

# **Appendix A**

## **Draft Affordable Housing Supplementary Planning Document**

**March 2014**

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### **Important Note to the Reader**

This is a draft document for consultation. It has been written to support the emerging Cambridge Local Plan 2014, which the council expects to adopt in early 2015.

The final version of this document will be amended prior to adoption to reflect some or all of the following:

- comments received on this draft document during consultation;
- any amendments to relevant policies in the newly adopted local plan;
- any governmental policy changes.

This document will be adopted at the same time as, or shortly after, the local plan is adopted. It will not be adopted before the local plan is adopted.

# 1 The Affordable Housing SPD

## The need for affordable housing

- 1.1 Demand for housing in Cambridge is high, with high private rents and high house prices. Providing the right types of housing in the right places at the right times is critical to support both the national and local economy. This understanding is backed up by long-standing market needs analysis. The provision of affordable housing is integral to meeting and maintaining a balanced mix of the different types, sizes and tenures needed to meet the wide range of housing demands in the city.

## Purpose

- 1.2 A Supplementary Planning Document (SPD) can be prepared to support policies and objectives found in a local plan.
- 1.3 This SPD supports the following Local Plan strategic objectives to:
- “8. meet the housing needs of the city within its sub-region, delivering an appropriate mix of housing types, sizes and tenures to meet existing and future needs, including affordable housing”
- “9. assist the creation and maintenance of inclusive, environmentally sustainable communities.”
- 1.4 This SPD has been prepared to support *Policy No. 45: Affordable housing and dwelling mix* as set out in the Cambridge Local Plan 2014. The full policy as drafted is set out in Appendix 1 of this SPD.
- 1.5 The SPD has been prepared in line with the requirements of the Town and Country Planning (Local Planning) (England) Regulations 2012. Alongside the council’s emerging Planning Obligations Strategy SPD and Community Infrastructure Levy charging schedule, which support the delivery of different forms of infrastructure across the city, this SPD provides advice on the delivery of affordable housing and financial contributions towards affordable housing.
- 1.6 The intention is that this SPD will help all parties involved (such as the council, developers, landowners and registered providers) deliver affordable housing through new development. The SPD seeks to provide greater clarity and certainty, particularly in terms of:
- the planning process leading to submission of a planning application;
  - when the policy applies;
  - the specification sought;
  - the type/mix required.

1.7 The purpose of this document is to help guide the delivery of affordable housing in Cambridge which will help to meet the strategic vision and objectives of the Cambridge Local Plan 2014 by supporting the creation of a sustainable long-term future for communities in Cambridge.

1.8 This SPD will replace the following document:

- Cambridge City Council Affordable Housing SPD, January 2008

## Consultation

1.9 The SPD will be the subject of public consultation for a period of six weeks. The consultation for this SPD will run from:

**(exact dates to be confirmed)**

1.10 There are a variety of ways to respond to the consultation:

- Online by visiting: <http://cambridge.jdi-consult.net/ldf/>
- By filling in and returning a response form available from: <https://www.cambridge.gov.uk/affordable-housing-spd>
- By emailing a response form to: [policysurveys@cambridge.gov.uk](mailto:policysurveys@cambridge.gov.uk)
- By posting a response form to : Affordable Housing SPD Consultation, Planning Policy, Cambridge City Council, PO Box 700, Cambridge, CB1 0JH

1.11 The final version of this document will be amended prior to adoption to reflect some or all of the following:

- comments received on this draft document during consultation;
- any amendments to relevant policies in the adopted local plan;
- any governmental policy changes.

1.12 This document will be subject to final consideration and approval by the council's Environment Scrutiny Committee before its adoption.

1.13 A Sustainability Appraisal and Habitats Regulations Assessment Screening Report has been carried out and consulted upon for the Cambridge Local Plan 2014. This consultation took place between 19 July 2013 and 30 September 2013. These documents will be available to view during this consultation. As the draft SPD supports the Cambridge Local Plan 2014, there is no further need to undertake a separate Sustainability Appraisal or Habitats Regulations Assessment for the SPD itself.

1.14 An updated version of the Cambridge Local Plan 2014 Equalities Impact Assessment will also be made available during consultation, which includes updated information relevant to this SPD.

## Status of this Document

- 1.15 This is the draft version of the Affordable Housing Supplementary Planning Document (SPD), agreed for consultation at Development Plan Scrutiny Sub Committee by the Executive Councillor for Planning and Climate Change on 25 March 2014.
- 1.16 Once adopted, the SPD will be a material consideration in the determination of relevant planning applications.
- 1.17 This draft SPD has been written to support the Cambridge Local Plan 2014. This SPD will be adopted at the same time as, or shortly after, the local plan is adopted. It will not be adopted before the local plan is adopted.
- 1.18 It is important to note that the SPD supports Policy 45: Affordable housing and dwelling mix of the emerging Cambridge Local Plan 2014 and does not allocate land for housing or any other form of development. This will be undertaken by the Cambridge Local Plan 2014.

## 2 Planning Policy Context

### What is Affordable Housing?

- 2.1 The National Planning Policy Framework (NPPF) defines affordable housing as follows:

**Affordable housing:**

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing 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.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

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.

- 2.2 The submission Cambridge Local Plan 2014 uses the same definition (as above) to define affordable housing. Any references within this document to housing tenures, including affordable housing, social rented, affordable rented and intermediate housing will be as defined in the Glossary of this SPD.
- 2.3 References to social rent and affordable rent in this SPD will also apply to any future forms of affordable housing tenure which may be introduced through national policy. Reference to dwelling size refers to the number of bedrooms.

## Government Guidance

2.4 On the matter of affordable housing, the Government's guidance is provided through the NPPF. Section 6 of the NPPF looks specifically at delivering a wide choice of high quality homes. Paragraph 3.1 sets out the NPPF definition of affordable housing. Paragraph 50 specifically states the following:

**"50.** To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time."

2.5 Paragraphs 56 (good design), 159 (need for a Strategic Housing Market Assessment) and 173 to 177 (viability and deliverability) are also relevant to this SPD. This guidance has been taken into account in preparing this SPD.

2.6 The Government has also issued new National Planning Practice Guidance in March 2014, which has been taken into account during the production of this SPD, in particular, sections on planning obligations and design<sup>1</sup>.

2.7 The Government's Housing Standards Review was launched in October 2012<sup>2</sup>. It aims to be a fundamental review of the building regulations framework and voluntary housing standards. It seeks to rationalise existing codes, standards, rules, regulations and guidance.

2.8 The review was undertaken by a wide range of cross sector stakeholder working groups and this consultation set out their proposals on:

- accessibility;
- space;
- security ;

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<sup>1</sup> <http://planningguidance.planningportal.gov.uk/>

<sup>2</sup> <https://www.gov.uk/government/consultations/housing-standards-review-consultation>

- water efficiency;
- energy;
- indoor environmental standards;
- materials;
- process and compliance.

2.9 The consultation closed on 22 October 2013 and the outcome is awaited. Any changes in national housing standards will be reflected in the final version of this Affordable Housing SPD.

## Cambridge Local Plan 2014 Policies and relevance to Affordable Housing SPD

2.10 The emerging plan for Cambridge is the Local Plan 2014. This SPD supports *Policy 45: Affordable housing and dwelling mix* of the local plan. This policy is included in full in Appendix 1.

2.11 A number of other policies in the submission Cambridge Local Plan 2014 also reference affordable housing requirements, some of which are listed below. This list is not exhaustive and it is recommended that the submission Cambridge Local Plan 2014 is read as a whole. Pre-application advice can be obtained from development management officers, who will also be able to give more detailed information on which policies apply. Contact details for officers can be found in Appendix 5 of this document.

- Policy 47: Specialist housing – where the development of specialist housing falls within the use Class C3 (Dwellinghouses), which can be found in the glossary definition, the development will be expected to contribute to the supply of affordable housing.
- Policy 77: Development and expansion of hotels - notes that aparthotels and serviced apartments will be treated as residential uses and therefore affordable housing provision will be sought.
- Policies which include the provision of housing as set out in Section Three: City Centre, areas of major change, opportunity areas and site specific proposals of the submission Cambridge Local Plan 2014.

## Other relevant strategies and documents

2.12 There are a number of other relevant strategies and documents that have informed the production of the Affordable Housing SPD or must be considered in tandem with the SPD. These are listed below.

- **Balanced and Mixed Communities - A Good Practice Guide 2006:** Best practice guidance on how to develop balanced and mixed communities. Further details on this document can be found at: <https://www.cambridge.gov.uk/public/ldf/coredocs/CD-B-8-2.pdf>
- **Cambridge City Council Charter for New Affordable Housing:** The charter highlights what the council would like to see in new affordable housing schemes. Further details on this document

can be found at:

<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/charter-for-new-affordable-housing.pdf>

- **Cambridge City Council Housing Strategy 2012-2015:** The strategy highlights the council's local housing objectives and priorities, including those in relation to the delivery of new affordable homes and the provision of supported and other specialist housing. The document and any subsequent updates to the strategy can be found at: <https://www.cambridge.gov.uk/housing-and-related-strategies>
- **Cambridge City Council Local Plan - SHLAA and Potential Site Allocations High Level Viability Assessment - Dixon Searle (2013):** Provides a high level assessment of the development viability of potential site allocations and SHLAA sites for the Local Plan 2014. The full document can be found at: <https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/DS%20SHLAA%20High%20Level%20Viability%20Assessment%202013.pdf>
- **Cambridge City Council Local Plan: Community Infrastructure Levy Viability (CIL) Assessment, Dixon Searle (2013):** Provides an assessment of the development viability of introducing a CIL in Cambridge. The document can be found at: <https://www.cambridge.gov.uk/public/ldf/CIL/Cambridge%20City%20Council%20CILViability%20Study%20Final%20Report%20%26%20Appen.pdf>
- **Cambridge City Council Tenancy Strategy 2012 Onwards** – Outlines to Registered Providers operating in Cambridge what they must have regard to when deciding on the types and lengths of tenancy to be offered and the circumstances in which tenancies will be renewed. It also offers guidance on affordability. The document and any subsequent update to the strategy can be found at: <https://www.cambridge.gov.uk/housing-and-related-strategies>
- **Department for Communities and Local Government – Section 106 affordable housing requirements – Review and Appeal (2013).** This document is available to view at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/192641/Section\\_106\\_affordable\\_housing\\_requirements\\_-\\_Review\\_and\\_appeal.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192641/Section_106_affordable_housing_requirements_-_Review_and_appeal.pdf)
- **Strategic Housing Market Assessment:** provides a robust assessment of the housing market in the Cambridge sub-region. The facts and figures in the SHMA are updated periodically, reflecting changes in market signals. A full copy of the Cambridge sub-region SHMA and subsequent updates can be found at the following link: <http://www.cambridgeshireinsight.org.uk/housing/shma>
- **Supplementary Report - Small Sites Affordable Housing Viability Assessment - Dixon Searle (2013):** Assesses affordable housing options for between two and 14 dwellings by running development appraisals to test the viability of providing affordable housing as part of development. <https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/DS%20Supplementary%20Report%20Small%20Sites%20Affordable%20Housing%20Viability.pdf>

### 3. Delivering Affordable Housing

- 3.1 A significant proportion of affordable housing within Cambridge and nationally is likely to be delivered without any public subsidy from the Homes and Communities Agency. Applicants will need to consider this when purchasing land and considering the development economics. Applicants are responsible for the delivery of the affordable housing and working with registered providers is common practice.
- 3.2 The council does not preclude alternative arrangements for developing affordable housing. Innovative partnerships which maximise the opportunities for attracting external funding will be considered.
- 3.3 On major developments, Cambridge City Council is committed to continued partnership working with registered providers and South Cambridgeshire District Council to deliver affordable housing.
- 3.4 Appendix 4 of this document contains an affordable housing checklist. This checklist is designed to guide applicants and illustrate what affordable housing related information will be required as part of the planning application process.

#### Pre-application discussions

- 3.5 The council encourages early discussion of plans before submitting a planning application and designing a scheme. Early discussions with planning officers help ensure better quality applications are submitted. It is highly recommended that applicants participate in pre-application discussions, if sites are subject to affordable housing requirements to ensure that the scheme includes a viable affordable housing and dwelling mix in terms of location, size, type and tenure.
- 3.6 Pre-application discussions may include a range of interested parties such as: planning officers; housing development officers; urban design officers; conservation officers; and the County Council's highway advisors. To find out more about pre-application advice, see Appendix 5 and the council's website (<https://www.cambridge.gov.uk/pre-application-advice>) for information on process and charges.
- 3.7 The provision of affordable housing also requires consultation and discussion with the council's housing development team. The team works closely with the planning department, and other infrastructure service providers and registered providers to ensure new communities have all the necessary support to create attractive and sustainable new neighbourhoods. The team is especially important in the negotiation of delivery, identification of a registered provider, tenure mix, location and transfer arrangements of affordable housing. The contact details for the housing development team can be found in Appendix 5.

## Planning applications

- 3.8 All relevant development proposals should have regard to the principles set out in this SPD. The council will expect that all planning applications will demonstrate how the design and layout of the proposal has regard to the requirements outlined in this document and in the affordable housing checklist in Appendix 4.
- 3.9 It should be noted that the affordable housing policy applies to the net increase in housing. For example, if an application is submitted to demolish three existing dwellings and build six, the net increase in dwellings on the site would be three. Therefore the policy would be applied to the three additional dwellings only.

### Full applications

- 3.10 Full applications should confirm the amount of development proposed, including the amount of affordable housing to be provided; the dwelling mix in terms of tenure and unit size and the location of the affordable homes. In the event that affordable housing cannot be provided on site, applications should confirm the percentage of financial contribution to be provided. This must be agreed with the council.

### Outline and reserved matters applications

- 3.11 If an outline application is made, the council will require applicants to define the affordable housing element of the scheme. This will be secured through a planning obligation (for more information regarding planning obligations see the council's Planning Obligations SPD). Outline applications are therefore advised to set out the following:
- the percentage of affordable housing to be provided;
  - the indicative dwelling mix and location of the affordable homes;
  - the indicative tenure mix, dwelling types and sizes.
- 3.12 **Reserved matters applications** should confirm the affordable housing mix proposed on the site, including percentages, dwellings, tenure mix and location. The dwelling and tenure mix should broadly reflect the indicative housing mix specified within the outline application, unless there is a significant change to overall dwelling types and sizes proposed as part of the reserved matters application.

## Qualifying sites and thresholds

- 3.13 The requirement for provision of affordable housing has three different thresholds outlined in Policy 45, dependent on overall net number of new units on site.

**Table 1: Taken from Policy 45 – Affordable Housing and Dwelling Mix**

No. of dwellings	Minimum percentage of affordable housing required
2-9 units	10%
10-14 units	25%
15 units or more	40%

- 3.14 When implementing the policy, it must be noted that financial contributions may also be required on parts of units depending upon the application of this policy. The mix of affordable housing types to be provided on site should follow the council's requirements set out in Cambridge City Council's Housing Strategy<sup>3</sup> of 75% affordable rented and 25% intermediate housing (see also Section 4. Site layout and distribution for more detail)<sup>4</sup>. This split is difficult to implement on small scale developments therefore Table 2: Minimum affordable housing requirements sets out what would be expected from smaller developments.

**Table 2: Minimum affordable housing requirements**

Site capacity (units)	Expected Affordable Housing Provision		Financial contribution required? See Appendix 2
	Number of social rent or affordable rent dwellings	Number of intermediate housing dwellings	
1	No requirement		
2	Off-site financial contribution is acceptable		Yes
3	Off-site financial contribution is acceptable		Yes
4	Off-site financial contribution is acceptable		Yes
5	Off-site financial contribution is acceptable		Yes
6	Off-site financial contribution is acceptable		Yes
7	Off-site financial contribution is acceptable		Yes
8	Off-site financial contribution is acceptable		Yes
9	Off-site financial contribution is acceptable		Yes
10	2	0	Yes
11	2	0	Yes
12	2	1	No

<sup>3</sup> <https://www.cambridge.gov.uk/housing-and-related-strategies>

<sup>4</sup> Or as amended in future.

Site capacity (units)	Expected Affordable Housing Provision		Financial contribution required? See Appendix 2
	Number of social rent or affordable rent dwellings	Number of intermediate housing dwellings	
13	2	1	Yes
14	2	1	Yes
15	5	1	No
16	5	1	Yes
17	5	1	Yes
18	5	2	Yes

- 3.15 The financial contributions required will be calculated using the method illustrated in Appendix 2.
- 3.16 Planning applications submitted for housing development capable of providing two or more dwellings (net) will be assessed against Policy 45 – Affordable housing and dwelling mix.
- 3.17 Where it appears that a larger site has been subdivided into smaller development parcels in order to circumvent the requirements of this policy or for any other reason, the full affordable housing percentage for the larger site will be applied to each parcel.

## On-site provision and financial contributions

### Sites of 2 to 9 dwellings

- 3.18 On sites capable of delivering between 2 and 9 dwellings, financial contributions towards the provision of affordable housing off-site are considered acceptable. This does not prohibit on-site provision of affordable housing on sites of this scale, but recognises that circumstances may often not allow for delivery on-site.
- 3.19 The financial contributions required in lieu of on-site provision will be calculated using the method illustrated in Appendix 2.

### Sites of 10 dwellings and over

- 3.20 Sites with capacity for between **10 and 14 dwellings** will be required to provide a minimum of 25 per cent affordable housing on-site.
- 3.21 Sites with capacity for **15 dwellings or more** will be required to provide for a minimum of 40 per cent affordable housing on-site.
- 3.22 On sites of 10 units or more, developers will be expected to deliver whole units on site with financial contributions provided for fractions of units.
- 3.23 For developments capable of providing 10 units or over, affordable housing will be provided on site, in the interests of creating sustainable, inclusive and mixed communities. However, in exceptional circumstances, if both the council and the developer agree that it is not appropriate to provide affordable housing on a particular site, then off-site provision or a financial contribution in lieu may be

agreed. This will only be considered where there is certainty that such an arrangement will actually result in the provision of affordable housing. The amount of a financial contribution in lieu of on-site provision will be calculated in the same way as illustrated in Appendix 2.

- 3.24 Financial contributions received from developers will be pooled in a specific affordable housing fund to support the provision of new affordable homes. The council will spend commuted sums on direct provision in building affordable homes on sites within the council's ownership or via the acquisition or purchase of land on the open market. Alternatively, the sums collected can be administered in the form of grant to registered providers to build new affordable homes in the city.
- 3.25 Financial contributions will be ring-fenced to enable the local authority to provide stimulus to the affordable housing market, examples of how this may be achieved include:
- local authority development including estate renewals;
  - a Registered Social Landlord (RSL) development;
  - housing purchased on the private market to be transferred to an RSL;
  - vacant properties brought back to use;
  - other housing schemes that qualify under planning policy.

## Viability

- 3.26 Planning obligations, like the Community Infrastructure Levy (CIL), are a necessary cost of development and it will be expected that the likely cost of obligations, including the cost of affordable housing provision, will be factored into development from an early stage. The council has tested the viability of development as part of the preparation of the Cambridge Local Plan 2014 and the Cambridge Submission CIL charging schedule. The viability assessments<sup>5</sup> tested the impact of the proposed CIL rates, alongside Local Plan policy requirements and planning obligations on development. The results of these residual land value development appraisals produced land values that would still incentivise landowners to make their land available for redevelopment. These results were based on area-wide viability assessments, which included additional headroom (the CIL rates are not set at the margins of viability), something that would not be relied on for site specific cases.
- 3.27 The costs incurred in delivering a workable, high quality development should be anticipated and reflected in the price paid for land and will not normally reduce the ability of a site to provide what is required under the planning obligation.
- 3.28 Anticipated costs must include as a minimum: affordable housing; site clearance and remediation; good quality; design measures; landscaping; noise and other environmental attenuation measures; and appropriate infrastructure provision. Price paid for land may not be a determining factor if too much has been paid or historic land values or developer profit margins are being protected at the expense of required planning contributions.

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<sup>5</sup> Local Plan/CIL Viability Assessment, Small Sites Affordable Housing Viability Assessment, Student Accommodation Affordable Housing Viability Assessment, SHLAA Viability Assessment

- 3.29 However, there may be exceptional circumstances where development proposals are unable to meet, in full, the policy requirements of the Local Plan. If the applicant can demonstrate, to the satisfaction of the council, that the scheme cannot be fully compliant and remain financially viable, the council may consider a reduced level of contributions in one or more areas.
- 3.30 In order to determine such applications, the applicant is required to submit an 'open book' viability assessment to the council. In all cases, the council requires viability assessment to be undertaken using a residual land value approach. The applicant should use the Homes and Communities Agency Development Appraisal Tool (<http://www.homesandcommunities.co.uk/ourwork/development-appraisal-tool>) or an equivalent well recognised appraisal tool, to be agreed with the council in advance of the assessment. The viability assessment will need to address the fundamental issue of whether an otherwise viable development is made unviable by the extent of the planning obligations and CIL requirements. The assessment will need to derive a residual land value for the proposed scheme, which can then be compared against a benchmark or threshold land value (Market Value, Existing Use Value or Alternative Use Value).
- 3.31 Viability costs should only include costs that are essential to the development, or required through Local Plan policies, National legislation, regulation and guidance. The provision of additional benefits to development not required through the above e.g. additional parking spaces, underground parking, should not be included as a reason to demonstrate a non-viable development.
- 3.32 The schedule of information to be provided as part of a financial viability assessment on any development scheme can be found at Appendix 3.
- 3.33 Once submitted, the viability assessment will be considered and assessed by the council and an independent viability advisor appointed by the council, with full costs to be borne by the applicant. Commercially sensitive information will be treated in due confidence. However, it may be necessary to report the key issues and broad conclusions to elected members at the time of their consideration of the planning application.
- 3.34 Where the applicant fails to demonstrate that a reduced level of contributions should be applied or that the level of planning obligations that the development can viably support cannot mitigate the impact of the proposed development, then the planning application will be refused.
- 3.35 If it is proved that meeting the full policy requirements for affordable housing would make a scheme unviable, then negotiations will take place to reduce the planning obligations to a point which maximises affordable housing, but results in a viable well designed scheme.
- 3.36 Where the council agrees, on viability grounds, to a reduction in the level of affordable housing below that specified by policy, it will require the resulting Section 106 to include an 'overage' provision, so that if the actual return to the developer when units are sold exceeds the level included in the submitted viability assessment, a proportionate additional contribution is made to affordable housing in the city. The council will require the Section 106 agreement in these cases to make provision for an assessment of overage at the time of sale of units and for 50% of any uplift to be contributed to the council for

affordable housing elsewhere in the city. The council will not expect the additional affordable housing required to be provided on-site, in the case of overage provision.

- 3.37 The Growth and Infrastructure Act 2013 provides a route for applicants who already have the benefit of extant permission on a site to apply under Section 106BA of the Town and Country Planning Act 1990 to reduce the quantum of affordable housing included in a development if the original provisions of the associated Section 106 agreement render the development unviable. The council strongly urges applicants who have concerns about viability to raise and resolve these with the council during pre-application discussions or the application process, when planning obligation issues can be examined comprehensively, and changes to the design of a scheme may help to address the issue of viability. An application under Section 106BA will not allow either of these avenues to be explored.
- 3.38 If applicants believe they must utilise the provisions of Section 106BA, they are advised to follow the guidance offered in the DCLG document Section 106 Affordable Housing Requirements: Review and Appeal (April 2013)<sup>6</sup>. Government advice in this document is that an application under Section 106BA must include the maximum level of affordable housing consistent with the applicant's viability assessment. The guidance also states that unless the application provides the 'open book' evidence referred to in paragraph 3.30 above, it may not provide a sufficient basis for a decision to be made by an Inspector in the event of appeal.
- 3.39 A successful application under Section 106BA will allow the proportion of affordable housing to be reduced for a period of three years. The council will require an overage provision to be made for such developments in the same way as for schemes where a reduced level of affordable housing is agreed bilaterally between the council and developers (see paragraph 3.36 above). At the end of the three-year period, the council will require the proportion of affordable housing required to revert to that required by policy unless a new 'open book' residual land value assessment demonstrates that the development remains unviable. Affordable housing must be provided on site at the level required by policy if the development has not been commenced. If the development is partly complete after three years, affordable housing must be provided (at the level required by policy for the whole site) on any uncompleted part of the site. This provision should be on-site unless a clear justification for not doing so is provided. If the affordable housing cannot be provided on-site, contributions must be made at the rates set out in Appendix 2, based on the qualifying sites and thresholds for developments of 2-9 and 10-14 dwellings in Section 3 of the SPD.

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[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/192641/Section\\_106\\_affordable\\_housing\\_requirements\\_-\\_Review\\_and\\_appeal.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192641/Section_106_affordable_housing_requirements_-_Review_and_appeal.pdf)

## 4. Site layout & distribution

- 4.1 The layout of developments should integrate affordable (including any supported housing) with the open market housing in ways that minimise social exclusion. Affordable housing should be located fairly and equitably in terms of access, proximity to on-site amenities such as open space, play space and access to community facilities.
- 4.2 The distribution of affordable housing within a new development can have an impact on the social sustainability of a community, in terms of the quality of life of occupants. On the basis of local experience, clustering of no more than 25 units in one particular location has proven to be deliverable. When considering the overall layout of a development, regard will need to be had to the density, tenure mix and type and size of dwellings in establishing the most effective clustering approach. The council would expect to see smaller clusters of affordable housing within lower density schemes.
- 4.3 The geographical distribution of affordable homes will be considered on a site-by-site basis. The council will seek to ensure that new housing regardless of tenure and type is optimally distributed throughout the site. The creation of tenure monocultures should be avoided. The required density on a given site will need to have regard to its wider context and other policies of the local plan.
- 4.4 On phased developments or large developments split into parcels of land; developers must take into account the clustering of affordable housing on neighbouring parcels to ensure the even distribution of affordable housing clusters throughout the area as a whole.

### Phasing on growth sites and larger sites

- 4.5 On larger sites where housing is delivered in phases, affordable housing should be delivered proportionately in line with the delivery of market housing. The delivery of affordable housing should run in parallel with that of market housing. This will be ensured through the Section 106 agreement for the development.

### Density and dwelling mix

- 4.6 The agreed affordable housing mix in each development will need to address local need in terms of its:
  - Provision of social rented, affordable rented and intermediate housing.
  - Provision of flats and family houses categorised by number of bedrooms.
- 4.7 Affordable housing should be provided in a range of sizes, types and tenures to meet a wide range of needs. Duplex dwellings and maisonettes will be treated as similar dwelling types.
- 4.8 Paragraph 159 of the NPPF requires that local planning authorities assess their full housing needs to identify the scale and mix of housing and the range of tenures that the local population is likely to need. Supporting this, Policy 45: Affordable housing and dwelling mix of the Local Plan states that it is vital to provide an appropriate mix of housing types and sizes to meet the projected and current needs of

different households and the wider community. A Cambridge sub-region Strategic Housing Market Assessment (SHMA) has been undertaken to establish the level of housing need.

- 4.9 The findings from the Strategic Housing Market Assessment (SHMA) will be particularly important to the determination of an agreed mix of affordable housing and Appendix 6 of this SPD concerning the SHMA will be updated, when necessary, to reflect current need. The council will also use the most up-to date information available on local need to inform its negotiations on affordable housing mix, including local registers of need for rented and intermediate housing.
- 4.10 Regard will also be had to site characteristics, the scale of development proposed and the housing mix and dwelling type in adjacent existing areas.
- 4.11 The council resolves to achieve 75% social rented and affordable rented housing and 25% intermediate housing on qualifying sites in accordance with the provisions of the Cambridge Housing Strategy 2012-2015 and Cambridge City Council's Tenancy Strategy 2012 and their successor documents. Table 2 in this SPD illustrates the tenure split required within the affordable housing component of a development. The SHMA will also be a key consideration in the determination of affordable housing type (see Appendix 6 – Cambridge Sub-Regional Strategic Housing Market Assessment). In the event that this cannot be achieved, affordable housing provision should reflect the market housing in the proposed development, unless there is a specific need for a dwelling type highlighted by the council.
- 4.12 Policy 55: Responding to context is still relevant where it is considered that a development proposes artificially under occupying a site in order to avoid the provision of affordable housing. In such cases, Policy 55 may be applied to ensure appropriate density for context.

## 5. Building Design

- 5.1 Affordable housing will be of a tenure blind design, indiscernible from and well integrated with the general market housing. The recent areas of major development in Cambridge such as the Southern Fringe (Trumpington Meadows, Clay Farm, Glebe Farm) demonstrate that the council has a strong ambition to work alongside developers to provide high quality places. All housing should be built to similar standards regardless of tenure. Regard should also be had to Appendix L of the Cambridge Local Plan 2014 – Car and Cycle Parking Requirements.
- 5.2 Dwellings must use high quality and robust materials and the design must respond to the context of the area. Other policies in the submission Cambridge Local Plan 2014 must be taken into consideration in the design of developments and affordable housing and as such the submission Cambridge Local Plan 2014 must be read as a whole, when considering development proposals.
- 5.3 All developments must meet **Policy 51: Lifetime homes and Lifetime Neighbourhoods** criteria. Criteria **a.** of the policy asks that all housing developments should be of a size and internal layout to enable the Lifetime homes standard to be met. In developments over 20 units, criteria **b.** requires 5% of units to meet Wheelchair Housing Design Standards or be able to be easily adaptable to meet Wheelchair Housing Design Standards. The decision as to how this proportion should be allocated across the development will be determined through negotiation with the council. Regard should be had to the following documents:
- [Habinteg – Wheelchair Housing Design Guide \(2006\)](#)
  - [Habinteg - Mind the Step: An estimation of housing need among wheelchair users in England \(2010\)](#)
- 5.4 Internal and external residential space standards are laid out in **Policy 50: Residential space standards** of the Local Plan 2014 and set out a minimum space requirement for dwellings. These standards are applicable to all housing types and tenures. Policies 56: Creating successful places; 57: Designing new buildings and 58: Altering and extending existing buildings are also applicable to all housing types and tenures.

### Access to flatted developments

- 5.5 Developers should avoid designs that would result in high maintenance and service charges affecting the affordable part of development. When designing a scheme, it is recommended that applicants liaise with the council's planning and housing development teams early in the design process (and an appointed registered provider). Contact details for officers are listed in Appendix 5.
- 5.6 In flatted schemes, no more than 15 affordable dwellings should normally have access from a common stairwell or lift. This is in line with the Homes and Communities Agency's housing quality indicator 2.15<sup>7</sup>.

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<sup>7</sup> <http://www.homesandcommunities.co.uk/hqi>

### **The design review process**

- 5.7 The council aspires to create major new developments that provide high quality design, whilst building a sense of community, connectivity, character and tackle the issues of climate change.
- 5.8 Where particular design and conservation issues are identified as part of a planning application, schemes have the option of being taken to the council's Design and Conservation Panel as part of the consultation process. The Panel exists to support the council in delivering the Government and the council's design and conservation objectives to secure the highest possible design quality of buildings and spaces, and to preserve and enhance the historic environment. The panel meets monthly to consider and advise on planning applications before they go to planning committee. Visit the following website to find out how to submit a proposal: <http://www.cambridgearchitects.org/home/design-and-conservation-panel> .
- 5.9 The Cambridgeshire local authorities have an independent Quality Panel which provides the on-going review and scrutiny of emerging masterplans and design codes for the major growth sites in Cambridgeshire. The panel reviews these proposals and assess their merits against the Cambridgeshire Quality Charter for Growth<sup>8</sup>. Visit the following website to find out how to submit a proposal: <https://www.cambridge.gov.uk/urban-design-guidance-and-resources>.

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<sup>8</sup> [https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/cambridgeshire\\_quality\\_charter\\_2010.pdf](https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/cambridgeshire_quality_charter_2010.pdf)

## 6. Other forms of residential accommodation

### Student housing

- 6.1 Policy 46: Development of student housing – the qualifying criteria for student housing includes criterion b. which states that the development must not result in the loss of existing market and affordable housing.
- 6.2 A [Student Accommodation – Affordable Housing Financial Contributions Viability Assessment](#) was produced for the council in May 2013. Conclusions highlighted that the average surplus from the residual land value generated by student accommodation development is probably too low to confidently recommend that the council should include a policy for the collection of financial contributions from student accommodation, therefore the development of new student housing will not be required to contribute to the supply of affordable housing.

### Employment related housing

- 6.3 Paragraphs 6.7 and 6.8 of the emerging Cambridge Local Plan 2014 allow for the possibility of employers providing housing specifically for their employees, as part of schemes for employment development. This is to aid employers with the recruitment and retention of staff. Whilst not officially affordable housing in terms of the NPPF definition of affordable housing, this type of housing would assist in accommodating people who cannot easily access homes on the open market.
- 6.4 It is important to allow the possibility of employers providing housing specifically for their employees, as part of schemes for employment development, and on employment sites, as an exception to policy 41. Any such employment related housing should be a limited number of dwellings (often only a single dwelling, rarely more than two or three) that do not detract from the general employment use of a site and do not harm the on-going use of the site for employment.
- 6.5 Examples of schemes which could qualify under employment related housing could be:
- A caretaker's or teacher's flat within school premises;
  - An office block which requires one or two on-site caretaker premises either for facilities management purposes or for new employees.
- 6.6 Onsite provision for highly paid executives and employees on employment related sites would not be acceptable.
- 6.7 The provision of employment related housing will need to be justified and meet a demonstrable need. Survey work should be carried out to establish the demonstrable need through such issues as:
- The level of staff turnover for a five year period;
  - The level of recruitment and retention problems experienced;
  - Any likelihood of the need for future expansion of the business in question;
  - Housing circumstances of employees;
  - Income of employees.

- 6.8 Other evidence which could be usefully provided could include:
- Evidence of hard to fill posts;
  - Evidence of posts which have a requirement to live close to their place of employment and why;
  - Evidence of number of employees who cannot afford to live within Cambridge or the surrounding area and their salaries;
  - Evidence of average house prices in the area being considered for development by type and tenure.
- 6.9 Agreement would also have to be reached with the council on the following:
- Managing transition of occupancy;
  - Conditions surrounding the occupancy of an employment related dwelling once an employee no longer works for the business;
  - Monitoring and review of employment related housing need;
  - What steps should be taken in the event of business closure/ take-over /merger or buy-out. For example: Should the status of the development be reassessed? Should employment related housing be maintained?
- 6.10 Employment related housing should be managed and maintained as such in perpetuity. Occupancy of employment related housing will be secured through a Section 106 agreement.
- 6.11 In order to manage employment related housing in the instance of a business closing down or leaving the area, a cascade mechanism will be included within the Section 106 agreement. This cascade mechanism will be implemented where employment related housing is no longer required. The mechanism will ensure that employment related housing will become affordable housing, subject to local circumstances and provided arrangements can be made for the management of the homes. This may be taken on by the council or a private registered provider. Transfer arrangements would need to be drawn up in consultation with the council's housing development and legal services teams.
- 6.12 Although the policy refers to the emergence of new employment schemes, it is understood that need may arise for existing employers to provide employment related housing. As above, the provision of dwellings related to specific employers will need to be justified and managed indicated above.
- 6.13 Employment related housing will be subject to the provision of affordable housing as set out in Policy 45 and this SPD.

### **Other sites where Policy 45 is applicable**

- 6.14 Specialist housing developments (Policy 47 of the Local Plan) will be subject to Policy 45, as will sites that fall under Policy 77: Development and expansion of hotels, which notes that aparthotels and serviced apartments will be treated as residential uses and therefore affordable housing provision will be sought.

- 6.15 Affordable housing in the form of Traveller pitches can be provided in lieu of bricks and mortar where required in order to meet identified need. One single pitch would be equivalent to one dwelling. The pitch must be provided on the same terms as an affordable housing unit.

## 7. Occupancy

- 7.1 The occupation of affordable housing will be limited to people in housing need and shall be available in perpetuity in order to assist future eligible households as specified in Policy 45: Affordable housing and dwelling mix. Where the provision of affordable housing is to be owned and retained by a registered provider, this is taken to be an adequate safeguard that provision will be of long-term benefit and that arrangements exist for the benefit to be recycled for alternative affordable housing provision if the original affordable housing is lost for any reason e.g. through the Right to Acquire or Right to Buy schemes. Where the affordable housing is to be owned and retained (as opposed to managed), by a body other than a registered provider, equivalent safeguards concerning its long-term nature and the recycling of benefit will need to be secured by legal agreement.
- 7.2 In managing the initial occupancy of affordable housing in larger developments, the council will consider the use and application of local lettings policies. These aim to assist the creation of balanced and mixed communities both from the start and over the longer term. Existing practice already aims to avoid an initial peak in child numbers in such developments, which can lead to difficulties for school planning and provision.
- 7.3 Co-operatively managed housing is an acceptable form of affordable housing provision, and can be used to deliver housing for both the social rented sector and the intermediate market. The housing may take a number of forms, including tenant managed schemes, ownership housing co-operatives, co-housing schemes (privately-funded developments organised on cooperative lines), and mutual home ownership developments.”
- 7.4 The key points of co-operative schemes are that they are:
- run by its members, i.e. tenants;
  - help to create sustainable, mixed communities;
  - are flexible of tenure (i.e. members can move from one tenure (e.g. rented) to another, and vice-versa);
  - intermediate in the sense of allowing members to take an equity investment, depending on income, in the mutual society that owns their homes, not in a property per-se;
  - land may be separated from the property e.g. via a Community Land Trust designed to be held in perpetuity to eliminate transfer to the open market.

## 8. Implementation and Monitoring

### Planning decisions

- 8.1 All relevant planning proposals should comply with Government guidance and the adopted Local Plan assisted by this SPD. Failure to do so may lead to a refusal for planning permission unless amendments can be made, planning conditions imposed or legal agreements introduced to minimise or counter any potential negative impact of the development site.
- 8.2 As part of the decision making process, the council will need to reach an appropriate balance between a wide range of competing planning objectives and material considerations in order to manage the development and use of land in the wider public interest. A balance will need to be struck between the relevant policies in the Local Plan and the specific circumstances of each case.
- 8.3 For full details on planning conditions, obligations and the Community Infrastructure Levy, please see separate documents entitled:
- Planning Obligations SPD
  - Community Infrastructure Levy Charging Schedule

### Legal Agreements and Affordable Housing

- 8.4 Section 106 of the Town and Country Planning Act 1990 (as amended) allows the local planning authority to enter into a legally binding agreement with a landowner in association with the granting of planning permission in order to secure planning obligations such as contributions towards or the provision of affordable housing.
- 8.5 The council's standard Section 106 agreement includes clauses to secure the provision of affordable housing. The agreement is made by deed between the landowner(s), Cambridge City Council, Cambridgeshire County Council and (may also include a registered provider) and any other person/organisation with an interest in the application site.
- 8.6 Where affordable housing is to be secured by Section 106, the council's Legal Services will usually produce the first draft and the applicant will be required to pay the council's legal and administrative costs incurred in negotiating and completing the deed and the costs of the transfer of any land to the council, as well as to pay a contribution towards the cost of monitoring for compliance.
- 8.7 The proposed Heads of Terms of any Agreement will need to be established before instructions to draft a section 106 agreement are sent to Legal Services and the agreement must be completed before any planning permission can be issued.
- 8.8 Appendix 4: Affordable housing checklist illustrates what is expected as part of an affordable housing scheme and required through a section 106 agreement.

- 8.9 A summary of some of the standard affordable housing clauses that form part of the Section 106 agreement are outlined below. It should be noted that the following list is not intended to be an exhaustive list.
- Development cannot commence before the approval of an affordable housing scheme (to include information regarding the phasing of delivery and the proposed scheme description) and the proposed affordable housing provider;
  - Development cannot commence until the completion of a transfer of the affordable housing site or the grant of a long lease to an approved affordable housing provider/registered provider;
  - The affordable housing must be completed before any more than 50% of Market housing can be occupied;
  - A nominations agreement will be required to ensure the council retains control of who the new social rent/affordable rent homes will be let to;
  - Affordable housing units must meet, at minimum, level four of the Code for Sustainable Homes;
  - The percentage and split of wheelchair accessible units on sites over 20 dwellings.
- 8.10 Any references to financial contributions will normally be index linked to the Building Cost Information Service (BCIS) and take into account of any price increases in the index during the time period that elapses between the date of the deed and when the contribution is due to be paid.
- 8.11 Further information can be obtained by contacting the council's Legal Services. See Appendix 5 for details.
- 8.12 A 'mortgagee-in-possession' clause will usually only be acceptable where a registered provider is involved and subject to a requirement that the mortgagee first actively seeks to dispose of properties to another registered provider approved by the council.

## **Monitoring and Review**

- 8.13 This SPD will be monitored, and reviewed and updated, if required, to ensure that it remains relevant and in accordance with the Cambridge Local Plan 2014. It will be monitored via the Annual Monitoring Report which the council prepares each year covering a wide range of planning matters. The Annual Monitoring Report can be found on the council's website at <https://www.cambridge.gov.uk/annual-monitoring-reports>.

## Appendix 1 – Local Plan Policy

Below is *Policy 45: Affordable housing and dwelling mix* from the Cambridge Local Plan 2014 proposed submission. The policy contains proposed amendments which will be submitted to the Secretary of State for examination and have been tabled and agreed at the following committee meetings:

- Development Plan Scrutiny Sub Committee on 17 December 2013;
- Environment Scrutiny Committee on 14 January 2014;
- Full Council on 13 February 2014.

The adopted version of this SPD will contain the final version of Policy 45 following any amendments and the adoption of the Cambridge Local Plan 2014.

### Policy 45: Affordable housing and dwelling mix

Planning permission will only be granted for residential development on sites where the minimum percentage of affordable housing has been secured on site in line with the thresholds and percentages set out in the table below:

No. of dwellings	Minimum percentage of affordable housing required
2 -9 units	10%
10-14 units	25%
15 or more units	40%

On sites capable of delivering between 2 and 9 dwellings, financial contributions towards the provision of affordable housing off-site are considered acceptable. This does not prohibit on-site provision of affordable housing on sites of this scale, but recognises that circumstances may often not allow for delivery on-site.

Where it appears that a larger site has been subdivided into smaller development parcels in order to circumvent the requirements of this policy or for any other reason, the threshold and the pro-rata percentage of affordable housing sought will apply to the requirement from the larger area as a whole. The required density on a given site will need to have regard to its wider context and other policies of this plan.

The occupation of affordable housing will be limited to people in housing need and shall be available in perpetuity. Affordable housing shall be provided on development sites with the capacity of 10 dwellings or more in accordance with the percentages and thresholds set out above unless exceptional circumstances are demonstrated. Where affordable housing is provided, it shall be of tenure blind design indiscernible from and well integrated with the general market housing.

Developments should include a balanced mix of dwelling sizes\*, types and tenures to meet projected future household needs within Cambridge. The mix of dwellings and tenure types shall have regard to the

### **Policy 45: Affordable housing and dwelling mix**

differing needs for different unit sizes of affordable housing and market housing.

All sites including employment related housing will be required to make affordable housing provision in line with the thresholds and percentages set out above.

Further details on the practical implementation of this policy will be set out in an up to date Affordable Housing Supplementary Planning Document.

\*Measured by the number of bedrooms to be provided in each dwelling.

### **Policy 45: Supporting text**

- 6.3 With a strong economy, Cambridge is at the centre of an area of significant housing growth planned for the coming years. With high housing costs but only limited land available for housing, the city also has a strong housing need. The council recognises that meeting housing need is a key priority. However, following assessment of development viability across the city, the affordable housing requirement is not applied to planning applications for student accommodation.
- 6.4 The council has adopted this approach to overcome concerns about the number of planning applications coming forward in the city below the previously adopted affordable housing threshold of 15 dwellings. However, it is noted that the introduction of single percentage for affordable housing at a lower threshold than 15 dwellings could make schemes less viable or unviable and could reduce the amount of housing delivered. A graduated approach towards affordable housing requirements, starting at lower site size thresholds and percentages, is considered more appropriate. Where applications are made for outline planning permission, a planning obligation will be required to secure affordable housing in accordance with the thresholds and percentages in the policy.
- 6.5 The council has adopted this approach to overcome concerns about the number of planning applications coming forward in the city below the previously adopted affordable housing threshold of 15 dwellings. However, it is noted that the introduction of single percentage for affordable housing at a lower threshold than 15 dwellings could make schemes less viable or unviable and could reduce the amount of housing delivered. A graduated approach towards affordable housing requirements, starting at lower site size thresholds and percentages, is considered more appropriate.
- 6.6 On smaller sites delivering under 10 units, financial contributions will be the standard approach in supporting the delivery of affordable housing. On larger sites delivering 10 units or more, developers will be expected to deliver whole units on site with financial contributions sought for fractions of units.

## Policy 45: Supporting text

**Table 6.1: Affordable Housing Definition**

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing 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.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80 per cent of the local market rent (including service charges, where applicable).

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.

### Employment Related Housing

- 6.7 The existing pressures on the housing market in Cambridge can lead to employers facing difficulties with the recruitment and retention of staff. Due to Cambridge’s high house prices and levels of housing need, it is important to allow the possibility of employers providing housing specifically for their employees, as part of schemes for employment development.
- 6.8 It is anticipated that this policy will facilitate small numbers of employment related dwellings coming forward. Affordable housing requirements will apply to schemes in line with the thresholds set out in policy 45 above. The provision of dwellings related to specific employers will need to be justified and managed by reference to the employer carrying out detailed survey work

## Policy 45: Supporting text

to ascertain the level of demonstrable need for such housing. This can be established by identifying the level of recruitment and retention problems experienced. Survey work would need to establish:

- The level of staff turnover for a five year period;
- Any likelihood of the need for future expansion of the business in question;
- Housing circumstances of employees; and
- Income of employees.

Occupation of employment related housing will be secured through a Section 106 obligation.

### Mix of Dwelling Types, Sizes and Tenures

- 6.9 In order to provide affordable homes to those who need them, the council will require a high proportion of affordable housing to be provided on site. It is also vital to provide an appropriate mix of housing types and sizes to meet the needs of different households within the wider community. This allows residents to remain in the locality as their housing needs change, and helps build balanced and mixed communities.
- 6.10 In addressing development proposals coming forward, the council needs to have an up-to-date understanding of the local housing market, and how it interacts with other housing markets, and the level of local need for housing. Our Strategic Housing Market Assessment for the Cambridge housing market area draws on a number of data sources and has been developed with a range of partners. This will inform the development of a new Affordable Housing Supplementary Planning Document, which will address both tenure and dwelling mix. Applicants need to demonstrate that the proposed mix of units will deliver a balanced mix of dwelling sizes, types and tenures to meet projected future household need within Cambridge in line with the approach towards tenure and dwelling mix set out in the council's Affordable Housing Supplementary Planning Document.

## Appendix 2 – Financial Contributions

1. This appendix illustrates the method for the calculation of affordable housing financial contributions. The methodology used builds on previous work undertaken by Dixon Searle Partnership (DSP) for the Cambridge City Council (CCC) Local Plan Review Community Infrastructure Levy (CIL) viability assessment (February 2013) and Supplementary Report, 'Small Sites Affordable Housing Viability' (June 2013).

### Methodology

2. The methodology involves estimating broadly the value of the land plot(s) or part plot(s) on which affordable housing would be provided, if it were being provided on site.
3. Figure 1 illustrates the value levels of housing in Cambridge by ward. This data was gathered using a robust evidence base, which was used to inform the [Community Infrastructure Levy Viability Assessment \(2013\)](#) (Found in Appendix 3 of the Community Infrastructure Viability Assessment 2013). A range of factors and data were used to assess and develop the value levels in Cambridge including:
  - An overall residential market review (by ward based areas): using property advertised for sale/including sold subject to contract from rightmove.co.uk;
  - DSP New-build housing research: based on marketing prices and DSP trial adjustments;
  - Zoopla research residential information;
  - Research Feedback Log and Stakeholder Consultation: gathered from various agents and developers operating in Cambridge;
  - Other property information (economic and market context and trends, house-price trends, etc.): from the bank of England, Royal Institution of Chartered Surveyors (RICS) Housing Market Survey, Land Registry.

**Figure 1 – Value levels of housing by ward**

Value Level	Value (£/sq.m)	1-bed flat	2-bed flat	2-bed house	3-bed house	4-bed house	Indicative Settlement Relationship to Value Level	
VL 1	£2,500	£125,000	£175,000	£207,500	£124,000	£312,500	Cherry Hinton / Kings Hedges	Falling Market from typical current lower-end
VL 2	£3,000	£150,000	£210,000	£249,000	£288,000	£375,000		Arbury / Abbey / East Chesterton
VL 3	£3,500	£175,000	£245,000	£290,000	£336,000	£437,500	Trumpington / Petersfield	
VL 4	£4,000	£200,000	£280,000	£332,000	£384,000	£500,000		Queen Edith's / Castle
VL 5	£4,500	£225,000	£315,000	£373,500	£432,000	£562,000	Improving market from current typical / mid-range	
VL 6	£5,000	£250,000	£350,000	£415,000	£480,000	£625,000	Market / Newnham	
VL 7	£5,500	£275,000	£385,000	£456,500	£528,000	£687,500		Upper end (noting that some instances exceed this) / improving market higher values

**Note:** For wards which span one or more VL (Value Level), the council will apply the lowest value level for that ward, when calculating affordable housing contributions.

- DSP then determined the floorspace per dwelling type by using figures for unit sizes based on *Policy 50: Residential Space Standards* of the submission Cambridge Local Plan 2014.
- Using Value Levels (VL) of housing by ward, based on the number of bedrooms (Figure 1) and dwelling size assumptions based on Policy 50, the following calculation was applied to determine the financial contribution per square metre for affordable housing provision:

## Example scenario:

### **Step 1 (market sales value (GDV) starting point):**

2 unit market scheme:

1 x 2 bed house at 83 sq. m @ CIL study VL 3 i.e. MV (market value) £290,500, and

1 x 3 bed house at 96 sq. m @ VL 3 i.e. MV £336,000

Gross Development Value (GDV) total = £626,500 based on 179 sq. m new housing.

### **Step 2 (estimate the land value associated with that by using the RLV% calculation, then add acquisition and servicing allowance):**

Residual land value (RLV) before affordable housing is estimated at 30% of Market Value (MV)

MV (sale value of 2 houses) £626,500 x 30% (0.30) = market plot value estimate (with no affordable housing) = £187,950.

Add 15% (£28,192.50) for land acquisition & preparation costs = £216,142.50.

### **Step 3 (consider the affordable housing (AH) % and application of the sum):**

Assuming a 10% equivalent proportion of affordable housing =  $0.1 \times £216,142.50 = £21,614.25$  financial contribution level.

= contribution equivalent to £120.75/sq. m (say £120/sq. m).

## Further details explaining the calculation

6. **Gross Development Value** refers to the total value achieved on sale of the completed development.
7. The **Residual Land Value** % used in the above calculation is 29.9%. This is rounded to 30% for simplicity. It is arrived at by carrying out a series of small site appraisals using fairly simple residual land valuation and on the basis of schemes providing no affordable housing on-site.
8. **15% uplift**. Is used to reflect a contribution that the registered provider/council normally also benefits from (also costs the developer) in the scenario of the developer being reimbursed for reasonable build costs; because the developer will also have committed expense to make the site available and ready for development – i.e. acquisition and servicing costs. It is reasonable to consider that an allowance should be made for these costs, again to “replace” the land value and related subsidy that that would have been provided in an on-site affordable housing scenario.
9. The affordable housing equivalent proportion (% target) is then applied. In the example calculation above, a 10% affordable housing contribution has been applied to illustrate the affordable housing contribution for sites providing 2 to 9 dwellings. For sites providing 10-14 and 15 plus dwellings, a 25% or 40% contribution would be applied at this stage.

10. The above methodology is then adjusted down further to reflect more complex dwelling mixes and sizes and concludes that potential financial contributions per square metre for sites providing 2 to 9 dwellings are as illustrated in Figure 2. These provide a consistent approach across all combinations of housing mix, type and tenure. It should be noted however, that the calculations have been based on unit sizes of up to 4 bedrooms. Where a scheme involves units providing more than 4 bedrooms per unit, the calculations for affordable housing contributions may have to be undertaken on a bespoke basis.

**Figure 2 – Financial contributions for developments providing 2 to 9 dwellings**

<b>Value Level (VL – as LP CIL Study)</b>	<b>Value (£/sq.m)</b>	<b>Affordable Housing Financial Contribution (Viewed in £ / sq.m of private accommodation)</b>
VL 1	£2,500	£79
VL 2	£3,000	£95
VL 3	£3,500	£111
VL4	£4,000	£127
VL 5	£4,500	£143
VL 6	£5,000	£158
VL 7	£5,500	£174

## How to Calculate an Affordable Housing Contribution for 2 to 9 dwellings

Applicants will calculate affordable housing contributions as follows<sup>9</sup>.

- **Step 1: Calculate the overall floorspace for the proposed development**
- **Step 2: Assess which value level your development falls into using Figure 1.**
- **Step 3: Apply the Affordable Housing Contribution to the floorspace using Figure 2**

**A worked example illustrates the calculation below.**

### **Step 1: Calculate the overall floorspace for the proposed development**

The site proposes 3 2-bed houses and 2 3-bed houses, based in Cherry Hinton.

Calculating the overall floorspace this equates to:

$$(3 \times 83) + (2 \times 96) = 441 \text{ sq.m}$$

### **Step 2: Assess which value level your development falls into, using figure 1.**

The development is in Cherry Hinton. Figure 1 states that properties in Cherry Hinton fall into Value Level 1 and 2. For wards which span one or more VL (Value Level), the council will apply the lowest value level for that ward, when calculating affordable housing. Therefore for the purpose of this calculation, Cherry Hinton is classed as Value Level 1.

### **Step 4: Apply the Affordable Housing Contribution to the floorspace using figure 2**

Figure 3 illustrates that financial contributions for Value Level 1 properties are £79/sq.m.

$$441 \text{ sq.m} \times 79 = \text{£}34,839$$

Therefore the affordable housing financial contribution required for the development is £34,839.

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<sup>9</sup> As part of the application process, the council will check all calculations.

## How to Calculate an Affordable Housing Contribution for sites of 10 or more dwellings

On sites of 10 units or more, developers will be expected to deliver whole units on site with financial contributions provided for fractions of units. Therefore financial contributions will be calculated as follows<sup>10</sup>.

Applicants will use the steps below to calculate affordable housing contributions<sup>11</sup>.

- **Step 1: Calculate the financial contribution required using the appropriate affordable housing contribution as illustrated in Table 1 of this SPD.**
- **Step 2: Calculate the overall floorspace for the proposed development**
- **Step 3: Assess which value level your development falls into using Figure 1.**
- **Step 4: Apply the Affordable Housing Contribution to the floorspace using Figure 2**
- **Step 5: Calculate the value of the financial contribution**

A worked example illustrates the calculation below.

### **Step 1: Calculate the affordable housing contribution required.**

A site providing 14 dwellings will be subject to 25% affordable housing provision, therefore:

$$14 \times 0.25 = 3.5$$

This means that 3 affordable housing units are to be provided on site, with 0.5 of a unit as a financial contribution.

### **Step 2: Calculate the overall floorspace for the proposed development**

The site proposes 10 2-bed houses and 4 3-bed houses, based in Cherry Hinton.

Calculating the overall floorspace this equates to:

$$(10 \times 83) + (4 \times 96) = 1,214 \text{ sq.m}$$

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<sup>10</sup> Where a scheme involves units providing more than 4 bedrooms per unit, the calculations for affordable housing contributions may have to be undertaken on a bespoke basis.

<sup>11</sup> As part of the application process, the council will check all calculations.

**Step 3: Assess which value level your development falls into, using figure 1.**

The development is in Cherry Hinton. Figure 1 states that properties in Cherry Hinton fall into Value Level 1 and 2. For wards which span one or more VL (Value Level), the council will apply the lowest value level for that ward, when calculating affordable housing. Therefore for the purpose of this calculation Cherry Hinton is classed as Value Level 1.

**Step 4: Apply the Affordable Housing Contribution to the floorspace using figure 2**

Figure 3 illustrates that financial contributions for Value Level 1 properties are £79/sq.m.

$$1,214 \text{ sq.m} \times 79 = \text{£}95,906$$

**Step 5: Calculate the value of the financial contribution**

£95,906 = 3.5 (total affordable housing contribution required – see step 1)

Therefore:

Financial contribution = (Step 4/total affordable housing contribution) x the required fraction

$$\text{Financial contribution} = (\text{£}95,906/3.5) \times 0.5 = \text{£}13,700.86.$$

Therefore the affordable housing financial contribution required for the development is £13,701.

## Appendix 3 – Checklist for Viability Assessment Review Indicative Information Requirements

The council has produced this viability appraisal review checklist to provide advice to applicants on the information the council expect to be submitted if an applicant wishes to pursue a case of non-viability. This following information is expected from the applicant if a development is proposed which does not provide the amount or type of affordable housing and/or financial contributions expected through Cambridge City Council's local plan policies. This is not exhaustive, but provides a basic guide as to what to include within a viability assessment:

### A.1 Viability Assessment Reports & Appraisals – general points:

- The applicant should provide a brief covering report providing an overview of why the viability case is being made. This should detail the viability case being made - what the issue is – it should be clear on the request / offer that is being made (i.e. the extent of departure from Policy compliance considered necessary) and the reasons why in the applicant's view this should be considered;
- The report should be accompanied by the supporting information / evidence associated with the viability assessment and appraisal(s) / sensitivity tests;
- Homes and Communities Agency (HCA) Development Appraisal Tool (DAT) or similar agreed toolkit to be used;
- The appraisals content and summaries to be supplied in PDF and also "live" (functional) appraisal version(s) to aid the review process;
- Appraisal(s) should be consistent with and clearly linked to (explained by) the written submission / covering report;
- Appraisals should show the optimum planning obligations position that can be reached in the opinion of the applicant based on their viability assessment;
- Applicants should provide a policy compliant assumptions version to illustrate the differences / viability issues;
- If sensitivity analysis carried out – provide an explanation of sensitivity assumptions.

### A.2 Scheme Details and Context – the report/appraisal(s) should include / provide the following:

- **An Ordnance Survey based site plan and overview layout plan**
  - To include indication of the location and extent of any adjoining highways works or similar.
- **Scheme description/details to include**
  - Site areas (ha) - gross and net (developable)
    - land areas for any other non-residential / ancillary / other uses
  - Confirmation of resulting development density

- Total residential unit numbers; both market and affordable (with percentage of affordable housing)
- Residential unit schedules (market and affordable housing) with:
  - type of units
  - number of bedrooms
  - floor areas (usually GIA)
  - any non-saleable floor areas / net : gross ratio
- Any commercial / other / mixed use development details – equivalent information (to include gross and net internal floor areas).
- **Details of timings and any phasing**
  - Include numbers and types of units in each phase)
  - Assumed project / phase start and end dates
  - Construction start and period
  - Sales period, rate of sale and any post construction sales period
  - affordable housing timing
    - construction period
    - payments / handover / receipts.

**A.3 Site Value – the report/appraisal(s) should include / provide the following:**

- **Details of current use(s)** of the site and planning context / status (with any relevant supporting information)
- **Value of site / premises** at the assessment (current) date – include supporting evidence
  - Full explanation with valuation and other supporting details where relevant
  - Details of any special assumptions and planning risk adjustment being made with respect to alternative use value assessment as a basis for site value
  - Clear approach on whether site value being used as an appraisal input or as a benchmark against which a RLV is being compared (i.e. is the viability benchmark based on land value or profit)
  - Land purchase and timing details may be relevant – including background, basis / planning assumption, any conditions, etc.
- **Land purchase related costs / fees**
  - Stamp duty, legal and any agent’s fees plus supporting information if necessary.

#### **A.4 Gross Development Value (GDV) – the report/appraisal(s) should include / provide the following:**

- **Assumed sales values**
  - Provide sales values both as £ per unit and £/m<sup>2</sup>
  - Ground rents
  - Total revenue summarised
  - Provide supporting evidence including analysis of any comparables research / agents advice / other justification.
  - Service charges or any other deductions / incentives that may impact on value
  
- **Affordable housing revenue assumptions**
  - Provide revenue assumptions both as £ per unit and £/m<sup>2</sup> (where based on offer(s) from Registered Providers please indicate offer and provide supporting evidence)
  - Indicate tenure assumptions - by unit type and overall mix (e.g. affordable rent / shared ownership or similar ratio)
  - Affordable and/or social rent assumptions
    - Rent assumptions
    - Percentage of market rent assumed
    - Other financial criteria used to calculate affordable housing revenue where applicable
  - Assumptions for shared ownership revenue
    - Percentage initial equity share and percentage rent on retained equity;
  - Equivalent information / explanation on any other affordable housing models / variation.
  
- **Commercial / Non-Residential Values (where applicable):**
  - Rental values
  - Yields
  - Void rates
  - Rent free periods
  - Tenant incentives
  - Any other area that impacts on value (e.g. purchaser's costs).

Above to be provided with supporting evidence.

## **A.5 Development Costs – the report / appraisal(s) should include / provide the following:**

- **Build Costs**
  - Basis and source of build cost assumptions / estimates – e.g. all-in / unit costs plus external / site works; contingency percentage and any other costs additions.
  - £/m<sup>2</sup> rates for each element (if separated) and totals provided.
- **Other**
  - E.g. abnormals (provide supporting evidence)
  - Site or other works
  - Infrastructure or services related costs etc. not otherwise allowed-for.
- **Build cost related fees**
  - Details and basis / percentage (of build costs). E.g. professional fees (architect, planning, surveyors etc.).
- **Survey / investigation or similar costs**
  - Provide details and supporting evidence.
- **Sustainability standards**
  - Provide details and supporting evidence for costs relating to:
  - Sustainable design and construction costs (Code for Sustainable Homes / renewable energy or equivalent for both market and affordable
  - Any additional measures and costs.
- **S.106 obligations and contributions**
  - Provide details and costs including explanation and any Council / formulaic calculations
  - Anticipated CIL liability and any relevant assumptions where applicable.
- **Finance costs**
  - Finance rates assumed (negative and positive cashflow balance)
  - Related fees
  - The appraisal cash flow should be provided.
- **Development Profit**
  - Clear statement on target return / assumed fixed appraisal input and basis (percentage of value / percentage of cost or other) including:
    - Profit assumptions on private / affordable housing and commercial / other non-residential elements of the scheme where applicable.
- **Sale & marketing costs**
  - Usually expressed as a percentage of value with details of any separate elements provided.
- **Legal fees on sale**
  - Provide details and supporting evidence where applicable. Generally expressed as a rate per unit or percentage of value.

**Please note: Documents and accompanying evidence should be provided by the applicant / their agent(s) as a package with an explanatory note of the components / appendices in electronic format where possible. Depending on scale of plans and size of reports, printed copies of some elements may be requested to aid the review.**

## Appendix 4 - Affordable Housing Checklist

The list below offers a guide to what will be required in a planning application submission in relation to affordable housing. For outline planning applications, the list below will not be wholly relevant and submitted documents may show indicative information. This is a guide only, the list is not exhaustive. For further guidance please contact, the housing development team (see Appendix 5).

- Site plan showing tenures (rented and intermediate);
- Floor plans showing tenures with areas (rented and intermediate);
- Floor plans showing the location of the wheelchair accessible unit(s), if applicable;
- A schedule of accommodation showing number, size (number of bedrooms), type (houses, flats and duplexes) and tenure of units, including highlighting wheelchair accessible units;
- Number of bedspaces;
- Car parking plan showing tenures;
- Phasing plan;
- Elevations of affordable housing and private housing;
- A statement detailing adherence to the Design and Quality Standards April 2007, Code for Sustainable Homes, Lifetime Homes and Secured by Design, or any subsequent standards the council requires for affordable housing

## Appendix 5 – Contact Details

### Application forms for pre-application discussions

Information on pre-application advice can be found at:

<https://www.cambridge.gov.uk/pre-application-advice>.

Applications are sent to:

By post:	Planning Service Cambridge City Council PO Box 700 Cambridge CB1 0JH
By email:	<a href="mailto:planning@cambridge.gov.uk">planning@cambridge.gov.uk</a>
By telephone:	01223 457000

### Housing development team

The team is especially important in the negotiation of delivery, identification of a registered provider, tenure mix, location and transfer arrangements of affordable housing

By post:	Housing Development, Cambridge City Council, PO Box 700, Cambridge, CB1 0JH.
By email:	<a href="mailto:housingdevelopment@cambridge.gov.uk">housingdevelopment@cambridge.gov.uk</a>
By telephone:	01223 457910

### Planning policy

By post:	Planning Policy, Cambridge City Council, PO Box 700, Cambridge, CB1 0JH.
By email:	<a href="mailto:policysurveys@cambridge.gov.uk">policysurveys@cambridge.gov.uk</a>
By telephone:	01223 457000

## Legal Services

By post:	Legal Services, Cambridge City Council, PO Box 700, Cambridge, CB1 0JH.
By email:	<a href="mailto:legal@cambridge.gov.uk">legal@cambridge.gov.uk</a>
By telephone:	01223 457414

## Appendix 6 – Cambridge Sub-Regional Strategic Housing Market Assessment

### Introduction

1. The Cambridge Sub-Region Strategic Housing Market Assessment (SHMA) pulls together data from a wide range of sources to provide a comprehensive assessment of the housing market across the Cambridge housing sub-region. It was last updated in 2012, based on 2009/10 data. The current SHMA and any further updates can be seen in full on the web at:  
<http://www.cambridgeshireinsight.org.uk/housing/shma>
2. This appendix gives a summary of headline information in the SHMA which supports the council's requirements for provision of affordable housing, as well as providing guidance on the mix of sizes of affordable housing to be provided. Reference should always be made to the latest SHMA information and this appendix will be updated accordingly, if the SHMA identifies significant relevant changes to the market.

### Need for Affordable Housing

3. The SHMA identifies a significant shortfall in affordable housing provision in Cambridge, with high levels of need for new affordable homes over the life of the Local Plan. (*SHMA Chapters 12 & 13*). However, a balance needs to be struck between affordable and other tenures to create sustainable, inclusive and mixed communities as required by the NPPF, and recognising the need for developments to be financially viable.
4. Data shows that demand for housing in Cambridge is high:
  - Average and lower quartile house prices are considerably higher than nationally and in the rest of the housing sub-region (*SHMA chapter 5*);
  - Ratios of average and lower quartile house prices to local incomes also remain high, and a significant proportion of local people are unable to afford to buy even a lower quartile one bedroom flat. (*SHMA chapter 10*);
  - Private rent levels are also significantly higher than the national average and again the highest in the Cambridge housing sub-region. They are also rising faster than in any other part of the sub-region. (*SHMA chapter 6*);
  - The way that Local Housing Allowance rates are calculated means that there are very limited numbers of properties available in the private rented sector in Cambridge for which the rent is fully covered by housing benefit. This, together with the reluctance of some landlords to let to

benefit claimants makes it very difficult for those on low incomes to access private rented housing. (*SHMA chapter 6*).

- The city's population rose by 15,000 (15.6%) between 2001 and 2011, and is projected to increase by a further 22% between 2011 and 2031 which will further increase housing demand.

## Tenure of Affordable Housing Required

5. The greatest need for affordable housing in terms of numbers of applicants is for social and affordable rent homes. However, there is also strong demand in Cambridge for intermediate tenures – including shared ownership. The mix of social and intermediate tenures required by the SPD is based on balancing expressed need (through applicant registers) and projections of changes in household type and incomes, with the need to provide mixed communities.

## Size of Affordable Housing Required

6. The SHMA contains a range of data which points to the sizes of homes required.
7. Some data indicates a need for smaller affordable homes to be provided:
  - The Census 2011 showed an occupancy rate of 2.54 people per dwelling, which is projected to fall in future years. (*SHMA Chapter 14, and New Development Surveys*)<sup>12</sup>.
  - The greatest future increase in households is projected to be in single person households, and in those in the 45-64 and 65 plus age brackets. (*SHMA Chapters 12 & 14*).
  - There is a higher number of applicants for social housing on the Home-Link housing register requiring one bedroom properties than other property sizes. Two bedroom properties are the next highest in demand, with lower need for three bedrooms or more. (*Strategic Housing Key Facts*).
  - On the Homebuy Intermediate Housing register, the majority of applicants are one and two person households, and the local market for one bedroom homes is currently strong. (*SHMA Chapter 8*).
  - Households aged over 85 showed the largest percentage increase between 2001 and 2011 compared with other age groups. Couple households had the largest numerical increase 2001 to 2011 compared to other household types. (*SHMA Chapter 3*)
8. By contrast, other data points to the need for larger properties:
  - The greatest projected need across all tenures in Cambridge is for homes with three bedrooms or more. (This is based on past trends, and does not take into account actual population change recorded in the 2011 Census, but it gives a starting point for assessing the actual mix required in the local area). (*SHMA Chapter 14*);

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<sup>12</sup> Cambridgeshire New Development Surveys: <http://www.cambridgeshireinsight.org.uk/housing/new-development-surveys>

- The number of single person households in the city is projected to decrease slightly up to 2021. (*SHMA Chapter 3*)
  - Cambridge currently has a generally younger population than the rest of the sub-region. The largest numerical increase between 2001 and 2011 was in the 0-19 age group. (*SHMA Chapter 12*);
  - Turnover of larger properties for rent tends to be lower – more one bedroom properties are let each year than other property sizes. (*SHMA Chapter 7*);
  - Applicants for intermediate housing are permitted to apply for one more bedroom than their household is deemed to require, and purchasers – as is the case with market housing - will generally buy the largest home they can afford. (*SHMA Chapter 8*).
9. This range of data needs to be understood in the context of the current supply of affordable housing. For example, nearly thirty per cent of the council’s homes (the council being the largest social housing provider in the city) are currently one-bedroom properties, with around one third having two bedrooms. The council’s supply of one bedroom dwellings includes some sheltered housing for older people, and other temporary and specialist housing. (*SHMA Chapter 7, and local data*). For historic reasons, the profile of the affordable housing may differ from that of private housing

### **Required size mix, based on data and issues**

10. The SHMA indicates the size mix of new housing between 2011 and 2031. The SHMA tends to overstate the need for larger homes for affordable housing as studies show that market housing is generally under-occupied by one bedroom in relation to the size of the household. The council has therefore undertaken further analysis of SHMA data to provide a more reasonable split of the size mix of new affordable housing. This involves reducing the percentage of 4 bedroom properties by half, and adding this percentage to the three bedrooms, then repeating this process for the smaller properties to dampen the number of larger properties and increase the number of smaller ones as follows:

	<b>Four bedroom</b>	<b>Three bedroom</b>	<b>Two bedroom</b>	<b>One bedroom</b>
<b>Starting point (SHMA) - summarised</b>	19%	43%	33%	6%
<b>Applying 'Dampening' effect</b>	10% (19%-10%)	31% (43%-22%+10%)	38% (33%-16%+21%)	22% (6+16%)
<b>Resulting Recommended mix</b>	9%	31%	38%	22%

*SHMA Chapter 12, Table 12 – summarised and 'dampened'*

11. It could be argued that the estimated dwelling mix should be further 'dampened'. However, the above allows a realistic - and progressive - degree of under-occupation on new affordable housing: i.e. around 10%.

12. The following mix should be taken as a guide:

- No more than 20% one bedroom general needs
- At least 40% two bedroom general needs
- 30% three bedroom
- 10% four bedroom

In view of the ageing population and the need to provide a better range of options to enable older people to down-size, a percentage of the smaller properties should be provided for older people, or as other forms of specialist housing to meet the needs of disabled or vulnerable people.

13. This should be seen as a guideline for the mix on new developments. However, variations from this may be required from site to site, depending on issues such as: the size and character of the site; the character of the wider area; existing housing provision, housing need in the local area; etc.

## Glossary

Term	Definition
<b>Affordable Housing (AH)</b>	<p>Housing provided for people whose income levels mean they cannot access suitable market properties to rent or buy locally to meet their housing needs. It includes social rented, affordable rented and intermediate housing. Affordable housing should:</p> <ul style="list-style-type: none"> <li>• meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and</li> <li>• include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.</li> </ul> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Affordable rented housing</b>	<p>Rented housing provided by local authorities and private registered providers of social housing to households that are eligible for social rented housing. Affordable rent is subject to rent controls that require a rent of no more than 80 per cent of the local market rent (including service charges, where applicable).</p> <p>From April 2012, most new homes funded by government grant have to be offered at affordable rents, to generate funding for further new affordable housing. Some existing social rent homes may also be converted to affordable rents in agreement with the Homes and Communities Agency.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Aparthotels and serviced apartments</b>	<p>Aparthotels and serviced apartments offer a higher level of service than normal rented apartments, such as cleaning, laundry, food hampers, toiletries and the provision of towels. The letting is normally on a daily short-term basis, although some might require a minimum 2–3 night stay. There are also reception facilities and a hotel-style booking system.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>BCIS</b>	<p>The Building Cost Information Service, known as BCIS, is a leading provider of cost and price information for the UK construction industry. It is a part of the Royal Institution of Chartered Surveyors.</p>
<b>CIL</b>	<p>Community Infrastructure Levy</p>
<b>Code for Sustainable Homes</b>	<p>Developed to enable a change in sustainable building practice. It is intended as a single national standard to guide industry in the design and construction of sustainable homes. There are six levels of the Code, with Level 6 equating to a zero carbon home. At each level, there are minimum energy efficiency/carbon emissions and water efficiency standards.</p>

Term	Definition
	Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms
<b>Cooperative</b>	<p>A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.</p> <p>Cooperatives are based on the values of responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others. Co-operative housing has been shown to deliver enhanced outcomes in terms of community cohesion, reductions in crime (and fear of crime) and antisocial behaviour, and health benefits.</p>
<b>Cooperative Housing</b>	<p>Co-operatively managed housing is an acceptable form of affordable housing provision, and can be used to deliver housing for both the social rented sector and the intermediate market. The housing may take a number of forms, including tenant managed schemes, ownership housing co-operatives, co-housing schemes (privately-funded developments organised on cooperative lines), and mutual home ownership developments.</p> <p>Key points of Co-operative schemes:</p> <ul style="list-style-type: none"> <li>• Run by its members, i.e. tenants</li> <li>• Helping to create sustainable, mixed communities</li> <li>• Flexibility of tenure (i.e. members can move from one tenure (e.g. rented) to another, and vice-versa)</li> <li>• Intermediate in the sense of allowing members to take an equity investment, depending on income, in the mutual society that owns their homes, not in a property per-se</li> <li>• Land may be separated from the property e.g. via a Community Land Trust designed to be held in perpetuity to eliminate transfer to the open market</li> </ul>
<b>Cluster</b>	<p>Concentrations of companies in related activities, recognisable suppliers, service providers and institutions, which are cooperating, competing and collaborating to build competitive advantage, often across traditional sector boundaries. Such concentrations often depend on access to specialist skills and infrastructure within a specific area.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Dixon Searle Partnership (DSP)</b>	Housing and development consultants
<b>Employment related housing</b>	<p>Employment related housing is to aid employers with the recruitment and retention of staff. Whilst not officially affordable housing in terms of the NPPF definition of affordable housing, this type of housing would assist in accommodating people who cannot afford homes on the open market.</p>
<b>Gross Development Value (GDV)</b>	<p>The total value achieved on sale of the completed development. It is shown before the deduction of any costs or allowances and is simply the total of funds realised on the sale of the completed development.</p>

Term	Definition
<b>Intermediate housing</b>	Homes for sale and rent provided at a cost above social rent, but below market levels, and which meet the criteria for affordable housing (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.
<b>Local plan</b>	Sets out policies to guide the future development of Cambridge. It also sets out where future development will take place, and identifies land for new housing, community facilities, shops and employment. In addition, the local plan identifies land to be protected from development, such as the Green Belt and open space. It is the key document used to determine planning applications for new development in the city.
<b>Market Housing</b>	Housing for those households who can afford to pay the full market price to buy or rent their home, i.e. occupied on the basis of price alone.
<b>Market Value (MV)</b>	The value of market housing.
<b>Mixed use developments</b>	Development comprising two or more uses as part of the same scheme (e.g. shops on the ground floor and residential flats above). This could apply at a variety of scales from individual buildings, to a street, to a new neighbourhood or urban extension.  Cambridge Local Plan 2014: Proposed Submission , Glossary of terms
<b>National Planning Policy Framework (NPPF or The Framework)</b>	This document sets out national planning policies for England and the Government's requirements for the Planning System. The policies in the NPPF must be taken into account when preparing Local Plans.  Cambridge Local Plan 2014: Proposed Submission , Glossary of terms
<b>Nominations Agreement</b>	A contract under which the council has a right to place those in housing need into homes owned by registered providers (previously known as housing associations/registered landlords) as they become available.
<b>Overage provision</b>	A provision included in a Section 106 agreement, which ensures that if the actual return to the developer when units are sold exceeds the level included in the submitted viability assessment, a proportionate additional contribution is made to affordable housing in the city.
<b>Registered Provider (RP)</b>	Registered providers (RP) are landlords who provide affordable accommodation for rent and/or sale. The way they operate is governed by a government body called the Homes and Communities Agency.
<b>Residual Land Value (RLV)</b>	Land value and referred to as a residual because it is the amount remaining after a calculation that deducts from the GDV (as above) the various costs of development (e.g. usually comprising of costs including build costs and contingencies, professional fees, site purchase costs, finance costs, developer's profit, marketing and sales expenses). The amount left over (hence 'residual') indicates the land price that can be justified by the calculation and the assumptions used within it.
<b>Section 106</b>	A binding legal agreement requiring a developer or landowner to provide or contribute towards facilities, infrastructure or other measures, in order for planning permission to be granted. Planning obligations are normally secured

Term	Definition
	<p>under Section 106 of the Town and Country Planning Act 1990.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Serviced Apartments</b>	<p>Aparthotels and serviced apartments offer a higher level of service than normal rented apartments, such as cleaning, laundry, food hampers, toiletries and the provision of towels. The letting is normally on a daily short-term basis, although some might require a minimum 2–3 night stay. There are also reception facilities and a hotel-style booking system.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Shared ownership</b>	<p>A form of intermediate tenure low cost home ownership housing. Homes in which the occupier owns a share of the equity and pays rent on the remaining share.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Strategic housing market assessment (SHMA)</b>	<p>This document for the Cambridge sub-region draws on a number of data sources and has been developed with a range of partners. It assesses the housing needs of the sub-region as well as each district and helps to inform the scale and mix of housing and the range of tenures that are required to meet the need.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Social housing</b>	<p>Housing let at lower than market rents to people in housing need. It includes social rent, affordable rent and intermediate housing tenures and is usually provided by not-for profit organisations including housing associations and councils.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Social rented</b>	<p>Rented housing owned by local authorities and private registered providers, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Specialist housing</b>	<p>Developed with particular groups of people in mind such as older people (including the frail elderly and those with dementia), people with physical and sensory disabilities, those with learning difficulties or acquired brain injury, young people at risk, people with alcohol or drug dependency, and those requiring refuge from harassment and violence, and others who may, for a variety of reasons, be excluded from the local community. Examples may range from a small scheme of cluster flats with additional facilities for support staff, to much larger extra care schemes enabling older people to live in their own self-contained accommodation but with care and support on-site.</p>

Term	Definition
	<p>This definition also includes the provision of housing that may be designed in a particular way or has staff office or staff night-time facilities when staff are needed to support the people who are living in the housing.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Use classes order</b>	<p>The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as use classes. More detail on what types of uses fall within each use class is set out below.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Use class C3</b>	<p><b>Dwelling houses</b>  Use as a dwelling house (whether or not a main residence). Split into three sub-categories:  a) houses occupied by a single person or by people regarded as forming a single household;  b) houses occupied by not more than six residents living together as a single household where care is provided for residents; and  c) houses occupied by not more than six residents living together as a single household where no care is provided to residents (other than use within class C4)</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Use class C4</b>	<p><b>Houses in multiple occupation</b>  Houses occupied by between three and six unrelated individuals as their only or main residence.  N.B. Large HMOs (more than six people) are unclassified, therefore sui generis.</p> <p>Taken from the Cambridge Local Plan 2014: Submission, Glossary of terms</p>
<b>Value Level (VL)</b>	<p>Describes points within the overall range of market sales values (GDV) that are relevant in the Council's area and various localities within that. Usually expressed as a '£ /sq. m.' (£ per square metre) or '£/sq. ft.' (£ per square foot) indication that can be applied to varied dwelling floor areas and provides a more consistent and useful comparison basis for considering sales values (GDVs) and the viability impacts of those varying alongside other viability factors.</p>

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