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1. About this guidance

- 1.1** The National Planning Policy Framework (NPPF) indicates that Local Development Documents form the framework for making decisions on applications for planning permission. Decisions have to be taken in accordance with the development plan unless other material considerations indicate otherwise. NPPF advises that a local planning authority may prepare Supplementary Planning Documents to provide greater detail on the policies in its Local Plan. Supplementary Planning Documents are a 'material' consideration when planning applications are decided.
- 1.2** As required by the Planning and Compulsory Purchase Act 2004 we have prepared a Statement of Community Involvement (SCI) which sets out how we will involve the community in preparing our Local Plan and consulting on planning applications. In accordance with the SCI we have involved people who may be interested in this Supplementary Planning Document and asked them for their comments. We have produced a consultation statement which summarises all the comments people made to us and our response. This is available on request.

2. Introduction

- 2.1** This Supplementary Planning Document offers guidance on planning contributions for affordable housing.

Local Needs

- 2.2** Some people cannot afford to buy or rent houses that are generally available on the open market. The Council aims to provide homes for everyone in the borough, no matter what their income and the cost of buying or renting a house.
- 2.3** The main source of information on local housing needs is taken from the 2021 Strategic Housing Market Assessment (SHMA).
- 2.4** The 2021 SHMA identifies an annual net shortfall of 190 affordable dwellings.
- 2.5** The Local Plan seeks to achieve at least 21,546 net additional homes during the plan period 2014-2033. This equates to 1,134 net additional homes per annum. The Local Plan housing growth target seeks to meet the need for market and affordable housing in full, including the backlog from previous years.
- 2.6** The Council's housing waiting list for the whole borough, as of 1st June 2022, is 8,978¹.

¹ This may include an element of double counting as customers can choose to be on the waiting list for more than one housing management area.

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The National Planning Policy Framework (NPPF)

- 2.7** In accordance with the NPPF (paragraph 62), where a need for affordable housing is identified, planning policies should specify the type of affordable housing required and expect it to be met on-site unless:
- a. Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
 - b. The agreed approach contributes to the objective of creating mixed and balanced communities.
- 2.8** Where major development² involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

Defining Affordable Housing

- 2.9** The National Planning Policy Framework (NPPF) defines affordable housing as:

'Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)'

- 2.10** Annex 2 of the NPPF provides the following definitions of affordable housing. It is acknowledged that the NPPF definition of affordable housing includes starter homes and discounted market sales housing, however this has not been ratified by government and regulations have not been published.

Affordable housing for rent – meets all of the following conditions:

- a. The rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges);
- b. The landlord is a registered provider, except where it is included as part of a Build to Rent scheme;
- c. It includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision otherwise known as 'Affordable Private Rent'.

Starter homes³ – are expected to be well designed and suitable to purchase for qualifying first time buyers that are at least 23 years old but have not yet reached 40 years old.

² For housing where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more

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The new dwelling should be sold at a discount of at least 20% of the market value up to the price cap of £250,000.

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

Other affordable routes to home ownership – is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes:

- Shared ownership
- Relevant equity loans
- Other low cost homes for sale (at a price that is 20% below local market value)
- Rent to buy (which includes a period of intermediate rent)

Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

2.11 In May 2021 the Government announced a new kind of discounted market sale housing, First Homes, which is now the Government's preferred discounted market tenure. Subject to a transition period from 28th June 2021 First Homes are required to account for at least 25% of all affordable housing units delivered. The Council will publish a separate technical note detailing the minimum discount(s), local eligibility criteria and restrictions on the initial sale and subsequent resales.

³ as per the definition and restrictions set out in the Housing and Planning Act

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3. Policy

3.1 This guidance supplements Local Plan policy H7 Affordable Housing which states as follows:

Policy H7 Affordable Housing

Housing developments of 15 or more dwellings will be expected to provide affordable housing.

30% affordable housing will be expected in Penistone and Dodworth and Rural West, 20% in Darton and Barugh; 10% in Bolton, Goldthorpe, Thurnscoe, Hoyland, Wombwell, Darfield, North Barnsley and Royston, South Barnsley and Worsbrough and Rural East

These percentages will be sought unless it can be demonstrated through a viability assessment that the required figure would render the scheme unviable.

The developer must show that arrangements have been put in place to keep the new homes affordable.

Limited affordable housing to meet community needs may be allowed on the edge of villages.

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3.2 Supporting text paragraph 9.29 states:

"We recognise the importance of providing affordable homes in rural settlements that are constrained by or washed over by Green Belt. Policy H7 makes provision for rural exception sites to be considered. These may in some instances be on the edge of the settlement. Sites on the edge of settlements will need to provide acceptable mitigation of their impact on the countryside or they will not be considered to be acceptable locations for residential development We will require a planning obligation to make sure the homes remain affordable. If provision of some market housing is necessary to make the affordable housing viable, this would be considered and would be subject to an open book viability appraisal. "

When negotiating the level of affordable housing provision on site, the Council will take account of the most recent evidence, such as the SHMA and any subsequent updates or other relevant and recent information.

Where a site is to be split and delivered in phases, the affordable housing contribution will be calculated for the whole site.

4. Self-Build and Custom-Build Housing

- 4.1** In line with the NPPF, we encourage the delivery of self-build and custom-build developments in Barnsley. In general most of these projects are suited to smaller development sites. In Barnsley the threshold for seeking affordable housing contributions is 15 dwellings, therefore it is unlikely that self build and custom build developments will reach this threshold. For self-build and custom-build developments of 15 or more properties anywhere in the Borough 10% of the houses must be available for affordable home ownership and this will be secured via Section 106 planning obligations.
- 4.2** ~~In order to avoid the full affordable housing contributions set out in Policy H7, the Council will need to be satisfied that the self-build and/or custom-build development model is genuinely and demonstrably 'not for profit' and this will require developers to fully engage in transparent open book accounting with the Council during the planning application process.~~

5. Affordable Housing Statements

- 5.1** For applications which meet or exceed the 15 unit threshold, the Council will expect applicants to submit an Affordable Housing Statement setting out how they propose to deal with affordable housing before an application is validated. Developers will need to submit an Affordable Housing Statement for a:
- Full planning application.
 - Material alteration that changes the number and/or type of housing.
- 5.2** Affordable Housing Statements will be expected to contain:
- The total number of residential units proposed.
 - Schedule containing the number, type, tenure, floor area and plot number/location of affordable homes.

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- Site plan identifying affordable plots.
- Details of any Registered Provider acting as a partner in the development.
- The timing for the construction of the affordable housing and its phasing in relation to the occupancy of the market housing.
- Evidence of existing local market rent and/or sales values.
- The arrangements to ensure that such provision is affordable for both first and future occupiers of the affordable housing or, if not possible, for the subsidy to be recycled for alternative affordable housing provision.
- Proposed transfer value (if available).

5.3 The National Planning Policy Framework states at paragraph 57 that:

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force...." Viability was tested at Local Plan examination and therefore should not be tested again. Should a developer seek to justify affordable housing provision below the Council's requirements, the onus will be on the developer to justify what circumstances have changed and submit sufficient evidence. Any viability appraisal should be carried out in accordance with the approach set out in the latest National Planning Practice Guidance.⁴ The Council will recover costs associated with a viability review, and this will be agreed in writing prior to commissioning a viability review.

The Planning Practice Guidance on viability identifies a developer profit range of 15% - 20%, which the Council deems reasonable.

6. Engagement with Registered Providers

- 6.1** Affordable housing will usually be provided on-site and transferred to a Registered Provider. If practicable, negotiations with a Registered Provider should begin well in advance of when a planning application is submitted. This will enable the Council to complete the S106 agreement promptly and determine the application within the necessary timescales. Developers should also continue to involve the Council's **Strategic Housing, Sustainability and Climate Change Team** at an early stage and should refer to any Neighbourhood Plan that may have been prepared for the area.
- 6.2** The Council has a list of Registered Providers that usually work in the Borough and have signed up to our Registered Provider Framework and Nominations Agreement (available upon request). It should be noted that Berneslai Homes is the Council's Arm's Length Management Organisation (ALMO) and will work with developers to deliver new affordable housing. Berneslai Homes, as a Registered Provider, should be approached alongside other Registered Providers prior to submitting a planning application.

⁴ Paragraphs 010 to 019 NPPG July 2018

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7. Design Requirements

- 7.1** It is important to consider affordable housing from the inception of a design concept. The requirement for affordable housing could significantly alter the design of a scheme depending on the percentage of affordable housing and the size, type and tenure required.
- 7.2** The Council expects affordable housing to be built to a high standard of design and be in-keeping with housing on the rest of the site. In the interests of delivering sustainable, inclusive and mixed communities, the affordable homes should be indistinguishable from the open market housing in terms of style, quality of specification, finish and materials. They should also be indistinguishable in their external layout, including the balance of soft and hard landscaping where front of dwelling parking is proposed. This will help ensure transfer of housing to a Registered Provider. Measures to design out crime should be considered at an early stage of the design process. Development should take account of the guidance within the Secured by Design website. Please see link below: <http://securedbydesign.com/industry-advice-and-guides/>
- 7.3** Whilst buyers of market housing may upsize when they outgrow a property, affordable housing generally has to accommodate larger households for longer periods of time. As such new affordable housing will be expected to meet the minimum internal and external floorspace requirements set out in Design of Housing SPD. **All developments should achieve the internal spacing standards set out in the South Yorkshire Residential Design Guide –Technical Requirements section 4A.2, (p130-131).**
- 7.4** Government Guidance states that, in the interest of creating mixed and balanced communities, affordable housing should be provided on-site and integrated with market housing wherever possible.
- 7.5** The Council will not support the grouping of affordable units together in large numbers as this can reinforce the feelings of social exclusion and can have a negative impact on the establishment of sustainable communities. Smaller clusters of affordable housing should be dispersed throughout a housing development to aid integration rather than congregated in specific areas such as at the end of cul-de-sacs.

8. Type and Tenure of Affordable Housing

- 8.1** The various types of affordable housing that can be provided in accordance with the implementation of Policy H7 are identified in the NPPF definition of affordable housing. The Council will seek to negotiate the type of housing preferred which will vary from site to site according to local circumstances. This will be determined, in discussion with the applicant at pre-application and planning application stage, by consideration of a combination of information including:
- Local housing needs studies (latest SHMA)
 - Waiting list/Choice Based Lettings data
 - Availability and type of existing stock
 - Local housing market data

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- 8.2** The Council will generally expect to see a mix of affordable property types that could include; 2, 3 and 4 bedroom houses along with 2+ bedroom level access accommodation/bungalows and 1/2 bedroom flats⁵⁶.
- 8.3** Based on our current housing needs evidence base and the NPPF's requirement to deliver 10% affordable homes for ownership (where it would not undermine the ability to address local affordable housing needs), the Council will require the following tenure split. Reference to SHMA update removed.

Table 1: Affordable Homes - Tenure Split ⁷

Area	Local Plan Policy Requirement	Affordable Housing Tenure Split
Penistone and Dodworth	30%	70% affordable homes for rent
		30% affordable home ownership
Rural West	30%	70% affordable homes for rent
		30% affordable home ownership
Darton and Barugh	20%	70% affordable homes for rent
		30% affordable home ownership
Bolton, Goldthorpe and Thurnscoe	10%	60% affordable homes for rent
		40% affordable home ownership
Hoyland, Wombwell and Darfield	10%	60% affordable homes for rent
		40% affordable home ownership
North Barnsley and Royston	10%	60% affordable homes for rent
		40% affordable home ownership
South Barnsley and Worsbrough	10%	60% affordable homes for rent
		40% affordable home ownership
Rural East	10%	60% affordable homes for rent
		40% affordable home ownership

⁵ This list is not exhaustive.

⁶ Appropriateness of flats/ individual house types will be determined on a site by site basis.

⁷ Table 1 updated in line with Strategic Housing Market Assessment 2021. These reflect the requirement in paragraph 64 of NPPF 2019 that 10% of overall total affordable housing provision on a site should be available for affordable home ownership.

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- 8.4** Evidence in the 2020 2021SHMA suggests that the overall tenure split should remain weighted towards affordable rent across the borough. We aim to achieve the affordable housing delivery target through on-site provision across the whole of the Borough, however the mix of affordable tenures on each individual site will be agreed with the developer depending on local circumstances. Notwithstanding this position, in order to facilitate development, and to ensure that a mix of different housing types and tenures is available both in specific localities and across the borough, the Council will consider proposals for different types of properties, as well as homes for sale and affordable rented units and any emerging hybrid models where this is supported by evidence of local need or development viability.
- 8.5** The Council will also take account of future evidence and up-to-date information, therefore Table 1 may be subject to amendment.

9. Calculating Affordable Housing

- 9.1** Where the percentage of affordable housing sought does not give rise to an exact number of dwellings e.g. 2.5 units, the number will be rounded up to 3 units whereas 2.4 would be rounded down to 2 units. Figures of 0.5 and above will be rounded up.

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10. Indirect Delivery of Affordable Homes

10.1 In the interest of creating mixed and balanced communities, and in line with paragraph 62 of the NPPF, the Council will expect affordable housing to be delivered on-site. Discussions regarding alternative delivery will take place in exceptional circumstances. These circumstances exist where:

- An independent viability assessment confirms delivery on-site is not viable;
- No registered provider of off-site provision or a commuted sum is willing to purchase the affordable unit(s); or
- Delivery of off-site or a commuted sum would deliver more sustainable development and/or more affordable units.

10.2 The Council will consider the following alternatives:

- Transfer of free serviced land.
- Off-site provision.
- Commuted sum.

10.3 The Council will not consider granting planning permission for a proposal with less than the required proportion of affordable housing without reviewing the financial viability of the proposal.

11. Transfer of Free Serviced Land

11.1 An alternative option is to transfer free serviced land, equivalent to the level of contribution secured, to a Registered Provider or the Council to enable them to deliver affordable housing within the site.

11.2 Free serviced land is defined as cleared, remediated land with all services (e.g. gas, electricity, water, sewerage, telephone, broadband, lighting etc) and infrastructure (e.g. roads to an adoptable standard, footpaths, boundary walls etc) necessary for development right up to the edge of the land. There must be no legal, physical or financial barriers to the servicing of the land by the developer constructing the affordable housing.

11.3 For full or reserved matters applications, developers will be expected to provide details of the specific location of the serviced plots within the site in the form of a block plan. The Council will usually expect the plots to be clustered. The appropriateness of proposed locations for affordable housing will be determined in consultation with the Council as part of the planning process taking into consideration the Council's strategic priorities.

12. Off-site provision

12.1 Where a developer can robustly justify that on-site provision or the transfer of land to a Registered Provider is not appropriate, or where on-site provision would not meet the Council's strategic priorities, off-site provision will be considered by the Council.

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12.2 Examples of robust justification, although not exclusive, include provision that will contribute to other policy objectives, for example enabling empty homes to be brought back into use or where the development location is unsuitable for affordable housing. Applicants will be required to provide evidence-based reasons to demonstrate that:

- The original housing site is in an area where there is little or no local need for affordable housing; and
- There is an identified local need for affordable housing in the area where the alternative affordable units are proposed; or
- There is other reasoning and justification for off-site provision.

12.3 Off-site provision can include improvements to, or refurbishments of, existing stock, or new provision on alternative parcels of land. Improvements to, or refurbishments of, existing or acquired stock must be to a level which meets the Barnsley Homes Standard and must provide the same number of units or units to the value of those which would have been provided on the original site.

13. Commuted Sum

13.1 Where the applicant can robustly justify that on-site provision is not appropriate or where this would not meet the Council's strategic priorities, the affordable housing contribution can take the form of a commuted sum. This will be equivalent to the cost of on-site provision.

13.2 A mix of the above (part on-site provision, part off-site provision and part commuted sum), will be considered by the Council where this can be robustly justified by the developer and is in line with the Council's strategic priorities. For example on larger sites or where the development of specialist homes are proposed to be included in the affordable housing requirement for the site and/or where there is a need to use commuted sums to bring back long-term empty properties into use for affordable housing in the borough. However, this must still meet the overall affordable housing contribution level required by this policy.

13.3 Commuted sums will be secured via a Section 106 agreement.

13.4 A formula will be applied to agree a commuted sum based on the Open Market Value ("OMV") of dwellings less the Transfer Values and agreed developer profit. Transfer Values are:

- 50% of OMV for Affordable Home Ownership Properties
- 50% of OMV for Affordable Homes for Rent

Open Market Value – Transfer Values - the agreed developer profit = commuted sum

Commuted sums will be used to deliver affordable housing activity within the wider borough and improve or make more effective use of the existing housing stock for affordable housing purposes.

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- 13.5** To ensure that any recycled money from the sale of affordable housing is spent within the borough, any sums received from receipts from the sale of affordable homes or the repayment of equity loans will be used for the alternative future provision of affordable housing in the Borough in Barnsley.

14. Transfer Values

- 14.1** Data collected from Land Registry transactions from 2017 and 2018 indicate that affordable properties were transferred at 51% of Open Market Value (OMV).
- 14.2** The indicative transfer values below are a starting point for negotiations and are included to provide clarity to developers on the amount they may expect to receive from a Registered Provider:

Table 2: Transfer Values⁸

Tenure	Percentage of Open Market Value
Affordable homes for rent	50%
Affordable home ownership	50%

- 14.3** Changes in rent setting and other national affordable housing policies may impact on the ability of some Registered Providers to achieve transfer values similar to these percentages and on their overall capacity to acquire S106 properties.
- 14.4** The indicative transfer values will be used to calculate the commuted sum should it not be possible to reach an agreement with a Registered Provider.
- 14.5** These values will be updated periodically through the Local Plan Annual Monitoring Report to ensure they remain relevant and responsive to the current policy climate and market conditions.

15. Section 106 Agreements

- 15.1** Where affordable housing will be delivered off-site or as a commuted sum, the Council prefers to use S106 agreements to secure this provision. The Council aims to expedite negotiations on S106 agreements in a timely manner to avoid unnecessary delay in the planning process.

⁸ To be agreed with developer based on the most recent quarter's verifiable publicly available data e.g. Land Registry price paid data for postcode sector.

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S106 agreements and unilateral undertakings should cover the following where applicable:

- How completed dwellings or land are to be transferred to an approved development partner, including costs and phasing of handover;
- How the occupancy of the affordable housing is to be preserved for people in housing need;
- The number, size and tenure of affordable housing or the area of land to be made available; or the level of financial contribution if it is to be provided off-site (commuted sum);
- A restriction requiring that no more than a specific proportion of the site will be sold or occupied before the affordable housing has been contractually secured;
- ~~Where applicable, t~~he means of restricting 'stair casing' to full ownership on grant-funded low-cost home ownership properties;
- How dwellings, completed as affordable units, are retained as such to benefit future occupants;
- The level and timing of payment of any commuted sum.

16. Vacant Building Credit

The Council supports the re-use of brownfield land, and where vacant buildings are being re-used or redeveloped, the Council will allow a proportionate reduction in the affordable housing contribution in line with Paragraph 63 64 of the NPPF.⁹ This does not apply to vacant buildings which have been abandoned as set out in footnote 30 associated with paragraph 63 64 of the NPPF.

⁹ Proportionate amount equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.

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Appendix 1. Affordable Housing Statement Examples

Below are some worked examples of the on-site affordable housing ask for each policy area (30%, 20% and 10%).

Example 1	
Site Location	Penistone
Planning Application Yield	40 dwellings
Local Plan Policy Requirement	30%
Number of affordable units required on-site	12
Affordable rent (20%)	8
Affordable home ownership (10%)	4

Example 2	
Site Location	Darton
Planning Application Yield	100 dwellings
Local Plan Policy Requirement	20%
Number of affordable units required on-site	20
Affordable rent (14%)	14
Affordable home ownership (6%)	6

Example 3	
Site Location	Royston
Planning Application Yield	58 dwellings
Local Plan Policy Requirement	10%
Number of affordable units required on-site	6
Affordable rent (6%)	4
Affordable home ownership (4%)	2