South Worcestershire

Affordable Housing

Supplementary Planning Document

South Worcestershire
Development Plan Review 2021–2041

Adopted June 2026




WYCHAVON | Malvern Hills District Council | Worcester City Council

South Worcestershire Development Plan Review 2021 - 2041

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Contents

Adoption Statement

Planning and Compulsory Purchase Act 2004 Town and Country Planning (Local Planning) (England) Regulations 2012 (As Amended) Adoption Statement for The Affordable Housing Supplementary Planning Document

This statement is published by Malvern Hills District Council, Worcester City Council and Wychavon District Council to fulfil the requirements of Regulation 14 of the Town and Country Planning (Local Development) (England) Regulations 2012.

The Affordable Housing Supplementary Planning Document was adopted by Malvern Hills District Council on 23 June 2026, Worcester City Council on 29 June 2026 and Wychavon District Council on 24 June 2026. The SPD, alongside a summary of the main issues raised during consultation and how these were addressed through modifications to the SPD, along with a copy of this statement can be viewed online at www.wychavon.gov.uk

Any person with sufficient interest in the decision to adopt the SPD can apply to the High Court for permission to apply for a judicial review of that decision. Any such application must be made promptly and, in any event, no later than three months from the date on which the document was adopted.

For further information please contact the Planning Policy Team on 01386 565565 or email: policy.plans@wychavon.gov.uk

1. Introduction

Purpose of this document

1.1. This document is a Supplementary Planning Document (SPD) on Affordable Housing which explains the details of policies set out in the South Worcestershire Development Plan Review 2021-2041 (SWDPR) that relate to the provision of affordable housing. It is a joint document for all three of the South Worcestershire Councils (SWCs), namely Malvern Hills District, Worcester City and Wychavon District. It is a guide to the interpretation and implementation of these local policies and associated procedures, including each Councils' Tenancy Strategies (refer Appendix 1). It is aimed at developers, landowners, registered providers, applicants for planning permission and others who are seeking to provide, or benefit from new affordable housing, and who therefore wish to interpret the policies in more detail.

1.2. The SPD is only concerned with the provision of new affordable housing through the planning system, such as via local plan allocations and planning applications. It is important to note that the provision of new affordable housing is not the only way of meeting the affordable housing needs of south Worcestershire. The councils are committed to using all other available strategies to help meet the needs. This can include funding for repairs/adaptations and improvements, bringing empty homes back into use, private renting initiatives and helping to ensure that the existing stock is fully utilised.

1.3. As an SPD this document is a material consideration when determining planning applications. It covers the whole administrative areas of Malvern Hills, Worcester City and Wychavon.

Preparation of the SPD

1.4.

A draft of the SPD was published for public consultation for five weeks from 30 March until 5:00pm on 30 April 2026. Further information on the consultation is set out in the accompanying consultation statement.

2. Policy Background

National policy

2.1. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these should be applied. The NPPF must be taken into account in preparing development plans (such as the South Worcestershire Development Plan Review, SWDPR) and is a material consideration in planning decisions. It requires councils to assess, plan for and enable delivery of the housing needed in their area, including for affordable housing.

2.2. The definition of what constitutes affordable housing is given in the NPPF (2024), and is 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). The NPPF gives great emphasis to the provision of social rented housing, as this is the tenure that is most affordable to those in housing need, and to the provision of affordable housing on-site.

Informing Local Policy and Affordable Housing Needs

2.3. The key evidence base for south Worcestershire in relation to the provision of affordable housing is listed below, with further information provided, including web links, in Appendix 1. The evidence base will be updated from time to time, and the Councils will have regard to the most recent relevant information, e.g., in deciding the appropriate mix of affordable housing on any development site:

- South Worcestershire Development Plan Review 2021 - 2041
- South Worcestershire Strategic Housing Market Assessment (SHMA) 2019 and South Worcestershire Strategic Housing Market Assessment Update (SHMA Update, 2021)
- SWDPR Examination Paper: Exam 38: Paper on First Homes
- Parish and Town Council housing needs surveys
- Information on affordable housing waiting lists for each council – currently known as Housing For You
- SWDPR Housing Topic Paper 2022
- Specific Housing Needs – elderly and vulnerable records
- MHCLG and ONS statistics
- Tenancy Strategies
- Worcestershire Market Position Statement - Adult Social Care - 2024 – 2029

- Worcestershire Housing Strategy 2023 – 2040
- Malvern Hills National Landscape Management Plan, and other relevant National Landscape Guidance, such as Housing Position Statements
- Cotswolds National Landscape Management Plan, and other relevant National Landscape Guidance, such as Housing Position Statements

2.4. The principal document identifying overall housing need and the need for affordable housing in south Worcestershire is the Strategic Housing Market Assessment (SHMA, 2019) and its update (SHMA Update, 2021). According to the SHMA, house prices across south Worcestershire are consistently higher than West Midlands prices and broadly in alignment with England prices. Within south Worcestershire, house prices in Malvern Hills and Wychavon are highest and Worcester house prices are the lowest, although they remain higher than the West Midlands average. The ONS affordability ratios for 2023/24 Housing purchase affordability, local authority areas, England and Wales - Office for National Statistics reflect this, with the highest affordability ratio for south Worcestershire in Malvern Hills at 9.8, followed closely by Wychavon at 9.29 with the lowest affordability ratio in Worcester City at 6.68. These latest ONS figures are all slightly lower than the ratios used in the SHMA. Nevertheless, affordability of housing remains a significant barrier for many households in south Worcestershire.

2.5. Table 3.7 of the SHMA (see below) shows the costs of alternative tenures along with the household income required to afford them (figures from 2020). This information indicates that households on lower quartile incomes could not afford to buy or rent any tenure option/product except for social rented. For households on median incomes, social/Affordable and lower quartile market rents were affordable but not market sales at any of the price points or affordable home ownership products without resorting to higher mortgage multiples than 3.5 or having higher deposits. This comparison of local incomes with the cost of local house prices and rents illustrates the affordability challenge faced by residents within South Worcestershire. It shows the particular challenge faced by households who do not have either existing equity or savings.

Table 3.7 Cost of alternative tenures by district and income required to be affordable				
Tenure option	Price (2020)			
	Malvern Hills	Worcester	Wychavon	South Worcestershire
Social Rent (average)	£411	£371	£403	£395
Affordable Rent (monthly cost)	£562	£527	£600	£554
Market Rent - Lower Quartile	£598	£524	£650	£550
Market Rent - Median	£702	£659	£750	£693
Market Rent - Average	£805	£689	£882	£757
Market Sale - Lower Quartile	£198,625	£169,963	£207,000	£185,000
Market Sale - Median	£267,250	£210,000	£280,000	£250,000
Market Sale - Average	£328,310	£363,736	£345,209	£346,706
Shared ownership (50%)	£133,625	£105,000	£140,000	£125,000
Shared ownership (25%)	£66,813	£52,500	£70,000	£62,500
Help to buy	£267,250	£210,000	£280,000	£250,000
Discounted Home Ownership (30%)	£187,075	£147,000	£196,000	£175,000
Discounted Home Ownership (25%)	£200,438	£157,500	£210,000	£187,500
Discounted Home Ownership (20%)	£213,800	£168,000	£224,000	£200,000
Tenure option	Income required (2020)			
	Malvern Hills	Worcester	Wychavon	South Worcestershire
Social Rent (average)	£17,632	£15,909	£17,274	£16,938
Affordable Rent (monthly cost)	£24,069	£22,594	£25,714	£23,760
Market Rent - Lower Quartile	£28,704	£25,152	£31,200	£26,400
Market Rent - Median	£33,696	£31,632	£36,000	£33,264
Market Rent - Average	£38,620	£33,058	£42,323	£36,345
Market Sale - Lower Quartile	£51,075	£43,705	£53,229	£47,571
Market Sale - Median	£68,721	£54,000	£72,000	£64,286
Market Sale - Average	£84,422	£93,532	£88,768	£89,153
Shared ownership (50%)	£50,499	£39,990	£52,840	£47,333
Shared ownership (25%)	£41,623	£33,015	£43,540	£39,029
Help to buy	£53,450	£42,000	£56,000	£50,000
Discounted Home Ownership (30%)	£50,778	£39,900	£53,200	£47,500
Discounted Home Ownership (25%)	£54,404	£42,750	£57,000	£50,893
Discounted Home Ownership (20%)	£58,031	£45,600	£60,800	£54,286
CAMEO Income data				
Median income	£25,000	£15,000	£25,000	£25,000
Median income	£35,000	£25,000	£35,000	£35,000

Source: Data produced by Land Registry © Crown copyright 2020, Zoopla PPD 2020, MHCLG, RSH SDR 2020

2.6. The SHMA has informed the housing policies in the local plan for south Worcestershire, the SWDPR. The SHMA Update (2021) identifies a need for 906 affordable dwellings, across South Worcestershire, each year, and recommends the dwelling type and size required to meet this affordable need. It also includes this information for each council area. It identifies that 331 affordable dwellings per annum are required in Malvern Hills, 458 in Worcester City and 117 in Wychavon. The dwelling type and size required to meet this need by council area is provided in the following tables ES1 to ES3, copied from the SHMA, but the site-specific requirement will be informed by other evidence, including the council's housing register (Housing For You). There are two columns for affordable housing, one is for rented affordable homes, and the other is for affordable home ownership. The rent column includes both social rent and Affordable Rent, although it is acknowledged that the NPPF now gives greatest priority to the delivery of social rent as explained above and this is reflected in the SWDPR, Policy SWDPR 19, which only seeks social rented homes and not Affordable Rented homes.

Table ES1 Overall dwelling mix by tenure: Malvern Hills

Dwelling type and size	Tenure mix (range)		
	Market dwellings	Social/Affordable Rented	Affordable Home Ownership
1 and 2-bedroom house	10-15%	10-15%	15-20%
3-bedroom house	35-40%	20-25%	35-40%
4 or more -bedroom house	20-25%	0-5%	15-20%
1-bedroom flat	0-5%	20-25%	5-10%
2 or more bedroom flat	5-10%	20-25%	15-20%
1-bedroom bungalow/level access	0-5%	10-15%	0-5%
2-bedroom bungalow/level access	5-10%	5-10%	5-10%
3 or more bungalow/level access	5-10%	0-5%	0-5%
Other	0-5%	0-5%	0-5%

Table ES2 Overall dwelling mix by tenure: Worcester

Dwelling type and size	Tenure mix (range)		
	Market dwellings	Social/Affordable Rented	Affordable Home Ownership
1 and 2-bedroom house	15-20%	10-15%	15-20%
3-bedroom house	35-40%	20-25%	35-40%
4 or more -bedroom house	15-20%	0-5%	15-20%
1-bedroom flat	5-10%	20-25%	5-10%
2 or more bedroom flat	5-10%	20-25%	15-20%
1-bedroom bungalow/level access	0-5%	10-15%	0-5%
2-bedroom bungalow/level access	5-10%	5-10%	5-10%
3 or more bungalow/level access	0-5%	0-5%	0-5%
Other	0-5%	0-5%	0-5%

Table ES3 Overall dwelling mix by tenure: Wychavon			
	Tenure mix (range)		
Dwelling type and size	Market dwellings	Social/Affordable Rented	Affordable Home Ownership
1 and 2-bedroom house	10-15%	10-15%	15-20%
3-bedroom house	35-40%	20-25%	35-40%
4 or more -bedroom house	20-25%	0-5%	15-20%
1-bedroom flat	0-5%	20-25%	5-10%
2 or more bedroom flat	5-10%	20-25%	15-20%
1-bedroom bungalow/level access	0-5%	10-15%	0-5%
2-bedroom bungalow/level access	5-10%	5-10%	5-10%
3 or more bungalow/level access	5-10%	0-5%	0-5%
Other	0-5%	0-5%	0-5%

2.7. The SHMA proposed a percentage split of affordable housing for south Worcestershire but since it was published the government has changed its stance on First Homes and the NPPF (2024) no longer requires 25% of affordable housing to be First Homes. This changed position was explained in a SWDPR examination background paper (EXAM 38) which was accepted by the Examination Inspectors and is consequently reflected in the final wording of Policy SWDPR 19: Meeting Affordable Housing Needs. The policy does not require First Homes to be included in the affordable housing mix. Instead, it seeks 70% social rented and 30% affordable home ownership unless it can be demonstrated that either this is not viable or there is a local need for a different affordable tenure. However, the SWDPR includes a policy on First Homes Exception Sites (see para 3.53 – 3.58).

2.8. Each local authority has a duty to prepare a Tenancy Strategy following the enactment of the Localism Act 2011. Malvern Hills and Wychavon councils updated their joint Tenancy Strategy in 2019. It indicated that at that time there were 1531 people on the housing waiting list in Malvern Hills and 2,892 in Wychavon. Worcester City updated their Tenancy Strategy in 2017 and at the time there were 2,773 people on the housing waiting list.

2.9. Evidence of need from the waiting lists, and other data shows that the household type most frequently requiring affordable housing is family households followed by single households. The recent Welfare Reforms including bedroom subsidy, housing rent caps and reductions in benefits/ universal credit have all affected households being able to afford housing.

2.10. In rural areas local Housing Needs Surveys (HNS) supplemented with information from the relevant housing waiting lists are used to provide evidence for the need for affordable housing. An HNS for the parish (or cluster of parishes) is likely to be required if one has not been carried out or is considered to be out of date, in order to justify the provision of housing through the rural exception sites policy (see para 3.43 – 3.52). Applicants are advised to check with the relevant Council's housing teams on the methodology for these.

SWDPR Approach to Affordable Housing

2.11. The SWDPR is a joint development plan that provides the context and planning policies for the housing growth in all three SWCs. The SWDPR sets out a clear vision of the area for the period 2021 to 2041 and contains policies that seek to promote affordable housing through development proposals, in terms of the number and type of housing provided, including the size of dwellings and their tenure. The evidence base shows that there is, and will be in the lifetime of the SWDPR, significant affordable housing need in the plan area and that new development must help to provide affordable housing. The SWDPR vision states:

'South Worcestershire residents have access to a range of housing types and tenures within the new settlements and other allocated sites that help to meet the needs of all, including young families, older people and single households. High quality development has incorporated innovative, environmentally friendly solutions that have helped to reduce resource consumption, achieve sustainable communities and lessen the effects of extreme climatic impacts, particularly flooding. Affordable and accessible housing is widely available and helps to secure and sustain local communities, services and facilities.'

The provision of new affordable housing will provide new accommodation for those in housing need, including for rural sites, those with a local connection. In turn this will help to sustain local communities, services and facilities.

The most relevant SWDPR objectives to this SPD are:

- 12. To provide a balanced mix of house tenures and types, including extra care provision, to satisfy the full range of housing needs and help create active / inclusive / sustainable / healthy communities and to sustain rural communities.
- 13. To maximise opportunities to deliver high quality affordable housing.
- 14. To allocate most development in locations where there is good access to local services and where transport choice is maximised

The most relevant SWDPR policies are listed below. The full policy wording is in FINAL SWDPR March 2026.pdf:

- SWDPR 02: Employment, and Housing Requirements
- SWDPR 03: The Spatial Development Strategy and Settlement Hierarchy
- SWDPR 10: Infrastructure
- SWDPR 17: Housing Mix and Standards

- SWDPR 19: Meeting Affordable Housing Needs
- SWDPR 20: Rural Exception Sites
- SWDPR 21: First Homes Exception Sites
- SWDPR 72: Implementation and Monitoring

2.12. Policy SWDPR 02: Employment, and Housing Requirements is the overarching strategic policy that provides the housing numbers that the Plan is to deliver. The Plan as a whole seeks to supply at least 18,852 dwellings between 1 April 2025 and 31 March 2041.

2.13. Policy SWDPR 10: Infrastructure explains that, where necessary to make development acceptable in planning terms, planning obligations will be sought where a development proposal will create a need to fund additional infrastructure, or improvements to existing infrastructure, that is directly and fairly related in scale and kind, to the development. This will include off-site financial contributions in accordance with policy SWDPR 19.

2.14. Policy SWDPR 72: Implementation and Monitoring confirms that Planning Obligations will be required to fund infrastructure projects that are directly related to specific development, particularly with regards to affordable housing, transport, green infrastructure, education, health and other social infrastructure.

2.15. Policies SWDPR 17: Housing Mix and Standards, SWDPR 19: Meeting Affordable Housing Needs, SWDPR 20: Rural Exception Sites and SWDPR 21: First Homes Exception Sites are the substantive policies in relation to affordable housing, including setting out the circumstances of how much, what type and size, building standards and where affordable housing should be provided. These are outlined in more detail below, refer section 3.

Other Plans and Policies

2.16. In addition, **Neighbourhood Plans** are able to bring forward policies and sites for affordable housing. Where a Neighbourhood Plan is adopted, such policies will complement, or in some cases, supersede the SWDPR local plan policies. Each district council website documents progress on Neighbourhood Plans within their area. Readers should check if there are relevant Neighbourhood Plans that may affect the provision of affordable housing in specific parts of south Worcestershire.

2.17. Other relevant strategies include the Worcestershire Housing Strategy (2023 to 2040), Worcestershire Tenancy Strategy and the individual District Tenancy Strategies (website links are given in Appendix 1). In addition, schemes within or partly within the Malvern Hills or Cotswolds National Landscapes should have regard to the National Landscape Management Plans and other relevant National Landscape Guidance, such as Housing Position Statements.

2.18. The Housing Act 1996 (as amended) requires local authorities to make all allocations and nominations in accordance with an Allocations Scheme. A summary of the Allocations Scheme and general principles is available through the Housing For You website and available at partner local authority offices. The Housing Act 1996 requires local authorities to give Reasonable Preference in their allocations policies to people with high levels of assessed housing need. This includes homeless people, those who need to move on welfare or medical grounds, people living in unsatisfactory housing and those who would face hardship unless they moved to a particular locality within the local authority's area.

Affordable Housing on Strategic Sites

2.19. The approach to the delivery of affordable housing on Worcester South and Worcester West is the subject to a joint "housing accord" agreed by the South Worcestershire Councils to ensure that housing development within these strategic allocations maximises its potential contribution towards meeting the City's affordable housing needs whilst balancing this against meeting the needs of both Malvern Hills and Wychavon council areas. On Worcester South sites within Wychavon, this is currently achieved by allocating: 90% of the affordable housing to households on the Worcester City housing register and 10% to Wychavon households. On Worcester West and Worcester South sites within Malvern Hills, this is currently achieved by allocating: 70% of the affordable housing to households on the Worcester City housing register and 30% to Malvern Hills households. For other strategic allocations such as Worcestershire Parkway/Wychavon Town and Rushwick Expanded Settlement, where development comes forward and affordable housing allocations and nominations need to be agreed prior to any local government reorganisation, a separate housing accord will need to be agreed.

Supported Housing and Older People

2.20. The SHMA Update (2021) Chapter 5 looked at the housing requirements of specific groups and highlights, in particular, demographic changes likely to take place over the plan period which will have an important impact on housing need and the supply requirements for different groups - e.g. due to the ageing population and smaller household size. Many people will wish to stay in their own homes and Disabled Facilities Grant may help them to do this, but others may require more specialist forms of accommodation. The Worcestershire Market Position Statement - Adult social Care - 2024 – 2029 provides useful information on this housing issue.

2.21. The approach is therefore to help people to help themselves, and especially to stay in their own homes where they can. For supported housing, the SWDPR includes Policy SWDPR 25: Use Class C2 Housing for Older People or People with Special Housing Needs, such as sheltered housing, extra-care housing, care homes and nursing homes which can be publicly funded accommodation or private schemes. This approach complements housing policy but is not directly related to providing affordable housing through development proposals. Nevertheless, the movement of people in need of extra care from general housing (C3) to supported housing (C2) can release more general housing onto the market (for rent or sale) for other people, therefore the provision of extra care housing does have an important role to play in the housing market as a whole.

2.22. For further information on the “Use Classes” classification of the different types of housing for older persons, see Appendix 6.

2.23. This SPD is concerned with affordable housing provision for older persons through development planning, which will be mainly directed at specific design solutions for mainstream affordable housing such as the provision of bungalows, flats with lifts, and sheltered housing that can meet the needs of individuals outside of institutional care.

2.24. It is also noted that all councils will be required to develop a Supported Housing Strategy by the end of March 2027, which is a requirement of the Supported Housing Regulatory Oversight Act 2023.

Monitoring

2.25. The level of affordable housing built and granted planning permission each year will be monitored through the Housing Land Availability monitors and as part of the Local Authority Housing Statistics (LAHS) produced by the SWCs. In order to understand the level of affordable housing need and the tenure mix and size of dwellings that are appropriate in development proposals, the SWCs will have regard to the key sources of information listed above and any subsequent updates.

3. Specific SWDPR Policy Context

SWDPR policies

3.1. The full wording of policies SWDPR 03, 10, 17, 19, 20, and 21 is provided in FINAL SWDPR March 2026.pdf. Key areas are interpreted further in the following sections. In addition, the individual policies for strategic sites, e.g. SWDPR 55 Worcestershire Parkway, and other sites with their own allocations policy, e.g. SWDPR 58 Cales Farm, also include a requirement for the provision of affordable housing (generally at 40%) and other infrastructure, and should be read alongside Policy SWDPR 19.

Location of affordable housing

3.2. **Policy SWDPR 03: The Spatial Development Strategy and Settlement Hierarchy** sets out the spatial strategy for the distribution of housing within south Worcestershire, including 3 strategic allocations at Worcestershire Parkway (Wychavon Town), Rushwick and Mitton. In addition, the existing urban areas are the focus for development since they are the most sustainable locations for growth. Worcester City is the largest settlement within South Worcestershire (Urban Area 1), and has a significant unmet housing need, this is followed by towns (Urban Areas 2 and 3) and then villages (Rural Areas 1 and 2) which have been categorised according to level of services and facilities available. The open countryside is defined as land beyond any defined Development Boundary where development will be strictly controlled subject to other policies in the Plan. For information on the categorisation of particular settlements see Annex B of the SWDPR.

3.3. Based on SWDPR 03, affordable housing is therefore considered to be appropriate in these following locations:

- Within the administrative boundary of Worcester City (Urban Area 1)
- Within the development boundaries of Worcester West, Worcester South, Droitwich Spa, Evesham, Malvern and the strategic allocation Worcestershire Parkway/Wychavon Town (Urban Area 2)
- Within the development boundaries of Pershore, Tenbury Wells and Upton upon Severn and the strategic allocations Rushwick and Mitton (Urban Area 3)
- Within the development boundaries of Category 1, 2 and 3 villages (Rural Areas 1)
- Within the housing allocations in the SWDPR whether within or outside the development boundaries

- In locations in line with policy SWDPR 20 Rural Exception Sites where the affordable dwellings are to meet identified "local housing need", (see para 3.43) and the location has access to nearby infrastructure and community facilities. This is likely to rule out locations adjacent to lower category villages. Additional criteria apply to sites falling within villages that are wholly or partly within the Cotswolds or Malvern Hills National Landscapes.
- Within the Green Belt - see SWDPR 04.

Housing Mix and Standards

SWDPR 17: Housing Mix and Standards

3.4. The NPPF requires local planning authorities to assess the size, type and tenure of housing needed for different groups in the community and reflected in planning policy. The intention of Policy SWDPR 17 is to help to ensure that new housing supports an appropriate mix of housing types for the local community and that the needs of particular groups are met. Parts of Policy SWDPR 17 apply to both affordable and market housing. Policy SWDPR 19 deals separately with the number, mix, type and tenure of affordable housing.

3.5. Local Planning Authorities (LPA) have the option to set additional technical requirements that exceed the minimum standards required by Building Regulations. The Standards published in 2015 are nationally set but need to be adopted by the LPA within a Local Plan to be applied locally. The Viability Assessment Report (December 2024) concluded that there would be no impact on viability of schemes from the added optional standards.

3.6. The NPPF enables local planning authorities to require an internal space standard referencing the Nationally Described Space Standards (NDSS) where this been evidenced through the local plan examination process. The NDSS sets out a minimum floor space requirement for dwellings based on the number of bedrooms and the types of dwelling. It is not a building regulation, but a new form of planning standard. In answer to question 45 of the Inspectors Matter, Issues and Questions (MIQs), the South Worcestershire Councils demonstrated that 63% of schemes assessed fell below the NDSS standard and the Inspectors agreed. Consequently, Part B of Policy SWDPR 17 requires all housing, including affordable housing, to at least meet the requirements of the NDSS (as set out in Annex C) to ensure that new housing provides sufficient living and storage space for residents. Applicants for schemes where new dwellings fall short of the NDSS will have to provide robust reasons why.

3.7. Previously, the Lifetime Homes standard set specific requirements in relation to access and adaptability, but this has now been superseded by the introduction of the Government's new Accessibility and Wheelchair Housing Standards. Building Regulations, Part M (Volume 1), updated on 1 October 2015, includes Category 1

(M4(1) visitable dwellings), which is a mandatory access standard and two 'optional' standards: Category 2 (M4(2) accessible and adaptable dwellings), and Category 3 M4(3) (wheelchair user dwellings), which can be required by a local plan policy.

3.8. The SHMA explains that south Worcestershire has an ageing population and around 75,500 people with a disability, some of whom will be elderly, which is projected to increase to 92,600 by 2041. Para 5.69 recommends: 'Given the ageing population of the area and the identified levels of disability amongst the population, it is recommended that 4.5% of new dwellings are built to wheelchair accessible M4(3) standard. All remaining new dwellings are built to M4(2) accessible and adaptable standard, to take account of the ageing demographics of the SWDP area.'

3.9. This stance was considered and agreed at the EiP.

3.10. As a result, Part C of policy SWDPR 16 requires all dwellings to be built to Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings). In addition, Part D requires for schemes of 20 or more dwellings 5% of the dwellings should also meet the requirements of the Building Regulations Part M4(3) Wheelchair User Dwellings.

3.11. Exceptions to these latter two 'Part M' requirements may include when a proposal has Listed Building constraints or site-specific factors such as vulnerability to flooding, site topography or other constraints such as where step-free access is demonstrated not to be feasible.

Affordable Housing Policies

SWDPR 19: Meeting Affordable Housing Needs

3.12. The NPPF requires local planning authorities to assess the need for market and affordable housing and, where there is a need for affordable housing, to set out policies for meeting this need.

3.13. Policy SWDP19 is the key policy for the provision of new affordable housing in south Worcestershire and includes the following thresholds for triggering the need for inclusion of affordable housing in applications for new homes. <u>Please note:</u> The thresholds for affordable housing relate to the net gain in new dwellings, therefore, e.g., affordable housing will not be sought for a replacement dwelling. Similarly, if the proposal involves the conversion or demolition of dwellings, then the number of dwellings converted/demolished would need to be deducted from the number of proposed new dwellings and the affordable housing sought on that new number, not the total number of proposed new dwellings.

B. The number of affordable dwellings to be provided on sites is as follows:

i. Within Designated Rural Areas (as shown on the Policies Map) (but excluding proposals for rural workers dwellings where the market value of the dwelling is effectively restricted by an occupancy limitation condition):

> *1. On greenfield land sites of between five and nine dwellings, 40% of units should be affordable and provided on site.*
>
> *2. On brownfield land sites of between five and nine dwellings, 30% of units should be affordable and provided on site.*
>
> *3. On sites of less than five dwellings, a financial contribution towards local affordable housing provision should be made, based on the cost of providing the equivalent in value to 20% of the units as affordable housing on site.*

ii. On greenfield land sites of either 10 or more dwellings or 0.5 ha or more, 40% of the units should be affordable and provided on site.

iii. On brownfield land sites of either 10 or more dwellings or 0.5 ha or more, 30% of the units should be affordable and provided on site.

3.14. Adjacent land in the ownership of the applicant will be counted in for threshold purposes where it is considered it forms or could form part of a larger site - see Policy SWDPR 19 criterion A. This is to avoid landowners splitting up sites into smaller parcels of land in order to avoid the higher thresholds for affordable housing. To clarify, this will exclude the assessment of adjacent agricultural land if it is clear that is not intended or is unlikely to come forward for housing development in the future.

3.15. It is expected that affordable housing should be provided on-site, except for sites below 5 dwellings in the Designated Rural Area (refer glossary and Appendix 2) where an off-site financial contribution will be sought. There may, however, be other circumstances (see list below) where on-site provision is not feasible and subject to the agreement of the local planning authority, the affordable housing may be provided on an alternative site or as an off-site financial contribution. For both options the amount of affordable housing required, or the level of commuted sum payable, will be calculated to take account of the increase in market dwellings on the application site as a result of the affordable housing being located elsewhere. All three options and the calculation of the off-site financial contributions are explained further in Appendix 4. It should be noted that costs used in the calculations will be adjusted for inflation on an annual basis.

3.16. Under part C of policy SWDPR 19, exceptions to on-site provision may be considered where it can be demonstrated that the site is unsuitable for the type or amount of affordable housing required. This may include where:

- The proposals are for the conversion of buildings (including heritage buildings) that because of their design will not provide adequate space, amenity or other services to those in affordable housing need, or the subdivision of the building presents management problems for the Registered Provider.
- The site would place additional financial burdens on potential households in affordable housing need because of the remoteness from essential services such as schools, employment, healthcare, lack of public transport provision etc.
- The topography of the site would be too steep to accommodate a design layout that would provide for adequate affordable housing in terms of space, amenity or the provision of services.
- The proposal is solely for self or custom build homes
- The scheme will not be viable with the amount or mix of affordable housing required (see Section 5 on viability considerations).

3.17. Assessment of the type and size of the affordable housing required for individual sites will be based on the most up to date evidence of housing need as outlined in section 2 above. This includes data from the latest SHMA, the housing register Housing for You and parish or town housing needs surveys.

3.18. The policy aims to maximise the delivery of affordable housing but includes flexibility to negotiate with developers to enable sites to be brought forward where there may be proven viability issues. Where the applicant has demonstrated that the proportion of affordable housing sought by SWDPR 19 would not be viable, the maximum proportion of affordable housing will be sought that does not undermine the development's viability. Financial viability assessments conforming to an agreed methodology will be required and, where necessary, the LPA will arrange for them to be independently appraised at the expense of the applicant. Further information on viability is contained in section 5.

3.19. Policy SWDPR 19 requires landowners and / or developers to enter into legal agreements to provide for affordable housing. Applicants for planning permission will generally need to demonstrate that the housing will remain permanently affordable or, in exceptional circumstances, the subsidy recycled; and for sites outside the city or towns, available to meet the continuing needs of local people. This will require a binding legal agreement, as explained in para 4.1. In rural areas, the council will support waiving the associated Designated Protected Areas (DPA) restrictions on shared ownership homes if the site is either within a Strategic Allocation or is within a category 1, 2 or 3 settlement as defined in SWDPR 03. This means that the householder could staircase to 100% ownership and therefore the property would not remain as an affordable home. This approach will not apply to Rural Exception Sites where all affordable units will remain affordable in perpetuity regardless of tenure. Please note, this approach will be subject to a review and the council reserves the right to revert back to their original stance on DPA waivers should there be any negative unintended consequences of this approach. Further details on how DPA waivers are applied can be found in the respective reports at Removing barriers to developing new affordable housing Designated Protected Areas and Shared Owners.pdf (Wychavon) and Removing Barriers to Developing New Affordable Housing - Designated Protected Areas and Shared Ownership Housing (Malvern Hills. Further information on legal agreements is contained in Appendix 3.

3.20. In addition, there is a "local connection" requirement for villages in the rural areas in Malvern and Wychavon Districts, which is outlined in their joint rural lettings policy. In accordance with national and local housing policy, the local connection also extends to service families if they are currently serving or served within the previous 5 years.

3.21. The Cotswolds National Landscape and Malvern Hills National Landscape are nationally important and protected landscapes, designated under the same legislation as National Parks. Part F of Policy SWDPR 19 therefore explains that development proposals, for settlements within or partly within the Cotswolds National Landscape or Malvern Hills National Landscape, should have regard to the relevant guidance published by the Cotswolds Conservation Board or Malvern Hills National Landscape Partnership, including any Housing Position Statements. It should be noted that National Landscapes are unlikely to be suitable areas to accommodate unmet housing needs from adjoining non-designated areas.

Vacant Buildings Credit (VBC)

3.22. The NPPF (para 65) supports the re-use of brownfield land, and states that where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount. Footnote 30 explains that this is equivalent to the existing gross floorspace of the existing buildings and that VBC is not applicable to vacant buildings which have been abandoned, or to major development on land within or released from the Green Belt, for which the 'Golden Rules' requirements set out in paragraphs 156-157 of the NPPF should apply.

3.23. The SWC will apply the VBC in accordance with the NPPF and the PPG. Please refer to Appendix 5 for further information.

3.24. The following paragraphs explain what types of affordable housing can be provided and how it can meet policy SWDPR 19.

Forms of delivering the affordable housing on-site

3.25. The NPPF provides the definition of affordable housing for planning purposes. It includes social rent, other affordable housing for rent, discounted market sales and other affordable routes to home ownership.

3.26. For households on very low incomes, including those dependent upon means tested benefits, rented accommodation may best meet their need, noting that social rent is generally the cheapest and therefore more affordable to more people in housing need than other forms of rented, such as Affordable Rent.

3.27. For households who have a higher earned income but, due to the significant gap between earnings and housing costs, cannot access housing on the open market, either to buy or rent privately, affordable home ownership products may be more appropriate. For this reason, different types of affordable housing products are required to meet needs.

3.28. The SWC no longer own any housing stock and are unlikely to be involved in the future ownership of any affordable homes. **Developers are strongly advised to ensure a Registered Provider is actively engaged at an early stage of housing proposals and throughout the planning application process.** This should help avoid problems that have been experienced in the past regarding developments falling short of the standards required for the Registered Providers to obtain their funding.

3.29. Although typically affordable dwellings will be delivered as part of sites for market homes, sometimes schemes for 100% affordable housing come forward, typically from Registered Providers who have bought part or all of a housing allocation. Such proposals will be supported in principle provided they are of an appropriate scale, provide a suitable mix of housing sizes, types and tenures, and meet an identified local need. This means that the size of the scheme should be smaller for villages compared to those that might be acceptable in the towns or on the strategic allocations.

Rented homes

3.30. Traditionally, Registered Providers provided social rented accommodation. This is rented housing owned and managed by local authorities or Registered Providers, for which guideline target rents are determined through the national rent regime. This is generally the cheapest type of affordable housing.

3.31. “Affordable Rents” were introduced in February 2011 as a new tenure concept and are rents up to 80% of open market value. They are typically less affordable than social rented and so do not meet the needs of those in greatest housing need.

3.32. The government now gives greater emphasis to the provision of social rented homes and the NPPF requires planning policies to include the minimum proportion of Social Rent homes required. This approach is complemented by the change to grant funding from Homes England, who previously only funded development where rents were proposed at Affordable Rent levels but are now providing funding for social rented homes.

3.33. As discussed in para 2.5 above the SHMA 2019 and the 2021 Update assessed the affordability of the Affordable Rent tenure and found that there are significant proportions of households who are unable to afford these higher rent levels. Therefore, the policy seeks 70% of affordable housing to be social rented.

3.34. Where a scheme is demonstrated to be unviable with 70% social rented, or local need has demonstrated a need for a different affordable housing tenure for the site, then other forms of rent may be acceptable to include in the affordable housing mix, such as Affordable Rent, but the rent levels must be capped at Local Housing Allowance (LHA) rate or 80% market rate inclusive of service charges (whichever is lower).

Affordable Home Ownership Products

3.35. Policy SWDPR 19 seeks 30% affordable homes ownership products. The NPPF (2024) defines this as:

Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

3.36. These products can assist people into home ownership, some with a restriction in place to ensure housing remains at a discount for future eligible households. In the case of protected rural areas (in Malvern and Wychavon), this can either be limited to 80% or extended to 100% provided the Registered Provider covenants to repurchase the home - see reference in glossary to The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009.

3.37. The latest Shared Ownership model lease (Affordable Homes Programme, AHP 2021-2026) means that purchasers can buy an initial share starting at 10% and staircase in 1% increases, with rents set at 2.75% of the unsold equity.

Tenure requirements

3.38. Due to the affordability issues in south Worcestershire, the requirement sought between the tenures will be **70% social rent** and **30% affordable homes** ownership products, unless it can be demonstrated that this mix is not viable or local need has demonstrated a need for a different affordable housing tenure for the site. In practice, this means that developers are required to transfer affordable homes to a Registered Provider at an agreed discount on the market price to ensure that they are affordable.

3.39. Generally, there is no Homes England grant contribution on allocated or windfall housing sites where affordable housing is a requirement through S106 agreements. The amounts that Registered Providers are able to pay developers to acquire affordable homes are constrained by their borrowing capacity as supported by the value of these revenue streams.

Service charges and affordability

3.40. Service charges are additional charges over and above the rent and are payable by the occupier and include for example, a contribution towards maintenance of communal areas and lifts. Service charges will need to be eligible for rent subsidy such as Housing Benefit or Universal Credit and RPs or developers will need to obtain agreement from the council for their approval as stipulated in the S106 Agreements. Therefore, developers should take into account when designing schemes of the likely level of service charges applicable to the affordable housing dwellings to ensure their continued affordability.

Dwelling Size and Type

3.41. There is a need for all types and sizes of affordable dwelling, including level access accommodation, family housing with gardens and homes for single people. The need varies across south Worcestershire and Housing Needs Surveys and Neighbourhood Plans offer the opportunity to identify the local communities housing needs to supplement the data from each council's housing register, Housing for You.

3.42. In general terms, the greatest need is for 1 and 2-bedroom dwellings, but there is also a need for 3, 4 and occasionally 5/5+ bedroom dwellings too to accommodate families of all sizes.

Policy SWDPR 20 Rural Exception Sites

3.43. This policy only applies to Malvern Hills and Wychavon Districts.

3.44. The NPPF glossary explains that Rural Exception Sites are '*small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.*

3.45. Where there is an identified need for affordable housing and there are no other suitable and available sites within the development boundary rural exception sites can be allowed on small sites either adjacent to or within a short distance of the Development Boundaries of villages or of the main built-up area of villages without Development Boundaries. The reference to a short distance is in terms of walking distance and would usually be expected to include a permanent well-designed and usually lit footpath, connecting the site and the village to ensure that the site is easily accessible on foot from the village.

3.46. The NPPF (para 154) states *that limited affordable housing for local community needs under policies set out in the development plan (including policies for rural exception sites)* is not inappropriate development in the Green Belt and is therefore permitted within the Green Belt.

3.47. Policy SWDPR 20 requires sites to be located where they have reasonable access to local services, e.g., shops, schools or local bus services. This is to avoid residents of affordable housing being isolated from essential services as households may have no or only limited access to a car.

3.48. The policy defines small as not larger than one hectare in size or exceed 5% of the size of the existing settlement. This is the maximum size and many schemes will be smaller than this, for example, where there is a lower local housing need or the site is physically constrained in some way.

3.49. The applicant will be required to sign a S106 agreement (see section 5) to secure arrangements to ensure the housing will remain affordable and available to meet the continuing needs of local people in perpetuity.

3.50. Beyond the National Landscapes, local need includes the parish and adjoining rural parishes or groups of parishes as defined in the latest Rural Letting Policy but excludes any need from the towns.

3.51. For sites that fall within villages that are wholly or partly within the National Landscapes, applications will need to be supported by robust evidence of a local affordable housing need specific to the National Landscape settlement and, if necessary, to its neighbouring settlements within the National Landscape within south Worcestershire, such as a housing needs survey. In order to protect the special qualities of the National Landscape, it is not appropriate for Rural Exception Sites to cater for need for areas outside of that National Landscape. Proposals within the National Landscapes or those which affect their setting (refer Policy SWDPR 31 The Cotswolds National Landscape and Malvern Hills National Landscape) should also be accompanied by a Landscape Sensitivity and Capacity Assessment (LSCA) and/or a Landscape and Visual Impact Assessment / Appraisal (LVIA) which will need to demonstrate that the site is capable of being developed without compromising the natural beauty of the National Landscape.

3.52. It is expected that the site will deliver 100% affordable housing, but where this is not achievable because of viability reasons up to 20% of the dwellings can be provided as market homes to give sufficient cross-subsidy to facilitate the delivery of affordable homes. A viability assessment will be required to demonstrate that this approach is essential and will be independently verified at the expense of the applicant. See section 5 on viability considerations. Development for 100% affordable rented housing will not be required to pay any tariff-based developer contributions, although they will be expected to provide on-site provision for open space, recycling collection etc. where appropriate.

Policy SWDPR 21: First Homes Exception Sites

3.53. The SWDPR was examined against the 2023 NPPF which included reference to First Homes and First Homes Exception Sites, which were introduced by a Written Ministerial Statement in 2021. First Homes are an affordable home ownership product sold to eligible first-time buyers at a discount of at least 30% below market value, up to a maximum purchase price of £250,000. The homes are restricted as such for future purchasers (with the exception of the price cap of £250,000).

3.54. First Homes Exception Sites are not permitted within the Green Belt, National Landscapes or Designated Rural Areas. Most of Malvern Hills District and Wychavon District are within the Designated Rural Area and therefore the permissible areas for First Homes Exception Sites are very limited.

3.55. Beyond these areas, where there is a proven and as yet unmet local need for First Homes, First Homes Exception Sites can be allowed on small unallocated sites adjacent to the Development Boundaries of Worcester, the towns and villages.

3.56. As for Rural Exception Sites, small means sites should not be larger than one hectare in size or exceed 5% of the size of the existing settlement, however, First Homes Exception Sites may often be much smaller than this, for example, if there is a lower identified local need for First Homes. They should be located where they have reasonable access to local services, e.g., shops, schools or local bus services and secure arrangements exist to ensure the housing will remain affordable and available to meet the continuing needs of local people in perpetuity, usually via a S106 agreement.

3.57. In addition, the scale and location of the site must relate well to the existing settlement and landscape character.

3.58. It is expected that the site will deliver 100% First Homes, but where this is not achievable because of viability reasons up to 20% of the dwellings can be provided as market homes to give sufficient cross-subsidy to facilitate their delivery. A viability assessment will be required to demonstrate that this approach is essential and will be independently verified at the expense of the applicant. See section 5 on viability considerations.

4. Detailed Requirement

Legal arrangements

4.1. Legal arrangements will need to be put in place to retain any affordable housing in the future as long as a housing need continues. These legal arrangements will normally be in the form of the signing of a Section 106 agreement (Town and Country Planning Act 1990, as amended) by all parties to the agreement and should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision. Alternatively, a Unilateral Undertaking may be offered by the developer to cover the arrangements. This is often put forward via a planning appeal if agreement cannot be reached by the local planning authority and a developer. For more background on the role and format of S106 agreements/ Unilateral Undertaking and other legal obligations see Appendix 3.

4.2. Generally, management of the affordable housing will be through Registered Providers who may be party to any S106 agreements, or other legally binding arrangements with other approved management representatives if no Registered Provider is involved.

Design of affordable housing

4.3. The South Worcestershire Councils require all affordable homes to be of good design and quality and fit for purpose. Generally, what is acceptable for market housing is also likely to be appropriate for affordable housing.

- The following are key considerations in the design of affordable housing units in any development scheme:

a) <u>Standards</u>:

All housing, including affordable housing, should meet the space requirements of the Nationally Described Space Standards.

All dwellings to be built to Building Regulations Part M4(2) dwelling standard (Accessible and Adaptable Dwellings). In addition, for schemes of 20 or more dwellings 5% of the dwellings should also meet the requirements of the Building Regulations Part M4(3) Wheelchair User Dwellings – refer para 3.8. Where step-free access is demonstrated not to be feasible, these Part M requirements will not apply.
Other exceptions to these Part M requirements may include when a proposal has Listed building constraints or site-specific factors such as vulnerability to flooding, site topography or other constraints.

As a minimum, the criteria of Policy SWDPR 37 Renewable and Low Carbon Energy should be met but opportunities to maximise the use of appropriate renewable and low carbon energy for affordable housing, such as solar PV panels, will be welcomed to ensure that future occupiers benefit from these greener and cheaper to run forms of energy. Any other standards, such as those to meet Policy SWDPR 30 Biodiversity Net Gain , should apply to all housing across the whole site.

b) Tenure blindness:

Affordable housing dwellings should be visually indistinguishable from the market homes, i.e. built using the same materials; similar built form and built to the same high standards of design expected for the associated market housing.

c) Types and sizes of dwellings:

Generally, affordable properties should be designed to be occupied as follows:

- All 2-bedroom dwellings designed for 4 persons
- All 3-bedroom dwellings to be designed for 5 persons
- 4-bedroom dwellings to be designed for 6, 7 and 8 persons
- And to include a small number of 5/5+ bedroom dwellings where required.

- 1-bedroom affordable properties can be houses, bungalows and maisonettes, flats are less desirable because they have communal entrances and shared spaces.

- 2-bedroom affordable properties are preferred to be built as houses or bungalows rather than flats because they are likely to accommodate households with children and gardens are considered essential for their health and well-being.

For ease of management, affordable housing should not be provided in mixed tenure blocks, for example avoid a mixed terrace of social rent and shared ownership.

d) Clustering:

In accordance with national guidance, developments should endeavour to create mixed and balanced communities and therefore on larger sites it is usually preferable to disperse the affordable housing throughout the site in groups. With the exception of 100% affordable housing schemes, clusters of up to 10-12 dwellings usually work well, but this will depend on management practices of the

Registered Provider, and site-specific requirements of the housing scheme. It may also be helpful to cluster by affordable tenure because social rent and intermediate tenures have different management practices.

e) <u>Car parking standards:</u>

Car-parking provision for the affordable housing dwellings should meet the same standards per dwelling as the open market housing enjoys in number of spaces as well as design. The preference is for parking to be located within the individual curtilages. Car parking must be within the individual curtilages for e.g., bungalows as these may be occupied by people with mobility issues or other disabilities.

f) <u>General points</u>

The SWC wish to ensure that affordable homes offer a good level of residential amenity to future occupiers. Careful consideration should be given to the design of the affordable properties. Unless there are good planning reasons for doing so, generally, schemes are unlikely to be supported where the affordable homes offered are:

- over detached blocks of garages;
- predominantly over drive-ins; and
- in blocks of unbroken terraces if the market homes are not terraces.

Wherever possible, the SWC will seek affordable homes which have:

- Parking within the curtilage;
- good sized gardens;
- materials that are the same as their private neighbours;
- sympathetic boundary treatment in keeping with associated market dwellings;
- shared highway access arrangements with the market homes; and
- features that promote energy efficiency.

5. Financial Considerations

Financial contributions in lieu of on-site provision

5.1. In accordance with Policy SWDPR 19, for schemes of less than 5 dwellings in a Designated Rural Areas, an off-site financial contribution will be sought based on the cost of providing the equivalent in value to 20% of the units as affordable housing on site. The affordable housing contribution will be payable prior to commencement of the development.

5.2. As explained in para 3.15 above, an off-site financial contribution may also be considered where the council agrees that on-site provision is not practicable and off-site provision is not viable. For viability considerations see the section below. The level of affordable housing required, or the level of commuted sum payable, will be calculated to take account of the increase in market dwellings on the application site as a result of the affordable housing being located elsewhere.

5.3. Further information on the calculation of off-site financial contributions is given in Appendix 4. **Please note** that all of the costs listed in the calculations will be adjusted for inflation on an annual basis.

Viability considerations

5.4. The NPPF confirms the Government's planning policies for England and how these should be applied and provides a framework within which locally-prepared plans can provide for housing and other development in a sustainable manner (National Planning Policy Framework, December 2024, para 1).

5.5. It is important to note that within the NPPF (2024), paragraph 173 of the original 2012 NPPF has been deleted. The old paragraph 173 referred to viability and required 'competitive returns to a willing landowner and willing developer to enable the development to be deliverable'.

5.6. The "new" NPPF (iterations from 2019) refers increasingly to deliverability as well as viability which requires that infrastructure can be delivered to support schemes (with sustainable land values and profit margins).

5.7. Paragraph 59 of the NPPF (2024) establishes the presumption of viability, stating "*Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the* *recommended approach in national planning guidance, including standardised inputs, and should be made publicly available*."

5.8. Paragraph 65 of the NPPF establishes a 10 Unit threshold for affordable housing provision: "Provision of affordable housing should not be sought for residential developments that are not major[5] developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)." Most of Malvern Hills District and Wychavon District are in Designated Rural Areas where lower thresholds can apply and Policy SWDPR 19 sets this at 1 new dwelling.

5.9. The Planning Practice Guidance for Viability was first published in March 2014 and substantially updated in line with the NPPF. This has subsequently been updated on several occasions, most recently on 12 December 2024. Paragraph 001 of the PPG sets out the principles:

"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development."

5.10. This approach is reflected in the viability work undertaken for the SWDPR policies, and reflected in published reports:

- South Worcestershire Development Plan Review (SWDPR) and Strategic Sites Viability Assessment Financial Viability Assessment Report & Appendices (December 2024)
- CIL Viability Report: South Worcestershire CIL Review (December 2025)

5.11. The viability evidence has been further tested during the SWDPR Examination process. It is considered that overall, the SWDPR policies do not put such a burden on development that it prevents development from coming forward. The viability work recognises that the delivery of affordable housing in line with SWDPR policy is only one element of infrastructure that needs to be provided through development proposals. Other infrastructure is also often required, either on site, or in the form of planning "obligations" for funding elements such as public open space, contributions to schools, public transport etc. Any financial contribution or infrastructure delivered as a planning obligation is often referred to as a "developer contribution".

5.12. Contributions made towards infrastructure that is required to support development is further complicated by the fact that developers may be asked to make financial contributions towards infrastructure for specific elements of proposals, and / or contribute to a more general infrastructure fund or “levy” (Community Infrastructure Levy, (CIL)). A separate Developer Contributions Supplementary Planning Document has been prepared that explains the policy basis and the approach that the SWC are taking towards the delivery of other infrastructure, either via specific developer contributions or through CIL. It is recognised that regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended) makes it illegal for a charging authority (the Local Planning Authority) to seek a planning obligation to fund infrastructure which it is intending to support with receipts from the CIL. This is to avoid “double-dipping” of infrastructure/ payments.

5.13. The NPPF paragraph 204 and the Community Infrastructure Levy Regulations 2010 (as amended in 2014), regulation 122, set the following three tests for any planning obligation. It must be:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

5.14. In determining whether planning obligations are required to make the proposed development acceptable in planning terms, the SWC will have regard to the infrastructure requirements identified in the South Worcestershire Infrastructure Delivery Plan.

5.15. It is also recognised that the viability of individual sites are affected by a range of factors, and thus there may still be particular proposals that may not be able to meet the full policy and infrastructure requirements of the plan. Thus, in policies SWDPR 19 Meeting Affordable Housing Needs and SWDPR 20 Rural Exception Sites, there is specific reference to have regard to development viability. The Developer Contributions SPD also addresses this issue, recognising that the provision of affordable housing along with other infrastructure requirements of a development may render some development unviable (or less viable, so that a developer may not wish to bring a site forward). The approach in the Developer Contributions SPD to assessing the viability of the infrastructure and other requirements is similar to that for affordable housing.

Establishing infrastructure requirements, including affordable housing

5.16. Thus, the following approach to establishing infrastructure requirements, and hence viability, is advised:

- Developers should enter into discussions with the relevant local planning authority and other infrastructure providers, including Registered Providers and Worcestershire County Council at an early stage before putting in a planning application, to determine which planning policies are relevant and what the required infrastructure needed to support the development will be.

- Discussions should take place with Development Management officers (who will consult with other colleagues / infrastructure and service providers) to consider the level and type of infrastructure, including any affordable housing that will be required. This should include discussions on the type of and proportions of affordable dwellings. The established affordable housing tenure split in Policy SWDPR 19 is 70% social rent and 30% affordable homes ownership products, such as shared ownership. Variations to this may be acceptable if it can be demonstrated that this mix is not viable, or local need has demonstrated a need for a different affordable housing tenure for the site. Other affordable rent tenures, such as Affordable rent, may only be considered where there are robustly evidenced viability reasons for this type of affordable housing.
- If the developer believes that the financial viability of development will be jeopardised by the scale of planning obligations likely to be required then the scale of any financial or on-site provision of infrastructure or affordable homes will need to be negotiated with the local planning authority.
- Where the developer considers that a particular level or type of affordable housing will render the development unviable, they can ask for the policy requirements to be reduced or waived. To assess this, the Local Planning Authority will require a detailed viability assessment in order to assess which particular elements of the infrastructure requirements make the development unviable. The process for the assessment of viability is outlined below. **Where the Local planning Authority considers that the provision of affordable housing is viable and appropriate, and the developer still declines to provide it, this will be a reason to recommend refusal of the application.**

Viability assessment

5.17. Planning obligations are negotiated between councils and developers on a case by case basis. National Planning Policy Guidance sets out the government approach to viability assessment for planning and developers are advised to read and follow this guidance when preparing their appraisal https://www.gov.uk/guidance/viability#viability-and-decision-taking

5.18. Where developers believe that planning obligations will make development unviable they will need to make a submission to the relevant planning authority. The viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances. Where exemption from publication is sought by a developer e.g. the information is commercially sensitive, then a second redacted copy should also be provided. Normally it is this copy that the Council will use if it receives a Freedom of Information request or a request under the Environmental Information Regulations provided that redactions are kept to a minimum and have been fully justified. The authority will retain the final say over what can or cannot be exempted.

5.19. The financial viability assessment should include a statement as to why the full policy requirements cannot be met and include a statement outlining the benefits and risks of not meeting the policy requirements and the site not being delivered immediately. Developers should utilise Homes England's Development Appraisal Tool or another suitable model, as agreed with the relevant local planning authority, and should be based on an "open book approach." The following information should be included:

- A quantity surveyor's cost assessment of construction costs. The report should include a schedule of accommodation with floor areas.
- Sales values and market evidence of the sales values used
- Site value and any evidence supporting this
- A development and sales programme
- Details of any abnormals and other development costs e.g. sales and marketing fees, finance costs, s106 costs, bio-diversity net gain costs
- Developer's profit
- The expected Community Infrastructure Levy charge showing payments required in accordance with the instalments policy.
- A site layout plan (indicative only where it relates to an outline application) and other relevant plans

5.20. In particular any assessment needs to take account of any additional funding that may be available e.g. grant funding, and any additional costs, such as service charges to prospective tenants or occupiers / shared ownership schemes that may impact on cost to residents and therefore the affordability of housing on the schemes (which may make them not affordable for policy purposes).

5.21. The local planning authority will seek independent advice from a suitably qualified professional e.g. a RICS registered valuer, to review the evidence within the financial appraisals. The cost of this review will be paid for by the applicant. An initial estimate of the cost will be provided, where possible, and a deposit will be required before any work can be undertaken. Further up front stage payments may be sought where the appraisal relates to a large or complex scheme or further information is submitted for consideration.

5.22. Based on the independent financial viability advice and other evidence, planning obligations may be deferred, phased or discounted, where this would not make the development unacceptable in planning terms. The local planning authority will also consider the potential benefits of a development by weighing these against the resulting harm from the potential under-provision or delayed provision of infrastructure (including affordable housing). The SWCs will not generally accept Viability Assessments for affordable housing within 12 months of planning permission being granted, unless the applicant is unable to secure a Registered Provider partner.

Reduced or Discounted Planning Obligations

5.23. Reductions in developer contributions will be the minimum necessary to make the development financially viable. The relevant local planning authority will make a judgement as to whether a development will still be acceptable in planning terms with a reduced level of contributions.

Deferred or Phased Planning Obligations

5.24. On larger schemes, the options of deferring planning obligations or phasing them will be considered first before giving consideration to the need to reduce the size of developer contributions. The following options may be appropriate depending on the viability evidence:

- The provision of site-specific infrastructure (including affordable housing) in phases with trigger points at different stages of the completion of the development.
- Deferral of financial contributions to a later stage of the development.

Financial contributions in lieu of on-site provision

5.25. In cases where a financial contribution, as opposed to on-site (or off-site provision of housing on an alternative site), is accepted on viability grounds, the calculation will be based on an open book viability assessment of how much of the Policy SWDPR 19 on-site requirement can be borne by the development, taking into account other infrastructure planning obligations required to make the development acceptable in planning terms.

APPENDIX 1

Key Evidence Base

South Worcestershire Development Plan Review 2021 - 2041

The South Worcestershire Development Plan Review (SWDPR) is a review of the 2016 adopted South Worcestershire Development Plan and, was adopted on 26 March 2026 replacing the former Local Plan in its entirety.

FINAL SWDPR March 2026.pdf

· Worcestershire Strategic Housing Market Assessment (SHMA) 2019 and SHMA Update (2021)

The South Worcestershire Strategic Housing Market Assessment (SHMA) 2021 updates the summary report prepared as part of the 2019 SHMA. The report updates evidence for Malvern Hills, Worcester City and Wychavon local authority areas which together form the South Worcestershire Development Plan (SWDP) area. SHMA findings will inform the development of local housing strategies and the commissioning of new affordable and other housing products in each authority area. It considers the need for affordable housing and the size, type and tenure of housing need for different groups within the community over the period 2021 to 2041. This research provides an up-to-date analysis of the social, economic, housing and demographic situation across the SWDP area. The SHMA update has been prepared in accordance with the National Planning Policy Framework (NPPF) and associated Planning Practice Guidance (PPG).

SHMA-South-Worcestershire-Summary-Report-FINAL-Sep-19.pdf

Malvern Hills, Worcester City and Wychavon Strategic Housing Market Assessment 2021 Update

· **SWDPR Examination Paper: Exam 38: Paper on First Homes**

The SHMA proposed a percentage split of affordable housing for south Worcestershire but since it was published the government has changed its stance on First Homes and the NPPF (2024) no longer requires 25% of affordable housing to be First Homes. This changed position was explained in a SWDPR examination background paper (EXAM 38) which was accepted by the Examination Inspectors and is consequently reflected in the final wording of Policy SWDPR 19: Meeting Affordable Housing Needs. The policy does not require First Homes to be included in the affordable housing mix. Instead, it seeks 70% social rented and 30% affordable home ownership unless it can be demonstrated that either this is not viable or there is a local need for a different affordable tenure.

017f5b_3177250228f84107a635e70a441ea901.pdf

· **Parish and Town Council housing needs surveys**

Targeted Local Housing needs surveys are carried out for parishes and some towns where more detailed analysis of housing needs is considered desirable. The surveys are designed to be completed by every household within a parish in order to build a profile of the area and examine current and/or future housing need. Along with other data sources, housing needs surveys can help inform local communities, local authorities and other stakeholders of the housing needs in a particular area at a given time. For more information on housing needs surveys, refer to your local housing team.

· **Information on affordable housing waiting lists for each council – currently known as Housing For You**

Waiting lists can indicate demand and need for affordable housing. South Worcestershire Councils form part of a wider sub-regional housing register known as Housing For You, a choice-based lettings system which allocates a banding to all those who are registered based on their need for (re)housing.

· **SWDPR Housing Topic Paper 2022:**

This topic paper explains the evidence that has informed the proposed housing allocations and policies in the SWDP Review Publication Consultation (Reg 19). The paper is intended to aid understanding of the Plan and draws on the wider evidence base. The purpose of this paper is not to duplicate what is published elsewhere, rather to explain how the evidence base has informed the approach to housing development.

Housing Topic Paper - September 2022.pdf

· Specific Housing Needs – elderly and vulnerable records

Supported housing is housing for people who are unable to live independently or who need a particular kind of support and can include the physically disabled, frail elderly, people with learning disabilities, people with mental health problems, vulnerable young people and children leaving care and people with hearing and sight impairments.

Consideration will be given to the range of strategies and reports available when considering meeting the needs of specific groups e.g. Worcestershire Market Position Statement - Adult social Care - 2024 - 2029.

· **MHCLG and ONS statistics**

The Ministry of Housing, Communities and Local Government (MHCLG) regulate social housing providers, usually known as Registered Providers (RPs) in England. They are a source of statistical data on housing provision, including affordable housing.

Office for National Statistics (ONS) is the UK's largest independent producer of official statistics and its recognised national statistical institute. They are responsible for collecting and publishing statistics related to the economy, population and society at national, regional and local levels. They also conduct the census in England and Wales every 10 years.

Home - Office for National Statistics

· **Tenancy Strategies**

Malvern Hills and Wychavon joint Tenancy Strategy:

Malvern Hills and Wychavon Tenancy Strategy 2019

Worcester City Council Tenancy Strategy:

Worcester City Tenancy Strategy – update 2017

· **Worcestershire Market Position Statement - Adult social Care - 2024 - 2029**

This is produced by the People Directorate of Worcestershire County Council. It is a countywide strategy putting local people at the heart of decision making for those in need of care and support. It promotes healthy and active lifestyles, enables vulnerable people to live as independently and safely as possible with the support of their families, friends and communities and aims to minimise the number of people who need to go into permanent/residential nursing placements.

Worcestershire Housing Strategy - 2023 to 2040:

The strategy has been developed by a county-wide team with representation from the 7 local authorities, NHS partners, local housing providers and the Worcestershire LEP, facilitated by Arcadis.

Worcestershire Housing Policy 2023 40

Lettings Policy

Wychavon and Malvern Hills: HSG - Rural Lettings Policy 2021.pdf

National Landscape:

Malvern Hills National Landscape Management Plan, and other relevant National Landscape Guidance, such as Housing Position Statements

Cotswolds National Landscape Management Plan, and other relevant National Landscape Guidance, such as Housing Position Statements

APPENDIX 2

Designated Rural Areas within Malvern Hills District and Wychavon District:

1 http://www.legislation.gov.uk/uksi/2016/587/contents/made SI 2016 No. 587: The Housing (Right to Buy) (Designated Rural Areas and Designated Regions) (England) Order 2016

SCHEDULE Designation of rural areas (extract)

2. In the district of Malvern Hills, the parishes of Abberley, Alfrick, Astley and Dunley, Bayton, Berrow, Birtsmorton, Bockleton, Bransford, Broadheath, Broadwas, Bushley, Castlemorton, Clifton upon Teme, Cotheridge, Croome D'Abitot, Doddenham, Earl's Croome, Eastham, Eldersfield, Great Witley, Grimley, Guarford, Hallow, Hanley, Hanley Castle, Hill Croome, Hillhampton, Holdfast, Holt, Kempsey, Kenswick, Knighton on Teme, Knightwick, Kyre, Leigh, Lindridge, Little Witley, Longdon, Lower Sapey, Lulsley, Madresfield, Mamble, Martley, Newland, Pendock, Pendock (DET), Pensax, Powick, Queenhill, Ripple, Rochford, Rushwick, Severn Stoke, Shelsley Beauchamp, Shelsley Kings, Shelsley Walsh, Shrawley, Stanford with Orleton, Stockton on Teme, Stoke Bliss, Suckley, Tenbury, Upton-upon-Severn, Welland and Wichenford.

4. In the district of Wychavon, the parishes of Abberton, Abbots Morton, Aldington, Ashton under Hill, Aston Somerville, Beckford, Besford, Bickmarsh, Birlingham, Bishampton, Bredicot, Bredon, Bredon's Norton, Bretforton, Bricklehampton, Broadway, Broughton Hackett, Charlton, Childswickham, Church Lench, Churchill, Cleeve Prior, Conderton, Cookhill, Cropthorne, Crowle, Defford, Dodderhill, Dormston, Doverdale, Drakes Broughton and Wadborough, Eckington, Elmbridge, Elmley Castle, Elmley Lovett, Fladbury, Flyford Flavell, Grafton Flyford, Great Comberton, Hadzor, Hampton Lovett, Hanbury, Hartlebury, Hill and Moor, Himbleton, Hindlip, Hinton on the Green, Honeybourne, Huddington, Inkberrow, Kemerton, Kington, Little Comberton, Martin Hussingtree, Naunton Beauchamp, Netherton, North and Middle Littleton, North Piddle, Norton and Lenchwick, Oddingley, Ombersley, Overbury, Pebworth, Peopleton, Pinvin, Pirton, Rous Lench, Salwarpe, Sedgeberrow, Spetchley, Stock and Bradley, Stoulton, Strensham, Throckmorton, Tibberton, Upton Snodsbury, Upton Warren, Westwood, White Ladies Aston, Whittington, Wick and Wickhamford.

In addition to the above, the NPPF states that Designated Rural Areas also include areas within National Landscapes.

APPENDIX 3

Suggested Clauses for Section 106 Agreements/Unilateral Undertakings for Affordable Housing

Generally, for applications with an affordable housing element the following clauses, where appropriate, will be included in the S106 Agreement/Unilateral Undertaking:

· Number and location of the affordable housing units

· The tenure of the affordable housing units e.g. social rented, Affordable Rented, shared ownership and where appropriate the proportion of each

· Phasing – at what stage of the development the affordable housing should be completed

· To transfer the ownership of the affordable housing to a Registered Provider and the timing of the transfer

· The affordable units will only be occupied by qualifying residents (i.e. those on the Housing For You register and approved by the Council)

· Initial rents of Affordable Rented units to be agreed with the Council

· Additional clause for all sites located within the rural parishes: Priority to be given to households with a local connection (for both initial and subsequent occupiers), using the cascade approach as set out in the councils rural housing Lettings Policy.

For outline applications, to allow some flexibility, in the absence of the details of type, tenure and location of the affordable housing units, the following clause will be required:

> · An Affordable Housing Scheme to be agreed in writing with the Council prior to commencement of the development

For applications for off-site affordable housing financial contributions:

> · Amount of financial contribution payable
>
> · The timing of payment in relation to the construction of the development

The Council may wish to agree to the use of the following clause to enable a degree of flexibility:

· Unless otherwise agreed in writing with the Council, the mix will comprise the following property types and tenures

APPENDIX 4

Affordable Housing: Calculation of Off-site Contributions.

The sequence for the provision of new affordable homes on qualifying sites is as follows:

Option 1. The first and preferred option in most cases will be for on-site provision (refer **Option 4** for small schemes of less than 5 dwellings in the Designated Rural Area).

Please note: if the affordable housing calculation results in a number which is not a whole number e.g., 12.4 homes, then the whole number would be provided on site and the remaining portion, in this case 0.4 would be provided as a financial contribution (refer **Option 5**). This is to avoid the need for rounding up or down in the calculation which can either unfairly burden developers, particularly for smaller sites, or result in a loss of affordable housing for the local community. Alternatively, the developer may wish to round up the amount of affordable housing to avoid the payment of an off-site financial contribution.

Option 2.

If the developer can demonstrate that on-site provision in not achievable or desirable, and the Council agrees, then the developer may be allowed to provide the affordable housing element on another agreed site in the local area (usually within the same or adjoining parishes or wards). The provision of affordable housing on an alternative site is known as off-site provision.

With regard to option two, the Council would expect the submission of both applications to enable them to be considered simultaneously. Furthermore, a Section106 Agreement would be required to link the two proposals, to ensure that the original site is not developed unless the secondary site is likewise developed.

Option 3.

Where option 2 cannot be reasonably considered by a developer because of the paucity of other sites, then the Council could allow the developer to provide a commuted sum in lieu of direct provision. This option will only be applicable in exceptional cases. The monies provided in this way will be used by the Council to provide additional affordable accommodation within the respective council area. The Council and the applicant will need to agree how, when and where the commuted sum will be spent, and this will be subject to a Section 106 agreement.

With regard to the second and third options, the amount of affordable housing required, or the level of commuted sum payable, will be calculated to take account of the increase in market dwellings on the application site as a result of the affordable housing being located elsewhere and the approach set out in policy SWDPR 19B.

The following example demonstrates how the calculations would be carried out for each of the 3 options.

Example: 20 dwellings proposed on a greenfield site, Site A

Under option 1: on-site provision of affordable housing on Site A

40% of total dwellings to be provided on site = 40% of 20 = 8.

Therefore, 8 affordable dwellings would be on-site, Site A, with the remaining 12 dwellings as market homes.

Under option 2: off-site provision

Where the Council and the developer agree to off-site provision on another site, Site B, in the locality, the 20 dwellings on Site A will all be market dwellings. This means that an additional 8 dwellings will be market homes on the original site, Site A, as opposed to only 12 market homes in option 1.

The following calculation, using the same example of 20 dwellings on Site A, takes account of the revised ratio of market dwellings to affordable dwellings where an alternative site, Site B, is used to deliver the affordable housing.

a) Total number of units on the site (Site A): 20 dwellings

b) Number of affordable homes (at 40%) 8 dwellings

c) Number of market dwellings (a-b) 12 dwellings

d) Ratio of affordable to market housing [1:c÷b (12÷8)] 1:1.5

The ratio calculated is then used to determine the number of affordable houses to be delivered on Site B, as follows:

e) Affordable houses to be built off site (a÷d) (20÷1.5) 13 dwellings

Therefore, the total number of affordable homes to be delivered on the alternative site, Site B, is 13 dwellings.

Under option 3: commuted sum in lieu of provision of affordable housing on Site A

The calculation under option 2 will need to be carried out first to establish how many affordable units would be required to take account of the increase in market dwellings on Site A as a result of the affordable housing being located elsewhere.

The LPA and applicant will need to agree the combination of number of bedrooms per unit for the affordable housing and the National Described Space Standards are used to establish the size of each of the bedroom types as shown in Table A5(1) below:

The calculation for option 3 is (f + g) x 62% (to allow for RP offer of 38% OMV, open market value) x number of units required, where:

f) Land cost per unit = £20,000

g) Build cost per unit @ £2,500 per sqm[1]

Continuing with the example of a 20-dwelling scheme, the calculation above (as per option 2) has identified that 13 affordable dwellings need to be provided on an alternative site. It is this figure of 13 affordable dwellings that would need to be used in the calculation for the off-site commuted sum as shown below:

Assuming a need on site of 13 units comprises 5 x 1 bed, 5 x 2 bed and 3 x 3 bed.

Table A5(1):

	Sqm	Number of Units	Total sqm	Build cost £2,500 per Sqm
1 bed 2 person Level 1	50	5	250	£625,000
2 bed 4 person Level 1	79	5	395	£987,500
3 bed 5 person Level 1	93	3	279	£697,500
				£2,310,000

[1] *National Described Space Standards: e.g.1 bed 2 person Level 1 = 50sqm; 2 bed 4 person Level 1 = 79 sqm and 3 bed 5 person Level 1= 93sqm

Land @ £20,000 per plot		13		£260,000
Total				£2,570,000
Multiply by 62% to allow for RP offer of 38% Open Market Value (OMV)				£1,593,400

The commuted sum is therefore **£1,593,400**for a site of 20 dwellings.

Option 4.

For schemes of less than 5 dwellings in the Designated Rural Area, policy SWDPR 19 seeks a financial contribution towards local affordable housing provision, based on the cost of providing the equivalent in value of 20% of the units as affordable housing.

This calculation uses the figures (f and g) in option 3 above, and from the NDSS, a 2 bed 4-person dwelling with floor area of 79 sqm (or for entirely 1 bed market schemes only, a 1 bed 2-person dwelling with floor area of 50sqm), as follows:

i) Land cost per unit = £20,000

j) Build cost per unit @ £2,500 per sqm[2] = £197,500

Total cost per unit (for a 2 bed 4-person affordable dwelling) = £217,500

l) Multiply by 62% to allow for RP offer of 38% OMV = £134,850

m) Apply 20% contribution = £26,970

n) Multiply (m) by number of dwellings in the scheme e.g. for a scheme of 4 dwellings:

4 x £26,970 = £107,880

Option 5: Calculation of a fraction of a dwelling

Affordable housing shall be provided on-site but where the affordable housing requirement includes a fraction of a dwelling, this fraction shall be provided as an off-

[2] *National Described Space Standards: e.g.1 bed 2 person Level 1 = 50sqm; 2 bed 4 person Level 1 = 79 sqm

site financial contribution in addition to the on-site provision, unless the applicant prefers to round up to avoid the payment of an off-site financial contribution.

For example, a scheme of 31 dwellings on a greenfield site, the affordable housing sought would be 40%, or 12.4 dwellings. Therefore, the 12 dwellings would be provided on-site, and the remaining 0.4 dwellings would be provided as an offsite financial contribution of £53,940, using the figures in Option 4 above, and calculated as shown below.

o) Land cost per unit = £20,000

p) Build cost per unit @ £2,500 per sqm[3] = £197,500

r) Total cost per unit (for a 2 bed 4-person affordable dwelling) = £217,500

s) Multiply (r) by 62% to allow for RP offer of 38% OMV = £134,850

t) Multiply (s) by the fraction of a dwelling, in this case 0.4 = £53,940

Please note that all of the costs used in the calculations above will be adjusted for inflation on an annual basis.

[3] 3 *National Described Space Standards: 2 bed 4 person Level 1 = 79 sqm

APPENDIX 5

Vacant Building Credit (VBC):

The NPPF (para 65) supports the re-use of brownfield land, and states that where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount. Footnote 30 explains that this is equivalent to the existing gross floorspace of the existing buildings and that VBC is not applicable to vacant buildings which have been abandoned, or to major development on land within or released from the Green Belt, for which the ‘Golden Rules’ requirements set out in paragraphs 156-157 of the NPPF should apply.

The SWC will apply the VBC in accordance with the NPPF and the PPG. This means that where a site qualifies for the VBC, affordable housing contributions will only be sought on any additional floorspace created by the development.

Please note: The thresholds for affordable housing relate to the net gain in new dwellings, therefore, e.g., affordable housing will not be sought for a replacement dwelling. Similarly, if the proposal involves the demolition of dwellings, then the number of dwellings demolished would need to be deducted from the number of proposed new dwellings and the affordable housing sought on that new number, not the total number of proposed new dwellings.

In applying the credit, the SWC will take into account the following:

Building

Applicants must be able to demonstrate that the floorspace is within a building. Also, the following points will be considered:

· The building must not be ancillary to another in continuing use, e.g. an attic, basement or a curtilage building within the grounds of a building which is not vacant would not be eligible for the credit.

· There may be an exception for commercial premises with separate entrances for separate floors in different uses and/or ownerships. The government is supportive of the conversion of vacant floor space above shops and this is reflected in the SWDPR policies. The VBC will be applied, where appropriate, to incentivise the re-use of these spaces.

· Evidence of vacancy of upper floors of commercial premises can sometimes be obtained from the Valuation Office Agency (VOA) website where space that is vacant will be zero rated for business rates calculation purposes. This evidence may be used to clarify whether or not the credit should be applied.

· The use should not be abandoned as per the NPPF and PPG.

Vacant

The NPPG indicates that making a building vacant for the sole purpose of re-development is something a local planning authority should take into account for the purpose of calculating VBC. Therefore, the SWC will give consideration to the following points when determining whether or not an application is eligible for the credit:

· Where a building was vacant before VBC was introduced the credit would apply unless the use has been abandoned.

· Where a business has ceased trading then the credit would apply as the premises would not have been deliberately vacated for the sole purpose of facilitating redevelopment.

· Where there is evidence that occupiers of premises have been served notice to leave, or commercial property owners have decanted occupiers into other premises they control, then it is possible that the credit would not apply to the site. This is because the site would be considered to have been deliberately vacated for the purposes of redevelopment.

· There may be cases where parts of sites or buildings are vacant and other parts are not. In these cases careful consideration will be given to the calculation of the VBC and affordable housing contributions. The total size of the development should be used to determine if the threshold for requiring affordable housing contributions is triggered even if this means the affordable housing contribution is based on a number of units below the threshold. Please refer to the section below on calculating the VBC.

· The credit will not apply where the site has an extant or recently expired (within 12 months) planning permission for the same, or substantially the same, development.

· Evidence will be sought to demonstrate eligibility for VBC. Where an applicant is asked to provide evidence to support a claim for VBC, the following evidence may be used to determine when a building was vacated (this list is intended to be indicative):

o Evidence from the Valuation Office Agency that the premises have been deemed vacant and zero rated for business rate calculation purposes.

o Written and signed confirmation from utilities providers that a building was vacated on a particular date.

o Written confirmation from previous occupants and their solicitors as to when a building was vacated.

o Evidence from South Worcestershire Revenues and Benefits that a building has been vacant.

Calculating the VBC

Where the VBC is applicable, it will be calculated as follows:

1. Use SWDPR 19 to calculate the amount of affordable housing that would be required from the development if no Vacant Building Credit were applied (a)

2. Calculate the floorspace of vacant buildings eligible for the credit (b)

3. Calculate the proposed total gross floorspace for all dwellings (c)

4. Calculate (b) existing floorspace ÷ (c) proposed floorspace x 100 = d

5. 100 – d = e%

6. e% of (a) is the number of affordable dwellings required on the site after applying the VBC

Where the resulting calculation is not a whole number of dwellings, the fraction of a dwelling should be provided as a financial contribution. For example, if the requirement was for 5.6 dwellings, 5 units should be provided on-site and the remaining 0.6 as an off-site financial contribution.

Example: Vacant Building Credit for Brownfield site of 31 dwellings

1. 31 dwellings x 30% = 9.3 affordable dwellings (a)

2. 1850 sqm (b)

3. 2582 sqm (c)

4. (b) ÷ (c) x 100 = d 1850 ÷ 2582 = 71.6 (d)

5. 100 – d = e% 100 – 71.6 = 28.4 (e)

6. e% of (a) 28.4% of 9.3 = 2.64 affordable dwellings

In this example, the council would seek 2 dwellings on site and an off-site financial contribution of 0.64 (refer appendix 4 for the calculation of the latter).

Appendix 6: Use Classes Order

The Town and Country Planning (Use Classes) Order 1987 (as amended) divides housing into several “classes” for development planning purposes:

· Class C3 relates to “dwelling houses” in general. Dwellings provided in this category count towards meeting the Councils’ objectively assessed housing need.

· Class C2 covers residential institutions and includes residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

The C2 class either does not count or only partially counts towards the objectively assessed housing need for planning purposes. It also does not normally come under the remit of policy SWDPR 19. Thus, for example, proposals for care homes which provide communal / institutional accommodation that is not self-contained are generally excluded from the requirement to provide affordable homes.

However, there are many examples of C2 type development proposals that are a hybrid - such as extra care housing schemes that accommodate individual dwellings that are self-contained (e.g. sheltered apartments and bungalows). In instances where a development provides a mix of C3 and C2 dwellings, such as an extra care facility that has some independent dwelling units on-site, the provisions for contributions of affordable housing in SWDP 19 will be applied, in that affordable housing contributions should be required on the C3 dwelling proposals, in line with the thresholds in SWDP 19.

GLOSSARY

(*these are taken from the NPPF (2024) Glossary)

Affordable housing – refer the NPPF

Affordability Ratios

Statistics collated by ONS which include house prices, earnings and the affordability ratio for a range of geographies between local authority district and country level in England and Wales. ONS divide house prices by earnings, therefore a larger housing affordability ratio means that an area is less affordable, while a smaller ratio means that an area is more affordable. [Housing affordability in England and Wales QMI - Office for National Statistics]

Build to Rent*

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.

Community Infrastructure Levy

The Community Infrastructure Levy (the levy) came into force in April 2010. It allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed as a result of development. This includes new or safer road schemes, flood defences, schools, hospitals and other health and social care facilities, park improvements, green spaces and leisure centres.

The Community Infrastructure Levy charging authorities (charging authorities) in England are district and metropolitan district councils, London borough councils, unitary authorities, national park authorities, The Broads Authority and the Mayor of London.

Community Right to Build*

An Order made by the local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a site specific development proposal or classes of development.

Designated Rural Areas*

National Parks, National Landscapes and areas designated as 'rural' under Section 157 of the Housing Act 1985.

Developer contributions

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy -

Development Management

Development management is the part of the planning system which covers planning applications and other related applications, such as Listed building Consent. It is the process of controlling new development by granting or refusing planning permission.

Extra Care Housing

The term 'extra care housing' (ECH) has become one of the most widely used and adopted as the generic term for purpose designed, self-contained, housing for older and disabled people with care and support needs. [Source Worcestershire Market Position Statement - Adult social Care - 2024 - 2029]

Housing Associations

Housing associations in England are independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Housing associations were the generic name for all social landlords not covered by local authorities but the term Registered Provider is now more commonly used.

The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009)

Protected areas are those locations where shared ownership houses would be hard to replace if the shared owner subsequently purchased 100% shares and sold the property on the open market.

Infrastructure Delivery Plan

The Infrastructure Delivery Plan (IDP) establishes the additional infrastructure and service needs required to support the level of development proposed in the South

Worcestershire Development Plan Review (SWDPR) over the period to 2041 (and in the case of the two new settlements, beyond this period).

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low cost market' housing, may not be considered as affordable housing for planning purposes.

Local Housing Allowance

Local housing allowance (LHA) is housing benefit for people who rent a home from a private landlord.

Lower quartile house prices levels

The lower quartile property price/income is determined by ranking all property prices/incomes in ascending order. The lowest 25 per cent of prices are below the lower quartile; the highest 75 per cent are above the lower quartile.

MHCLG: Ministry of Housing, Communities and Local Government Ministry of Housing, Communities and Local Government - GOV.UK

The Government's department for housing, communities and local government. They publish housing and planning policy, including the NPPF, and are the regulator of social housing providers (RPs) in England.

Neighbourhood Plan

The Localism Act 2011 introduced the concept of neighbourhood planning. A neighbourhood plan is a community led plan which establishes general planning policies for the development and use of land in a designated neighbourhood area, such as where new homes and offices should be built and what they should look like. It is also known as a neighbourhood development plan. It should support the strategic development needs set out in the Local Plan and plan positively to support local development as outlined in paragraph 16 of the National Planning Policy Framework. A neighbourhood plan must address the development and use of land; it is subject to a local referendum and to an examination. The neighbourhood plan will become part of the statutory development plan once it has been 'made' (brought into legal force) by the local planning authority.

Planning obligations

Legally enforceable agreements between a local planning authority and a developer, or undertakings offered unilaterally by a developer, which ensure that necessary mitigating works related to the development are undertaken. These agreements can be drawn up under section 106 of the Town & Country Planning Act 1990 (as amended), and therefore planning obligations are also sometimes known as S106 agreements.

Registered Provider (RP)

Registered Provider, or Private Registered Provider, is the term now more commonly used for Housing Associations and Registered Social Landlords. Housing associations in England are independent societies, bodies of trustees or companies established for the purpose of providing low-cost social housing for people in housing need on a non-profit-making basis. Housing associations has been used as the generic name for all social landlords not covered by local authorities.

Registered Social Landlord

An alternative name for a Housing Association or Registered Provider.

Rural Exception Site*

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

The adopted local plan, policy SWDPR 20, explains that Rural Exception Sites should not be larger than one hectare in size or exceed 5% of the size of the existing settlement.

Section 106 agreement

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy.

Shared Equity

Shared equity schemes give you a loan that acts as part of the deposit on a property. You will still need to take out a mortgage on the remainder of the property price, but because the loan counts towards your deposit you may be able to take out a mortgage where you might otherwise struggle.

Shared ownership

Shared ownership schemes are pro vided through housing associations, where residents buy a share of their home (starting at initial share of 10% and staircase in 1% increases) and pay rent on the remaining share.

Strategic Housing Market Assessment

A study usually commissioned by Local Authorities to develop their understanding of how housing markets operate in their area, and what current and future housing needs might be, including the Objectively Assessed Housing Needs (OAHN).

Supported housing

Supported housing combines housing with support services. This form of accommodation aims to help people, including those with mental health problems, to live as independently as possible.

Tenancy Strategy

The Localism Act 2011 requires councils to adopt a Tenancy Strategy to which local social housing providers must have regard.

Unilateral Undertaking

A unilateral undertaking (UU), like a S.106 agreement, is a legal deed where developers covenant to perform planning obligations however, unlike S.106 agreements, they do not have to be entered into by the local authority. A unilateral undertaking comes into effect when planning permission to which they are linked is granted. UUs are often used at appeals by developers where a S106 has not been agreed.

Use Classes Order

The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. This Order is periodically amended. Generally planning permission is required to change from one use class to another, although there are exceptions where the legislation does allow some changes between uses without the need for planning permission.