

Gloucester, Cheltenham and Tewkesbury Joint Core Strategy Affordable Housing Partnership Precedent Guidance Note- (Updated January 2024)

Guidance Note to support the latest Precedent Section 106 and application of affordable housing planning policies.

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1. Purpose of the Precedent Guidance Note:

- 1.1 To explain the policy in terms of the level of affordable housing to be delivered on sites within the Joint Core Strategy (JCS) area, including (but not limited to) the JCS Strategic Allocation sites.
- 1.2 To inform planning applicants about the standards of affordable housing expected in terms of the physical standard of built homes and reassure developers about the standards of tenancy and neighbourhood management signed up to by members of the Affordable Housing Partnership (AHP) primarily focusing upon the strategic allocation sites.
- 1.3 To inform planning applicants about the arrangements which the three JCS Local Authorities have put in place to assist in the delivery of affordable housing and the processes they will adopt to assess and review viability in exceptional situations where there is a suggestion that their policy, in terms of affordable housing, is not achieved.
- 1.4 This guidance note will be updated by the JCS Affordable Housing Partnership (AHP) on a yearly basis to ensure consistency with relevant local or national Government policy, as well as reflect the changing needs and requirements of our Preferred Providers partners.
- 1.5 This guidance note should be read in conjunction each authorities' respective local plans, as well as [Cheltenham Borough Council's Climate Change Supplementary Planning Document](#) (SPD) (for shared Cheltenham-Tewkesbury strategic allocations) and the [Golden Valley SPD](#) covering the West Cheltenham strategic allocation.¹
- 1.6 This guidance note should also be considered in regard to the adopted JCS Affordable Housing Guidance Note and Cheltenham Borough specific First Homes Technical Advice Note respectively.
- 1.7 This guidance note is not designed to replace or update existing policy. Instead, this guidance note is intended to provide applicants and Preferred Providers with a clear direction regarding the standards expected through the delivery of affordable housing across the JCS area, including on the strategic allocations.

2. Policy Background:

2.1 The National Policy Context:

¹ Please note that this guidance note should be read in conjunction with the [Cheltenham Local Plan](#), [Gloucester City Local Plan](#) and [Tewkesbury Borough Local Plan](#), each of which provide specific planning policies for each local authority area.

- 2.1.1 The NPPF requires Local Planning Authorities (LPAs) to deliver a wide choice of high quality homes, to widen opportunities for home ownership and create sustainable, inclusive and mixed communities. LPAs 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.
 - Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand.
 - Where they have identified that affordable housing is needed, set policies for meeting this need.
- 2.1.2 The Localism Act 2011 places a duty on LPAs to cooperate with each other on cross-boundary issues.
- 2.1.3 Recognising that the urban authorities of Gloucester and Cheltenham cannot demonstrate sufficient land supply to meet the objectively assessed housing needs of their projected populations to 2031, Gloucester, Cheltenham and Tewkesbury councils have come together to prepare a [Joint Core Strategy \(JCS\)](#) for the area.

2.2 The Local Policy Context:

- 2.2.1 The JCS submission identifies a total housing requirement of 35,175 new dwellings to be built across the JCS area by 2031.
- 2.2.2 The JCS is due to be replaced by the [Strategic & Local Plan \(SLP\)](#). It is anticipated that the SLP will go out to Regulation 18 public consultation in [Quarter 4 of the 2023/24 financial year](#), with a Regulation 19 public consultation to follow in the 2026/27 financial year.
- 2.2.3 This Guidance Note will be updated in light of any changes to policy positions found within the SLP (or subsequent replacement).
- 2.2.4 JCS Policy 'SD12 Affordable Housing' sets out the LPA's policy in respect of affordable housing.
- 2.2.5 The policy recognises that the viability of each site within the area differs and sets a sliding scale for affordable housing expectations.
- 2.2.6 On the JCS strategic allocation sites, all site associated infrastructure costs will remain within the Section 106 agreement, with contributions towards wider strategic infrastructure not directly linked to the development site being paid under the Community Infrastructure Levy.²
- 2.2.7 The JCS authorities will seek to achieve the following affordable housing contributions (as of April 2023) when negotiating Section 106 (S106) Agreements (CIL contributions are shown also):³

² The latest charging schedules for each JCS authority can be found by clicking on the respective authorities: [Cheltenham](#), [Gloucester](#), [Tewkesbury](#).

³ Developers should be aware that CIL contributions will only be applicable to market housing. Additionally, CIL contributions will not be chargeable on any 'additional' affordable homes delivered above and beyond the Section 106 requirements.

Sites delivering 9 homes or less will be required to deliver:

- 0% affordable housing in Cheltenham, Tewkesbury and Gloucester.
- £0 of CIL per m² in Gloucester, £163 of CIL per m² in Cheltenham and £115m of CIL per m² in Tewkesbury.

Sites delivering between 10-449 homes will be required to deliver:

- 35% affordable housing on the Strategic Allocation Sites across the JCS area
- 20% affordable housing in Gloucester
- 40% affordable housing in Cheltenham and Tewkesbury

Sites delivering between 11-449 homes will be required to deliver:

- £39 of CIL per m² on the Strategic Allocation Sites across the JCS area
- £50 of CIL per m² in Gloucester
- £221 of CIL per m² in Cheltenham and Tewkesbury

Sites delivering 450 homes or more will be required to deliver:

- 35% affordable housing on the Strategic Allocation Sites across the JCS area.
- 20% affordable housing in Gloucester
- 40% affordable housing in Cheltenham and Tewkesbury
- £39 of CIL per m² on the Strategic Allocation Sites across the JCS area
- £0 of CIL per m² in Gloucester
- £39 of CIL per m² in Cheltenham and Tewkesbury.

2.3 The Affordable Housing Partnership:

- 2.3.1 The JCS authorities are committed to supporting applicants to deliver strong and sustainable communities with a balance of housing to meet the needs of our growing populations.
- 2.3.2 The Affordable Housing Partnership (AHP) has been established to support the Joint Core Strategy. The AHP is made up of enabling officers from the JCS councils and six Registered Providers (RPs); known as the Preferred Providers.
- 2.3.3 Developers are encouraged to work with the Preferred Providers to deliver affordable housing on the Strategic Allocation Sites.
- 2.3.4 The six Preferred Providers have been selected from those active in the JCS area because they have demonstrated that they have the financial capacity to invest in developing and sustaining strong and resilient communities, and because they have proved that they can do so to a good standard.
- 2.3.5 The AHP will agree the following standard documents and protocols with the aim of helping applicants and streamlining the process for agreeing obligations:
 - Model S106 Agreement clauses
 - Cross Boundary Lettings and Monitoring Procedures
 - S106 Guidance Notes

- 2.3.6 The aim of the local authorities is to enable development and ensure that new communities thrive and are sustainable.
- 2.3.7 The Preferred Providers are:
- Aster Group
 - Bromford Housing Group Ltd
 - Cheltenham Borough Council
 - Cottsway Housing Association Ltd
 - Rooftop Housing Association
 - Two Rivers Housing
- 2.3.8 The Preferred Providers have agreed the model Section 106 Agreement, which has been drawn up for use on all Strategic Allocation Sites, and the [Partnership Standard](#).
- 2.3.9 The Preferred Providers have agreed to work with each other, the councils, and other relevant agencies to resolve any issues regarding neighbourhood management on completed phases of the Strategic Allocation Sites.
- 2.3.10 The LPA housing enabling officer will want to know which RP will be taking transfer of the affordable housing units on any phase before works to that phase start on site.

Standards for Affordable Housing:

Affordable Unit Types:

- 3.1.1 The LPA housing enabling officer will confirm, (following negotiation with the developer(s) and close engagement with the current Preferred Provider partners) the mix of Affordable Housing unit types, sizes, tenures and accessibility requirements to be provided on each site.
- 3.1.2 Unlike homes bought on the open market by private purchasers, affordable housing units are usually fully occupied by bed space and space standards, and therefore need to be adequate for the maximum number of occupants.
- 3.1.3 In light of the likely maximum occupation of such units, affordable housing therefore must be built to accommodate double rooms (i.e. 1 bedroom 2 person, 2 bedroom 4 person, 3 bedroom 6 person, 4 bedroom 7 or 8 person), to maximise the number of potential tenants who can secure rented affordable homes via Homeseeker Plus.

3.2 Space in the home:

- 3.2.1 Registered Providers prefer affordable homes to have reasonable space standards. This includes sufficient storage space, capability to work from home, and the space to grow as a family unit to enable homes to be let to households of an appropriate size.
- 3.2.2 Developers should be aware that both [Tewkesbury Borough Council](#) (Tewkesbury Borough Plan Policy DES1: Housing Space Standards) and [Gloucester City Council](#) (Gloucester City Plan Policy F6: Nationally Described Space Standards) have policy positions within their respective adopted Local Plan policies that require the delivery of all housing to meet the [Nationally Described Space Standard \(NDSS\)](#), as updated from time-to-time.

- 3.2.3 For the avoidance of doubt, developers will be expected to comply with the NDSS requirements set out within Gloucester and Tewkesbury's respective local plans when delivering affordable homes on the shared Gloucester-Tewkesbury strategic allocations.
- 3.2.4 Equally, on shared Cheltenham- Tewkesbury Strategic Allocations, it is anticipated that homes will be delivered in accordance with Tewkesbury Borough's Plan Policy DES1: Housing Space Standards. This approach will support the implementation of JCS Policy SD4: Design Requirements, which requires that new buildings should be 'fit for purpose'.
- 3.2.5. The list below shows the minimum internal floor area deemed as reasonable for the range of dwelling types listed:

Minimum gross internal floor areas and storage (m²)

Number of Bedrooms:

- 1 bedroom 2 person 50m² (1 storey), 58m² (2 storey); 1.5m² of built-in storage
 - 2 bedroom 4 person 70m² (1 storey), 79m² (2 storey); 2.0m² of built-in storage
 - 3 bedroom 5 person 86m² (1 storey), 93m² (2 storey); 99m² (3 storey), 2.5m² of built-in storage
 - 3 bedroom 6 person 95m² (1 storey), 102m² (2 storey), 108m² (3 storey); 2.5m² of built in storage
 - 4 bedroom 7 person 108m² (1 storey), 115m² (2 storey); 121m² (3 storey), 3.0m² of built-in storage
 - 4 bedroom 8 person 117m² (1 storey), 124m² (2 storey), 130m² (3 storey) 3.0m² of built in storage
 - 5 bedroom 8 person 121m² (1 storey), 128m² (2 storey), 134m² (3 storey), 3.5m² of built in storage
- 3.2.6 In Cheltenham Borough, developers will be encouraged to meet the Nationally Designed Space Standards where possible. However, as an absolute minimum, the Council would expect new affordable homes to be built to no less than 85% of the NDSS (as updated from time-to-time). The table above captures these sizes for reference.

3.3 Specification – The Partnership Standard:

- 3.3.1 Advice has been sought from the Preferred Providers on the specification items they would require, above building regulation compliance, for affordable housing units. These items are listed below. Individual Preferred Providers may negotiate specification upgrades above the partnership standard, which would be assumed to be paid for at the developers cost.
- 3.3.2 The **Partnership Standard** is the following:

- Aspiring towards delivering the Future Homes Standard prior to the 2025 implementation date.
- Rear gardens to be turfed.
- 1.8m close boarded fence to all rear garden boundaries.
- Vinyl sheet flooring to wet areas; kitchens, bathrooms, cloakrooms / WCs.
- Thermostatic shower over bath in main bathroom with rail and curtain.
- Full height tiling to all three walls surrounding any bath.

3.3.3 Additional points raised by the Preferred Providers to support the creation of strong and sustainable communities and aid long-term community cohesion include:

- Paths to rear gardens, bin hardstanding and patio minimum 1.8m x 1.8m (dependent on property type).
- Child restrictors to windows for all affordable properties.
- Curtain battens to be included on all affordable properties.
- Secure covered cycle storage for all properties.
- Lighting included within developer cost margins for communal parking areas and enclosed communal bin and cycle stores.
- EV Charging Points should be provided equitably amongst affordable and market homes and provide individual access to EV Chargers for all residents.
- Accessible/Adaptable homes to be designed to M4(2) or M4(3) standards without additional cost to the Partner RP.
- External and internal appearance of the affordable and market homes must be tenure blind, including external features (e.g. balconies) and architectural features.

3.3.4 To allow for a supply of flexible affordable housing units to meet the needs of all households, the Councils will seek to negotiate appropriate numbers of adaptable and adapted homes and would expect:

- That all ground floor flats and bungalows meet Building Regulations Part M Category 2 as a minimum.
- That, as a starting point, 67% of houses meet Building Regulations Part M Category 2. The minimum space standards for these units in accordance with the Nationally Described Space Standards.
- That, as a starting point, 8% of Affordable Housing units meet Building Regulations Part M Category 3b to meet the immediate needs of households with a member who has a physical disability.

3.3.5 Developers will be required to certify to the LPA housing enabling officer that the Affordable Housing units delivered on strategic allocations meet the Partnership Standards.

3.4 Social Sustainability:

3.4.1 The JCS LPAs wish to see strong and inclusive new communities develop which are socially sustainable. Developers, local authorities and Preferred Providers, working in partnership, can play a critical role in creating a mixed and balanced community that will thrive long into the future, as well as creating a sense of belonging and cohesion amongst all residents.

- 3.4.2 For developers, creating a socially sustainable and balanced community will fulfil their obligations through local planning policies, the latest [NPPF](#) and [National Design Guide](#) respectively. Additionally, welcoming and cohesive communities will be a more attractive prospect for purchase and investment pp buyers which poses less reputational risk to the developer, preferred provider partners and the local authority.
- 3.4.3 To this end, the JCS authorities and the JCS AHP have endorsed the approach to place making set out in '[Welcome to the Future](#)' and will apply that approach to assessing proposals on strategic allocation sites. (Please see Appendix 1.)
- 3.4.4 Additionally, developers are encouraged to have due regard to the latest [Building for a Healthy Life toolkit](#), which is used by Homes England to measure the design quality of new development. This toolkit correlates closely with the shared objectives of both the JCS local authorities and Preferred Providers to create well designed, inclusive and cohesive communities that function well in the long-term.

How we define Affordable Housing:

- 4.1 The definition of affordable housing can be found within [Annex 2 of the latest NPPF](#) (as updated from time-to-time). This definition includes affordable housing for rent (social rent and affordable rent), and other routes to home ownership (such as the new First Homes tenure). Eligibility for affordable housing is determined with regards to those households whose needs are not met by the market.
- 4.2 Local need and affordability:**
- 4.2.1 The number and tenure of new homes, and the tenure of those new homes found within the JCS was determined by the [2015 SHMA Update Note](#); a technical study required by the NPPF to help local planning authorities understand how many homes will be needed over the JCS plan period.
- 4.2.2 The SHMA determined the Objectively Assessed Housing Need (OAHN) which is the figure that the councils should seek to plan towards. The OAHN agreed by the Planning Inspector for the JCS area is 33,500 homes. An uplift of 5% has been applied to this figure by the Planning Inspector providing a housing requirement of 35,175 homes between 2016-2031.
- 4.2.3 The SHMA has subsequently been replaced by the 2020 [Gloucestershire Local Housing Needs Assessment \(LHNA\)](#), which sets out the housing needs of the six Gloucestershire authorities, including providing an indication of the level of affordable housing need required in each authority.
- 4.2.4 The latest LHNA finds that collectively, the three JCS authorities should deliver 35,560 new homes between 2021-2041 to meet housing needs of all tenures, of which a minimum of 11,503 homes should be delivered as affordable housing over this period to meet identified needs.⁴
- 4.2.5 The need for specific affordable housing unit types and tenures will vary across each local authority area, and the mix of affordable homes required for each site will be determined by the LPA's housing enabling officer, following consultation with the

⁴ Housing Need figures drawn from Figure 15, page 38, Affordable Housing need figures taken from Figure 3, Page 8 of the 2020 Gloucestershire LHNA.

developer and the partner RP. This need will also be informed by the latest figures drawn from the local authorities' respective Housing Registers.

- 4.2.6 However, the JCS authorities will typically seek a tenure split of 70% rented (*with an emphasis on delivering socially rented homes*) and 30% affordable home ownership products, unless otherwise agreed in writing with the local authority. Developers should engage with the LPA's Housing Enabling officer(s) at the earliest possible opportunity (or [key contact](#)) to ascertain the appropriate mix of rented to affordable home ownership products.
- 4.2.7 As directed by the Planning Inspector, individual Strategic Allocation sites may be meeting the housing need of a different LPA than to the LPA in which the site is located. In these instances, the assessment of the local need for new homes will reflect the housing market of the LPA for whom the site is allocated.

4.3 Allocation of Rented Affordable Housing on the Strategic Allocation Sites

- 4.3.1 Rented affordable homes secured on the shared Cheltenham-Tewkesbury and Tewkesbury-Gloucester strategic allocations will be advertised and allocated via [Homeseeker Plus](#), in line with the [latest Homeseeker Policy](#) (or subsequent replacement).
- 4.3.2 In practice, this will mean that rented homes delivered on the shared Cheltenham-Tewkesbury and Gloucester-Tewkesbury strategic allocation sites will be advertised with a dual local connection to Tewkesbury Borough and the urban extension area (i.e. Strategic Allocations within the JCS area) before being 'cascaded' to the third authority within the JCS partnership and finally to the rest of the Gloucestershire (and West Oxfordshire) local authorities.

Pricing Affordable Housing:

- 5.1.1 The LPAs do not intend to set, or limit, prices for the affordable housing on strategic allocation sites, and it is recognised that developers will invite RPs to make competitive bids for the units.
- 5.1.2 The AHP does intend to work together to maximise the delivery of affordable housing across the JCS area and ensure that a robust appraisal process captures the financial capacity of each site (whether delivered as Section 106, or additionality, or wholly land-led) to deliver affordable units of appropriate tenure to meet local housing needs.⁵
- 5.1.3 A reasonable price for the affordable housing on a site can be assessed using benchmark assumptions and calculating the deficit, or loan, which can be supported by the rent, or equity sale and rent, for each unit and tenure type.

5.2 Rent Levels:

- 5.2.1 Affordable Rents are to be capped at LHA rates for the relevant local authority area. An Affordable Rent must include any service and management company charges so these are deducted from the rent to calculate the supportable loan / deficit.

⁵ Additionality refers to affordable housing delivery above and beyond that which the market would normally provide.

- 5.2.2 Depending on local incomes and rental prices, in the event that social rent is not being delivered as the sole rented tenure on site, the LPA's housing enabling officer may require the Affordable Rent for a proportion of units, or for specific unit types, to be less than 80% of Market Rent where it is demonstrated by the 2020 Gloucestershire Local Housing Needs Assessment (or subsequent replacement or update), local incomes and house prices that 80% Market Rent is not affordable to those households in need of affordable housing.
- 5.2.3 Customers are not eligible for benefit assistance for rents above the level of the Local Housing Allowance (LHA) and RPs will generally use LHA levels to cap rents when pricing offers for the affordable housing units. A requirement that affordable homes are capped at LHA (with the exception of social rented homes) will be included within the JCS authorities' latest precedent S.106 agreement.
- 5.2.4 Affordable Rents should therefore not exceed the LHA level for the Broad Rental Market Area within which they are located.
- 5.2.5 Across the JCS area, where 4 bedroom and larger rented properties are being provided, local authorities and Preferred Provider partners would expect that these should be delivered at social rented levels to ensure that they are affordable in perpetuity for residents who will likely be disproportionately impacted by the benefit cap and welfare reforms.

5.3 First Homes:

- 5.3.1 [First Homes](#) are a new tenure of affordable housing, introduced in May 2021 and are designed exclusively for first-time buyers. To assist in the implementation of this new tenure, Local Authorities have been granted flexibility to add greater discounts, local connection, income and key-worker restrictions to the delivery of new First Homes.
- 5.3.2 With limited exceptions, Local Authorities are required to deliver 25% of all Section 106 affordable homes as First Homes from 28th June 2021.
- 5.3.3 More specifically, First Homes are discounted market sale affordable homes which:
- Must be discounted by a minimum of 30% against open market value, as validated by an independent RICS approved valuer.
 - Are sold to a person/persons meeting the First Homes eligibility criteria (more details below)
 - On the first sale, have a restriction registered on the title at HM Land Registry to ensure that the discount (as a percentage of current open market value) and other restrictions are passed on through each subsequent title transfer
 - After the discount (of 30%, 40% or 50%) is applied against open market values, the first sale price must not exceed £250,000.00.
- 5.3.4 To assist deliverability, schemes that are wholly (100%) affordable housing are exempt from the First Homes policy requirements.
- 5.3.5 Developers should contact the Local Authority's Housing Enabling Officers in the first instance to discuss the type and size of First Homes to be delivered on Strategic Allocation sites (if required).

5.4 Shared Ownership:

- 5.4.1 The expectation of the LPA is that there will be a range of products to meet the need for intermediate housing for sale.
- 5.4.2. Shared Ownership homes should be sold in accordance with the [latest Homes England Capital Funding Guide](#), as updated from time-to-time. In September 2021, the Government revised [the Shared Ownership model](#). The key changes arising from the new Shared Ownership model include:
- The minimum initial share being reduced from 25% to 10% (meaning that the initial share can range between 10%-75% of the open market value of the Shared Ownership home).
 - The introduction of a 10 year repair warranty during which the tenant/home owner will receive support from the RP to pay for essential repairs and maintenance.
 - The introduction of a 1% gradual staircasing model to enable Shared Ownership to staircase in smaller increments (compared to the previous 10%), with heavily reduced fees.
- 5.4.3 A reasonable price for shared ownership units can be assessed using the benchmark assumptions, the market value of the completed units and the affordability of the total cost to the purchaser of the mortgage payments for the share purchased, the rent on the unsold equity and any service and management company charges.
- 5.4.4 The total monthly cost to the purchaser should be less than the monthly cost of purchasing a similar unit outright, and not amount to more than 45% of the net monthly household income of the purchaser. The Preferred Provider will carry out affordability checks based on the [Homes England Shared Ownership Affordability Calculator](#) or similar methodology.
- 5.4.5 There are many shared equity products available to purchasers and the AHP will agree a marketing protocol to ensure that S106 shared ownership units are marketed to households who require affordable housing with a local connection to the relevant JCS authority area(s).

5.5 Low Cost Housing for Sale:

- 5.5.1 In accordance with the latest NPPF, residential schemes will be expected to deliver a minimum of 10% affordable home ownership units.
- 5.5.2 Discounted Market Sale units may be offered for sale to Approved Purchasers at a discounted price of up to 75% of the Open Market Value. The level of discount will be calculated by the LPA's enabling officer so that the units are affordable with regard to local incomes and local house prices. The discount is to be applied in perpetuity.

5.6 Service charges and management charges:

- 5.6.1 Service charges and management charges should be eligible for Housing Benefit and any ineligible service charges or management charges must be approved by the LPA. Service charges and management charges should be reasonable, as stated within the relevant Section 106 agreement. The service and management charges are not included in the calculation of Social Rents, but are included in the calculation of Affordable Rents and will therefore directly impact the amount an RP is able to offer for the Affordable Housing Units.

- 5.6.2 The design of master plans and the arrangements for the management of communal landscaping and shared areas can have a marked impact on the affordability of service and management company charges. The JCS AHP is happy to advise on how to design out the need for excessive service or management company charges and would welcome the opportunity for early engagement with developers on site layouts.

5.7 Sustainable Pricing:

- 5.7.1 Each Preferred Provider will use their own appraisal assumptions to assess what they offer for affordable units. Most RPs use a supportable deficit model to calculate what they can offer; that is the amount of borrowing which can be supported by the rents after any internal subsidy is added and key operational costs are deducted.

Viability Appraisals:

Circumstances where viability must be assessed:

- 6.1.1 After exhausting the viability pathway outlined within JCS Policy SD12: Affordable Housing, where the policy compliant proportion of affordable housing is still not achievable on an individual site, or phase, for viability reasons, the developer will be expected to notify the LPA at the earliest opportunity and agree the methodology for submitting and reviewing viability evidence.

6.2 Approach to undertaking a viability appraisal:

- 6.2.1 The [latest NPPF](#) and [Viability PPG](#) states 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*”. The NPPF continues to outline the responsibility of the applicant to demonstrate that the site-specific circumstances justify the need for a viability assessment.
- 6.2.2 It is anticipated that viability assessments would only be submitted by applicants in exceptional circumstances.
- 6.2.3 However, the NPPF is also clear that where safeguards are necessary to make a particular development acceptable in planning terms, and these safeguards cannot be secured, planning permission should not be granted for unacceptable development.
- 6.2.4 The developer will submit their viability case to the LPA using a methodology agreed with the LPA.
- 6.2.5 In the event that a viability assessment is submitted by the applicant, the LPA will arrange for the viability case to be appraised and validated by an independent expert, at the full expense of the applicant, before the planning application is determined.

6.3 Establishing a base viability position:

- 6.3.1 Once the viability case has been assessed and independently appraised and validated, this base viability position will be used to agree affordable housing and infrastructure obligations.
- 6.3.2 The AHP Preferred Providers have agreed to be open with the LPAs about successful offers made for affordable units to assist in establishing the base viability position for individual sites.
- 6.3.3 As the Strategic Allocation Sites are large sites that will be built out in phases over many years, the viability position is likely to change over time and the LPAs will wish to agree some flexibility in the setting of affordable housing obligations, so that improvements in the viability position will allow them to claw back additional affordable units on future phases to enable them to achieve their policy position over time.
- 6.3.4 The developer will be expected to undertake reasonable endeavours, working in partnership with the Preferred Provider and the LPA's enabling officer to seek funding for additional affordable housing units through Homes England grant funding where the base viability position does not provide for policy compliant levels of affordable housing on a particular site or phase(s) of a site.

6.4 Approach to Futureproofing:

- 6.4.1 The LPA may agree the affordable housing obligation on an early phase of the scheme based on current viability and require, through the S106 Agreement, the viability of the scheme to be reviewed at set stages in the future. This will give the LPA the ability to claw back additional affordable housing units should the viability position improve sufficiently.

6.5 Reviewing development viability:

- 6.5.1 The methodology for reviewing viability will be agreed with the LPA before submission of the viability evidence as set out in paragraph 6.1.1.
- 6.5.2 The viability position will be reviewed at each Reserved Matters application.
- 6.5.3 Key viability factors and assumptions informing a review could include:
 - GDV; development revenue from housing sales, capitalised rents and the value received for affordable housing units
 - Land cost and site acquisition costs
 - Build costs
 - External works, infrastructure and site abnormal costs
- 6.5.4 The purpose of the review process is to allow the LPA to increase the number of affordable housing units on future phases of the development of the site to achieve their policy target, if viability factors improve.

Working with the Local Planning Authority to deliver affordable housing:

7.1 Key Contacts:

- 7.1.1 **Gloucester City Council:**
David Durden, Housing Projects and Strategy Team Leader
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- 7.1.2 **Cheltenham Borough Council:**
Ewan Wright, Housing Strategy and Enabling Manager
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- 7.1.3 **Tewkesbury Borough Council:**
John Bryant, Head of Housing
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- 7.1.4 **JCS Affordable Housing Partnership:**
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