



Affordable Housing Supplementary Planning Document (SPD)



Adopted September 2023

Planning Policy

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1.0 Introduction

- 1.1 Policy and guidance regarding affordable housing is set out in the National Planning Policy Framework (NPPF)¹ and National Planning Practice Guidance²; the adopted Mansfield District Local Plan³ also sets out policy on affordable housing. Alongside these, the council has prepared this Supplementary Planning Document (SPD) to provide guidance on the implementation of policy in the Local Plan. This guidance will be a material consideration when determining planning applications within the district. It should be read alongside the district council's Planning Obligations SPD that can be viewed on the council's website⁴.
- 1.2 The SPD will be kept under review and updated as required. This is to ensure that the document remains fit for purpose and reflects any changes in legislation, national / local policy or guidance.

What is affordable housing?

- 1.3 The glossary to the NPPF defines affordable houses as homes for sale or rent for those whose needs are not being met by the market. It includes the following types of housing:
- **Affordable housing for rent** - homes rented out at below market values (typically social rents or affordable rents);
 - **Starter homes** – homes available for sale to eligible first time buyers at a discounted price;
 - **Discounted market sales housing** - homes for sale at least 20% below market values to eligible households;
 - **Other affordable routes to home ownership** - including shared ownership, equity loans, other low cost homes for sale and rent to buy.
- 1.4 The full definition can be viewed in appendix A on page 21 of this SPD. It should be noted that First Homes have effectively replaced Starter Homes and the Planning Practice Guidance on this form of affordable housing was withdrawn on the 7 February 2020.
- 1.5 Social rent is housing where guideline target rents are determined through the national rent regime under the Welfare Reform and Work Act (2016).

¹ <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

² <https://www.gov.uk/government/collections/planning-practice-guidance>

³ <https://www.mansfield.gov.uk/local-plan/adopted-local-plan-2013-2033>

⁴ <https://www.mansfield.gov.uk/spd>

Affordable rent is housing which is rented out at no more than 80% of the local market rent (including service charges).

National Policy

- 1.6 The National Planning Policy Framework (NPPF) sets out the Government's planning policies and how these should be applied at a local level. It provides the framework within which local planning authorities such as Mansfield District Council prepare their Local Plans. It identifies that, as part of strategic policies, sufficient provision for housing and affordable housing should be made (paragraph 20). It goes on to identify that the contributions expected from development should be set out in the Local Plan including the levels and type of affordable housing required; such policies should not undermine the deliverability of the plan (paragraph 34).
- 1.7 It is the Government's objective to significantly boost the supply of housing (paragraph 60); Local Plans should aim to meet 'local housing need' for their area including those who need affordable housing (paragraph 62). Where a need for affordable housing is identified, it should be provided on-site unless off-site provision or a financial contribution is robustly justified and the approach contributes to the creation of mixed and balanced communities (paragraph 63).
- 1.8 Paragraph 64 clearly states that provision of affordable housing should not be sought for residential developments that are not major development⁵ unless in a designated rural area.
- 1.9 When affordable housing is required it is expected that at least 10% of the homes on-site should be for affordable home ownership (paragraph 65); this would include First Homes, discounted market sales, shared ownership and other potential forms. Exceptions to this requirement include:
- Where the 10% requirement would exceed the level of affordable housing required in the area;
 - Where the requirements would significantly prejudice the ability to meet the identified affordable housing needs of specific groups;
 - Where the development provides solely build to rent homes, specialist accommodation for people with specific needs (e.g. purpose built accommodation for elderly people or students) or affordable housing (including exception sites); and
 - Sites for self-build (where people build or commission their own home).

⁵ <https://www.legislation.gov.uk/ukxi/2010/2184/made>

Local Policy

- 1.10 As required by the NPPF, the Local Plan has made sufficient provision for housing including affordable housing and ensured that the level and type of affordable housing required from development are clear.
- 1.11 Local Plan policy H4 (which can be viewed in full at appendix B on page 22 states that, depending on its location (see map in appendix C on page 23 and whether they are brownfield or greenfield, sites of market housing are expected to provide between 5% and 20% affordable housing (Policy H4 (1c/e)). This applies to sites of 10 or more dwellings or where the site area is 0.5 hectares or more (Policy H4 (2)) and the type of property and tenure will be considered in relation to identified needs (Policy H4 (3)).
- 1.12 Off-site commuted sums of an equivalent value may be acceptable if on-site provision is demonstrated not to be justified or would contribute to development of affordable housing or regeneration schemes within the district (Policy H4 (4)). A different level or mix may be accepted where it is shown to be necessary to make the site viable and contributes to creating mixed and balanced communities (Policy H4 (5)).

Supplementary Planning Documents

- 1.13 The NPPF (Annex 2) states that supplementary planning documents (SPDs) are documents that add further detail to the policies of the development plan. They are a material consideration when determining planning applications but do not form part of the statutory development plan.
- 1.14 The NPPG (Paragraph: 008 Reference ID: 61-008-20190315)⁶ identifies that SPDs should build upon and provide more detailed advice or guidance on policies in the Local Plan. They cannot, however, introduce new planning policies nor add unnecessarily to the cost of development. The NPPG also confirms that SPDs are excluded from the requirement for a Sustainability Appraisal (005 Reference ID:11-005-20190722)⁷.
- 1.15 Sections 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012⁸ set out the legal requirements for the preparation of SPDs. In summary, these require:

⁶ <https://www.gov.uk/guidance/plan-making>

⁷ <https://www.gov.uk/guidance/strategic-environmental-assessment-and-sustainability-appraisal>

⁸ <http://www.legislation.gov.uk/uksi/2012/767/part/5/made>

- A period of at least 4 weeks to allow any person to make representations about the SPD; and
- A consultation statement setting out who has been consulted, a summary of the key issues raised and how these comments have been addressed in finalising the SPD.

1.16 This SPD was subject to a period of consultation from 9 January – 20 February 2023⁹. Further details about this, including a copy of the aforementioned consultation statement can be viewed at <https://www.mansfield.gov.uk/spd>.

2 Affordable Housing Guidance

Content of the SPD

2.1 This SPD covers the following:

- The type and tenure of affordable housing required;
- The district council's position on how it will address the requirements in relation to First Homes;¹⁰
- When off-site commuted sums may be sought and the formula that will be used to calculate them;
- How to satisfactorily demonstrate that a different mix of types or level of affordable housing is required to make the scheme viable;
- Vacant Building Credit;
- Design and layout;
- Build to Rent schemes; and
- Specialist housing accommodation.

Type & Tenure

2.2 The mix of affordable housing tenures is informed by local evidence on need and the requirements of the NPPF. The NPPF (paragraph 65) requires that 10% of homes on major sites should be available as affordable home ownership. To do so in the Mansfield district would however, result in the specific needs of groups including families with children not being met; this is set out in the Housing Needs of Particular Groups Study (2018)¹¹.

⁹ Consultation on a previous draft SPD took place between 6 March – 18 May 2020.

¹⁰ <https://www.gov.uk/guidance/first-homes>

¹¹ <https://www.mansfield.gov.uk/local-plan/evidence-support-local-plan-1/4>

- 2.3 Mansfield District Council recognises Central Government's aspirations to deliver 10% of all new homes as Affordable Home Ownership (AHO) and at least 25% of the affordable homes total as First Homes. However, the Adopted Mansfield District Local Plan¹² (which predates the Affordable Homes Ownership and First Homes Government policies) only seeks a total of 10% affordable homes overall in parts of the district.
- 2.4 Evidence indicates that the affordable housing needs in the district are substantially not for AHO products but for social / affordable rented products. Given this, and the desire to optimise the affordable housing that is needed, the district council's starting point is that it will seek to negotiate an appropriate mix of affordable housing with developers. Where First Homes are to meet 25% of the overall affordable housing requirement, the district council will seek the remainder as rented or intermediate products based on identified need and subject to viability.
- 2.5 The affordable housing requirements have been viability tested through the preparation of the Local Plan; this included a general overview of the viability of different types of sites and the viability of the specific sites allocated in the plan. These documents (Mansfield District Council Whole Plan and Community Infrastructure Levy Viability Assessment (2018) and the Mansfield Local Plan Whole Plan Viability Appraisal Update (2018)) can be found on the evidence pages of the council's website¹³. In addition, the district council has also had further viability work undertaken to take account of the requirements to provide First Homes.
- 2.6 Table 1 on page 6 below sets out the requirements based on Policy H4 and the introduction of First Homes. This takes account of additional viability evidence work that was undertaken to inform the content of this SPD and that can be viewed at <https://mansfield-consult.objective.co.uk/kse/event/37241>
- 2.7 For Zone 1 Greenfield, Zone 2 Brownfield and Zone 2 Greenfield the First Homes provision is equivalent to 25% of the total number of affordable dwellings, which is the minimum required under current guidance. The only exception is Zone 1 Brownfield where 100% of the affordable housing would need to be provided as First Homes. The reasons for this is as follows:
- In most cases, even with 100% of the affordable units provided as First Homes, the appraisal results showed an unviable outcome for Zone 1 Brownfield. As First Homes generate the best return for a developer, adding in other affordable housing tenures would result in an even worse

¹² <https://www.mansfield.gov.uk/local-plan/adopted-local-plan-2013-2033>

¹³ <https://www.mansfield.gov.uk/local-plan/evidence-support-local-plan-1/7>

outcome (i.e. the level of deficit would increase). This would further reduce the chance of the scheme being developed, and

- The NPPF states that there is a requirement to deliver some level of affordable home ownership (such as First Homes), even if the viability outcome is weak. On this basis, and to ensure the best possible chance for the Zone 1 Brownfield schemes to come forward, 100% of the affordable units provided should be provided as First Homes.

2.8 Whilst this will generally be the mix sought by the district council, this is open for negotiation based on the individual case and housing need present at the time. Such an approach will also apply on schemes that are for 100% affordable housing. A map showing the zones is set out in appendix C on page 23

Table 1 - Percentage of Affordable Homes Required

		Brownfield	Greenfield
Zone 1	Total Affordable Housing	5%	10%
	First Homes (25%)	5%	2.5%
	Social Rent (75%)	N/A	7.5%
	Affordable Rent	N/A	N/A
	Intermediate	N/A	N/A
Zone 2	Total Affordable Housing	10%	20%
	First Homes (25%)	2.5%	5%
	Social Rent (75%)	7.5%	15%
	Affordable Rent	N/A	N/A
	Intermediate	N/A	N/A

2.9 Where the number of affordable homes does not equal a whole number, the requirement will be rounded to the nearest whole number, so a requirement for 0.4 of a dwelling or less will be rounded down while 0.5 or more will be rounded up.

2.10 As noted in paragraph 2.2, as part of producing the Local Plan a 'Housing Needs of Particular Groups Study (2018)' was prepared to provide guidance on the mix of housing needed in the district. Table 2 below is taken from table 5.4 of the adopted Local Plan and sets out the starting point for the size of affordable housing to be provided on-site.

Table 2 - Mix of Affordable Homes Required

1 Bed	2 Bed	3 Bed	4 Bed
40%	35%	20%	5%

2.11 These are district wide figures; final decisions will need to be made on a case-by-case basis. Whilst the following is not exhaustive, these decisions will have regard to a range of factors including:

- The nature of the development and type of homes to be provided;
- The existing supply of affordable housing in the area;
- Characteristics of the expected occupants;
- The physical characteristics of the site;
- Any updated information about the size of affordable housing need in the area;
- Emerging planning costs e.g. S106, Biodiversity Net Gain land take and maintenance;
- Building regulation changes in relation to Future Homes;
- The impact on a schemes viability should the above sizes be implemented. Any matters related to viability will need to be in accordance with the approach set out in paragraphs 2.35 – 2.45;
- Design standards; and
- Reduction of plot densities due to the Nottinghamshire Parking Standards.

First Homes

2.12 The First Homes scheme is a government initiative that came into effect in June 2021. Its purpose is to provide discounted homes for first time buyers aged 18 or over as a way of helping them get onto the property ladder. A First Home should be the buyers only home and a mortgage must be used for at least 50% of the purchase price. A full definition of a First Home is set out in appendix D on page 24 whilst the national criteria are set out below.

National Criteria

2.13 The national standards for a First Home are that:

- a) a First Home must be discounted by a minimum of 30% against the market value;
- b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,
- c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in the first 2 paragraphs under First Homes eligibility criteria.¹⁴

2.14 In addition, to qualify as a First Home, there should be a section 106 agreement securing the necessary restrictions on the use and sale of the property, and a legal restriction on the title of the property to ensure that these restrictions are applied to the property at each future sale. This is described in the “What is the legal mechanism to ensure that the discount is passed on to all future purchasers?” section¹⁵ of the PPG. The price cap of £250,000 (or £420,000 in Greater London), however, applies only to the first sale and not to any subsequent sales of any given First Home.

2.15 Homes meeting the above minimum criteria can be sold as First Homes and should be considered to meet the definition of ‘affordable housing’ for planning purposes. A developer should be able to show that the homes they intend to sell as First Homes will meet the above criteria.

Local Criteria

2.16 Where it can be justified, the guidance allows local authorities to have more local eligibility criteria. For example, they can:

- Set the discount at 40% or 50%;
- Set lower price caps. Again, these caps only apply on the initial sale;
- Set lower household income caps, and
- Apply local connection and / or key worker criteria.

¹⁴ <https://www.gov.uk/guidance/first-homes#first-homes-eligibility-criteria>

¹⁵ <https://www.gov.uk/guidance/first-homes#para003>

Mansfield District Council approach to First Homes

- 2.17 As set out in paragraph 1.14, supplementary planning documents (SPDs) can be used to build upon and provide more detailed advice or guidance on policies in the Local Plan. However, they cannot introduce new planning policies.
- 2.18 Taking account of the fact that First Homes were introduced after the Local Plan was adopted; it is considered inappropriate to provide the specific detail on how the district council will implement First Homes. This is because it would go against the purpose and role of SPDs as referred to in the previous paragraph.
- 2.19 Therefore, the SPD only sets out the council's position on First Homes in relation to the requirements of paragraph 65 of the NPPF (see paragraph 2.2 above). It also sets out proposals for how First Homes will form part of the mix of affordable housing to meet the requirements of Local Plan policy H4 (affordable housing) (Table 1 on page 6 above). Further detail about the district councils approach to implementing First Homes, including detailed matters such discount rates, price caps, household income caps and local connection / key work criteria will be addressed as part of the Local Plan review.

Commuted Sums

- 2.20 Where affordable housing is not provided on-site, developers can make financial payments so that affordable homes can be provided elsewhere in the district, these are known as commuted sums. The SPD provides guidance on:
- When a commuted sum will be accepted;
 - How to calculate the commuted sum; and
 - How the commuted sum will be used.
- 2.21 Commuted sums will be accepted in the following circumstances:
- When fewer than five affordable homes are required to be provided on-site;
 - When no Registered Provider is willing or able to take on the affordable homes required on-site (subject to sufficient evidence being provided by the developer). As set out in paragraph 2.23 below, a cascade clause will be inserted into the S106 agreement as required;
 - Where on-site provision is satisfactorily demonstrated not to be justified; or
 - Where such off-site contributions can be shown to contribute to the successful development of other affordable housing and or regeneration

schemes within the district.

- 2.22 It is considered that the provision of fewer than five social rent, affordable rent and some intermediate homes in an area is not appropriate from a management point of view. As such, where fewer than five social rent, affordable rent and intermediate homes would be provided on-site a financial contribution will be secured instead, unless there are other properties in the immediate area managed by the same Registered Provider.
- 2.23 Developers will be required to offer the affordable housing to appropriate Registered Providers. Where none is willing or able to take on the affordable houses, a commuted sum will be accepted instead subject to sufficient evidence being provided by the developer to show that all reasonable efforts were made to dispose of the properties to Registered Providers. A cascade clause will be included in the section 106 agreement to set this out.
- 2.24 Where a developer proposes to pay a commuted sum instead of make on site provision, robust evidence to support this will be required before this approach is accepted.
- 2.25 Table 3 below sets out the minimum size of sites where on-site provision will generally be sought. These thresholds are those that would be required to generate the minimum on-site provision as set out in paragraph 2.22 above. However, applicants are advised to contact the district council to confirm whether on-site provision or a commuted sum will be required.

Table 3 - Size of site for on-site provision

	Brownfield	Greenfield
Zone 1	90 dwellings	45 dwellings
Zone 2	45 dwellings	23 dwellings

- 2.26 The council will use a generic approach that is used by a number of local authorities to calculate the commuted sum. This involves the use of a relatively simple calculation, albeit underpinned by costs and revenues identified for each specific scheme and is set out below.

$$(MV - TV) \times (AH \text{ policy} \times GIA)$$

Whereby:

MV = Average Market Value expressed as a rate per m².

AV - This is defined as the average market value of the Market Dwellings, expressed as £ per square metre in accordance with following formula:

AV ÷ GIA where:

AV = the aggregate of:

- (i) the actual sale price of all of the Market Dwellings sold in the relevant Phase of the Development at the time payment of the Affordable Housing Contribution is due (“the Relevant Time”); and
- (ii) the cumulative total value of the listing / marketing price of all of the Market Dwellings approved pursuant to the implemented Reserved Matters Approval for the relevant Phase and which are being (1) actively marketed and (2) for which the actual sale price pursuant to (i) above has not been settled by the Relevant Time; and
- (iii) the cumulative total value of the estimated listing / marketing price of all of the Market Dwellings approved pursuant to the implemented Reserved Matters Approval for the relevant Phase which are (1) not yet being actively marketed and (2) for which the actual sale price pursuant to (i) above has not been settled by the Relevant Time

GIA = The gross aggregate internal area (m²) of all of the Market Dwellings comprised in the relevant Phase of the Development

TV = Average Transfer Value of the affordable dwellings for that particular scheme, taking into account an appropriate affordable housing mix and expressed as a rate per m².

This is defined as the aggregate transfer values / discounted market values of all the affordable dwellings in a particular scheme divided by the number of affordable dwellings within that scheme. This is then divided by the gross aggregate internal areas of the affordable dwellings to give an average rate per sq. m.

The transfer values that will be used are:

- Shared Ownership – 68%
- Affordable Rent – 58%
- Social Rent – 48%

These are based on information from 3 registered providers in the area and will be subject to review on an annual basis.

AH Policy = The percentage requirement for affordable housing for that particular scheme (in accordance with policy requirements).

GIA = gross internal area of the relevant Phase of the Development expressed in m²

An example of how the commuted sum will be calculated is set out in appendix E.

2.27 When submitting calculations for commuted sums, applicants will be required to justify the various rates that are used. The district council will appoint a valuation expert, at the cost of the applicant, to test the market values proposed.

2.28 The above approach has the following advantages:

- It is more up to date and accurate than the method which is set out in the current Affordable Housing Interim Planning Guidance (IPG) document;
- It attempts to reflect the cost that a developer would have incurred if they were required to provide an on-site affordable housing provision;
- The market values and transfer values need to be justified through evidence, therefore it is an evidence based approach;
- The market values and transfer values are site specific; therefore there is flexibility within the methodology, ensuring this approach can be used even if local / national policies change in the future; and
- It is a relatively simple approach that is easy to understand for all parties, assisting with transparency.

2.29 Once the commuted sum has been established, it will be incorporated into the section 106 agreement. Where a reduced affordable housing contribution has been accepted based on viability (see paragraphs 2.35 – 2.45 below), the final agreed figure will be used as the basis for calculating a commuted sum if required.

Payment of commuted sums

2.30 The triggers for payment of financial contributions will be considered on a case-by-case basis. Where appropriate, trigger points will be included in the section 106 agreement, as will any time by which the contribution is to be spent.

- 2.31 Funds secured through section 106 agreements will be index-linked. This is to reflect the inflation of costs associated with providing infrastructure in the time between an agreement being signed and the contribution becoming due for payment.
- 2.32 Further detail about the council's approach to the payment of contributions can be found in its adopted Planning Obligations SPD that can be viewed on the council's website at <https://www.mansfield.gov.uk/spd>.
- 2.33 Once the commuted sum has been paid, the council will look to provide affordable housing off-site; this may include:
- The provision of affordable homes on council land;
 - Working with landowners and Registered Providers to deliver sites of affordable homes; and
 - Purchasing dwellings and bringing them up to an appropriate standard for social rent, affordable rent or intermediate homes.
- 2.34 To ensure that the need for affordable homes is met in the area and to comply with the 3 statutory tests for seeking planning obligations¹⁶, financial contributions will be spent within the area that relates directly to the development. For these purposes, this is defined as being within the administrative boundary of the Mansfield District.

Viability

- 2.35 Policy H4 of the Mansfield Local Plan 2013 to 2033 sets out the policy requirement for affordable housing. This is the level of affordable housing that is expected to be delivered. It is based on an assessment of viability of the Local Plan including all its policy requirements. Evidence to support this can be found online.¹⁷ In some cases however, the level identified in the policy means that the scheme is not viable and cannot be delivered. In these cases, it may be appropriate to consider changing the mix and / or level of affordable housing so the site can be developed.
- 2.36 The district council's approach to viability is set out in its Planning Obligations SPD that can be viewed on its website. However, for ease of reference it is also set out in the paragraphs that follow.

¹⁶ NPPF Paragraph 57 <https://www.gov.uk/guidance/national-planning-policy-framework/4-decision-making>

¹⁷ <https://www.mansfield.gov.uk/local-plan/evidence-support-local-plan-1/7>

- 2.37 The principles covering the approach to viability and decision-making are set out in the Planning Practice Guidance: viability (PPG)¹⁸ and paragraph 58 of the NPPF.
- 2.38 The starting point for all applications will be that full, policy compliant contributions will be provided in accordance with the adopted Local Plan unless there is **suitable, sufficient** and **justifiable** evidence to depart from this.
- 2.39 It will be for the applicant or their agent to demonstrate whether there are particular circumstances that justify the need for a viability assessment.

Examples of these include¹⁹:

- Where development is proposed on unallocated sites of a wholly different type to those used in the viability assessment that informed the plan;
 - Where further information on infrastructure or site costs is required;
 - Where particular types of development are proposed which may significantly vary from standard models of development for sale (for example build to rent or housing for older people); or
 - Where a recession or similar significant economic changes have occurred since the plan was brought into force.
- 2.40 Where the applicant is able to demonstrate the need for a viability assessment, the district council expects this to be prepared in line with the requirements of the NPPF and the Planning Practice Guidance²⁰. It should take the form of a written report that includes **appropriate** and **relevant** evidence in relation to build costs including land acquisition and future sales values. This should link back to the typology assumptions contained within the Mansfield Local Plan ‘Whole Plan Viability Appraisal Update’²¹. The evidence submitted should be sufficient to provide a conclusive opinion on whether the obligations being sought would make the development unviable or not. Other than in exceptional circumstances, any viability assessment that is submitted will be made available in the public domain.
- 2.41 Where a viability assessment is produced by the applicant, this will be subject to independent review. The review will consider a number of scenarios to establish if there is a mix and level of affordable housing that would deliver a viable scheme. In such cases, the applicant will be required to bear the council’s cost for undertaking this work.

¹⁸ <https://www.gov.uk/guidance/viability#standardised-inputs-to-viability-assessment>

¹⁹ This list is not exhaustive and others may apply.

²⁰ <https://www.gov.uk/guidance/viability#viability-and-decision-taking>

²¹ <https://www.mansfield.gov.uk/local-plan/evidence-support-local-plan-1/7>

- 2.42 The council's decision as to whether the conclusions of the viability assessment are accepted will be based upon the outcome of the independent appraisal of the viability assessment. As set out in the planning practice guidance,²² *"the weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment."* The council will also have regard to if it would be in the interest of the local community to refuse the application until adequate mitigation can be secured for the site in the future.
- 2.43 If the viability assessment is accepted as being an accurate assessment of the cost and liabilities and shows that the development cannot proceed without reduced or revised financial obligations, the district council may agree to the provision of lower rates of contribution for a particular site. This will be on the proviso that the loss of planning obligations is not so significant that the development is no longer acceptable in planning terms.
- 2.44 If it is concluded that it is appropriate to vary the affordable housing requirement, the following sequential approach will be used:
1. varying the mix of affordable homes to increase the number of intermediate and/or First Homes to a level that makes the scheme viable; then, if this does not produce a viable scheme
 2. decreasing the percentage of affordable homes to a level that is viable alongside the other policy requirements.
- 2.45 If under 2 above the level of affordable homes decreases to fewer than five homes, a financial contribution will be accepted in line with the approach detailed above.

Overage Clauses

- 2.46 Where a level of affordable housing secured by a planning permission (either on site provision of units or financial contribution for off-site provision) is below the requirement set out in policy H4 due to a viability case based on site specific circumstances, the Council will require an overage clause to be inserted in Section 106 Agreements. This will require 50% of the sales values achieved over the values assumed in the applicant's viability appraisal to be paid to the Council towards the provision of additional off site affordable housing within the District.

²² <https://www.gov.uk/guidance/viability>

Vacant Building Credit

- 2.47 To incentivise the reuse of brownfield land, the NPPF (paragraph 64) provides a 'credit' for vacant buildings. This credit reduces the affordable housing contribution by an amount equivalent to the size of the building that is brought back into use or demolished.
- 2.48 Planning guidance sets out that, where a building that has not been abandoned is brought back into use or demolished, the affordable housing contribution should be reduced by an amount proportionate to the gross floor space of the relevant buildings.
- 2.49 To establish the credit, the gross floor space of the relevant buildings should be identified. To calculate this, multiply the length by the width of the inside of the buildings walls. This is then multiplied by the number of floors. The area of any elevator shafts, lobbies (other than on the first floor), or rooms that house only equipment used for the building's operation is then deleted to give the gross floorspace. An example of how the vacant building credit will then be calculated, and how this subsequently impacts on the amount of affordable housing to be provided is set out in table 4 below.

Table 4 – Example of Vacant Building Credit Calculation

Proposal	Housing development of 50 dwellings Affordable Housing requirement 20% The Proposed Gross Internal Floor Area (GIA): 5,000sqm The existing Gross Internal Floor Area (GIFA): 1,000sqm	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (20%) required by the council's planning policy	Affordable housing contribution 50 units x 20% = 10 units
Step 2	Calculate the amount of existing floorspace, if any, as a proportion of the floorspace provided by the development: $E/P \times 100$ (where E = existing floorspace and P = proposed floorspace)	$1,000 \text{ sq. m} / 5,000 \text{ sq. m} \times 100 = 20\%$

Step 3	Calculate the amount of AH credit: Step 1 AH units x Step 2 percentage	10 units x 20% = 2 units
Step 4	Deduct the AH credit from the policy compliant affordable housing contribution: Step 1 AH number – Step 3 AH credit	10 units – 2 units = 8 units (8 affordable dwellings to be delivered on-site)

2.50 In considering whether a building has been abandoned, the planning guidance identifies that this is a matter for the local planning authority to decide taking into account the following factors²³:

- the condition of the property;
- the period of non-use;
- whether there is an intervening use;
- any evidence regarding the owners intention;
- whether the building has been made vacant for the sole purpose of redevelopment; and
- whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development.

Build to Rent

2.51 Build to Rent is defined in the NPPF as housing that is purpose built to rent out. It can form part of a larger mixed tenure site but will typically be owned and managed by a single landlord. Affordable housing on Build to Rent schemes should be provided as ‘affordable private rent’ although alternatives such as commuted sums may also be acceptable. These are homes rented out by the landlord at a discount of at least 20% on open market rents. A claw back arrangement should be put in place to recover the value of the affordable dwelling if these properties are subsequently sold.

2.52 The NPPG sets out that 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) as part of any Build to Rent scheme. There should be a minimum rent discount of at least 20% for affordable rental homes relative to open market rents. Build to Rent developers will be required to provide evidence to demonstrate that the affordable private rents will be at least 20% below the average open market rent for comparable properties within the Mansfield district. Evidence from a wider area will only be accepted if there are

²³ Paragraph: 028 Reference ID: 23b-028-20190315 <https://www.gov.uk/guidance/planning-obligations>

insufficient comparable properties within the district. The scale of the discount will be fixed through the section 106 agreement.

2.53 The Planning Practice Guidance²⁴ states that decisions about the eligibility for occupying private affordable rent properties should be agreed locally between the scheme operator and the district council but final decisions lie with the scheme operator. The final criteria will be included in the section 106 agreement. Eligibility should be established using the median private rental cost for Mansfield provided by the Office for National Statistics (ONS)²⁵.

2.54 Table 4 below sets out the median private monthly rents and the eligible level of rent (i.e. 80% of median rent) for build to rent within the Mansfield district at the time of writing; the eligible rent level should be reviewed as and when the property is rented out or tenancy is reviewed.

Table 4 – Median Monthly Rent and Eligible Rent levels

	Median Monthly Rent	Eligible Rent Level
1 bed properties	£490	£392
2 bed properties	£550	£440
3 bed properties	£650	£520
4 or more bed properties	£843	£674

Source: Office for National Statistics (December 2022)

2.55 It is considered that households should not spend more than 30% of their income on housing. This means that, at the time of writing, to be eligible for the affordable rent provided on build to rent scheme household income should not exceed the following:

- 1 bed - £1,307 per month or £15,684 per annum;
- 2 bed - £1,467 per month or £17,604 per annum;
- 3 bed - £1,733 per month or £20,796 per annum; or
- 4 bed - £2,247 per month or £26,964 per annum.

²⁴ <https://www.gov.uk/guidance/build-to-rent>

²⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/october2021toseptember2022>

- 2.56 The above eligible income levels will be reviewed as and when applications for Build to Rent schemes are submitted reflecting up to date information on median rents in the district which can be accessed via the link at footnote 25 above.
- 2.57 Where affordable private rent properties are to be sold in future, the NPPG sets out that a clawback arrangement should be entered into to recoup the lost public benefit of the affordable dwelling. The NPPG goes on to set out that, the clawback should be calculated based on the price at which the property is to be sold and the rental discount established in the section 106 agreement. Therefore, for a property that is sold for £250,000 with a discount of 20% the clawback would be £50,000. The clawback period will be in perpetuity.

Design and Layout

- 2.58 The Local Plan seeks to ensure that all new development achieves high standards of design and amenity, which reflects local context, circumstances and opportunities to create safe and attractive neighbourhoods. A number of policies, notably P1 to P7, set out expectations for new development and how they will contribute to place making.
- 2.59 In relation to affordable homes, it is important that these are integrated into the rest of the housing provided on-site and should be indistinguishable from it. This includes ensuring that general room and garden sizes are not smaller purely because the dwellings are affordable. Any shared facilities provided must be accessible to all residents of the scheme and separate accesses must not be provided.
- 2.60 To ensure 'mixed and balanced communities,' affordable housing should generally be provided throughout the development and not put into one area as a large cluster. This is likely to be easier to achieve on large schemes and a flexible approach will be taken rather than trying to define too precisely what a cluster means. Small groups of affordable homes will be accepted.
- 2.61 Standards for the size of properties can be put in place through the planning system using the Nationally Described Space Standards²⁶. These deal with internal space within new dwellings and provide technical details for bedroom, storage and floor to ceiling heights.

²⁶ <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

- 2.62 In order for these standards to be sought as part of a development, policies should be included in the Local Plan. As a policy was not included in the Local Plan, it is not possible to require this through the SPD. However, the district council encourages developers to meet the space standards when submitting planning applications as a way of ensuring that new homes provide sufficient space for residents.

Specialist Housing Accommodation

- 2.63 It is widely acknowledged that one of the key challenges facing society is the ageing population. The NPPF and NPPG are clear about the role of the planning system in planning to meet the needs of elderly people and those with disabilities and care needs in terms of providing well-designed and inclusive environments and especially meeting housing needs.
- 2.64 Policy H6 of the adopted Local Plan sets out support for development of specialist accommodation that falls within C2 of the Use Classes Order; this includes sheltered and extra care accommodation to meet the needs of people with disabilities and care needs. As with space standards, requirements for properties to be built to a certain accessibility standard can also be set through the Local Plan, these standards help create safe, accessible environments and promote inclusion and community cohesion.
- 2.65 Policy can be put in place for a certain percentage of homes to meet requirements in Part M4 (2) (accessible and adaptable dwellings) and M4 (3) (wheelchair user dwellings) of the Building Regulations. These set out that dwellings should provide:
- step-free access to the dwellings, car parking and any communal areas;
 - step-free access on the ground floor to a toilet and any associated private outdoor space;
 - the ability to be used by a wide range of people potentially including provision of sufficient internal space for wheelchair users;
 - features to enable common adaptations to be carried out in future; and wall mounted switches, electrical sockets and other controls that are reasonably accessible to people with reduced height.
- 2.66 As with the space standards, it is not possible to require the provision of dwellings which meet either Part M4(2) or M4(3) as the requirement was not included in the Local Plan. However, it is proposed to support the provision of properties that meet these standards.

Appendix A – Definition of Affordable Housing

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes²⁷:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

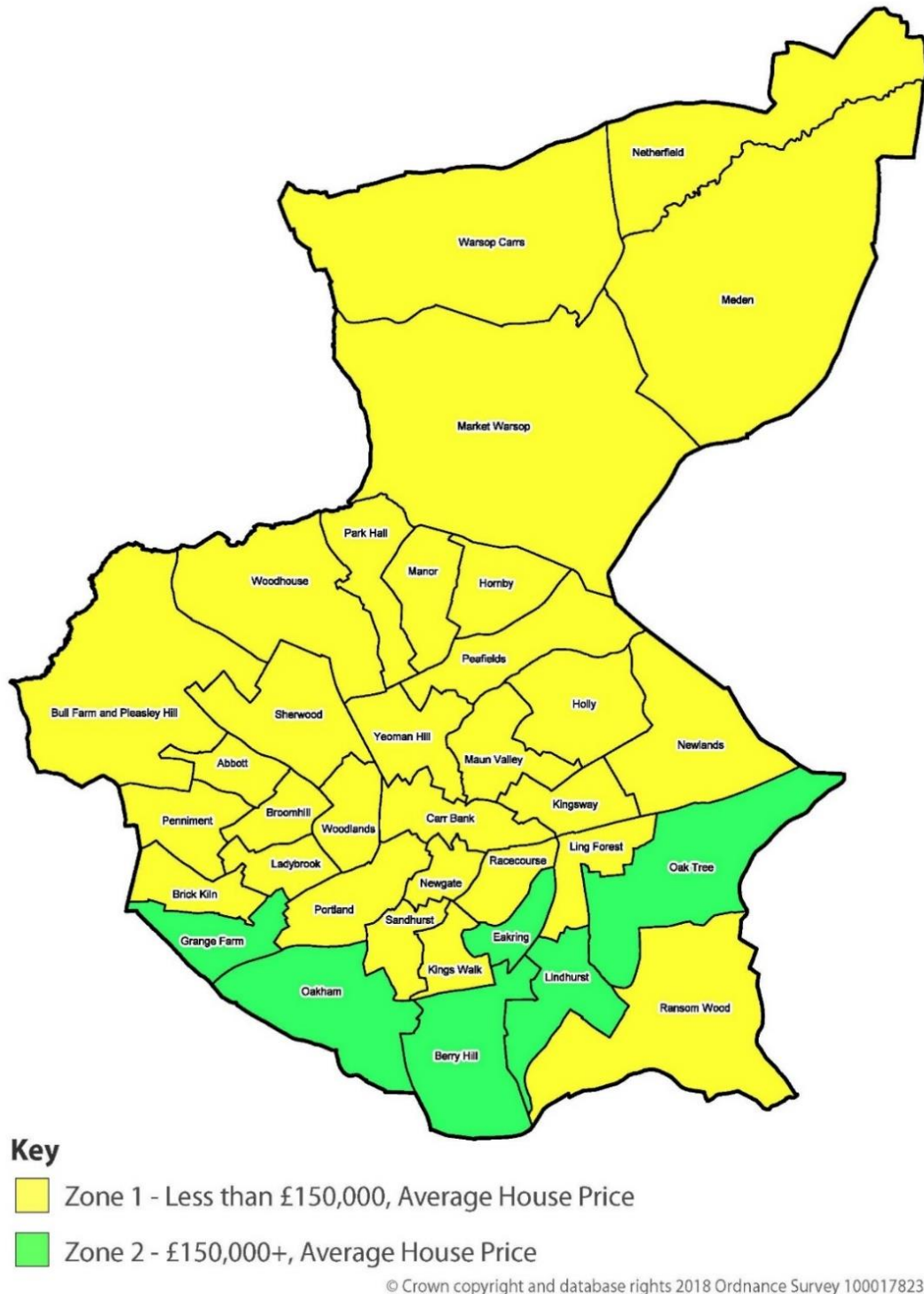
²⁷ It should be noted that First Homes have effectively replaced Starter Homes and the Planning Practice Guidance on this form of affordable housing was withdrawn on the 7 February 2020.

Appendix B – Mansfield District Local Plan Policy H4

The following sets out Mansfield District Local Plan Policy H4 Affordable Housing in full. This, along with the supporting text can be viewed in the Local Plan that is available at <https://www.mansfield.gov.uk/local-plan/adopted-local-plan-2013-2033>

1. The proportions of affordable housing required on market housing sites are:
 - a. within Zone 1 (as shown in Appendix 6 of the Local Plan):
 - i. 10% on greenfield land; or
 - ii. 5% on brownfield land.
 - b. within Zone 2 (as shown in Appendix 6 of the Local Plan):
 - i. 20% on greenfield land; or
 - ii. 10% on brownfield land.
2. These proportions apply to sites of:
 - a. 10 or more dwellings; or,
 - b. where the site area is 0.5 hectares or more.
3. The council will consider the type of property and tenure in relation to identified needs.
4. Off-site commuted sums of an equivalent value may be made in lieu of on-site provision (in total or in part) where on-site provision is satisfactorily demonstrated not to be justified or where such off-site contributions can be shown to contribute to the successful development of other affordable housing and or regeneration schemes within the district.
5. Proposals which do not meet the above policy requirements will only be acceptable, where it is satisfactorily demonstrated, that a different level or mix of affordable housing is required to make the development viable and the approach contributes towards creating mixed and balanced communities

Appendix C - Affordable Housing Zones



Source: Adopted Mansfield District Local Plan 2013 – 2033

Note: Since the Local Plan was adopted, the ward boundaries have been amended. Therefore, the current ward boundaries do not reflect those on the map above. A map showing the new ward boundaries can be viewed at <https://www.mansfield.gov.uk/downloads/download/207/mansfield-ward-map>

Appendix D – Definition of First Homes

The Planning Practice Guidance²⁸ defines First Homes as follows:

“First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:

- a) must be discounted by a minimum of 30% against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

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.”

²⁸ <https://www.gov.uk/guidance/first-homes>

Appendix E – Example Commuted Sum Calculation

Scenario

The District Council has accepted an Affordable Housing Contribution in relation to a Phase of the Development consisting of 300 Dwellings, in lieu of on-Site provision of 30 Affordable Housing Units in the following Tenure Mix:

- (a) 13 Affordable Rent Units
- (b) 8 First Homes
- (c) 6 Social Rent Units
- (d) 3 Shared Ownership Unit

Application of Affordable Housing Contribution Calculation

1. Determine Average Market Value (MV):

(i) calculate the aggregate value of all Market Dwellings in the Phase, by combining limbs (i), (ii) and (iii) in the definition of “AV” within the definition of “Average Market Value”. For the purposes of this example, the assumed AV is 270 Market Dwelling x £300,000 = £81,000,000

(ii) calculate the gross aggregate internal area (in square metres) of the Market Dwellings in the Phase (“GIA”). For the purposes of this example, the assumed GIA is 270 Market Dwellings x 100 square metres = 27,000 square metres

(iii) divide AV by GIA = £81,000,000 / 27,000 square metres = an Average Market Value (MV) of £3,000 per square metre

2. Determine the Average Transfer Value (TV):

This needs to be determined for each tenure type:

- (i) TV for Affordable Rent Units = 58% of MV = £1,740 per square metre
- (ii) TV for First Homes – N/A (see below)
- (iii) TV for Social Rent Units = 48% of MV = £1,440 per square metre
- (iv) TV for Shared Ownership Units = 68% of MV = £2,040 per square metre

3. Determine the 'first multiplier' for each tenure type in accordance with the formula MV – TV:

- (i) Affordable Rent Units = £3,000 - £1,740 = £1,260
- (ii) Social Rent Units = £3,000 - £1,440 = £1,560
- (iii) Shared Ownership Units = £3,000 - £2,040 = £960

4. Determine the 'second multiplier' for each tenure type in accordance with the formula AH policy x GIA. For the purposes of this example the GIA of the relevant Phase is assumed to be 100 square metres x 300 Dwellings = 30,000 square metres:

- (i) Affordable Rent Units = 4.5% x 30,000 square metres = 1,350 square metres
- (ii) Social Rent Units = 2% x 30,000 square metres = 600 square metres
- (iii) Shared Ownership Units = 1% x 30,000 square metres = 300 square metres

5. Determine (MV – TV) x (AH Policy x GIA) for each tenure type:

- (i) Affordable Rent Units = £1,260 x 1,350 square metres = £1,701,000
- (ii) Social Rent Units = £1,560 x 600 square metres = £936,000
- (iii) Shared Ownership Units = £960 x 300 square metres = £288,000

6. Combine the total for each tenure type:

$$£1,701,000 + £936,000 + £288,000 = £2,925,000$$

7. Affordable Housing Contribution payable:

£2,925,000 (Index Linked)