

**AFFORDABLE HOMES DELIVERY  
WITHIN NEW HOUSING DEVELOPMENT  
Supplementary Planning Document  
Adopted March 2026**



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## 1. Introduction

### What is a Supplementary Planning Document?

- 1.1. A Supplementary Planning Document (SPD) elaborates upon policies in the Development Plan, in this instance the Rushmoor Local Plan 2014-2032<sup>1</sup> (adopted February 2019). SPDs are one of the material considerations that can be taken into account when determining a planning application.
- 1.2. This SPD elaborates upon Local Plan Policy LN2: Affordable Housing and was subject to six weeks public consultation between 22<sup>nd</sup> January 2026 and 5<sup>th</sup> March 2026. The Cabinet, on the 14<sup>th</sup> October, resolved that a consultation exercise on the revised Affordable Housing SPD, as set out in Report No. PG2531, be approved, with the Executive Head of Property and Growth, in consultation with the Housing & Planning Portfolio Holder, being authorised to make any subsequent final, non-substantive amendments to the document prior to adoption.
- 1.3. No substantive amendments were made following the consultation and the SPD was adopted on 23<sup>rd</sup> March 2026.

### What is the purpose of this SPD?

- 1.1. The purpose of this SPD is to provide further guidance to support the implementation of the affordable housing policies of the Rushmoor Local Plan and housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022<sup>2</sup>.
- 1.2. The SPD supports the council in delivering its key priorities which are:
  - Skills, Economy & regeneration
  - Homes for All: Quality Living, Affordable Housing
  - Community and Wellbeing: Active Lives, Healthier and Stronger Communities
  - Pride in Place: Clean, Safe and Vibrant Neighbourhoods
  - The Future and Financial Sustainability
- 1.3. A core purpose of this SPD is to ensure the delivery of affordable housing that meets residents' needs and aspirations, and which supports the delivery of sustainable, inclusive communities.

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<sup>1</sup> <https://www.rushmoor.gov.uk/rushmoorplan>

<sup>2</sup> <https://www.rushmoor.gov.uk/housingstrategies>

## National Policy Context

- 1.4. Chapter 5 of the National Planning Policy Framework (NPPF) December 2024 confirms the importance of significantly boosting the supply of homes and delivering housing needed for different groups in the community, including those who require affordable housing.
- 1.5. Paragraph 64 states that planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:
- off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
  - the agreed approach contributes to the objective of creating mixed and balanced communities.
- 1.6. Paragraph 65 states that ‘the provision of affordable housing should not be sought for residential developments that are not major developments. To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount’.
- 1.7. The national planning policy definition of affordable housing is included in the Glossary of the NPPF which is repeated in the Glossary of this document. However, an extract of the definition is provided below:

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

- *Social Rent*
- *Other affordable housing for rent*
- *Discounted market sales housing*
- *Other affordable routes to home ownership*

## Local Policy Context

- 1.8. To support the provision of the overall level of housing required, and the mix of housing types and tenures, the Council jointly commissioned a Strategic Housing Market Assessment (SHMA)<sup>3</sup> with Hart and Surrey Heath councils. The SHMA (2016) identifies a need in Rushmoor for 160 affordable subsidised rented homes

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<sup>3</sup> <https://www.rushmoor.gov.uk/shlaa>

per annum (social or affordable rent). In addition, there is a need for 220 intermediate (subsidised home ownership) homes a year.

- 1.9. The SHMA and Local Plan Viability Evidence have informed the Local Plan Affordable Housing Policy (LN2) detailed below:

*Policy LN2 - Affordable Housing*

*The delivery of affordable housing will be supported by requiring developments, subject to site viability, to provide:*

*On sites of 11 or more dwellings, a minimum of 30% of dwellings as affordable homes;*

*On sites within Aldershot and Farnborough town centres of 11 or more dwellings, a minimum of 20% of dwellings as affordable homes;*

*A site appropriate mix of dwelling sizes designed to meet local needs, as set out in the SHMA (2016) or any subsequent update;*

*Predominantly subsidised rented affordable housing, in order to best meet local needs as set out in the SHMA (2016) and any subsequent update, with a smaller proportion of intermediate affordable housing, to help create mixed communities;*

*The integration of affordable housing with market housing, unless the development is 100% affordable housing;*

*On sites of 15 or more dwellings, on-site provision of affordable housing, unless there are exceptional circumstances, in which case a commuted sum of equivalent value will be required;*

*On sites of 11 to 14 dwellings, either on-site provision of affordable housing or a commuted sum of equivalent value; and*

*Subject to site suitability, affordable dwellings to be built to accessible and adaptable standards to meet the requirements of Building Regulations M4(2) and, where evidenced by local need, a proportion of affordable dwellings to be built as wheelchair user dwellings to meet the requirements of Building Regulations M4(3).*

- 1.10. On site affordable housing provision in accordance with Local Plan Policy LN2 will be secured by a Planning Obligation (Section 106 Legal Agreement) unless the developer can demonstrate that the development would be made unviable as a result of the policy requirements, or the developer has difficulty procuring a Registered Provider (see paragraphs 2.15-2.17 for further information).

- 1.11. The Rushmoor Housing and Homelessness Prevention Strategy 2023-2027 aims to ensure that Rushmoor's residents have access to good-quality homes that

are affordable and appropriate to their needs. Demand for all forms of housing is high, as an area with limited land supply the delivery of on-site affordable homes is a priority for the council.

- 1.12. This guidance applies to all schemes in the Borough that generate a need to provide affordable housing in accordance with Rushmoor Local Plan Policy LN2 – Affordable Housing.

### **Early Engagement**

- 1.13. The Council encourages all applicants to engage in a pre-application discussions with the Development Management Team and this should include engagement with the Housing Strategy and Enabling team. This is a fee charging service, further information on pre application can be found here <https://www.rushmoor.gov.uk/article/3433/Pre-application-advice>. If the applicant does not engage in pre-application discussions, then they will still need to engage with the Housing Strategy and Enabling team.

## **2. Affordable Housing: On Site Provision**

### **Mix of affordable units**

2.1 The Local Plan is based on evidence contained in the Hart, Rushmoor and Surrey Heath Strategic Housing Market Assessment (SHMA) 2014-2032. Affordable housing should secure 70% for subsidised rent (social rent or affordable rent models) and 30% for intermediate housing (low-cost home ownership).

2.2 The Local Plan identifies the following house size mix to enable the Council to meet affordable housing need in the longer term:

- One-bedroom: 30%
- Two-bedrooms: 30-40%
- Three or more bedrooms: Around 30%, with 10% sought as 4 bedrooms.

2.3 To best meet housing needs, the two-bed requirement should provide a mix of houses and flats. To offer maximum flexibility, two-bed homes should be able to accommodate occupation by four people.

2.4 The Council recognises that the full house type mix may not be appropriate on all sites, however, the Council's objective is to secure policy compliant development wherever possible. The developer must evidence where this is not appropriate and consult with the Housing Strategy and Enabling Team before submitting a planning application.

2.5 The Local Plan and its supporting evidence base identify that greatest need for affordable homes in the Borough is for social rented properties. Therefore, the

starting point for a developer is to assume that tenure mix requirements will be 70% for subsidised rent and 30% for intermediate products (e.g. shared ownership). The National Planning Policy Framework (December 2024) states that where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs across Social Rent, other affordable housing for rent and affordable home ownership tenures.

The exact affordable mix will be dependent upon site-specific circumstances (e.g. site size and location), local needs and viability. All affordable tenures must meet the definitions set out in Annex 2 of the National Planning Policy Framework (repeated in the Glossary of this document).

### **Affordability of rented units**

2.6 Affordable homes must be genuinely affordable to those whose incomes do not allow them to rent or buy a home that is suitable for their needs on the open market. Importantly affordable and social rented homes in the Borough must be affordable to the households in the Rushmoor Housing Allocation Pool (those residents who the Council nominates to rented homes). Local income data informs the Council's approach to rent setting.

2.7 The measure of affordability that developers should consider when appraising schemes is that rents should not exceed 30% of lower quartile gross household incomes.

2.8 Income data can be accessed at [www.ons.gov.uk](http://www.ons.gov.uk).

2.9 The Council's preference is for Social Rent, wherever possible. Social Rent is set at lower rates than affordable rent, Social rented units delivered in Rushmoor should be calculated using the National Guidance on Rents available at [www.gov.uk/government/publications/guidance-on-rents-for-social-housing](http://www.gov.uk/government/publications/guidance-on-rents-for-social-housing)

2.10 Where Affordable Rents are used the Councils preferred rent-setting framework is:

- One-, two- and three-bed properties: 70% of the open market rent or the Local Housing Allowance, whichever is the lower;
- Four- and five-bedroom properties: 65% of open market rent or the Local Housing Allowance, whichever is the lower.
- Other such rents as agreed with the Council.

2.11 Local Housing Allowance rates are available at:  
<https://www.rushmoor.gov.uk/article/3079/Local-Housing-Allowance-LHA-for-private-tenants>

### **Procuring a Registered Provider**

2.12 Registered Providers own and / or manage the affordable housing stock (social rent and shared ownership) in the Borough. Therefore, early engagement with Registered Providers (RPs) that operate in the Borough is actively encouraged as this will potentially reduce design related issues with the dwellings. The Council's Housing Strategy and Enabling Team maintain a list of RP partners that are active in the Borough, which can be provided upon request.

Developers are also encouraged to register with Homes England Section 106 Affordable Housing Clearing Service where sites with planning can be listed to seek RP interest.

2.13 [The Section 106 Affordable Housing Clearing Service - GOV.UK](#) Once a Registered Provider has been secured for a development, the Council will enter into a nomination agreement with them. This is a contract, which allows the Council to nominate those in housing need to affordable homes as they become available.

2.14 It is important to note that Registered Providers let their properties in accordance with their own tenancy policies. However, the Borough Council encourages RPs to take account of the Council's Tenancy Strategy<sup>4</sup> when setting their policies.

### **Difficulty Procuring a Registered Provider**

2.15 The Council recognise that for some development, particularly on smaller sites, a situation may arise where the developer is unable to fulfil the affordable housing obligations as, despite all reasonable efforts, no Registered Provider (RP) is willing to procure the affordable dwellings. This may be due to a number of factors, such as the tenure proposed does not fit the RPs business model or the financial offer submitted by the RP may not cover the developers reasonable build costs.

2.16 In these circumstances and where provision has been made within the Section 106 legal agreement the developer may apply to the Council to commute onsite provision of affordable housing to a financial sum. The Council will need to be satisfied that the developer has made all reasonable efforts to dispose of the affordable housing to an RP, including evidence that the site has been listed with the Homes England Section 106 Clearing Service. Evidence of all correspondence and offers must be provided. . This may also include financial information on the sum the developer is seeking for the affordable dwellings to ensure that cost is not the overriding factor in the failure to procure an RP.

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<sup>4</sup> [www.rushmoor.gov.uk/housingstrategies](http://www.rushmoor.gov.uk/housingstrategies)

2.17 If the Council agrees, the affordable housing obligations may be commuted to a financial payment to fund off site provision (see below). However, it is important to note that the Councils priority remains the provision of affordable housing on the application site and this cascade to a financial sum is the last resort. Before considering requests, the Council will first explore with the developer whether amended affordable housing scheme, including changes to the number, type, tenure and location within the site, will make on site provision possible.

### **Accessible and Adaptable Homes**

2.18 Rushmoor Local Plan Policy LN2 (criteria h) requires affordable housing to be accessible and adaptable standards to meet the requirements of the Building Regulations M4(2), unless the site is unsuitable. This is to support the ageing population and the specific needs of people with mobility problems.

2.19 In addition, where evidenced by local need, a proportion of affordable dwellings should be built as wheelchair-user homes to meet the requirements of Building Regulations M4(3). The Housing Strategy and Enabling Team can advise on the level of need.

2.20 Standards for accessible and adaptable homes are contained within Building Regulations Approved Document M: Volume 1 (2015). This is available online at: <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

### **Internal Space Standards**

2.21 To achieve a satisfactory living environment, homes should meet the internal space standards set out Local Plan Policy DE2 – Residential Internal Space Standards. These standards reflect the nationally described space standard, which was published by the government in 2015.

### **Residential Amenity Space Standards**

2.22 Access to outside green space is important to people's health and well-being, particularly children. To achieve a satisfactory living environment, homes should meet the standards set out Local Plan Policy DE3 – Residential Amenity Standards.

2.23 Amenity space can be in the form of private or communal gardens, balconies, and/or roof terraces. The minimum requirements for private outdoor space are:

Flatted development: a balcony of a 5 sq. m which is accessible from the main habitable room

- 1 or 2 bed houses: 15 sq. m garden
- Residential units of Two bedrooms or more: 30 sq. m garden space

2.24 For flatted developments, if it is not possible to provide external balconies, Juliet balconies with compensating internal space in the living area may be acceptable. Ideally, balconies should have enclosures that are safe, offer some degree of privacy, and be robust enough to take clothes-drying equipment and furniture.

### **Other Design considerations**

2.25 Housing design must be genuinely tenure blind, therefore affordable and market dwellings must be completely indistinguishable across the different tenures. It is preferable if affordable units are dispersed in small clusters throughout the development.

2.26 The Council has analysed the outcome of new-build affordable housing schemes in the borough, and it is our view that consideration of the issues set below can reduce housing management issues in completed properties. The council therefore requires:

- Circulation space near the entrance to allow space to accommodate outside items, such as prams, umbrellas, coats and shoes.
- Direct entry from the outside into a living room should be avoided.
- Clear circulation space provided in bathrooms, that meet (or preferably exceed) the standards set in Optional technical Standard M4(2) of building regulations. This will allow properties to be used by a wide range of occupiers, including those with mobility problems.
- In larger homes, careful thought should be given when designing open-plan living and dining and kitchen areas, taking into account the number of potential occupiers and the need for some quiet space.
- All rooms, except internal bathrooms, should have natural light.
- Double and twin bedrooms must be capable of being used interchangeably to reflect the occupancy rates expected of affordable housing. A minimum width of 2.75 metres allows this to be achieved.
- Layouts should be planned so that the effect of noise from adjoining properties is minimised in sound-sensitive rooms (for example, bedrooms).

2.27 In addition, lack of internal and external storage space is frequently identified as an issue in new dwellings. The provision of internal built-in storage space in excess of the nationally described space standard will therefore always be welcomed.

2.28 Good design can incorporate bin storage into a scheme so that bins are easily accessed from the home but do not harm the appearance of the development. Arrangements that require rubbish to be taken through the home should be avoided. Consideration should be given to the size of the bin stores and how bins will be collected. Further information is available online at:

[www.rushmoor.gov.uk/article/3434/Rubbish-and-recycling-bins-at-new-or-converted-properties](http://www.rushmoor.gov.uk/article/3434/Rubbish-and-recycling-bins-at-new-or-converted-properties)

### **High-density developments (flats)**

2.29 Although high density usually results in the development of flats, concentrations of similar housing types should be avoided, and developers should aim to provide a mix of housing types wherever possible, although it is acknowledged that site specific factors (such as location) will influence the type and density of residential units provided.

2.30 To enable the effective management of residential buildings containing flats, the number of units served by a single entrance should be limited. The Council and its partners have found that no more than 12 units served by a single entrance point works well.

### 3. Affordable Housing Off Site Provision (Commuted Sums)

3.1 Local Plan Policy LN2 enables the use of commuted sums (a financial contribution) towards off site affordable housing provision for schemes of between 11 and 14 dwellings or schemes greater than 15 units in exceptional circumstances.

3.2 The Council's preference is to deliver affordable housing units on-site. As noted above, in exceptional circumstances, the Council may agree that the local housing need can best be met by a financial contribution for off-site provision.

3.3 The financial contribution will be calculated using the following formula:

- Gross Development Value (with 100% market housing) – Gross Development Value (with 30% affordable housing)
- In Aldershot and Farnborough Town Centres, the financial contribution will be calculated as follows:
- Gross Development Value (with 100% market housing) – Gross Development Value (with 20% affordable housing)

**Note:** that the calculation of Gross Development Value with affordable housing should be based on 70% subsidised rented and 30% intermediate tenure.

3.4 It is important to note that the developer will be asked to provide financial appraisals to support the inputs / assumptions for determining the financial contribution. The Council will submit this appraisal for an independent financial assessment, with the costs borne by the developer. All commuted sum funding received is ring-fenced for affordable housing delivery.

3.5 A worked example of how to calculate commuted sums is shown below for a 160 unit residential scheme in a part of the Borough where the 30% affordable housing requirement applies is set out overleaf:

**Step 1** - Calculate Gross Development Value of the scheme with 100% market housing as shown below:

Dwelling Type	Number of units	Open Market Value Per Unit	GDV per dwelling unit type
1 Bedroom	38	£230,000	£8,740,000
2 Bedroom	42	£300,000	£12,600,000
3 Bedroom	80	£400,000	£32,000,000
<b>Total:</b>			<b>£53,340,000</b>

**Step 2** – Calculate the number of affordable units by dwelling type required by Local Plan Policy DE2 with a split of 70% Subsidised Rent and 30% Intermediate.

Dwelling Type	Total Number of units	Total Number of Affordable units (30%)	Subsidised Rent units	Intermediate units
1 Bedroom	38	11	8	3
2 Bedroom	42	13	9	4
3 Bedroom	80	24	17	7
	160	48	<b>34</b>	<b>14</b>

**Step 3** – Calculate the Development Value of the Affordable Housing units on the assumption that subsidised rented units are valued at 55%<sup>5</sup> of the Open Market Value (OMV) and Intermediate units are valued at 65%<sup>6</sup> of the OMV.

Dwelling Type	Open Market value	Subsidised Rent Value (55% OMV)	Intermediate value (65% OMV)
1 Bedroom	£230,000	£126,500	£149,500
2 Bedroom	£300,000	£165,000	£195,000
3 Bedroom	£400,000	£220,000	£260,000

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<sup>5</sup> To reflect the typical discount of 45% of the PMV that is secured for subsidised rented units

<sup>6</sup> To reflect the typical discount of 35% of the PMV that is secured for intermediate units

**Step 4:** Calculate the Gross Development Value of a policy compliant scheme using the four steps below:

**a) Market Homes (70%)**

Dwelling Type	Market Units	Market Value	Total value
1 Bedroom	27	£230,000	£6,210,000
2 Bedroom	29	£300,000	£8,700,000
3 Bedroom	56	£400,000	£22,400,000
			<b>£37,310,000</b>

**b) Subsidised rented units**

Dwelling Type	Number of subsidised rent units	Subsidised rent units value	Subsidised Rented total value
1 Bedroom	8	£126,500	£1,012,000
2 Bedroom	9	£165,000	£1,485,000
3 Bedroom	17	£220,000	£3,740,000
			<b>£6,237,000</b>

**c) Intermediate units**

Dwelling Type	Number of intermediate units	Intermediate rent units value	Intermediate total value
1 Bedroom	3	£149,500	£448,500
2 Bedroom	4	£195,000	£780,000
3 Bedroom	7	£260,000	£1,820,000
			<b>£3,048,500</b>

**d) GDV of policy compliant scheme (a+b+c) = £46,595,500**

(£37,310,000+£6,237,000+£3,048,500)

**Step 5 – Calculate Commuted sum**

*Gross Development Value (with 100% market housing) – Gross Development Value (with 30% affordable housing)*

£53,340,000 (Step 1 output) – £46,595,500 (Step 4 output) = **commuted sum £6,744,500**

## 4. Viability

### **Viability Appraisals to justify a departure from Policy LN2**

- 4.1 The Local Plan is supported by Evidence base including the Local Plan and Community Infrastructure Levy Economic Viability Study (2017)<sup>7</sup> that has considered the effect of the requirements in the Local Plan to ensure that the combined total impact of such requirements does not threaten the viability of the sites and scale of development identified in the development plan.
- 4.2 Where schemes do not meet the policy requirements for potential viability reasons (such as those set out in Policy LN2: Affordable Housing), the Council will require applicants to submit an open book viability assessment in line with [government guidance](#) as part of the planning application submission. It is important to note that this information will be made available in the public domain. In such cases, the Council will commission an independent review of the viability assessment, the cost of which should be met by the applicant.
- 4.3 Where the viability case is supported by the independent review and the Council accepts that meeting the full affordable housing requirement makes the scheme unviable, flexible arrangements relating to the timing and level of planning obligations may be considered if the scheme would otherwise not be able to proceed.
- 4.4 A Financial Viability Assessment (FVA) is only current at the time it is prepared. Financial viability will vary over time with the changing economic and property markets. Therefore, the council will require viability review mechanisms through s106 agreements where policy requirements are not met in full at the time permission is granted.
- 4.5 On large sites that are expected to be built out over a period of time or in phases, viability may need to be re-assessed at different points (such as prior to the commencement of each phase). In order to ensure that appropriate affordable housing provision is secured in circumstances where there is a change in viability of a development scheme during its implementation, the associated Section 106 agreement will contain a requirement for re-assessment at later stages in its construction. The Council would expect that all large developments including residential development would include at least an out turn retest 75% of the way through the development to compare actual costs and values with those assessed at the application stage and that if viability has improved, for additional affordable housing to be provided on site wherever possible, and an in-lieu contribution to off-site affordable housing otherwise.

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<sup>7</sup> <https://www.rushmoor.gov.uk/article/10136/Background-evidence-on-viability>

## Grant Funding

4.6 The Council may be able to provide capital grant funding in support of affordable housing schemes. Affordable housing must therefore comply with the space standards; these standards also ensure development meets the grant conditions of Homes England. In addition, each scheme must also:

- Meet the standards set out in this SPD;
- Provide homes for rent that comply with the Council's rent-setting formula (see paragraph 2.10);
- Provide the Council with nomination rights;
- Provide an opportunity for chain lettings; and
- In the case of shared ownership, offer additional units to the shared ownership requirement of an s106 agreement or offer a return to the Council in the form of a ground rent or a share in capital growth.

4.7 To assist with the pre-application process, the Council has an online pre-application checklist. This can be found at: [www.rushmoor.gov.uk/article/3433/pre-application-advice-for-developers](http://www.rushmoor.gov.uk/article/3433/pre-application-advice-for-developers)

## Vacant Building Credit

4.8 The National Planning Policy Framework (NPPF) (paragraph 65) provides an incentive for brownfield development on sites containing vacant buildings. National Planning Practice Guidance<sup>8</sup> (NPPG) requires that where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.

4.9 The Local Plan acknowledges that the Vacant Building credit is intended to incentivise brownfield development on sites with empty or redundant buildings, and that if applicable a 'credit' should be then applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use (converted) or demolished.

4.10 The Local Plan makes it clear that in considering Vacant Building Credit applications, the Council will have regard to the national policy, which is to incentivise brownfield redevelopment and not simply to reduce the affordable housing requirement of schemes

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<sup>8</sup> NPPG Paragraph: 021 Reference ID: 23b-021-20160519 <https://www.gov.uk/guidance/planning-obligations>

that would have come forward anyway. Sites allocated for development within the Local Plan in Aldershot and Farnborough Town Centres may not be eligible for Vacant Building Credit, as the Affordable Housing requirements have already been reduced in these locations to reflect the higher costs associated with redeveloping brownfield land.

4.11 It is important to note that the vacant building credit does not apply to buildings that have been abandoned. The Council will determine on a case by case basis whether building is vacant or abandoned. As a general principal to qualify for the vacant building credit a building should be vacant at the time a planning application is registered. The credit is only applicable to relevant vacant buildings; the Council will not accept, for example, sheds and non-permanent buildings for the purposes of vacant building credit.

4.12 In instances where the Council considers that a proposed development qualifies for Vacant Building Credit, the following formula should be used for schemes providing on-site affordable housing provision:

**Step 1** - Calculate the number of dwellings that should be provided as affordable housing on a given site in accordance with Local Plan Policy LN2: Affordable Housing

**Step 2** - Calculate as a proportion, the extent of existing floorspace compared against the proposed floorspace.

**Step 3** - Make a deduction to the number of affordable dwellings to be provided based on the proportion identified at Step 2.

4.13 This will be calculated by the formula **RAH = AH – (AD x E / P)** where:

**RAH** = Revised number of affordable housing units to be provided

**AH** = Expected number of affordable housing units to be provided prior to application of credit in accordance with Local Plan Policy LN2

**E**= Existing floorspace to be demolished

**P** = Proposed floorspace to be created

## Glossary

**Affordable Housing (National Planning Policy Framework December 2024 definition):** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

**Social Rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

**Other affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

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

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

**Chain Lettings:** Chain letting is an important approach in managing and securing the best use of affordable housing. It ensures that as many tenants as possible are housed in accommodation that is suitable for their needs and encourages mobility of tenants into the right sized home.

For example:

A housing association tenant currently under-occupying moves into a new build one-bed property releasing their property to house an overcrowded household. The smaller property released by the overcrowded household can be allocated as a management move to another household OR be used to house an applicant in the housing allocation pool and so on. Using this approach can achieve several right sizing moves through a single new build property.

**Intermediate Housing:** Homes for sale and rent provided at a cost above social rent but below market levels. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

**Nomination Rights:** Allow the local authority to send referrals (nominations) to Registered Providers to fill a certain percentage of their vacant at the beginning of a new development and as vacancies arise (re lets). Households or individuals nominated must come from the council's allocations scheme. Nomination Rights are relevant for both rented and intermediate tenures.

**Registered Providers (RPs):** Government-funded not-for-profit organisations that provide affordable housing. They include housing associations, trusts and co-operatives. They work with local authorities to provide homes for people who meet the affordable homes criteria. As well as developing land and building homes, they undertake a landlord function by maintaining properties and collecting rent.

**Social rented Housing:** 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 agreements to the above, as agreed with the local authority or with the Homes and Communities Agency (HCA).

**Strategic Housing Market Assessment:** An evidence base document that:

- Estimates housing need and demand in terms of affordable and market housing
- Determines how the distribution of need and demand varies across the Hart, Rushmoor and Surrey Heath Housing Market Area; and
- Consider future demographic trends and identify the accommodation requirements of specific groups.