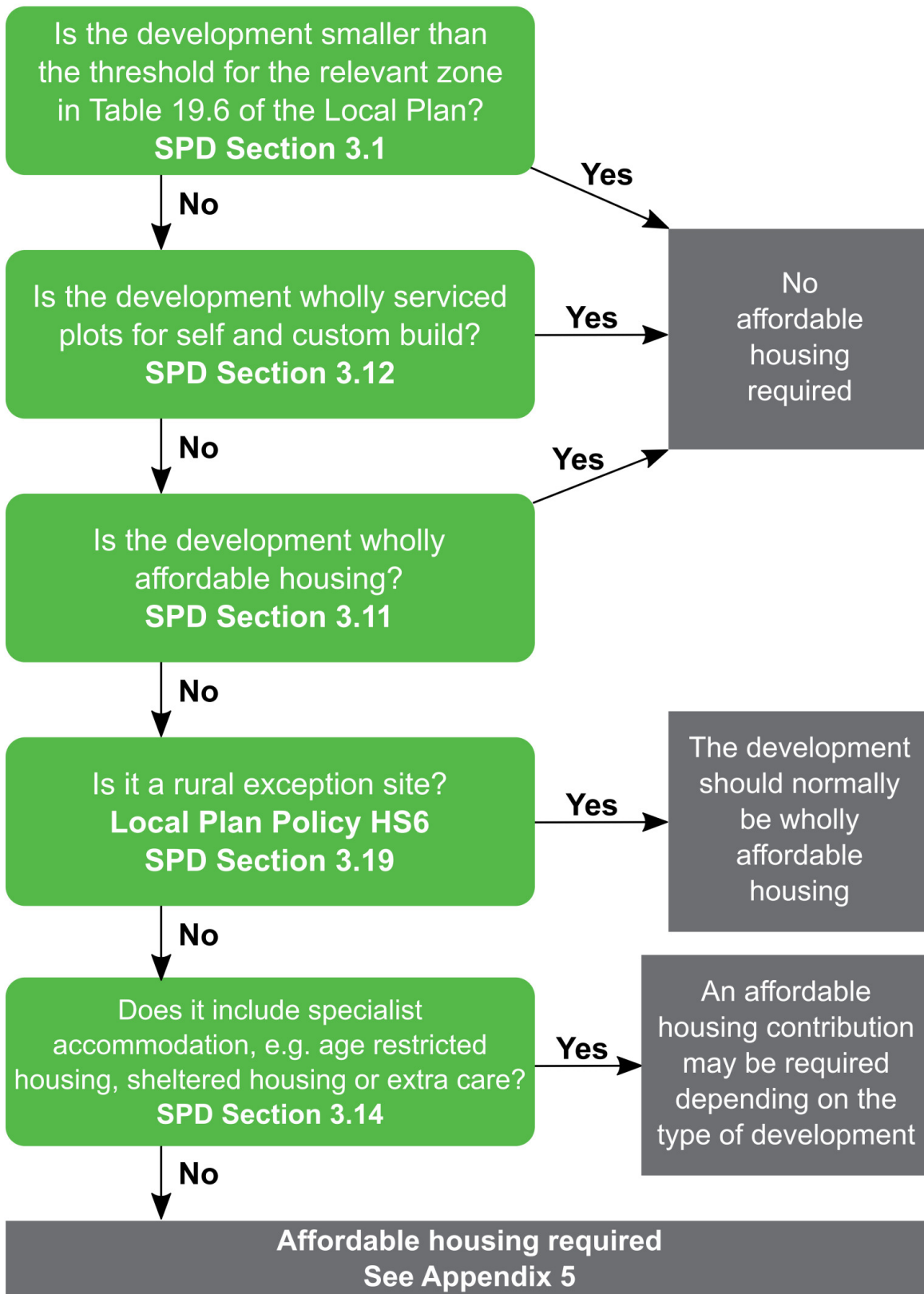
**A2.1** Affordable housing is defined in Annex 2 to the National Planning Policy Framework and summarised here for ease of reference.

**A2.2** 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](http://www.gov.uk))).
- c. Intermediate tenure. Homes that provide a route to ownership for those who could not achieve home 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:
  - i. Starter Homes: Homes offered for sale at a minimum of 20% below open market price, to young first-time buyers who want to own and occupy a home. Planning obligations should prevent the re-sale and letting of the properties at open market value for a five-year period. Development should be high-quality, well-designed homes on exception sites (commercial and industrial land that is either under used or unviable in its current or former use, and which has not currently been identified for housing). See Sections 2 and 3 of the Housing and Planning Act 2016.
  - ii. First Homes: Discounted market sale homes which:
    1. Must be discounted by a minimum of 30% against the market value.
    2. 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
    3. 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.
    4. After the discount has been applied, the first sale must be at a price no higher than £250,000.
    5. 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.

**A2.3** 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 3: Is Affordable Housing Required?



## Appendix 4: Types of Affordable Housing Provision

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

<p>Can affordable housing be provided on site? See sections <b>4</b> and <b>5</b> NO:</p>	<p>YES: 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 <b>5.23</b> NO:</p>	<p>YES: Provide satisfactory evidence: why provision cannot be made on site That off site provision is of to on-site provision equal quality an value</p>
<p>Can affordable housing be replaced by a commuted sum? See section <b>5.24</b> NO:</p>	<p>YES: Negotiate commuted sum based with Council based on <b>Principle 22</b></p>
<p>Does the developer consider that the affordable housing requirement makes the site unviable? See section <b>5.27</b></p>	<p>YES: Provide a viability assessment to prove that all or part of the affordable housing provision makes the development unviable for assessment by the Council <b>Principle 23</b></p>



## Appendix 5: Affordable Housing Process

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



## Appendix 6: Contents of Affordable Housing Statement

**A6.1** 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 Section 3.1-3.3 Principles 1-5
The number of serviced plots for self and custom build	Local Plan Policy HS5 SPD Section 3.7 Principle 8
The mix of tenure of affordable dwellings with a justification if necessary	SPD Section 4.2 Principles 13 & 14
Number, type and size of affordable dwellings proposed	Local Plan Policy HS6
Floor area of affordable homes	SPD Section 4.3, 4.4
A plan showing location of affordable dwellings within the development	SPD Section 4.5 Principle 15
A phasing plan showing the number and tenure of affordable homes proposed at each phase	SPD Section 4.6 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 Section 5.8 Principle 20
A statement setting out the proposed draft heads of terms for any necessary S106 agreement	SPD Section 5.5

**A6.2** If it is proposed to provide fewer affordable homes than the minimum required by Local Plan policy this must be justified using the evidence as follows:

**Table 6.1**

Reason	Evidence	SPD Reference
Vacant Building Credit	Proof that the building is vacant, has not been used for more than 6 months in the last 3 years  Evidence the building has been marketed for non-housing use	Section 3.3  Principle 4

## Appendix 6: Contents of Affordable Housing Statement

Reason	Evidence	SPD Reference
	Gross Internal Area Gross Internal Area of the Proposed Development	
Build to Rent Development	Number of Build to rent units proposed	Section 3.4 Principle 5
Starter Home Development	Number of Starter Homes	Section 3.5 Principle 6
Affordable Housing Development (excluding affordable homes provided to meet Local Plan policy)	Proposed tenure Arrangements to ensure the homes remain affordable in perpetuity	Section 3.6 Principle 7
Self and Custom Build Housing	Number of homes or serviced plots Heads of terms for S106 agreement restricting the development to self and custom build	Section 3.7 Principle 8
Specialist Accommodation	Details of the type of accommodation and services to be provided (including shared facilities) Details of Charitable Trusts providing the accommodation	Section 3.8 Principle 9
Rural Exception Sites	These would normally be only for affordable housing Evidence for the need for affordable housing on rural sites Details of location of site in relation to nearby settlements Local services Housing needs assessment justifying affordable housing Arrangements for management Heads of terms for legal agreement ensuring homes remain affordable and occupied by persons which meet criteria If the development is to include homes for sale this should be justified by a viability assessment	Section 3.10 Principles 10, 11

## Appendix 6: Contents of Affordable Housing Statement

Reason	Evidence	SPD Reference
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>Section 5.10</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>Section 5.11</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>Section 2.12</p> <p>Principle 23</p>