



**Stockton on Tees Borough Council**

**Consultation Draft**

**Supplementary Planning Document No.1: Housing**

**Meeting Housing Needs**

**January 2020**

## Executive Summary

The purpose of this Supplementary Planning Document (SPD) is to help interpretation and application of policies in the adopted Stockton on Tees Local Plan (2019) which relate to meeting the Borough's housing needs. It is particularly relevant to applicants, developers and agents who are advised to read this SPD prior to pre-application discussions, applying for planning permission or agreeing to make any transactions for land sales and purchases.

The following provides an overview of the content of each Section

- Sections 1 to 4: Explain the purpose of a Supplementary Planning Document and its relationship to the Stockton on Tees Local Plan and evidence base.
- Section 5: Provides a quick summary of the Council's broad principles in respect of affordable housing discussions, negotiation and delivery. and quick links to calculations for affordable homes, commuted sums, vacant building credit, accessible and adaptable homes, deferred payments and viability review, deferred payments and clawback calculations.
- Section 6: Sets out the relationship between the Council's new and current guidance documents.
- Sections 7, 8, and 9: Give an explanation of the Council's approach to the provision of affordable homes including preferred tenures, housing mix and type, flexibilities, alternatives to on-site provision including commuted sums, off site provision, and land and buildings in lieu of affordable homes. It provides a calculation for commuted sum, the triggers and when it should be paid. It introduces viability reviews, clawback and deferred payments which provide mechanisms to pursue policy compliance.
- Section 10: Sets out the Council's expectations in respect of the management of affordable housing and Local Lettings Policy.
- Section 11: Gives information in respect of the content and use of financial viability assessment in negotiations regarding the proportion of affordable homes in residential developments.
- Section 12: Gives advice and information on Vacant Building Credit, calculations and Vacant Building Credit Statements
- Section 13: Sets out the Council's approach to the application of Optional Standards, and calculations for the number of accessible and adaptable homes that should be provided.
- Section 14: Sets out the Council's approach to Specialist Housing and Build to Rent homes.
- Section 15: Explains what self-build and custom build housing is, and the role of the Council's Self-Build and Custom Housebuilding Register.
- Section 16: Sets out the Council's monitoring and administration processes around housing delivery and Section 106 agreements.

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## 1.0 Introduction

- 1.1 The adopted Stockton-on-Tees Local Plan (2019) (STLP) sets out the land use and development policies and allocations which aim to guide planning decisions and establish the framework for the sustainable growth and development of the Borough up to 2032. It is part of the Development Plan for the Borough and is the policy framework against which planning applications are considered.
- 1.2 The Local Plan includes a vision for the Borough for 2032 which includes the creation of sustainable communities through new housing development in sustainable locations. The vision, objectives and policies within the Local Plan link to themes set out in the Council's Plan and other Council strategies.
- 1.3 Adopted Local Plan Policy H4 – 'Meeting Housing Needs' sets out Stockton's land use planning contribution to the creation of sustainable residential communities in the Borough by requiring developers to provide a mix and balance of good quality housing of appropriate sizes, types and tenures which reflects local needs and demand. Preparation of the Local Plan itself used an evidence-based approach, looking at local documents and strategies, including the Strategic Housing Market Assessment (2016) to establish the Borough's 'Objectively Assessed Need' and to help determine the housing requirement and strategy for the provision of all forms of housing over the Plan period.

## 2.0 What is a Supplementary Planning Document?

- 2.1 A Supplementary Planning Document (SPD) provides further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as open space, highways and parking or design. Supplementary Planning Documents are capable of being a material consideration in planning decisions but are not part of the development plan.
- 2.2 This SPD seeks to provide a basis for discussions, common understanding, negotiations and provide certainty for all those involved in providing affordable and accessible and adaptable homes. It includes guidance on a range of approaches, standards and mechanisms required to deliver a range of housing to meet identified needs and seeks to help applicants to submit a successful planning application.
- 2.3 It seeks to ensure that the Council meets Local Plan objectives in those respects and clarifies the roles that the Council, landowners, developers and Registered Providers are expected to fulfil in the provision of homes of a suitable type, tenure and size in the planning process.
- 2.4 It provides a guide to the calculation of the number of affordable, accessible and adaptable homes that should be provided in residential developments. More broadly, it gives an indication of the Council's expectations around housing mix, layout, type and density, but to find further help in those aspects you should refer to other SPDs produced by the Council.
- 2.5 **Successful outcomes for this SPD will be:**
  - Improved efficiency in Section 106 negotiations and a reduction in the time taken to determine planning applications as well as the submission of successful planning applications.
  - The delivery of homes that are of appropriate tenure, size and type to help meet the housing needs of the residents of Stockton on Tees.
  - Well informed and evidenced planning applications, including well framed evidentiary statements and assessments, which amongst others assist the Council when considering developments with reduced proportions of affordable, accessible and adaptable homes.
  - Development layouts which integrate affordable, adaptable and accessible homes and create mixed and balanced communities.

- Planning applications which provide evidence to help the Council consider proposals to locate affordable homes on alternative sites or provide contributions in lieu.

### 3.0 Preparation of the adopted Stockton on Tees Local Plan (2019)

- 3.1 Stockton’s Local Plan has been prepared in accordance with the Government’s Local Plan Regulations, the National Planning Policy Framework (NPPF) and Guidance (NPPG) current at the time. Those documents which set out the Government’s planning policies for England and how they should be applied can be found at [www.gov.uk](http://www.gov.uk).
- 3.2 The development of the STLP involved the gathering, assessment, and consideration of local and national based evidence, and this has informed our adopted planning strategies and policies. This process established a **significant need for affordable housing in the Borough, and clear justification for the Council to seek affordable and adaptable and accessible homes through new development schemes**. This being the case, the guidance and advice in this document, clearly linked to the Local Plan and the evidence base will be a material consideration in the determination of planning applications.
- 3.3 **Figure 1** below shows the relationship between those documents, which can be found at [www.stockton.gov.uk](http://www.stockton.gov.uk).

**Figure 1: Relationship of SPDs with the Development Plan**



### 4.0 Relevant Local Plan Policies and Evidence Base Documents

#### Local Plan Policies

- 4.1 The main Local Plan policy to which this SPD relates is **Policy H4 - Meeting Housing Needs**. This policy flows from and has links with other policies within the Local Plan including:
- Policy SD2- Strategic Housing Needs
  - Policy SD3- Housing Strategy
  - Policy SD7- Infrastructure Delivery and Viability
  - Policy SD8 – Sustainable Design Principles

These policies are available to view in **Appendix A** to this document or on line at the Council’s website – [www.stockton.gov.uk](http://www.stockton.gov.uk)

## Evidence Base Documents

- 4.2 The Local Plan and its policies have been prepared using an extensive evidence base. One of those documents is the **Strategic Housing Market Assessment (SHMA)** (2016). That document assesses the housing markets and housing need in the Borough. It is a crucial part of the Local Plan evidence base and ensures that policies are developed with a full understanding of how housing markets operate. The latest SHMA (2016) is available on the Council’s website.
- 4.3 The **Housing Strategy (2018-2023)** provides a framework for how we will address the challenges that face the Council and is designed to be used to inform officers and members about the strategy for Housing Services, and to give our partners a clear sense of our approach, our priorities and our ways of working.
- 4.4 The **Adult Social Care Strategy 2017-2020** acts as a single focus for improvement and change within Adult Social Care, to be delivered individually and in partnership.

## 5.0 Broad Principles and Quick Links

- 5.1 The starting position for the Council is that residential development will be viable and expect therefore that development proposals will be policy compliant. However, the Council recognises that there may be instances where, for example, that site conditions or economic viability may mean that a departure from policy may be justified.
- 5.2 As a principle, the Council will only consider a departure from adopted planning policy that requires affordable, adaptable and accessible homes where there are robust reasons and justification to do so. This document, supplemented in some instances by information in the Appendices, sets out where those flexibilities lie, and the evidence that can be used to justify them. It should be noted that it is the Council’s discretion to determine the acceptability of any justification submitted in support of any planning application.
- 5.3 The Council expects that Affordable Housing will be provided on site, indistinguishable and tenure blind, and that there will be enough space in and around those dwellings.
- 5.4 It should be noted that at the time of writing, the Council has not adopted a Community Infrastructure Levy Charging Schedule, and that such adoption will trigger a review of this document. In any interim period, the Council will take account of the impact of any CIL charge on the provisions of this document.
- 5.5 The Council expects affordable housing to be provided on-site. It is anticipated that where a site is suitable for housing, it will also be suitable for affordable housing, and where policy triggers are met, provision should be made on-site.
- 5.6 Where on-site provision is agreed, a suitable phasing scheme will be secured, outlining milestones and trigger points for the delivery of those homes. It is essential that this is agreed with the Council in pre-application engagement.
- 5.7 **Table 1: Quick Links**

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## Pre-Application Discussions

- 5.8 As advised in the NPPF and Planning Practice Guidance, the Council encourages potential applicants to seek pre-application advice prior to the submission of a full planning application. Those discussions provide an opportunity to discuss confidentially potential issues and concerns and provide a forum to consider how these can be resolved leading to the submission of a scheme that will comply with the Council's planning policies.
- 5.9 Should you wish to discuss flexibilities around the affordable housing contributions based on economic viability, **Appendix B4** provides a list of the basic information requirements for Viability Assessments where one is needed, and is essential for discussions at this stage.
- 5.10 Whilst applying Local Plan policy H4, the Council will take into account other planning policies which may affect the affordable housing to be provided. The Council will consider, amongst others:
- The viability of development, considering the need and cost of supporting infrastructure on and off the site and any unavoidable and necessary site remediation to resolve environmental hazards;
  - The location and character of the site;
  - The tenure of affordable housing and type of dwelling units required in relation to the housing needs and the viability of specific developments;
  - The current availability of affordable housing in the local area when measured against demand for such accommodation; and
  - Any updated national policy and/or guidance to be implemented.
- 5.11 The Council's Planning and Housing Officers can, based on identified housing needs, discuss with you the mix of affordable and accessible and adaptable homes that would be required on site, and make available a list of active Registered Providers in Stockton-on-Tees. The Council encourages early dialogue with all partner organisations and, where there is a requirement for Affordable Housing, that an Affordable Housing Statement (AHS) is submitted to the Council for approval in advance of development commencing. A list of the information expected to be submitted in an AHS is attached at **Appendix B2**.
- 5.12 In the case of strategic and large major scale development, the Council expects this discussion to take place at Masterplan stage. At this stage, where appropriate, sources of funding, Registered Providers should be identified alongside other planning obligations.
- 5.13 Pre-application discussions provide an opportunity to consider the housing mix and if this should be varied from the findings set out in the Strategic Housing Market Assessment and if it is appropriate or preferable to deliver all or a proportion of the affordable housing on site. In those discussions, account will be taken of the type of planning permission sought.
- 5.14 The Council considers that pre-application discussions will help in the preparation of a planning application so that the relevant matters can be examined and a planning application can be processed. These discussions may reduce the potential for unexpected issues to arise which delay the application and help secure Section 106 agreements ready for completion, and thereafter planning permission granted.

## One Stop Shop

- 5.15 The Council encourages use of the dedicated One Stop Shop. This is a free planning advice service designed to give a single point of contact for planning advice when considering development in the Borough. This service can help you determine requirements for Affordable and Adaptable and Accessible homes.
- 5.16 Further links to information and guidance can be found in **Appendix D**

## 6.0 How does this Supplementary Planning Document relate to Stockton’s existing Planning Guidance?

6.1 This SPD has been prepared to support policies in the Adopted Stockton on Tees Local Plan (2019) and to supersede the Supplementary Planning Document 8 – Affordable Housing adopted July 2014 and the High Density Development: Flats and Apartments Supplementary Planning Guidance (2005).

## 7.0 Affordable Homes

### What are Affordable Homes?

- 7.1 Broadly, affordable homes are those intended for residents to buy or rent who cannot meet their housing needs in the market (including housing that provides a subsidised route to home ownership and or is for essential for local workers).
- 7.2 In this SPD, the Council uses the NPPF definition of affordable housing and types of provision. The full NPPF definition is provided in the **Glossary** of this SPD. **Figure 2** below provides a Quick Guide to the current forms of affordable housing.

Figure 2: Quick Guide: Types of affordable housing



### Affordable Housing Statement

7.3 Each application for development which includes an element of affordable housing should include an Affordable Housing Statement (AHS). The AHS document should set out clearly how the application meets the affordable housing requirements, containing details of the sizes, tenure, type and location of affordable units, and should be based on the approach and information requirements set out in **Appendix B2**. The Statement is essential to provide clarity and certainty around the operation and management of affordable homes and their delivery.

## General Design Principles and Density

- 7.4 Local Plan policy SD8 'Sustainable Design Principles' sets out the contextual, design and highways principles against which every type of development will be determined. It is equally applicable to affordable homes, and each proposal will be assessed, to ensure that it delivers a sustainable form of development. The principles contained in Policy SD8 should be considered alongside wider Local Plan policies which will be relevant dependent upon the scale, nature and location of the proposal.
- 7.5 At the outset of any design process, it will be important to ensure that the density of any housing scheme is informed by the house types proposed, the space needed around them, and the character of the surrounding natural and built environment. As supported by national policy, development should make efficient use of land by achieving higher densities in areas with a particularly high level of public transport accessibility. The Council will encourage the location, construction, design and layout of dwellings to incorporate energy reduction and sustainability measures, energy and resource efficiency, as well as renewable and low carbon energy generation and consumption.
- 7.6 Development schemes should be designed with a view to reducing any ongoing management, maintenance and repair costs, and make use of good quality materials. This will reduce the risk of properties no longer being kept in good condition, falling into disrepair or blighting the area in the future. Designs which do not accommodate the long-term maintenance requirements or use of low quality materials will not be acceptable to the Council.
- 7.7 The land made available for affordable housing on a site should be fully serviced, which as appropriate include highway and connections for electricity, water and waste water (mains sewage), gas, broadband and phone connections. and of enough size to accommodate the range and type of homes necessary to meet the identified housing need, and not the minimum site area to accommodate the number required.

## Nationally Described Space Standard

- 7.8 The Nationally Described Space Standard (NDSS) set out requirements for the Gross Internal (Floor) Area of new dwellings at a defined level of occupancy as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height. The Council supports and encourages attainment of those standards in the homes that you build and the 'Technical housing standards – nationally described space standard<sup>1</sup>' document provides further details.

## How much and on which sites are Affordable Homes required?

- 7.9 Local Plan policy H4 requires 20% of new homes on all sites to be affordable, where the scheme provides more than 10 dwellings, or in developments with a combined gross floor space of above 1,000sqm. This percentage however, is not a maximum and developers can offer more. New homes for the purposes of this policy include all new residential development that falls within the Planning Use Class C3 (dwelling houses). Where a calculation results in a partial

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<sup>1</sup> <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

unit being provided, the unit will rounded up where the proportion is over 0.5 unit of and down where it is less than 0.5 unit.

- 7.10 New homes for the purposes of this policy include all new residential development that falls within the Use Class C3 (dwelling houses), including sheltered and extra care housing for older people.
- 7.11 Proposals which include specialist accommodation incorporating a mix of C2 and C3 accommodation, should provide affordable housing based on the C3 element of the proposal where the thresholds in Policy H4 are met.
- 7.12 Self-build or custom housing schemes will be required to deliver affordable housing and accessible and adaptable homes in accordance with Local Plan policy requirements.
- 7.13 The Council will assess proposals to ensure that the phasing, sub-division or a proposed artificially low density of development of a site does not result in a reduction of the proportion of affordable housing which can be delivered. Where a site can clearly be identified, irrespective of ownership, the entire site will be used to determine whether the site meets the size criteria for affordable housing provision and the developer will be required to make a proportionate affordable housing contribution.

### Exempt Developments

- 7.14 No affordable housing will be sought where the scheme is for 10 dwellings or less or and where those dwellings have a combined gross floorspace of no more than 1,000 square metres. In exceptional circumstances, the Council may accept a scheme that does not comply with the requirements of Policy H4, but only where they can be justified. Information and advice in respect of the evidence and information required to help the Council determine acceptability of a reduced or alternative form of contribution are set out in this document or can be given by the Council in pre-application engagement.

### What are the Council's preferred Affordable Housing Tenures?

- 7.15 The SHMA (2016) identifies that 70% of new affordable provision should be for rent with the remaining 30% being intermediate tenures. Therefore, the starting point for negotiation will be the identified 30% preference towards shared ownership for intermediate tenures, as this best meets the Borough's identified housing needs. Developers are strongly advised, preferably at pre-application stage, to discuss with the Council the tenures of affordable housing being proposed.
- 7.16 Where an alternative to the 70/30 split or an alternative intermediate tenure to shared ownership is proposed, the Council will consider how the split or product proposed meets identified need now and in the future.
- 7.17 The NPPF identifies an expectation that at least 10% of the homes are available for affordable home ownership. However, the NPPF states that this expectation does not apply where this would exceed the level of affordable housing required in the area, or significantly prejudices the ability to meet the identified affordable housing needs of specific groups. Due to evidence within the SMHA, the Council does not support the delivery of such a significant quantum of affordable home ownership.

### Advice: Discounted Market Sales Homes

- 7.18 Discounted Market Sale homes are not a preferred intermediate tenure product to meet the affordable housing needs within the Borough. However, should such provision be supported by the developer, the Council will require evidence to demonstrate that they have robust

procedures in place to ensure sales (including subsequent sales) are only to those in need of affordable housing and maintain market discount. This evidence will also need to include how purchasers are to be made fully aware of the discount restrictions on subsequent sales. These arrangements will be secured through a Section 106 Agreement.

Further guidance from the Council can be found on our website:

<https://www.stockton.gov.uk/media/1959055/discount-for-sale-customer-information.pdf>

## How to Determine Housing Mix and Type

- 7.19 Local Plan policies require provision of a housing mix which is reflective of local needs and demand, and this applies to market as well as affordable, accessible and adaptable homes. Information to help developers, applicants and design professionals to decide on mix and type of new homes can be found in the Council’s Strategic Housing Market Assessment (2016) and other relevant documents.
- 7.20 **Table 2** below, is taken from the SHMA (2016), and has helped the Council identify the preferred range of house types. The Council expects that affordable housing will be delivered in general accordance with the split identified in **Table 2, with a presumption in favour of 2- and 3-bedroom homes**. Furthermore, it is expected that 3 bedroom homes will be of intermediate tenure rather than for rent, and both this and the split identified in **Table 2** will be the Council’s starting point for negotiation and consideration of planning applications in relation housing mix.

Table 2: Dwelling Size need by Tenure

House Type	Bedrooms	Market %	Affordable %
Flat	1 bedroom	1.8	2.9
	2+ bedrooms	0.0	5.7
House	2 bedrooms	17.9	34.3
	3 bedrooms	64.3	45.7
	4 bedrooms	14.3	11.4
	5+ bedrooms	1.8	

Source: Stockton on Tees Borough Council: Strategic Market Housing Assessment 2016

- 7.21 In support of your planning application, you can provide other evidentiary documents and may include those produced by the Council, or local needs surveys carried out by housing providers or market housebuilders. However, if you are proposing to undertake local housing needs surveys or other primary research, we would encourage you to discuss your methodology with us in advance. Early discussion with us can help you save time and resources by focusing your work and help speed determination of your proposal by informing an appropriate form of development prior to submission of a planning application.

## Flexibilities

- 7.22 The Council recognises that different housing mixes will be appropriate in different locations and across different character areas of large sites. The Council can be flexible and accept a departure from the preferred mix where there is evidence of need or a particular justification for doing so.

## Design and Layout of Affordable Homes

- 7.23 The Council expects affordable housing to be built to a high standard of design and amenity. Those homes provided within new residential development should be of the same size and quality as the market housing, **visually indistinguishable and tenure blind**.
- 7.24 Affordable housing should be integrated with market housing, through the distribution of affordable housing across sites in **small clusters of dwellings**.
- **Cluster-** should be no more than six affordable homes, unless in high density flatted schemes where clusters of more than six units may be allowed.
  - **Distribution** - clusters should be distributed across a site and there should be no clear over/under concentrations
- 7.25 Developers are strongly advised to undertake early discussion with the Council, preferably at pre-application stage, in respect of the design, layout and phasing of development.
- 7.26 Consideration of the grouping of affordable housing in the overall scheme will include how the provision relates to other phases of the same development including where there is a degree of separation provided by roads, open space or landscape features, and as applicable, the grouping of affordable housing in nearby previously developed schemes.
- 7.27 It is acknowledged that each scheme has different circumstances and it will be appropriate to assess each site on its merits. However, on larger sites it is expected that affordable homes should be distributed across each clearly defined zone or phase in accordance with the principles set out in paragraph 7.24. This will help ensure that affordable housing is distributed in an acceptable way throughout the development, and in doing so will minimise delays once a planning application is submitted.

## When should Affordable Homes be Ready?

- 7.28 As a principle, the Council will not support schemes where the delivery of open market dwellings significantly exceeds the delivery of affordable homes on a site. Completion and transfer of all affordable housing will be required prior to the occupation or transfer of all the open market homes. The Council will seek to agree the trigger points for the delivery of affordable homes set out below, but may agree to variations justified by circumstance and other considerations and influences, such as viability:
1. No more than 50% of the Open Market Dwellings shall be occupied prior to the transfer of 50% of the Affordable Housing Units to a Registered Provider; and
  2. No more than 80% of the Open Market Dwellings shall be occupied prior to the transfer of 100% of the Affordable Housing Units to a Registered Provider

These triggers will be secured in a Section 106 Agreement.

## Off-Site Provision of Affordable Homes, Serviced Land and Commuted Sums

- 7.29 Developers may consider that the characteristics of the site, the development itself or economic viability for instance mean that a scheme is unable to support affordable homes on site. In those cases, the Council may accept, as an alternative, such as developers building or purchasing affordable homes, or donation of fully serviced land or a commuted sum. If this is the case, it is strongly advised that you contact the Council's Planning Development Services (see Key Contacts at **Appendix G**) as soon as possible.

- 7.30 The Council will only accept off-site provision of Affordable Homes where robust justification is provided and that:
- the affordable homes being built or purchased are to a standard acceptable to a Registered Provider; and
  - the homes or land being provided off-site are in a suitable location; and
  - the affordable homes can be provided within acceptable timescales; and
  - there are no barriers that would prevent affordable units being provided.
- 7.31 A commuted sum (financial contribution) in lieu of on-site provision may be acceptable where that approach can be robustly justified.
- 7.32 Not only will the Council collect commuted sums in lieu of an entire affordable housing requirement for both entire and partial units where it is to be provided off site, but also where some of the affordable housing requirement is provided both on site and off site.
- 7.33 It may be that following unsuccessful approaches to Registered Providers, a developer considers that all options for securing on-site provision of affordable housing have been explored and exhausted. In this case, the Council will require the developer to provide a copy of the brief inviting offers and the names of those Registered Providers to which they were sent. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons in writing - this is because the Council may be able to assist in overcoming any identified obstacles.
- 7.34 Where appropriate to do so, the Council will contact other Registered Providers to consider whether they would be interested in managing on-site provision. **Appendix F** gives advice on the transfer criteria for sites to a Registered Provider or the Council.

### Perpetuity Arrangements

- 7.35 It is essential that affordable housing remains affordable for the benefit of future residents. Those arrangements will be secured through a Section 106 Agreement.

### Land Transfer and Site Services

- 7.36 Where the developer has agreed to transfer part of a site to a Registered Provider or to the Council to hold for a Registered Provider, services will be provided to the edge of the affordable site by the developer. In these instances, no more than 25% of the market homes will be completed prior to the land transfer.

## 8.0 How to calculate a Commuted Sum

- 8.1 The **Commuted Sum Calculation** is based on the difference between the value of market housing and the transfer value of affordable units. The way in which the sum is calculated is set out in below, unless there are identified and agreed reasons for deviating from such an approach.
- 8.2 **The first stage of the calculation is separated into four steps.** These steps are intended to allow all parties to reach an agreement of the number and types of affordable homes that would have been provided on site, ownership arrangements, open market value of those homes, and thereafter the price Registered Providers would be prepared to pay. The steps are set out below:

### Step 1: Determining types, tenures and size of Affordable Homes

- 8.3 Unless indicated and justified otherwise, the Council’s starting position for this discussion is that on sites providing more than 10 dwellings or with a combined gross floorspace of 1,000 sq.m., 20% of the homes provided will be Affordable Housing. Furthermore, the Council’s preferred tenure split is 70% Rented Homes and 30% Shared Ownership.
- 8.4 The applicant and Council will determine and agree what types, tenures and size of Affordable Housing (based on Market equivalent) would have been required in an on-site scheme, taking account of local evidence, strategies and the requirements of Local Plan Policy H4.

### Step 2: Determining Open Market Value

- 8.5 The applicant supplies details of the Open Market Value (OMV) of the identified market homes to the Council. This should be based this on local evidence and be supported by a valuation prepared by an independent RICS Registered Valuer, which we will be supplied by the applicant and reviewed if necessary, by the Valuer or other third party nominated by the Council at the applicant’s expense. Once agreed, the Council will confirm the agreed range of house types and OMV.

### Step 3: Agree Registered Provider Price

- 8.6 Once the house types and their open market value have been agreed with the Council the applicant will submit evidence to demonstrate how much a Registered Provider would purchase the different types of affordable units identified at Step 1. This can be presented as a price or as a % of OMV. Acceptable evidence is a letter from three (3) active Registered Providers in the Borough. An average will be used, unless this conflicts with other evidence collected by the Council.

### Step 4: Calculate cost to Developer

- 8.7 Calculate the cost to the developer for the provision of on-site affordable housing which will be required as a commuted sum. This calculation is set out in **Figure 3** below:

Figure 3: Commuted Sum Calculation

(A) Calculate Contribution per Affordable Home



(B) Calculate Commuted Sum



*NB: No rounding of provision to the nearest whole affordable dwelling is undertaken for calculating commuted sums (therefore a scheme of 17 dwellings would be required to provide a commuted sum based on 3.4 affordable dwellings).*

### Worked Examples

#### A Scheme of 17 Flats

- 8.8 Proposed Development: A scheme of 17 flats would require an affordable contribution of 3.4 affordable dwellings. The flats have 2 bedrooms and are for sale.

**Step 1:** The Council agrees with the developer that the Open Market Value (OMV) of each flat is £120,000

**Step 2:** The developer demonstrates, and is accepted that Registered Providers would purchase the dwellings at 60% OMV (£72,000 per dwelling)

**Step 3:** Calculate the Commuted Sum:

- (a) Open Market Value- £120,000 per Market Home
- (b) Registered Providers Purchase Price: £72,000 per Affordable Home
- (c) Number of Affordable Homes:  $17 \times 20\% = 3.4$  Affordable Homes

**Calculation at Step (A): £48,000 per Affordable Home**

**(a) – (b) = Contribution per Affordable Home**

**£120,000 - £72,000 = £48,800**

**Calculation at Step (B):**

£48,800 x (c) = Commuted Sum

£48,800 x 3.4 = £165,920

**Commuted Sum calculated to be: £165,920**

#### A Scheme of 100 Family Homes

- 8.9 A scheme of 100 dwellings would require an affordable housing contribution of 20 dwellings. Agreement has been reached that dwellings ranging from 2 to 4 bed which are split across rented and shared ownership\*.

**Step 1:** The Council agrees that the OMV of the 20 dwellings is £3.2m\*. For this scheme it is based on an average value of £160,000 per dwelling.

**Step 2:** The developer demonstrates, and the Council accepts that Registered Providers would purchase the dwellings for £1.92m (which in this instance equates to 60% OMV)\*. This is on average £96,000 per dwelling.

**Step 3:** Calculate the Commuted Sum:

- (a) Open Market Value- Average £160,000\* per Market Home
- (b) Registered Providers Purchase Price: £96,000 per Affordable Home
- (c) Number of Affordable Homes:  $100 \times 20\% = 20$  Affordable Homes

**Calculation at Step (A): £64,000 per Affordable Home**

**(a) – (b) = Contribution per Affordable Home**  
**£160,000 - £96,000 = £64,000**

**Calculation at Step (B):**

£64,000 x (c) = Commuted Sum

£64,000 x 20 = £1,280,000

**Commuted Sum calculated to be: £1,280,000**

\*Property values will need to reflect the house types, bedroom numbers and affordable type. It is acknowledged that the OMV percentage is not the same for all types of affordable housing.

### When to pay the Commuted Sum

8.10 The Council will seek to agree the following trigger points for commuted sums but will take account of factors such as phasing and viability:

- 50% of the contribution will be paid when 50% of the market houses to be delivered have been completed\* and habitable
- The balance (remaining 50%) of the contribution will be paid when 85% of the market houses have been completed\* and habitable

\*Completion is as advised by the National House Building Council's Building Control Service or equivalent.

### What will the Commuted Sum be used for?

8.11 The commuted sum will be used to fund projects and initiatives that will increase the provision and availability of affordable housing across the Borough.

Examples of how the Council might use the funding include:

- bridging a funding gap on another development where policy requirements for affordable housing cannot be met or where there is a desire to further increase affordable housing on a site
- creating a Local Affordable Housing Delivery Fund (or similar) to be managed by the Council which will support the delivery of affordable homes
- bringing vacant homes back into use as affordable housing

8.12 The scale of contribution and availability of sites may limit the ability to spend contributions soon after receipt. Therefore, all contributions will be allocated within 5 (five) years of receipt of the funding which is a reasonable timescale for the delivery of affordable housing taking into consideration the potential obstacles to delivery and allowing for the pooling of contributions where necessary.

## 9.0 Changes in the Economy and Market Conditions: Viability Review and Clawback

- 9.1 The Council recognises that over time, changes in market conditions and conditions may have an impact on the overall viability of a development prevailing at the time of determining a planning application – i.e. improve or worsen over time.
- 9.2 In exceptional circumstances, the Council may agree to defer policy requirements until better market conditions apply. However, the Council will need evidence that a scheme cannot be delivered in current market conditions, and agreement to a deferred payment or clawback following a viability review.

### Deferred Payments, Review Mechanisms and Clawback

#### Clawback following Viability Review

- 9.3 Where it has been agreed that less than the required percentage of Affordable Housing will be provided on site due to an accepted viability challenge, a claw back agreement may be arranged. This means that a viability review will take place at pre-determined interval(s) to determine whether a greater percentage of affordable homes can be provided going forward. The terms of this arrangement will be set out as a clause in a Section 106 agreement between the applicant and the Council.
- 9.4 If it is found that a higher percentage of on-site Affordable Housing can viably be provided, this higher amount will only be applied to subsequent phases of the development and will not be applied retrospectively to those already completed. The Council may exceptionally accept a change in tenure for the latter phase of a development in order to better meet local needs and following consultation with the housing officer, although it is accepted that this may affect the overall number of affordable units delivered.
- 9.5 If it is found that viability has worsened due to falling market conditions, it may be possible to renegotiate the tenure of on-site Affordable Housing units. Where material changes to an approved scheme are proposed, for example to reduce the amount of Affordable Housing provided on site, a fresh planning application will be required.
- 9.6 Where a financial contribution in lieu of affordable housing has been agreed, the Council may require the applicant to enter into a legal agreement which would require the developer to make a financial contribution in the event that the viability of the scheme improves subsequent to the undertaking of the initial viability appraisal.
- 9.7 The intention of such a review again is to establish if development values have risen to such an extent that more affordable housing or equivalent payment could be provided. Any such review would take account of the developers return for the site and capped at the level of local plan policy compliance.
- 9.8 The Council appreciates that development viability for very large multi phased developments over many years is somewhat different and would require a tailored approach, and this will be reflected in any Section 106 Agreement.

#### Deferred Provision or Payment

- 9.9 There are circumstances where the Council may at the time of determining the application accept phased on-site provision or a reduced financial contribution to enable development to

come forward. If the applicant has adequately demonstrated that a scheme cannot be delivered in current market circumstances the Council may, in exceptional circumstances, agree to defer the policy requirements until better market conditions apply.

## 10.0 Management of Affordable Housing

- 10.1 The Council supports the delivery of affordable housing in conjunction with a Registered Provider, approved by Homes England. However, it is acknowledged that alternative providers (AP) may be involved. Where this is the case, they will need to be approved by the Council and will be expected to deliver affordable housing in the same way as a Registered Provider. To be approved by the Council, evidence of equivalent accountability, funding for the scheme and long-term management and maintenance arrangements will be required.
- 10.2 The Council will use a Section 106 agreement to confirm the approach to management and to ensure, where appropriate, that the homes will remain available in perpetuity for those in housing need. There may be legitimate circumstances where affordable housing can be sold, for example, through right to buy or staircasing out of shared ownership.
- 10.3 Appropriate occupancy and management arrangements should be put in place: a Nominations Agreement must be signed for affordable rented properties with the Registered Provider or other affordable housing provider and the Council. For general needs housing, the Nomination Agreement will ensure that the Council receives 100% nomination rights on the first let of all affordable homes. Subsequent occupancy will be the responsibility of the Registered Provider, with a minimum of 50% of nominations coming from the Council. Nomination Agreements for specialist and/or supported schemes will require further discussion with the Council. Registered Providers and alternative providers are encouraged to speak to the Council as early as possible to agree a Nomination Agreement.
- 10.4 Where a Registered Provider is unable to offer the Council this proportion of nominations for some types of intermediate housing (because of funding agreements for example) a variation must be agreed with the Council.. The agreed nominations provision will be identified in the S106 agreement. However, wherever possible and practicable, the expectation will be that the letting policy follows the eligibility and principles of the common Tees Valley Allocations Policy.

### Local Lettings Policy

- 10.5 The Registered Housing Provider or alternative providers may also wish to agree a Local Lettings Policy with the Council in certain areas. A Local Lettings Policy may for example include criteria such as requiring applicants to:
- be employed or attending training / full time education in the area; or
  - have carer responsibilities for friends / family in the area; or
  - have a previous residential connection to the area not exceeding 3 years
- 10.6 It should be noted that unless a Local Lettings Policy has been agreed with the Council all lettings must be undertaken in accordance with the common Tees Valley Allocations Policy.
- 10.7 Should a Registered Provider or alternative provider wish to enter into a Local Lettings Policy they are encouraged to approach the Council's Strategic Housing Team (see Key Contact List at **Appendix G**) a minimum of 3 months before the lettings of the first available properties are due to take place.

## 11.0 Viability Assessment

- 11.1 The percentage requirement for affordable housing set out in Policy H4, has been informed by viability assessments, the latest of which is part of the evidence base which supports the Local Plan - Whole Plan Economic Viability Assessment (2017). This high-level assessment supporting the Local Plan, concludes that whilst the policy requirements do not put delivery of the plan at risk, there are some areas where viability makes development challenging.
- 11.2 The Council may enter negotiations in respect of planning policy requirements where it is clear that a proposed development faces genuinely challenging viability. However, those instances are exceptional, and this flex will only be exercised where the proposed scheme is of a high quality and makes a positive sustainable contribution to the Borough and its residents.
- 11.3 Where that flexibility is sought on viability grounds, applicants must submit a viability assessment at the time a planning application is submitted. Any such assessment should follow the government's recommended approach to assessing viability set out in [National Planning Guidance](#) and be proportionate, simple, transparent and publicly available.

### Availability of Viability Assessment and Evidence

- 11.4 It is the Council's view that Viability Assessments will be made publicly available and published in full, unredacted, on the Council's website. An applicant will need to provide good reason why an Assessment should be treated otherwise. In that case, two versions should be submitted: a) one confidential for Planning Officers and Members, and 2) the other redacted for publication. These should be accompanied by a letter explaining why each of the redacted entries should be treated as confidential. The Council may refuse to consider a Viability Assessment if an applicant insists upon its remaining confidential without good reason.

### Viability Assessment Process: Residual Method

- 11.5 The Council expects that Viability Assessment should be carried out using the residual method of valuation. This method compares the gross development value of the proposed development with the costs of developing the site including planning obligations. The Assessment should be based on current costs and values, in accordance with National Planning Policy Guidance.
- 11.6 The balance of the gross development value after development costs, once planning obligations/CIL and the developer's return have been subtracted will establish the residual value of the scheme. Where this exceeds an agreed land value benchmark, the Council will consider a policy compliant level of Affordable Housing is viable. If the residual land value is less than the land value benchmark, then a reduced Affordable Housing contribution may be appropriate and should be tested.

The format of the typical valuation is set out in **Figure 4** below:

**Figure 4: Residual Value Calculation**

<p>Gross Development Value (The combined value of the complete development)</p> <p>LESS</p> <p>Cost of creating the asset, including a profit margin (Construction + fees + finance charges)</p> <p>=</p> <p>RESIDUAL VALUE</p>
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- 11.7 The Council expects that any Viability Assessment submitted will be undertaken by a suitably qualified person(s), and strongly advises that applicants and their viability consultant discuss with the Council the assumptions and approach to viability appraisal. We also recommend the use of the Homes England Development Appraisal Tool<sup>2</sup>. Further information on the Council's expectations in respect of the contents of a Viability Assessment is set out in **Appendix B4**, with a simple list of assumptions and information at **Appendix C**.
- 11.8 When a Viability Assessment is submitted, an applicant is expected to provide an editable version of the viability model and confirmation that the DAT is used. This will enable the Council to review findings. If you are intending to use an alternative to DAT, please discuss this with the Council in pre-application engagement.
- 11.9 Applicants will be expected to meet the cost, as specified by the Council, associated with reviewing financial Viability Assessments and associated legal costs in advance. A solicitors undertaking is expected to secure commitment to payment, however, where this is not forthcoming, fees should be paid on validation of an application. All viability appraisals will be independently assessed by an appointed party of the Council's choosing with the findings and recommendations being provided to Members of the Council's Planning Committee for their consideration.
- 11.10 The basic premise is that developers can provide affordable homes without the need for public subsidy (including grants, public loans and public land). Where only a proportion of the required number of affordable homes can be secured as part of a viable scheme, a review mechanism will be incorporated in S106 agreement to ensure that if viability, grant, subsidy or other investment become available later, a review of the affordable housing provision can be undertaken, and affordable provision secured. The Council's approach to the viability review mechanism is set out in Section 9 above.

## 12.0 Vacant Building Credit

- 12.1 The NPPF provides an incentive for brownfield development on sites containing vacant buildings in the form of a 'Vacant Building Credit' (VBC). A financial credit, equivalent to the existing gross floorspace of any vacant buildings within the redline boundary of the application site brought back into any lawful use or demolished for re-development, are deducted from the calculation of any affordable housing contributions sought from relevant development schemes.
- 12.2 A VBC will be offered in accordance with national policy and guidance, and applicants wishing to apply for the VBC are required to submit a Vacant Building Credit Statement (VBCS). The information requirements for this Statement are set out in **Appendix B3**
- 12.3 A VBC will apply where a site is considered brownfield development, contains a wholly vacant building(s) which is:
- brought back into any lawful use; or
  - is demolished to be replaced by a new building.

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<sup>2</sup> <https://www.gov.uk/government/collections/development-appraisal-tool>

- 12.4 A VBC does not apply and will not be offered where vacant buildings have been abandoned. Whether a building has been abandoned will be determined by the Council, taking account of the information supplied in the VBCS, considering numerous factors including whether the building was made vacant for the sole purposes of re-development. Developers and applicants are encouraged to discuss this matter with the Council prior to the submission of a planning application.
- 12.5 The Council will calculate the VBC, and when offered, it will be equivalent to the existing gross floorspace of relevant vacant buildings when the affordable housing contribution is calculated in accordance with Local Plan policy. A worked example of the VBC calculation is given below:

### Figure 5: Vacant Building Credit: Worked Example

A proposed development of 100 homes (combined gross floorspace 10,000 sq.m) on a site with a vacant building (gross floorspace of 8,000 sq.m.). It is proposed to demolish the building to facilitate delivery of the proposed development.

- a. Existing Vacant Building Gross Internal Floor Space- 8,000 sq.m
- b. Proposed Development Gross Internal Floor Area- 10,000 sq.m
- c. Proportion proposed floorspace of existing expressed as percentage
- d. Proposed number of new homes = 100
- e. Local Plan Affordable Housing Requirement- 20% (Policy H4)
- f. Local Plan Requirement at 20%- 20 homes
- g. Existing to Gross Floor Area Proportion = 80%
- h. Affordable Housing Credit = 16 Homes
- i. VBC adjusted homes = 4 homes

#### Calculation:

1. Affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (20%) required by Policy H4

$$d \times 20\% = f$$
$$100 \times 20\% = 20 \text{ Homes}$$

2. The amount of existing floorspace, if any, as a proportion of the floorspace provided by the development expressed as a percentage

$$a./b. \times 100 = c. \%$$
$$8,000/10,000 \times 100 = 80\%$$

3. Calculate the number of Affordable Homes credit

$$f. \times g. = h.$$
$$20 \times 80\% = 16 \text{ homes}$$

4. Deduct the Affordable Homes credit from the policy compliant affordable housing contribution to calculate the remaining requirement

$$f.-h. = i.$$

20 homes – 16 homes = 4 homes

Vacant Building Credit Adjusted Affordable Housing Requirement- 4 homes

Off Site

Affordable housing is generally expected to be provided on site. However, there are circumstances where off-site provision or a commuted sum in lieu of on-site provision will be acceptable. Where such an alternative to on-site provision is provided it will be a percentage of what would normally be sought in accordance with the calculation above.

## 13.0 Accessible and Adaptable Housing including Wheelchair User Homes

### Background

- 13.1 The National Planning Policy Framework (NPPF) is clear that local planning authorities should plan to create safe, accessible environments and promote inclusion and community cohesion. This planning extends to beyond buildings to encompass the surrounding spaces.
- 13.2 The Council's Housing Strategy identifies the role that good quality housing plays in supporting the delivery of care and support to older people, young people and vulnerable people and that it is imperative that we ensure appropriate housing is provided to meet the needs of these groups.

### The Optional Standards

- 13.3 The 'optional standards' required within policy H4 are based on need and viability evidence supporting the Local Plan. The design and layout of these homes and spaces, and the standards the Council will apply are governed by the current edition of Building Regulations 'Approved Document Part M - Access to and use of Buildings: Volume 1 – Dwellings'.
- 13.4 Such homes fall in three categories of dwellings and to which this policy relates. **Figure 6** below describes:

Figure 6 – Approved Document Part M Dwelling Categories



13.5 The Council will seek a proportion of new homes to meet the ‘optional standards’ set out in the Approved Document to the Building Regulations. The standards set out the requirements of M4(2) and M4(3). Homes within these categories are suitable for those with limited mobility, for whatever age or reason. It also includes homes which can be adapted or are suitable upon occupation by wheelchair users. The M4(1) standards are applied to dwellings where planning conditions do not specify compliance with either M4(2) or M4(3) standards.

**How many Accessible and Adaptable Homes are Required?**

13.6 The proportion of dwellings to be built to these accessible and adaptable categories is expressed in Policy H4, is a percentage of the whole development, and shown in **Table 3** below:

**Table 3: M4 Standard Requirements on New Developments**

M4 Standard	% of homes
M4(1) – VISIBLE Dwellings	42%
M4(2)- Accessible and Adaptable Dwellings	50%
M4(3)- Wheelchair User Dwellings	8%

13.7 A **M4 (3) - Wheelchair User Dwelling** can be categorised as:

- **M4(3)(2)(a) - Wheelchair adaptable dwelling** is one which is designed and built for potential occupation by a wheelchair user in the future (possibly after minor, non-structural, alterations); or
- **M4(3)(2)(b) - Wheelchair accessible dwelling** is constructed and fitted to a standard suitable for ‘day one’ occupation by a wheelchair user, without the need for alterations.

**M4(3)(2)(b) – Wheelchair accessible dwellings** will only be required where the Council is responsible for allocating or nominating a person to live in that dwelling. The Council will negotiate with affordable housing providers to determine the size and type of accommodation required to meet a specifically identified need at the time a planning application is submitted. Phased, major housing developments where delivery is long term and needs and viability less predictable, gives the provider and the Council the opportunity to embed review of the delivery of the required percentage of M4 (3)(2)(b) homes.

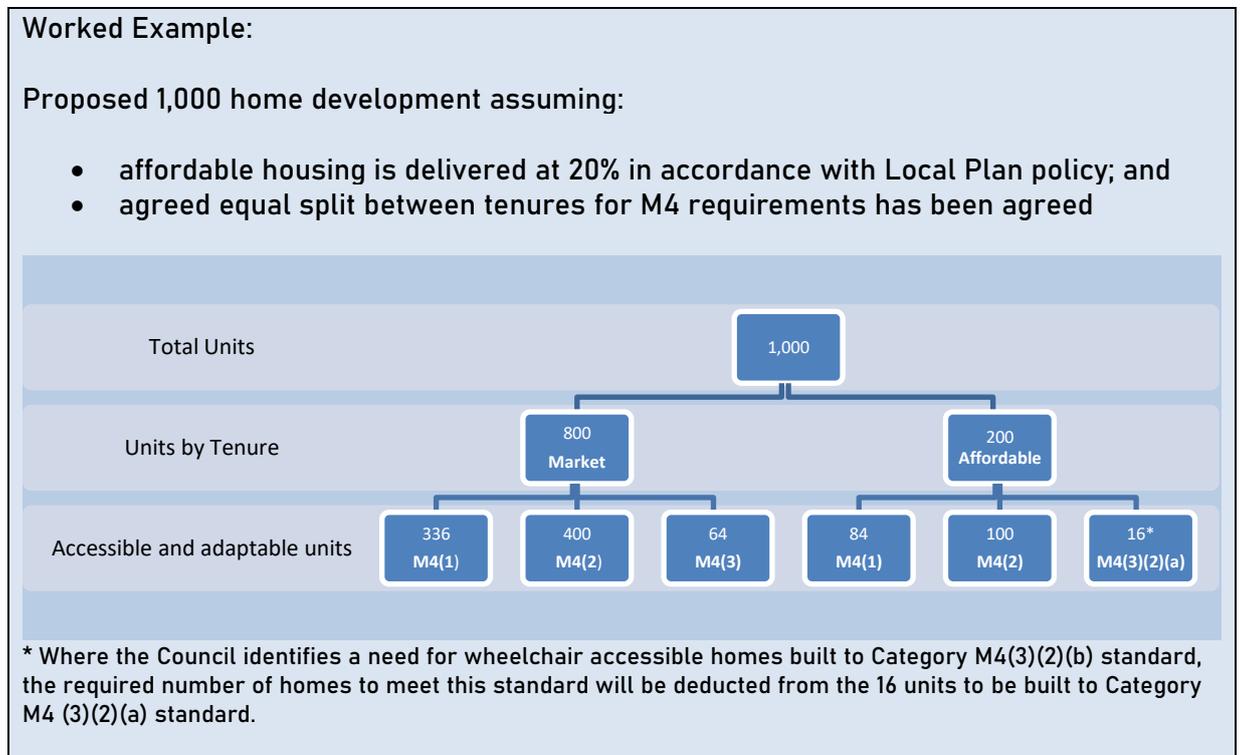
### What is the preferred tenure for Accessible and Adaptable Homes?

13.8 Policy H4 does not distinguish between tenures for the delivery of M4(2) and M4(3) homes, and therefore the Council will determine the split between affordable and open market properties on a case by case basis based on local evidence of need at the time of a planning application.

### Beyond the Wheelchair Accessible Standard

- 13.9 Where there is a very specific and clearly evidenced accessibility need, which is outside of what is provided for by the wheelchair accessible standard, the Council will seek to meet that need.
- 13.10 We will identify those needs early and discuss the matter with applicant, preferably at pre-application stage, explaining carefully the needs of a specific individual. The Council will only require such where the Council applies a local authority allocation policy. Such a requirement would also be subject to viability considerations.

Figure 7: Worked Example: How to calculate the number and types of Adaptable and Accessible Homes



13.11 The requirements arising from the need to comply with 'optional standards' can have an impact on the use of space on a site, and ultimately the layout and distribution of new homes. It is

therefore strongly advised that applicants contact the Council to discuss the implications of this policy in good time to incorporate this in any proposals.

### How will the Optional Standards be secured?

- 13.12 Optional Standards will be secured through planning conditions attached to planning permissions. Information will therefore need to be provided at the planning application validation stage to enable the planning officer, assisted by Building Control Officers, to determine whether the proposed dwelling designs are compatible with the optional standards and policy requirements met. Where a phased approach or off-site contribution is agreed, it will reflect the costs of those standards, be secured through planning condition and where necessary a legal agreement.

### Exemptions

- 13.13 It is acknowledged that there may be instances where the characteristics of a site and/or development are such that it is not suitable, feasible or viable to provide homes built to these 'optional standards'. We will only consider exemptions to policy on a case by case basis, where the applicant can provide clear and robust justification demonstrate that step free access cannot be achieved or is not viable.
- 13.14 Where exemptions are sought on viability grounds, applicants must submit a viability assessment and information and advice will be given by the Council and those requirements reflect those for affordable housing given above. Further information on the Council's approach to viability assessment can be found in paragraph 11 onwards above and Appendices C and B4. Applicants are advised to discuss with the Council the assumptions and approach to viability appraisal. We recommend the use of the Homes England Development Appraisal Tool<sup>3</sup>.
- 13.15 This policy will not be applied retrospectively. This means that it does not apply to outline and full planning permissions granted or subject to a resolution to grant before the 1<sup>st</sup> April 2019. Furthermore, it will not apply to reserved matters applications where the parent outline planning permission was granted or is subject to a resolution to grant before 1<sup>st</sup> April 2019.

## 14.0 Further Advice: Other Types of Homes

### Specialist Housing Options

- 14.1 There is an increasing demand for specialist (or supported) housing which helps support people in the community with very specific needs. This type of housing can support independence for those that are elderly, people with a physical or learning disability and other vulnerable people. The Council supports proposals for specialist housing (including within market housing developments) where there is an identified need.
- 14.2 Any provision will need to be designed and located taking into consideration the needs of prospective residents. This reflects Government policy on adult social care and our **Adult Social Care Strategy** which aims to support people to continue to live in their own home.

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<sup>3</sup> <https://www.gov.uk/government/collections/development-appraisal-tool>

- 14.3 If you are considering a proposal for specialist housing, you are encouraged to take account of the findings of the **SHMA (2016)** which provides information on the likely needs of groups with needs for specialist housing and contact the Council's Strategic Housing Team whose contact details are given in **Appendix G** below.

### Build to Rent

- 14.4 The NPPF defines 'Build to Rent' housing as "Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control".
- 14.5 A Registered Provider would not be involved in a 'Build to Rent' scheme. The Council would welcome discussion with a developer on any such proposals and the long-term sustainability of that type of management arrangement. The process for managing affordable private rent units will be set out in a S106 agreement. This would include details of the letting's agreement, the rent levels, split of homes across the development and a management and service agreement.

## 15.0 Self-build and Custom Build Housing

### What is self-build and custom build housing?

- 15.1 Self-build or custom build housing is housing built or commissioned by individuals (or groups of individuals) to be occupied by themselves as their sole or main residence. Whilst the terms are sometimes used interchangeably, the Council has adopted the definition in the Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) which defines self-build and custom housebuilding as:

"...the building or completion by –

- a) individuals,
- b) associations of individuals, or
- c) persons working with or for individuals or associations of individuals, of houses to be occupied as homes by those individuals."

- 15.2 In order to determine whether a proposed development constitutes this form of housing, the Council will require significant input from the homeowner in the design process of the dwelling. The following provides an overview of the differences:

- **Self-build**- is where a person is directly involved in organising and constructing their home
- **Custom build**- is where a person commissions a specialist developer to help to deliver their own home

- 15.3 Government guidance advises that when considering whether a home is a self-build or custom build home the Council must be satisfied that the initial owner of the home will have primary input into its final design and layout. The Council does not consider that speculative market housing delivered by a developer, off-plan sales, or circumstances where developers give clients limited fit-out choices comply with the legislation and accompanying Government guidance. The Council will use legal agreements as appropriate to ensure schemes are restricted to self-build or custom homes.
- 15.4 The Council maintains a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the Borough. **You can register your interest and be**

included on the [Self-Build and Custom Housebuilding Register](#) by completing an application form available on the Council's website.

- 15.5 The Council will continue to monitor demand for self-build or custom housing through making information on demand on our register (and other sources) available within the Authority's Monitoring Report which is available on the Council website.
- 15.6 In recent years several self-build and custom housing schemes have been delivered and granted planning permission. We encourage developers of larger sites to incorporate serviced plots within their schemes for self-build and custom housing.
- 15.7 Self-build and custom build/community-led housing can be developed as an affordable housing tenure. The Council supports community-led housing which can be delivered in various ways including:
- Community Land Trusts (CLTs).
  - Charities including Almshouse Charities.
  - Community Benefit Societies or Mutuals.
  - Community Interest Companies.
  - Co-operative Societies.
  - Parish and Town Council-led development.

## 16.0 Monitoring and Administration

- 16.1 The Council's Authority Monitoring Report (AMR), published annually on the website, monitors policies and reports on their respective performances over the previous financial year. It reports progress on the policies and related targets in the Local Plan and includes progress against any relevant targets and highlights any unintended significant effects of the implementation of the policies on social, environmental and economic objectives.
- 16.2 The Council will continue to carefully monitor housing delivery on a quarterly basis and will take appropriate action should the annual target not be realised. Annual Housing rates are published in the AMR each year.
- 16.3 The Council monitors the progress of residential schemes and any associated Section 106 legal agreements. Those activities can include tracking when units have been sold, ensuring that off-site units provided are genuinely affordable (in line with this SPD and in consultation with the Council's Housing Officers), and additional work on the part of the Council required as part of any clawback stage and obtaining required information from the Land Registry. The Council will seek a modest monitoring and administration fee negotiated on a case by case basis. The fee will be index linked to increases in CPI from the date of the adoption of this SPD.

## Glossary

Terms/Abbreviations	Description
<p><b>Affordable Housing</b></p> <p><b>(Annex 2 NPPF, February 2019)</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>a) <b>Affordable housing for rent:</b> 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).</li> <li>b) <b>Starter homes:</b> 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.</li> <li>c) <b>Discounted market sales housing:</b> is that sold at a discount of at least 20% below local market value. Property and sales values subject to approval by the Council. 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.</li> <li>d) <b>Other affordable routes to home ownership:</b> 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.</li> </ul>
<p><b>Affordable Homeownership Register</b></p>	<p>Stockton Borough Council's Affordable Homeownership Register is designed for local people who would like to buy a property in the Borough but cannot afford to do so without assistance</p> <p>The purpose of the Register is to identify households wanting to buy and match them up to suitable properties in the location(s) they have specified. The Council's Affordable Homeownership team will forward details of eligible applicants to the developer or registered provider offering the property. They will contact the applicant directly and proceed with the sale.</p> <p><a href="https://www.stockton.gov.uk/media/1584961/affordable-homeowner-guidance.pdf">https://www.stockton.gov.uk/media/1584961/affordable-homeowner-guidance.pdf</a></p>

<b>Terms/Abbreviations</b>	<b>Description</b>
<b>Allocation Policy</b>	A local authority, Registered Social Landlord or housing cooperative's allocation policy is the set of rules that they use to decide who is eligible for a housing tenancy. Each local authority and Registered Social Landlord has its own rules for allocating housing. Some of the rules are based on the law, while others are up to the individual council or Registered Social Landlord to decide.
<b>Alternative Use Value (AUV)</b>	An alternative use value (AUV) is the value of a hypothetical scheme of development that is an alternative to the proposed scheme of development
<b>Benchmark Land Value (BLV)</b>	The benchmark land value the value below which the current use of the site will be continued. This is the value at which a reasonable landowner will be willing to release their site for development
<b>Brownfield Land</b>	Term used to refer to 'previously developed land'. Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole of the curtilage should be developed) and any associated fixed surface infrastructure. This excludes: land that is or was last occupied by agricultural or forestry buildings; land that has been developed for minerals extraction or waste disposal by landfill, where provision for restoration has been made through development management procedures; land in built-up areas such as residential gardens, parks, recreation grounds and allotments; and land that was previously developed but where the remains of the permanent structure or fixed surface structure have blended into the landscape.
<b>Building Regulations</b>	Building Regulations are minimum standards for design, construction and alterations to virtually every building. They are developed by the Government, approved by Parliament, and administered by Building Control Bodies (BCB). There are two types of BCBs, these are: <ul style="list-style-type: none"> <li>• The Council operates as a Local Authority BCB and is notified of work through a Full plans or Building Notice Building Regulation application. They also have power to take enforcement action when non-compliance of building work occurs.</li> <li>• Private BCBs are known as Approved inspectors and carry out their Building Control function by submitting and registering an 'initial notice' with the Local Authority before building work starts. Approved Inspectors have no enforcement powers.</li> </ul>
<b>Build to Rent</b>	Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership or management control.
<b>Commuted Sum</b>	A commuted sum (or payment in lieu) is an amount of money, paid by a developer to the Council, where the size or scale of a development triggers a requirement for affordable housing, but it is not possible to achieve appropriate affordable housing on site.
<b>Community Infrastructure Levy (CIL)</b>	A planning charge introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. This is not applicable in Stockton on Tees
<b>Density</b>	In the case of residential development, a measurement of either the number of habitable rooms per hectare or the number of dwellings per hectare.
<b>Development Appraisal Tool</b>	The Homes and Communities Agency's Development Appraisal Tool (DAT) is a site-specific development viability tool, freely available from the HCA website, to any organisation that wishes to use it. It is designed to inform the development management process by appraising the viability of specific sites. The Tool has acknowledged limitations and

Terms/Abbreviations	Description
	the following may at the time of writing it is intended that the Tool is for use on small and medium to medium/large size schemes with a development period of up to fifteen years. Limitations: A maximum of fifteen years of monthly cash flows can be modelled Five sales 'phases' of each tenure type. All Cash flows are modelled as 'linear' across the specified period (though phasing can be used to approximate curves)
<b>Development Plan</b>	This includes adopted Local Plans, Neighbourhood Plans and the London Plan, and is defined in Section 38 of the Planning and Compulsory Purchase Act 2004. (Regional strategies remain part of the development plan until they are abolished by Order using powers taken in the Localism Act. It is the government's clear policy intention to revoke the regional strategies outside of London, subject to the outcome of the environmental assessments that are currently being undertaken.)
<b>Entry Level Exception Site</b>	A site that provides entry level homes suitable for first time buyers (or equivalent, for those looking to rent), in line with paragraph 71 of the NPPF. The standard affordable housing mix does not apply on these sites.
<b>Executive Housing</b>	'Executive Housing' generally refers to dwellings that are of a high-quality design; predominantly detached; have 4 or more bedrooms; are in an attractive setting; and where the overall density of the development is low.
<b>Existing Use Value (EUV)</b>	Market value for the continuing existing use of the site or property assuming all hope value and any value arising from any planning permission or alternative use is excluded
<b>Gross Development Value (GDV)</b>	Market value of the proposed development assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date.
<b>Homes England</b>	The national housing and regeneration agency for England that provides investment and expertise to deliver new affordable homes contribute towards regeneration. Performs a regulatory function in respect of Registered Providers.
<b>Independent Living</b>	Having an equal right to live freely in the community and to participate fully in society. Fulfilling this right includes removing barriers that prevent access to housing, so that disabled people have the same rights as non-disabled people to choose where and with whom to live. Independent living does not mean that disabled people necessarily live on their own or without support.
<b>Intermediate Tenure (Housing)</b>	Intermediate tenure is homes for sale and rent provided at a cost above social rent. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. They must fit within the definition of affordable housing.
<b>Local Plan</b>	The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act.
<b>Local Planning Authority (LPA)</b>	The public authority whose duty is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority and the Greater London Authority, to the extent appropriate to their responsibilities.
<b>Market Housing</b>	Housing for those households who can afford to pay the full market price to buy or rent their home, i.e. occupied on the basis of price

<b>Terms/Abbreviations</b>	<b>Description</b>
<b>Market Value (MV)</b>	The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion, subject to the special assumption that planning consent has been granted for the proposed scheme of development.
<b>National Planning Policy Framework (NPPF)</b>	National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied.
<b>National Planning Practice Guidance</b>	National Planning Practice Guidance is an online resource which adds further context to the National Planning Policy Framework (NPPF).
<b>Open Market Value</b>	The best price that might reasonably be expected for a dwelling, from an unconnected third party on a certain date in an open fair sale environment.
<b>Planning condition</b>	A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990 (as amended)) or a condition included in a Local Development Order or Neighbourhood Development Order.
<b>Planning Practice Guidance (PPG):</b>	This a series of guidance documents relating to how the policies described in the NPPF should be applied.
<b>Premium</b>	Benchmark land values (BLV) will usually be calculated with reference to the existing use value (EUV) of the site, plus a premium that acts as a financial incentive that would ensure the release of the land from its existing use. This is called existing use value plus (EUV+). The incentive is the "+" of the "EUV+".
<b>Registered Provider (RP)</b>	Registered Providers (RP) are landlords who provide affordable accommodation for rent and/or sale. The way they operate is governed by a government body called Homes England. Registered Providers throughout this document should be taken to include all Affordable Housing Providers.
<b>Royal Institution of Chartered Surveyors (RICS):</b>	The RICS is a professional body that accredits professionals within the land, property and construction sectors.
<b>Residual Land Value (RLV)</b>	The RLV is a calculation of the MV of the site assuming planning consent for the proposed scheme of development using the residual method of valuation.
<b>Rural Exception Sites</b>	These are small sites used for affordable housing in perpetuity where sites would not normally be used for housing. These sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. The Council
<b>Section 106 (S106) Agreement (Planning obligations)</b>	A legal agreement under Section 106 of the 1990 Town & Country Planning Act. Section 106 agreements are legal agreements between a planning authority and a developer, or undertakings offered unilaterally by a developer, that ensure that certain extra works related to a development are undertaken.
<b>Self-build and Custom-build Housing</b>	The building or completion by— (a) individuals, (b) associations of individuals, or (c) persons working with or for individuals or associations of individuals of houses to be occupied as homes by those individuals. But it does not include the building of a house on a plot acquired from a person who builds the house wholly or mainly to plans or specifications decided or offered by that person.
<b>Strategic Housing Market Assessment (SHMA (2016))</b>	Evidence base document which provides an assessment of the full housing needs of the Borough or housing market area. The SHMA (2016) should also identify the scale and mix of housing and the range of tenures that the local population is likely to need.

<b>Terms/Abbreviations</b>	<b>Description</b>
<b>Supplementary Planning Document (SPD)</b>	Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.
<b>Use Class</b>	<p>The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'.</p> <p>C2 Residential institutions - Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres</p> <p>C3 Dwelling houses - This class is formed of three parts</p> <p>C3(a) covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant), a carer and the person receiving the care and a foster parent and foster child</p> <p>C3(b) covers up to six people living together as a single household and receiving care e.g. supported housing schemes such as those for people with learning disabilities or mental health problems</p> <p>C3(c) allows for groups of people (up to six) living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for i.e. a small religious community may fall into this as could a homeowner who is living with a lodger.</p>
<b>Vacant Building Credit</b>	Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought.
<b>Viability</b>	Financial variable that determines whether a scheme progresses or not. For a scheme to be viable there must be a reasonable developer and land owner return. The scale of land owner return depends on the planning process itself
<b>Viability Appraisal</b>	Used to evaluate the economic viability of a proposed development. It can be used to assess whether a proposed scheme of development will proceed and whether planning obligations may need to be applied flexibly to enable a marginally viable proposed scheme of development to proceed.

## Appendix A

### Principal Relevant adopted Local Plan Policies (2019)

#### Policy SD2 – Strategic Development Needs

##### Housing

To meet the housing requirement of 10,150 new homes over the plan period a minimum of:  
a. 720 dwellings (net) will be delivered per annum from 2017/18 to 2021/22. b. 655 dwellings (net) will be delivered per annum from 2022/23 to 2031/32.

The Strategic Housing Market Assessment for Stockton-on-Tees Borough identifies that there are specific needs with regard to housing type and tenure. This includes delivering homes to meet the needs of the ageing population.

To meet the needs of Gypsy and Travellers for (four) 4 pitches the Council support the re-occupation of pitches on the existing site at Mount Pleasant Grange, Bowsfield Lane.

#### Policy SD3 – Housing Strategy

1. The housing requirement of the Borough will be met through the provision of sufficient deliverable sites to ensure the maintenance of a rolling five year supply of deliverable housing land. Should it become apparent that a five year supply of deliverable housing land cannot be identified at any point within the plan period, or delivery is consistently falling below the housing requirement, the Council will work with landowners, the development industry and relevant stakeholders and take appropriate action in seeking to address any shortfall.

2. The following are priorities for the Council:

- a. Delivering a range and type of housing appropriate to needs and addressing shortfalls in provision; this includes the provision of housing to meet the needs of the ageing population and those with specific needs.
- b. Providing accommodation that is affordable.
- c. Providing opportunities for custom, self-build and small and medium sized house builders.

3. The approach to housing distribution has been developed to promote development in the most sustainable way. This will be achieved through:

- a. Supporting the aspiration of delivering housing in the Regenerated River Tees Corridor (as identified on the Policies Map) in close proximity to Stockton Town Centre. Key regeneration sites which provide major opportunities for redevelopment include: Queens Park North, Victoria Estate, Tees Marshalling Yard and Land off Grangefield Road.

- b. Supporting residential development on sites within the conurbation as defined by the limits to development which comprises the main settlements of Stockton, Billingham, Thornaby, Ingleby Barwick, Eaglescliffe and Yarm.
  - c. Creating a Sustainable Urban Extension to West Stockton.
  - d. Promoting major new residential development at Wynyard leading to the area becoming a sustainable settlement containing general market housing and areas of executive housing in a high-quality environment.
  - e. Supporting residential development in villages (as shown on the Policies Map) through the recognition of existing commitments and new build within the limits to development where the land is not allocated for another purpose.
4. New dwellings within the countryside will not be supported unless they:
- a. Are essential for farming, forestry or the operation of a rural based enterprise; or
  - b. Represent the optimal viable use of a heritage asset; or
  - c. Would re-use redundant or disused buildings and lead to an enhancement of the immediate setting; or
  - d. Are of an exceptional quality or innovative nature of design. Such a design should:
    - i. be truly outstanding or innovative, helping to raise standards of design more generally in rural areas;
    - ii. reflect the highest standards in architecture;
    - iii. significantly enhance its immediate setting; and
    - iv. be sensitive to the defining characteristics of the local area.
5. Residential development will be permitted in the vicinity of a hazardous installation only where there is no significant threat to public safety.
6. The Council will continue to work with partners to bring empty homes back into use and identify areas for neighbourhood regeneration to provide wider benefits to local communities.
7. Proposals for all domestic extensions will be supported where they are in keeping with the property and the street scene in terms of style, proportion and materials, and avoid significant loss of privacy and amenity for the residents of neighbouring properties.
8. Within the countryside support will be given to:
- a. Extensions within the existing curtilage of a dwelling where they are of a suitable scale and subservient to the host dwelling.
  - b. A replacement dwelling where the proposed dwelling is:
    - i. Not materially larger than the existing dwelling; and
    - ii. Located on the site of, or in close proximity, to the existing dwelling.

#### Policy SD7- Infrastructure Delivery and Viability

1. The Council will ensure appropriate infrastructure is delivered when it is required so it can support new development. Where appropriate and through a range of means, the Council will seek to improve any deficiencies in the current level of infrastructure provision. The Council will also work together with other public sector organisations, within and beyond the Borough, to achieve funding for other necessary items of infrastructure.
2. New development will be required to contribute to infrastructure provision to meet the impact of that growth through the use of planning obligations and other means including the Community Infrastructure Levy (CIL). Planning obligations will be sought where:
  - a. It is not possible to address unacceptable impacts through the use of a condition; and,
  - b. The contributions are:
    - i Necessary to make the development acceptable in planning terms;
    - ii Directly related to the development; and
    - iii Fairly and reasonably related in scale and kind to the development.
3. Where the economic viability of a new development is such that it is not reasonably possible to make payments to fund all or part of the infrastructure required to support it, applicants will need to provide robust evidence of the viability of the proposal to demonstrate this. In these circumstances, the Council may:
  - a. Enter negotiations with the applicant over a suitable contribution towards the infrastructure costs of the proposed development, whilst continuing to enable viable and sustainable development; and/or
  - b. Consider alternative phasing, through the development period, of any contributions where to do so would sufficiently improve the economic viability of the scheme to enable payment.

#### Policy H4 – Meeting Housing Needs

1. Sustainable residential communities will be created by requiring developers to provide a mix and balance of good quality housing of appropriate sizes, types and tenures which reflects local needs and demand, having regard to the Strategic Housing Market Assessment, its successor documents or appropriate supporting documents.
2. Support will be given to higher density development within areas with a particularly high level of public transport accessibility. Elsewhere housing densities will be considered in the context of the surrounding area in accordance with Policy SD8.
3. The Council require 20% of new homes to be affordable on schemes of more than 10 dwellings or with a combined gross floorspace of above 1000sqm.

4. Where an applicant considers that the provision of affordable housing in accordance with the requirements of this policy would make the scheme unviable, they must submit a full detailed viability assessment to demonstrate the maximum level of affordable housing that could be delivered on the site. The applicant will be expected to deliver the maximum level of affordable housing achievable.

5. Affordable housing will normally be provided on-site as part of, and integrated within housing development to help deliver balanced communities. This provision should be distributed across sites in small clusters of dwellings. Off-site affordable housing or a commuted sum will only be acceptable where:

- a. All options for securing on-site provision of affordable housing have been explored and exhausted; or
- b. The proposal is for exclusively executive housing, where off-site provision would have wider sustainability benefits and contribute towards the creation of sustainable, inclusive and mixed communities; or
- c. The proposal involves a conversion of a building which is not able to accommodate units of the size and type required; or
- d. Any other circumstances where off-site provision is more appropriate than on-site provision.

6. Where off-site affordable housing or a commuted sum is considered acceptable, the amount will be equivalent in value to that which would have been viable if the provision was made onsite and calculated with regard to the Affordable Housing Supplementary Planning Document 8 or any successor.

7. The Council will support proposals for specialist housing, including extra care and supported housing to meet identified needs. Accommodation will seek to deliver and promote independent living.

8. Extensions to dwellings to provide accommodation for dependent relatives will be supported where they are designed to be used as part of the main dwelling when no longer required for that purpose.

9. To ensure that homes provide quality living environments for residents both now and in the future and to help deliver sustainable communities, from the 1st April 2019 the following Optional Standards will apply, subject to consideration of site suitability, the feasibility of meeting the standards (taking into account the size, location and type of dwellings proposed) and site viability:

- a. 50% of new homes to meet Building Regulation M4 (2) "Category 2 – accessible and adaptable dwellings".
- b. 8% of new dwellings to meet Building Regulation M4(3) "Category 3 – Wheelchair User Dwellings". Where the local authority is responsible for allocating or nominating a person to live in that dwelling, homes should meet building regulation M4 (3) (2) (b). When providing for wheelchair user housing, early discussion with the Council is required to obtain the most up-to-date information on specific need in the local area.

10. To widen the overall housing offer, the Council will support the delivery of custom and self-build housing. The Council will:

- a. Regularly monitor the demand for custom and self-build housing and assist in facilitating the delivery of land/sites, where appropriate.
- b. Encourage applicants to consider incorporating plots for custom and self-build housing within larger housing developments.

11. Planning applications for student accommodation in the Regenerated River Tees Corridor will be required to demonstrate they are compatible with the wider regeneration of the area and are conveniently located for access to relevant education establishments and local facilities.

In all cases, proposals for student accommodation will be designed to ensure that they are in keeping with the character and appearance of the area in which they are located, do not have an unacceptable impact on the living conditions of neighbouring communities, provide an adequate standard of living accommodation for potential future occupants, and have an internal layout which is adaptable to alternative residential uses.

12. To ensure the existing residential areas remain sustainable places to live, the Council will:

- a. Actively seek to bring long-term empty homes back into use.
- b. Improve the condition of existing homes through the delivery of schemes, including those to enhance energy efficiency.
- c. Explore options with local communities for the regeneration of residential areas. This may include:
  - i. The renovation and renewal or demolition and redevelopment of existing housing stock as appropriate to meet local housing need and aspirations.
  - ii. Public realm improvements.

13. Support is given to the completion of the Parkfield and Mill Lane Regeneration Scheme- H1(2. R3).

14. At the following specific commitments, the Council require the delivery of the following mix of house types through the current planning permission or any subsequent application.

Site Name	House Type
Allen's West - H1(2.E2)	Full range of House Types
Mount Leven (Part of) - H1(2.Y4)	Housing specific to meeting the needs of the ageing population
Betty's Close Farm - H1(2.IB6)	Custom and self-build homes
Lowfield - H1(2,IB7)	Custom and self-build homes

## Appendix B Statements and Assessments

The lists below set out minimum information requirements and do not preclude the need to make further submissions if relevant and required to enable the authority to determine a planning application.

### B1 Housing Statement

A housing statement should include the following as relevant:

- a) The number of residential units
- b) The mix of residential units including the number of habitable rooms/bedrooms and/or the floor space of habitable areas
- c) Floor plans showing the location of residential units and the number of habitable rooms/bedrooms and/or the floor space of habitable areas
- d) The different levels or types of affordability or tenure for the different units (where applicable)
- e) How the proposed development reflects local needs and demand having regard to the SHMA (2016) or other appropriate supporting documents
- f) The number, percentage, type and location of M4(2) (Accessible and adaptable dwellings) and M4(3) (wheelchair user dwellings) properties
- g) How the development as a whole complies with Optional Technical Standards relating to adaptable, accessible and wheelchair user housing standards (as relevant) as set out in Part M of the Building Regulations

### B2 Affordable Housing Statement

The Affordable Housing Statement should be based on the approach and information requirements set out in this SPD and include the following, as appropriate:

- a) The type, tenure and location on a site plan of all affordable housing units including appropriate space around homes and parking arrangements
- b) The name and contact details of any Registered Provider partner who will have responsibility for the management of any affordable housing on completion
- c) The rental charges, sales values and associated service charges connected to the affordable housing units
- d) A delivery programme and forward schedule of when all affordable units are projected to be completed by financial year quarter along with a commitment to provide subsequent quarterly progress updates
- e) Cross sectional profiles, names and floor plans of all affordable units to scale with floor areas, (although exact details of appearance need not be provide at such a time, and may be left for further reserved matters applications)

- f) A commitment to engage and consult the Council's Lettings Team in respect of defining the eligibility criteria and compliance with the common Tees Valley Allocations policy, and/or local lettings criteria
- g) The arrangements which the Owner is intending to make to ensure such dwellings remain Affordable Housing Units for both initial and successive owners and/or occupiers, including occupancy criteria for identifying housing need and any proposed nomination rights
- h) The phasing arrangements for delivery of other dwellings, to ensure that an appropriate provision for Affordable Housing is made throughout the period of the Development.
- i) A consideration of Design Standards (ideally [DCLG Nationally Described Space Standards](#) – bearing in mind that extra space is required for M4 (3)(1)(a) and (b) and M4(3)(2)(b) compliant homes)
- j) An appraisal against [Building for Life 12](#)
- k) [Evidence of compliance with Secured by Design](#)
- j) Marketing and Communication Strategy

### B3 Vacant Building Credit Statement

Where a Vacant Building Credit Statement is relevant it should be submitted alongside a planning application. The following information will need to be included in the Statement:

- a) Evidence that any referenced building is a 'vacant building', noting that a building is not considered as 'vacant' if it has been in continuous use for any six months during the last three years up to the date of the planning application is submitted. The whole building must be vacant to apply for the Vacant Building Credit (VBC).
- b) Evidence that any referenced building is not an 'abandoned building' or vacated solely for the purpose of redevelopment. The onus will be on the applicant to demonstrate this. The factors the Council will take into account include:
  - i) The physical condition of the building
  - ii) The length of time that the building had not been used
  - iii) Whether the building has been used for any other purposes
  - iv) The owner's intentions
- c) Information on the existing Gross Internal Floor Area(GIFA) and the proposed GIFA. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level. The Royal Institution of Chartered Surveyors (RICS) definition of GIFA will be used for the purposes of assessing VBC RICS code for measuring practice <https://www.rics.org/globalassets/rics-website/media/upholding-professional-standards/sector-standards/valuation/code-of-measuring-practice-6th-edition-rics.pdf>

### B4 Viability Assessment

The Council expects a Viability Assessment to address and set out, amongst others the following aspects:

- a) Scenario testing: (1) An appraisal of a policy compliant scheme and (2) an appraisal of a scheme with a lower amount of affordable housing if a policy compliant scheme is considered unviable
- b) Existing Use Value plus premium (benchmark land value)
- c) Residual land value data
- d) Demolition and construction costs
- e) Market values achieved
- f) Market intelligence that identifies evidenced changes that will affect the overall balance of market and affordable housing delivered including; growth forecasts, house prices, market rent levels, affordable rent levels and 106 costs
- g) Comparable evidence of rates of return per plot of comparable schemes and remediation costs

Viability Assessment is expected to use the Government's [Development Appraisal Tool](#).

## B5 Content of Section 106 Agreement

A Section 106 Agreement may include the following clauses:

- a) Mix of affordable housing types and sizes
- b) Location or distribution of affordable housing on the development site
- c) Occupancy criteria for the proposal where a partner Registered Provider is not involved
- d) Timing of construction and the occupation of the land or affordable element in relation to the development of the whole site
- e) Timing and conditions for the transfer of the land or affordable housing to a Registered Provider. Arrangements regarding future affordability, management and ownership of the affordable housing, particularly if a Registered Provider is not involved.
- f) Alternative scenarios for the provision of affordable housing should the developer not be able to conclude the initial preferred solution concluding with a financial payment from the developer in lieu of affordable housing on site
- g) The full schedule of affordable housing locations and tenure types to be agreed with the council prior to commencement of development
- h) Measures to ensure that payments to the Council by developers are spent on affordable housing within a certain time period, or when certain conditions are met and if not, are paid back
- i) If agreed the timing of any payments in lieu of off-site provision
- j) Deferred Payment, Claw Back or Review Mechanism

## Appendix C

### Table of Viability Requirements for Residential Development Assessment

This table lists the assumptions that will be required by the applicant/developer to access in order to undertake a viability assessment of a residential scheme	
<b>Revenue</b>	
Schedule of units and areas (GIAs)	Schedule of accommodation with the gross internal areas (GIA) of all units to be built expressed in square metres.
Private Values with evidence	Market Value of all units with supporting evidence.
Affordable Values with evidence	Affordable Values of all units with supporting evidence.
Ground Rent Value if any	Most flats are sold on a long lease with a ground rent payable, the value of which should be included.
Commercial Value with evidence if relevant	Market value of all commercial units with supporting evidence.
Gross Development Value (GDV)	The total value of all units to be built as part of the scheme.
<b>Development Costs</b>	
Residual Land Value of the scheme; or	The value that the relevant scheme can afford to pay for the site; or
Market Value of the site	The Market Value of the site with supporting evidence.
Stamp Duty Land Tax and fees	All fees etc. paid on site acquisition including Stamp Duty Land Tax, agent and legal fees.
<b>Construction costs including:</b>	
Base Construction Costs	Build costs of all units assessed using BCIS rates, by a Quantity Surveyor or quotes received from a builder.
Externals	All external costs including access roads, landscaping services to the property etc.

Abnormals	Any additional cost including demolition, remediation, additional costs due to poor ground conditions etc.
Other Costs	Any other relevant costs incurred.
Contingency	A percentage uplift to cover any unforeseen build costs.
Professional and planning Fees	All planning fees paid to the local authority, planning consultants and fees paid to architects engineers etc in respect of design etc.
Section 106 Contributions/ Community Infrastructure Levy (CIL)	Any section 106 or CIL financial contributions that are required for the scheme by the local authority.
Marketing Fees	Fees paid for marketing the units including brochures, advertising, show homes etc.
Sale Fees	Fees paid to agents and solicitors for the sale of the units.
Finance Costs including arrangement fees	Finance costs charged by a bank etc for borrowing the money in order to undertake the development. The finance should be calculated by means of a cash flow but a scheme programme is to be included to show build and sales periods.
Profit on Private and Affordable Housing	The required profit expressed as a % of the Gross Development Value (GDV) of the scheme to reflect the risk.

Refer to: <https://www.gov.uk/guidance/viability#standard-inputs>

## Appendix D

### Key Policies, Documents and Sources of Information

The Building Regulations 2010

<http://www.legislation.gov.uk/uksi/2010/2214/contents/made>

Approved Documents (Part M) (Building Regulations)

Department for Communities and Local Government

<https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

National Planning Policy Framework

Department for Communities and Local Government (February

2019) <https://www.gov.uk/guidance/national-planning-policy-framework>

Planning Practice Guidance

The Department for Communities and Local Government have published this web-based resource to bring together planning practice guidance for England. <https://www.gov.uk/government/collections/planning-practice-guidance>

Planning Portal

Further information regarding planning and building regulations, and planning applications is available from the Planning Portal (<https://www.planningportal.co.uk/>)

Stockton on Tees Local Plan (2019) and Supporting Documents

Stockton on Tees Borough Council: <https://www.stockton.gov.uk/economic-regeneration-and-transport/planning-policy/development-plan/>

Homes England

Homes England is a non-departmental public body responsible for:

- increasing the number of new homes that are built in England, including affordable homes and homes for market, sale or rent
- improving existing affordable homes and bringing empty homes back into use as affordable housing
- increasing the supply of public land and speeding up the rate that it can be built on
- helping to stimulate local economic growth by using our land and investment, and attracting private sector investment in local areas.

<https://www.gov.uk/government/organisations/homes-england>

## Appendix E

### Viability Review: Clawback Calculation for On Site Provision

A residential scheme of 300 units is to be carried out in 3 phases of 100 units each. The viability appraisal has shown that it is not viable to provide 20% of the units as Affordable Housing, and agreement has been reached that the development can proceed with the provision of 15% Affordable Housing instead.

<p>Phase 1: At the end of the first phase 100 houses have been built, of which 15 are affordable.</p>
<p>The viability of the scheme is reappraised and it is found that 17% Affordable Housing could now be provided. Therefore, 17% of the next 200 houses to be built is required to be affordable.</p>
<p>Phase 2 is completed. 100 houses are built, giving 17 more affordable units – 32 units in total out of the 200 houses built in Phases 1 and 2.</p>
<p>A further viability appraisal is carried out and the scheme can now provide 20% Affordable Housing The percentage required in the Local Plan is the highest percentage that can be required This only applies to the final 100 houses to be built in Phase 3.</p>
<p>Phase 3 is completed with 20 more affordable units, totalling 52 affordable units out of the full scheme of 300 units.</p>
<p>This gives an overall Affordable Housing percentage of 17.3% across the whole 300 unit scheme.</p>
<p>Alternatively:</p> <p>Scenario at the End of Phase 1 At the end of Phase 1, it is concluded that the remaining scheme (200 units) could support 20% affordable units on site (i.e. 40 more affordable units).</p> <p>The full scheme would then provide 55 Affordable Housing units (15 + 40), or 18.3% of the total. This is the maximum level of Affordable Housing that could be achieved.</p>

## Appendix F

### Transfer Criteria to Registered Provider or Stockton Council

(i) Land Transfer

The following criteria must be met:

- The location of the site needs to be discussed and agreed with the Council's appointed Housing Officer and the relevant RP if it is proposed to transfer the land to an RP. Sites will need to be within existing residential locations
- The site must have planning permission for the desired mix of units, so a concurrent application should be made for this land alongside the main application
- The site must be cleared
- The site must be serviced (gas, water, electricity, infrastructure for broadband connections, telephone line)
- The highway, drainage and street lighting need to be funded by the developer to adoptable standards and the developer will be responsible for a maintenance period
- The site would need to be transferred to the RP or the Council on a freehold basis
- Site surveys will be required prior to the discharge of Section 106 obligations and before the transfer of the site. This is in order that any abnormal site costs can be identified before the site is transferred to an RP or the Council

(ii) Purchase of Existing Units

For all cases where the purchase of existing units is being considered as an option, the following criteria need to be met:

- The location of the units needs to be discussed and agreed with the Council's appointed Housing Office and the relevant RP if it is proposed to transfer the land to an RP.
- Where possible, units should be in a location where the RP already has a presence, and where more than 1 unit is required, they should not be widely spread around the borough unless they are in locations where the RP already owns and manages units.
- The market cost of the units must be agreed with the RP or the Council. The units will typically be sold to the RP or the Council at a 30%-40% discount on the market value, and the level of discount must also be agreed.
- The units must be purchased prior to the commencement of development. This will be a requirement of the Section 106 agreement.

- The condition of the units must meet <https://www.gov.uk/guidance/housing-quality-indicators> and all the relevant safety certificates must be provided

## Appendix G Key Contact Details

Planning Development Services and Planning Policy		Municipal Buildings Church Road Stockton-on-Tees TS18 1LD Tel: 01642 526022. Email: planningdevelopmentservices@stockton.gov.uk or Planningpolicy@stockton.gov.uk
Strategic Team	Housing	16 Church Road Stockton on Tees TS18 1TX Tel: 01642 526683 or Email: housing.strategy@stockton.gov.uk
Building Team	Control	Municipal Buildings Church Road Stockton-on-Tees TS18 1LD Tel: (01642) 526022 Email: building.control@stockton.gov.uk
Council Website		<a href="http://www.stockton.gov.uk">www.stockton.gov.uk</a>