

# Housing



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# **1 Introduction**

## **1.1 Purpose of the Housing Supplementary Planning Document (SPD)**

1.1.1 The Housing Supplementary Planning Document has been produced to provide detailed guidance on the interpretation of the following policies in the Eden Local Plan 2014 to 2032 (ELP).

- Policy HS1 – Affordable Housing
- Policy HS2 – Housing in the Smaller Villages and Hamlets
- Policy HS3 – Essential Dwellings for Workers in the Countryside
- Policy HS4 – Housing Type and Mix
- Policy HS5 – Accessible and Adaptable Homes
- Policy HS6 – Community Land Trusts
- Policy RUR4 – Employment Development and Farm Diversification in Rural Areas (Live-work units)
- Policy AL2 – Redevelopment in Alston Moor

1.1.2 The SPD also provides guidance regarding Policy LS1 – Locational Strategy where it relates to the above policies.

1.1.3 The ELP was prepared in accordance with the 2012 National Planning Policy Framework and the reviewed version of the National Planning Policy Framework (February 2019) [NPPF]. Changes to the NPPF may impact on decision making and where possible these instances are set out in the SPD. The final section of the Housing SPD contains guidance relating to the most recent version of the NPPF. This section provides further guidance on vacant building credit, self and custom build dwellings, climate change policies and design. In line with the NPPF, the ELP aims to contribute to the achievement of sustainable development. To support an effective and consistent approach to planning, this SPD sets out further detail of the above policies and explanation of the relevant social, economic and environmental objectives as they relate to attaining development in accordance with those policies.

1.1.4 The Local Plan sets out a clear planning framework to support the district in achieving its strategic objectives and deliver appropriate development within Eden. The policies set out within the Local Plan guide development and provide the framework to determine planning applications submitted to the council.

1.1.5 Local Plan policies are intended to be concise; however, there may be cases where a more detailed explanation of the policy or its justification would assist applicants and decision makers in the practical application of that policy. Supplementary planning documents enable planning authorities to provide more detailed advice or guidance on local plan policies and ensure a consistent interpretation of policy.

- 1.1.6 The Housing SPD will be a material consideration in the determination of planning applications. It will replace the Housing SPD (2010) and the Affordable Housing Contributions Executive Report (September 2016).
- 1.1.7 The Housing SPD adds further detail to the Eden Local Plan 2014-2032; it does not create new policy or allocate further sites for development.
- 1.1.8 The Housing SPD sets out information that applicants should provide in support of their proposal. These requirements will be incorporated into the Local Validation List if they are not currently included. The list is in the process of being updated and is expected to be published in summer 2020.
- 1.1.9 The Housing SPD has been produced in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012. A six-week public consultation took place between 10 September and 25 October 2019, and subsequently a consultation statement has been put together, pursuant to regulations 12 and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012. An informal consultation with key stakeholders was held prior to the formal public consultation to gather information and views on the general themes and issues the SPD should cover. While this stage of consultation is no longer a statutory requirement it is considered good practice to engage with interested parties at an early stage of the process.
- 1.1.10 The Council offers a pre-application service, which enables anyone wanting to carry out development to obtain informal guidance from the local planning authority in advance of submitting a formal application.

## **2 Policy HS1 - Affordable Housing**

The Council will seek to secure the provision of 30% of all new housing as affordable homes on schemes with 11 or more units, or more than 1,000 square metres of floor space. Where the on-site contribution does not equate precisely to a whole number of units, the contribution will be rounded down to the nearest unit. Size, type and tenure of affordable housing will be negotiated on a site-by-site basis based upon the most up to date evidence of housing need.

In Penrith no contributions will be required on sites of 10 units or less, and with no more than 1,000 square metres of floor space.

In the three Market Towns (Alston, Appleby and Kirkby Stephen), the Key Hubs and the Smaller Villages and Hamlets a commuted sum will be required from sites with 6 to 10 units. This will be secured by means of a planning obligation.

In Other Rural Areas (outside the Key Hubs and Smaller Villages and Hamlets), new housing will be restricted to affordable housing, in an existing settlement comprised of a coherent group of three or more dwellings.

Where it can be demonstrated that application of the policy will render any housing scheme unviable, fewer affordable homes than required by this policy will be acceptable if a financial appraisal provides evidence to justify any reduced provision. This may include potentially higher costs associated with the development of previously developed land.

Planning permission will be linked to an agreement that any affordable housing delivered will remain affordable in perpetuity and occupancy will be restricted to those in the locality as defined in Appendix 5 - Local Connection Criteria for Affordable Housing.

### **2.1 What is affordable housing?**

- 2.1.1 In planning terms affordable housing is a specific product, which must meet the criteria set out in the NPPF. The definition of affordable housing used by the Council is set out in Annex 2 of the NPPF (see Appendix 1).
- 2.1.2 Affordable housing is essentially housing for sale or rent or a combination of the two, for those without the means to enter the housing open market conventionally. Housing may be provided at a subsidised cost through the allocation of low-cost units (through planning obligations) or financial contributions for off-site provision. Smaller units sold at market values and other low cost market housing (other than that specifically defined in the NPPF glossary) does not qualify under this definition.
- 2.1.3 Affordable housing can be for social rent, or intermediate rent or sale. Models of intermediate housing include shared ownership, affordable rent and discounted sale.
- 2.1.4 Affordable homes to rent are usually managed by housing associations, known as Registered Providers (RPs) and are either for:



- Social rent: rent is set based on a formula set by government<sup>1</sup>, which is calculated based on the value of the property, local income levels and the size of the property; or
  - Affordable rent: set at a maximum of 80% of market rent (including any service charges).
- 2.1.5 In Cumbria, social and affordable rented homes are advertised and allocated through the Cumbria Choice<sup>2</sup> allocation scheme or any allocation scheme in accordance with part 6 of the Housing Act 1996 which regulates the allocation of social rented housing by local authorities; amended by the Homelessness Act 2002, and, with effect from 18 June 2012, by the Localism Act 2011. The Localism Act gives local authorities greater power to decide which categories of person they will allocate accommodation to.
- 2.1.6 In line with the revised NPPF<sup>3</sup>, properties for affordable and social rent should be owned and managed by 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). Build to rent schemes are unlikely to be appropriate in Eden as there is no identified need for this form of affordable housing and due to the nature of such development (generally large apartment complexes). The provision of affordable and social housing will need to be secured through applicants entering into a Section 106 Legal Agreement<sup>4</sup> with Eden District Council to secure this in perpetuity.
- 2.1.7 For those who wish to buy their own affordable home, there are several low cost home ownership initiatives aimed at helping local people on modest incomes to purchase a home, including:
- Discounted sale: properties sold at a fixed percentage discount from market value, enabling the purchaser to buy the whole property at a reduced rate. The percentage discount is then applied upon each successive re-sale. To ensure prices remain affordable to households in Eden and within the Government's definition of 'discounted market sales housing', Eden District Council's Discounted Sale Policy requires a 40% discount on new developments. Any properties sold via this method will be capped in any event at 60% of the mean property price in Eden

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<sup>1</sup> The formula was updated on 1<sup>st</sup> April 2020 <https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020>

<sup>2</sup> Cumbria Choice is a housing allocations partnership between Eden District Council, Accent Housing, Derwent and Solway, Eden Housing, Home, Impact Housing, Riverside, Two Castles and South Lakes Housing. All affordable properties for rent that are managed by the above providers are advertised through Cumbria Choice, simplifying the application process.

<sup>3</sup> Annex 2: Glossary

<sup>4</sup> For a build to rent scheme the S106 agreement should set out the parameters of the lettings agreement, the rent levels, apportionment of the homes across the development, a management and service agreement, and a marketing agreement setting out how their availability is to be publicised. The section 106 should also require build to rent scheme operators to produce an annual statement to authorities, confirming the approach to letting the affordable units, their ongoing status, and clearly identifying how the scheme is meeting the overall affordable housing level required in the planning permission.

(currently £138,598<sup>5</sup>, however this is updated annually). . The developer sells these properties to eligible purchasers approved by the Council (through the Homeseekers' Register in accordance with the Council's discounted sale policy and procedures). District wide housing needs evidence reports a lower income is required to access discounted sale housing in comparison to shared ownership, as such discounted sale properties are the Council's preferred form of low cost home ownership provision.

- Shared Ownership: whereby the purchaser buys a percentage share of a property (usually from an RP) and pays rent on the share that they do not own. Over time, the leaseholder may buy additional shares in the property – a process known as 'staircasing'. The Council's standard Section 106 shared ownership clauses restrict staircasing to no more than 80% of the equity, thus ensuring the affordable property remains affordable in perpetuity and is not lost to the open market. However, there are circumstances where staircasing up to own 100% of the equity could be considered acceptable, for example if its demonstrated that this would conflict with the terms of Homes England grant funding, in such circumstances the Council will seek to secure funds recouped from staircasing be reinvested in new affordable housing within the district, thereby securing funding for affordable housing in perpetuity.
- Rent to Buy: properties are rented, through a shorthold tenancy, at a reduced rate, approximately 80% of the market rent. The expectation (although not obligation) is that the shorthold period allows the tenant the opportunity to save for a cash deposit towards buying a share of the home.
- Starter Homes: introduced, in principle, through the Housing and Planning Act 2016 and are recognised in the NPPF<sup>6</sup> as a form of affordable housing. The Act states that starter homes are dwellings available to purchase by qualifying first-time buyers at a discount of at least 20% of the market value, up to a cap of £250,000 (outside London). There are restrictions on sale and letting of these homes.

## **2.2 How much Affordable Housing do developers need to provide?**

- 2.2.1 The table below details the requirements for affordable housing set out in the Local Plan. However, in determining planning applications the Council will afford more weight to the affordable housing thresholds specified in the NPPF<sup>7</sup> as the more recently adopted policy.
- 2.2.2 Paragraph 64 of the revised NPPF sets out that policies should expect major development involving the provision of housing to provide at least 10% of homes for affordable home ownership. Major development (definition in the

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<sup>5</sup> February 2020

<sup>6</sup> Annex 2: Glossary

<sup>7</sup> Paragraph 64

NPPF<sup>8</sup> ) includes where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more and the number of units is unknown.

2.2.3 Where a site for 10 dwellings is proposed the Council will require affordable housing to be provided on site in accordance with the NPPF unless it is considered that the location of the site is inappropriate for affordable housing. In these circumstances a financial contribution will be required.

2.2.4 Evidence undertaken for the Eden Local Plan demonstrated that the need for affordable housing in Eden District was such that the Council will require 30% of housing to be made available for affordable housing and this will be required for proposals over 10 dwellings. The District Housing Need Survey (December 2018) demonstrated that need for affordable housing in Eden is still high.

**Table 1: Affordable housing requirements**

Location	Number of dwellings	Affordable housing required
Penrith	Fewer than 11 dwellings	No affordable housing or financial contribution.
	11 or more dwellings	30% of the units built on site should be for affordable housing.
Alston, Appleby, Kirkby Stephen, a Key Hub or Smaller Village and Hamlet	Fewer than 6 dwellings	No affordable housing or financial contribution.
	6 to 10 dwellings	A financial contribution (commuted sum)
	10 or more dwellings	30% of the units built on site should be for affordable housing.
Other Rural Areas (outside of the settlements listed in Policy LS1, Eden Local Plan 2014-2032 (see Appendix 2)	At least one dwelling	All the units built on site should be for affordable housing.

2.2.5 Where there is a policy requirement for on-site affordable housing, in accordance with Local Plan policy HS1, the applicant must submit an affordable housing statement with the planning application. If there is no such statement, the application will not be validated and if insufficient detail is provided, the application may be delayed until this issue is resolved. Details of

<sup>8</sup> Annex 2: Glossary

what to include in an affordable housing statement can be found in Appendix 6.

- 2.2.6 It will not be acceptable to sub-divide sites and submit applications in a piecemeal fashion to avoid making affordable housing contributions. The Council will consider land ownership arrangements, connectivity between sites (including services and access), fragmentation of units or land, age of previous permissions, etc. A field that is subsequently sub-divided and brought forward in a piecemeal fashion as separate parcels affordable housing requirements will apply and take into account dwellings on previous developments, which are considered to form part of one site.
- 2.2.7 Where Policy HS1 requires 30% affordable housing this should be provided as units on site unless it can be demonstrated that the application of HS1 would render the development unviable. In considering a reduced or alternative provision to that set out in HS1, the Council may refer to paragraph 62 of the NPPF which notes that affordable provision shall be in accordance with policy requirements unless:
- Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
  - The alternative agreed approach contributes to the objective of creating mixed and balanced communities.

## **2.3 Tenure and size**

- 2.3.1 The Council's initial preference for the mix of affordable units is 70% rented units and 30% low cost home ownership units. However, there will be flexibility around this, for instance within the Key Hubs or in cases where the applicant is proposing bungalows as part of the affordable mix, depending upon housing needs evidence at the time of the application. The Housing Development Officer will advise on a case by case basis.
- 2.3.2 It is expected that developers engage in discussions with Registered Providers and/or the Housing Development Officer before submitting a detailed application that includes affordable housing units. This will assist in avoiding delays during the planning application process. Registered Providers will be able to give a clearer picture of the number and size of affordable rented units required in a specific location.
- 2.3.3 When proposing the development of affordable housing developers will be required to provide a mix of dwellings that aligns with an identified need, as set out in the most recent District Housing Need Study<sup>9</sup>. The current study (December 2018) emphasises a particular affordable need for 2-bedroom flats, bungalows and 3-bedroom houses.

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<sup>9</sup> <https://www.eden.gov.uk/media/5425/eden-hns-final-report-for-client-10-07-19.docx>

## **2.4 Viability**

- 2.4.1 The Council expects development proposals to adhere to the levels of affordable housing provision as set out in Policy HS1 of the Eden Local Plan 2014-2032.
- 2.4.2 Should an applicant consider they are unable to provide the required proportion of affordable housing or tenure split due to viability issues, they must support their case with a viability appraisal. This should be submitted with the planning application. In the absence of a viability appraisal, any proposal for a lower provision of affordable housing will be refused.
- 2.4.3 A standard economic viability template is included at Appendix 4. Applicants are advised to use this template, which should be completed in conjunction with the economic viability guidance in Appendix 3.
- 2.4.4 Should applicants have concerns over the viability of their proposal, they are advised to enter into pre-application discussions with Development Management to ensure that the proposed scheme is acceptable in principle, prior to undertaking an economic viability assessment.
- 2.4.5 Where a scheme is demonstrated to be unviable with the required policy level of affordable housing, consideration will be given to a range of alternative options in negotiation with applicants. These options will vary depending on site specific circumstances and constraints but include, flexibility on the tenure ratio, the potential transfer of serviced plots, a reduced percentage of affordable housing (where this is considered we will seek to secure quality over quantity, for example, although fewer units may be provided they should be well matched in size, type and tenure to local needs, see section 2.15 Tenure and Size), or off-site contribution.
- 2.4.6 The issue of viability can be complex for historic buildings, many of which need considerable investment in order to ensure their long-term conservation. In addition, the optimum viable use may not necessarily be the most profitable one.
- 2.4.7 Where a proposal involves the conversion a designated heritage asset to a level of housing that would require an affordable housing contribution, the Council will encourage the sensitive conversion of the asset and consider the implications this has on the ability to provide affordable housing. Should an applicant consider that they are unable to meet the affordable housing requirement they must support their case with a viability assessment.

## **2.5 Affordable housing statement and viability appraisal**

- 2.5.1 Applicants are strongly advised to discuss affordable housing requirements, in advance of submitting a planning application, with the Planning department and/or the Council's Housing Development Officer.

## **2.6 What is a commuted sum and when is it required?**

- 2.6.1 A commuted sum is a financial contribution that is provided to the Council in-lieu of affordable housing built on the development site.
- 2.6.2 Developments of between 6 and 10 dwellings outside of Penrith (not including rural exceptions sites in the Other Rural Areas) will be expected to make a financial contribution to affordable housing. This will be in lieu of providing affordable housing on-site as part of the development scheme.
- 2.6.3 In the town of Penrith no financial contribution is required but affordable housing should be provided on site on developments of over 10 dwellings.
- 2.6.4 Where affordable housing should be provided on site, financial contributions will not be accepted as an alternative simply because this is the developer's preference, or the preference of people living near the development site in question.
- 2.6.5 However, if the preference is to provide on-site affordable housing rather than a financial contribution this may be acceptable in certain circumstances. In general, this will be dependent on affordable housing need in the area and the appropriateness of the site's location. The Council's Housing Department will be consulted on this type of arrangement.

## **2.7 How much is required as a commuted sum payment?**

- 2.7.1 The Council will require a commuted sum payment of 7% of GDV on small sites of six to ten units. The viability testing exercise (see Appendix 5) that this would now appear to be an appropriate headline policy position.

## **2.8 When should a commuted sum be paid?**

- 2.8.1 The payment of financial contributions will be set out through the agreement of a unilateral undertaking ('UU') or a section 106 agreement to be completed prior to granting planning permission.
- 2.8.2 The Council will require payment of the commuted sum to be made either:
- i) In full upon the occupation of the sixth dwelling, or;
  - ii) In stages, relating to the final dwelling houses following the 5th and upon the occupation of each of those dwelling houses. As such, contributions will be paid in equal instalments following the completion of each of the final steps of the development provided that the full balance due is paid within 12 months of the occupation of the sixth dwelling.

## **2.9 How are commuted sum payments used?**

- 2.9.1 Commuted sum payments will be held in the affordable housing fund. The fund will only be used to meet the Council's affordable housing objectives and will contribute towards:
- Additional affordable housing to be provided by a Housing Association;
  - Additional affordable housing to be provided by a private developer;

- Purchasing properties on the open market for affordable housing use;
- Purchasing an equity stake in open market properties, with the outstanding balance paid by a local qualifying person;
- [Supporting Community Land Trust](#) affordable housing schemes;
- Seeking expert professional advice in relation to site viability assessments to ensure the maximum viable amount of affordable housing is provided in accordance with Policy HS1 of the Eden Local Plan.
- Recover unpaid affordable housing commuted sum payments (through court action and officer time) where it would generate a net gain in funds.

2.9.2 The Council will seek to allocate any affordable housing contributions within the locality of the approved development. However, the Council may use the Affordable Housing Fund to provide affordable housing provision on a district wide basis where supported by housing need evidence or where there is insufficient funding within the locality to meet any tangible affordable housing need.

2.9.3 The Council is permitted a limited time frame (specified in individual S106 agreements) to allocate and spend its affordable housing contributions after the commuted sum is paid to the Council. This is to reflect that in some cases only small contributions will be collected from each scheme, resulting in a longer period of time for sufficient funds to accumulate to deliver the affordable housing. If after 10 years the contribution has not been utilised, it shall be returned to the developer, with the option to gift aid to us for the provision of affordable housing if this is preferred.

2.9.4 The Community Infrastructure Levy (Amendment) (England) Regulations 2019, which came into force on 1st September 2019, will require the Council to publish an Infrastructure Funding Statement on an annual basis. This will include the details of developer contributions received for and spent on affordable housing in the previous year.

## **2.10 Affordable housing in the Other Rural Areas**

2.10.1 Paragraph 79 of the NPPF states that the development of isolated homes in the countryside should be avoided. In certain circumstances, sites in 'Other Rural Areas' (outside of the Key Hubs and Smaller Villages and Hamlets) that would not be suitable for market-led housing, may be granted permission for affordable housing to meet an identified local need (see section 2.11), also known as rural exception sites.

2.10.2 The NPPF<sup>10</sup> defines rural exception sites as small sites used for affordable housing in perpetuity where sites would not normally be used for housing.

2.10.3 A rural exceptions scheme is expected to deliver 100% affordable housing, but the Council may consider allowing a small element of market housing

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<sup>10</sup> Annex 2: Glossary

where a viability assessment demonstrates that a cross subsidy is necessary to make the scheme viable (see section 2.3). As stated in paragraph 77 of the NPPF, it is up to the applicant to demonstrate whether particular circumstances justify the need for market housing at the application stage. The applicant should therefore raise any viability concerns in the affordable housing statement and to submit a completed financial viability assessment template (see Appendix 4) as part of the planning application.

2.10.4 Policy LS1 sets out where development will be permitted across the district and states that to qualify for rural exceptions housing the site must be in a location considered suitable for the development of affordable housing and that evidence will need to be given as to why the scheme's benefits to the locality are such that it justifies an exception to policy.

## **2.11 Suitability of the location and site for a rural exception scheme**

2.11.1 A proposed rural exception scheme must be located in an existing settlement comprised of a coherent group of three or more dwellings and must be of an appropriate scale in relation to the existing settlement. Existing settlements referred to in Policy HS1 are not identified in Policy LS1. Coherent groups of dwellings are clusters of fewer than 10 dwellings.

2.11.2 Additional factors that will be taken into account when determining suitability of location include proximity to the nearest higher order settlement; availability of services in that settlement (including shop, school, GP surgery, pub, village hall, public transport); and footpath provision, and any other safety implications on the route from the proposed development to the settlement that would impact upon the use of sustainable modes of transport to access local facilities.

## **2.12 Evidence of the rural exception scheme's benefits to the locality**

2.12.1 The proposal must meet a proven local need which cannot be met on another more suitable site within one of the settlements listed in Local Plan Policy LS1. To this end, the following information must be provided in the affordable housing statement:

- If the application is for self or custom-build, details of the applicant's local connection to the settlement must be provided.
- If the application is not for self or custom-build, a local housing need survey evidencing the need for the type and number of proposed dwellings at the proposed development location should be submitted with the application (see section 2.12 and 2.13).
- Statement of community support (eg from parish council).
- The application must also set out reasons why the affordable housing could not reasonably be provided elsewhere, either on an allocated site or on a site within one of the settlements listed in Local Plan Policy LS1.

2.12.2 If planning permission is granted, this will be on the condition that the affordable housing is available to people with a local connection (as defined in Appendix 5 of the Eden Local Plan) and is retained and maintained as



affordable in perpetuity. The expectation is that it will be delivered through a RP, Community Land Trust or other form of community-led housing; or that it will be affordable self or custom-build; or that it will be sold at a discount sale through the Council's Homeseekers' Register (see section 2.1).

## **2.13 Existing housing need evidence**

2.13.1 The Council uses information from a range of sources including the most up to date versions of the following:

- District Housing Need Survey<sup>11</sup>.
- Local Housing Need Surveys (these may be local to a settlement, parish or cluster of parishes).
- Strategic Housing Market Assessments.

The above information may be supplemented with data from:

- Cumbria Choice.
- The Council's Homeseekers' Register.
- Registered Providers or Housing Associations (for example, information about property turnover and lettings).

## **2.14 What is a housing need survey?**

2.14.1 A housing need survey can provide a more detailed analysis of the type of housing need within a smaller area, such as a specific Parish or town.

2.14.2 Parish level housing need surveys are the required method for the assessment of local housing needs and will be required to support any exceptions development. In some cases it may be appropriate for an exceptions scheme to serve a cluster of well-related villages and a housing needs survey should reflect this approach. The Council would be happy to discuss the merits of such an approach with prospective providers or local communities.

2.14.3 The Council requires surveys to be up-to-date and applicants should demonstrate that any surveys they refer to are still relevant. The information may be complemented by data from the Council's Homeseekers' Register or other reliable sources of evidence.

2.14.4 The Homeseekers' Register contains a wealth of information including the number of applicants wishing to live in a particular area, the type of accommodation they require and the number of bedrooms.

2.14.5 The Homeseekers' Register can also be used to help inform development sites where there may be no housing survey present.

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<sup>11</sup> <https://www.eden.gov.uk/housing/housing-documents/>

## **2.15 How should affordable housing be incorporated into the design and layout of a housing site?**

- 2.15.1 Affordable housing should not be distinguishable from market housing in terms of location, appearance, materials and build quality, and should be fully integrated throughout the scheme. Where discounted sale units are included in the proposal, the applicant should refer to the Discounted Sale Policy (see paragraph 2.1.7). This must be considered in the early stages of the design process and applicants are strongly advised to discuss requirements with the Planning department and/or the Council's Housing Development Officer.
- 2.15.2 Where proposals include an element of affordable housing to rent and/or shared ownership, the applicant must engage in discussions with a housing provider (usually a Registered Provider) at an early stage in order to gauge interest in the potential scheme and to ensure that appropriate affordable dwellings (in terms of size, type, location etc.) are designed into the scheme in the first instance. Registered Providers may have a preference for the affordable housing to be clustered together, for ease of management; whereas discounted sale dwellings can generally be distributed throughout the site in a 'pepper pot' mix.

## **2.16 Is there a minimum/maximum size for affordable housing?**

- 2.16.1 The Council expects that affordable homes will be designed to meet comfortable space standards in line with the Nationally Described Space Standards (2015) shown in Table 1. These standards have been included as guidance for applicants to help inform their negotiations with Registered Providers, and are also applicable to low cost home ownership dwellings.
- 2.16.2 Policy DEV5 (Design of New Development) requires applicants to demonstrate that new development 'can be easily accessed and used by all, regardless of age and disability' and providing high quality homes with adequate sized rooms is necessary to achieving this requirement.
- 2.16.3 Where affordable housing on a proposed scheme does not meet the standards set out in Table 1, the applicant should demonstrate that there is a realistic prospect that a Registered Provider will sign up to the affordable homes.
- 2.16.4 Applicants should clearly state the gross internal floor area of each unit in the Design and Access Statement submitted alongside the application.

Table 1: Minimum expected size for affordable housing

<b>Unit Type</b>	<b>Nationally Described Space Standards (GIA*)</b>	<b>Built-in storage</b>
<b>1 bed 2 person Apartment</b>	50m <sup>2</sup>	1.5m <sup>2</sup>
<b>2 bed 3 person Apartment</b>	61m <sup>2</sup>	2m <sup>2</sup>
<b>1 bed 2 person Bungalow</b>	50m <sup>2</sup>	1.5m <sup>2</sup>
<b>2 bed 3 person Bungalow</b>	61m <sup>2</sup>	2m <sup>2</sup>
<b>1 bed 2 person House</b>	58m <sup>2</sup>	1.5m <sup>2</sup>
<b>2 bed 3 person House</b>	70m <sup>2</sup>	2m <sup>2</sup>
<b>2 bed 4 person House</b>	79m <sup>2</sup>	2m <sup>2</sup>
<b>3 bed 4 person House</b>	84m <sup>2</sup>	2.5m <sup>2</sup>
<b>3 bed 5 person House</b>	93m <sup>2</sup>	2.5m <sup>2</sup>
<b>4 bed 5 person House</b>	97m <sup>2</sup>	3m <sup>2</sup>
<b>4 bed 6 person House</b>	106m <sup>2</sup>	3m <sup>2</sup>

\*The Gross Internal Area of a dwelling is defined as the total floor space measured between the internal faces of perimeter walls<sup>1</sup> that enclose the dwelling. This includes partitions, structural elements, cupboards, ducts, flights of stairs and voids above stairs. The Gross Internal Area should be measured and denoted in square metres (m<sup>2</sup>).

## **2.17 Does the occupant meet affordable housing requirements?**

2.17.1 All new affordable housing will be restricted to those who can demonstrate they have a need to live in the locality and are in affordable housing need. Occupancy restrictions will be secured through the use of a legal agreement using Section 106 of the Town and Country Planning Act 1990. This will apply the criteria set out at Appendix 5 in the Eden Local Plan to the dwelling(s) and also define the 'locality'. The criteria and definition of locality are shown below.

### **Policy HS1 - Local Connection Criteria - Affordable Housing Only**

A person will be considered to meet the local occupancy conditions if immediately before taking up occupation of the affordable dwelling, he/she or a member of his/her household meets one of the following criteria:

- The person lives in the locality and has done so for a continuous period of at least three years.
- The person works permanently in the locality and has done so for a continuous period of at least three years.
- The person is an existing social tenant who needs to move to take up an offer of work in the district, as detailed in the Government's 'Right to Move' statutory guidance (DCLG, March 2015).
- The person has moved away but has strong established and continuous links with the relevant locality by reason of birth or long term immediate family connections.
- The person needs to live in the locality because they need substantial care from a relative who has lived in the locality for at least three years, or needs to provide substantial care to a relative who has lived in the locality at least three years. Substantial care means that identified as required by a medical doctor or relevant statutory support agency.

"Locality" refers to the parish and surrounding parishes\*. In terms of marketing an affordable property, if after a reasonable period of active marketing an occupier cannot be found the definition would cascade out to include the County of Cumbria, in accordance with the terms of the Section 106 Agreement.

\*Where the new house is in Penrith "locality" refers to Eden District.

2.17.2 Housing Associations will allocate their properties according to the relevant S106 Agreement. However, they are also governed by the provisions of the Housing Act 1996 and their own management priorities. This means that when the Housing Association is deciding to whom they should allocate a vacant property, preference may be given to specific people by virtue of their circumstance. By way of example, priority is given to those that are homeless, have left the Armed Forces, need a house by virtue of medical or welfare grounds, etc. In all cases, the successful applicant will need to demonstrate they meet the criteria in Appendix 7.

### **3 Policy HS2 - Housing in the Smaller Villages and Hamlets**

Within the Smaller Villages and Hamlets listed in Policy LS1, permission will be given for housing of an appropriate scale, which reflects the built form of adjoining and neighbouring development to the site and the service function of the settlement, (including sub-division of existing housing) where it meets all of the following criteria:

- Where development is restricted to infilling and rounding off of the current village settlement pattern, in accordance with Policy LS1.
- The resultant dwelling does not contain more than 150m<sup>2</sup> gross internal floorspace.
- In the case of Greenfield sites a condition or legal agreement restricting occupancy to only those meeting local connection criteria, defined in Appendix 6, will be applied.

Local occupancy restrictions will not be applied where suitable housing comes forward on previously developed land. This is in recognition of the higher costs involved in developing such sites and the opportunities they may bring to help improve the character and appearance of villages and to support local services.

#### **3.1 What is modest infill development?**

3.1.1 Existing areas of open space within Smaller Villages and Hamlets can make an important contribution to their appearance and character. The requirement for 'modest infill' development is to protect settlements from unjustified and inappropriate development eroding their character. Therefore the impact on the character of the settlement will be taken into account.

3.1.2 To conform to Policy LS1 of the Eden Local Plan infill development should fill a 'modest gap'. The Council will take the following matters into consideration:

- the scale of the proposal in relation to the number of existing dwellings that form the existing settlement;
- the length of the site; and
- the size of the overall site area.

3.1.3 In most cases modest development is considered to be development that would fill a gap in an otherwise continuous built frontage of not more than two dwellings. However, in non-linear settlements, the Council may consider infill development to also relate to backland development for up to two dwellings where this already exists within the settlement. In all circumstances the layout and density of the development should be in keeping with and similar to others in the surrounding built environment.

3.1.4 Development should not diminish an existing gap that is considered important to the setting and character of the settlement. This approach will consider proposals on a case by case basis, on their individual merits, and against other policies in the Local Plan.

### **3.2 What is modest rounding off development?**

- 3.2.1 The surrounding, undeveloped countryside around Eden's Smaller Villages and Hamlets makes an important contribution to their pastoral character. The requirement for 'modest rounding off' development is to protect the open countryside from unjustified and inappropriate development eroding the quality of the countryside in Eden.
- 3.2.2 Modest rounding off development is a modest extension beyond the limit of the settlement to a logical, defensible boundary. It should have limited visual impact on the land, it should be substantially enclosed and the boundary clearly defined by a strong physical feature.
- 3.2.3 To be considered as "rounding-off", a site must be enclosed by existing built development and a strong physical feature. Stone walls, fence lines, or public footpaths/tracks will not be considered as strong physical features and thus defensible boundaries in most circumstances. Defensible boundaries must be existing features, as described in paragraph 3.2.4 below. It is not acceptable to propose the creation of new defensible boundaries as part of a development in order to artificially extend the existing limits of a settlement into a much larger space or field.
- 3.2.4 A defensible boundary is a long standing and enclosing landscape or topographical feature such as, but not limited to, a road, wood, river, or a railway line, which would prevent the further extension of development<sup>12</sup>.
- 3.2.5 Proposals should demonstrate that the development is modest in scale relative to the settlement in which it is located and that consideration has been given to service provision in the settlement in accordance with Policy LS1. As an indication it will be of a smaller scale than development that would be considered appropriate in the Key Hubs. In most cases no more than five dwellings will be considered a modest rounding off.

### **3.3 Why is there a 150m<sup>2</sup> limit on dwellings in the Smaller Villages and Hamlets?**

- 3.3.1 The purpose of Policy HS2 is to encourage innovative methods of providing housing to meet local needs and help support small villages. It aims to assist those with strong local connections to build their own homes in a location where they may be unable to acquire a property.
- 3.3.2 The restriction on floor area to 150m<sup>2</sup> gross internal area (GIA)<sup>13</sup> seeks to ensure that proposed dwellings are generally smaller and therefore more attainable to a wider range of local people. In such circumstances a condition will be imposed restricting permitted development rights to ensure that the approved dwelling(s) remain within this range.
- 3.3.3 The size restriction still enables the construction of a generous four bedroomed detached property. A brief assessment of the house types provided by housebuilders in the local area showed that typically four

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<sup>12</sup> Appeal decision (APP/H0928/W/18/3194233)

<sup>13</sup> <https://www.rics.org/uk/upholding-professional-standards/sector-standards/real-estate/code-of-measuring-practice/>

bedroom homes range between 120 and 135m<sup>2</sup> in size, which is well below the proposed limit.

- 3.3.4 Furthermore the nationally described space standards recommends that the minimum gross internal floorspace for a six-bed, 3 storey dwelling (including built-in storage) is 142m<sup>2</sup>.
- 3.3.5 There may be extenuating circumstances where a property over 150m<sup>2</sup> is appropriate, and these circumstance will need to be demonstrated by the applicant.
- 3.3.6 The third criterion of Policy HS2, which relates to development on greenfield sites, acknowledges that these are potentially the more attractive and more viable sites within a Smaller Village or Hamlet and that these are better suited to providing for those with a local connection. Accordingly, it is necessary to require a condition or legal agreement restricting occupancy to those with a local connection for both the first and subsequent occupiers in perpetuity.
- 3.3.7 Policy HS2 acknowledges that there are additional costs and constraints involved in the development of previously developed land and as a consequence does not seek to restrict occupation to a person meeting the local connection criteria. As a consequence, subjecting the dwelling to a maximum floorspace of 150m<sup>2</sup> to make it more attainable for local people is unnecessary. These sites provide an opportunity for the provision of unrestricted, market led properties, which form part of the wide range of housing development available to an area.

## **4 Policy HS3 - Housing for essential workers in the countryside**

Permission for the development of a dwelling needed to support an agricultural or rural business will be permitted in exceptional circumstances. The circumstances are:

- Where it is to be occupied by a full time farm or rural worker with a demonstrable need for a dwelling in that particular locality, or for a dwelling required in association with a rural enterprise, and this need can be substantiated.
- Where the agricultural or rural business is profitable and has been in operation for at least three years and can financially support the construction of the dwelling.
- The dwelling is limited to a size of 150m<sup>2</sup> internal floorspace (gross), unless it can be demonstrated that a larger dwelling is needed to support the farm enterprise.
- Where the scale of the dwelling is commensurate with the function of the enterprise concerned.
- Where the siting and design of the dwelling is well related to existing buildings and the design respects and complements local tradition and setting.
- Where development will not have any significant impacts on local landscape, archaeological or conservation interests.

### **4.1 Dwellings for farm and rural workers**

4.1.1 In accordance with Policy HS3, applications for dwellings to support agricultural and rural businesses will only be supported by the Council as an exception to the normal requirements of the Locational Strategy Policy LS1 in the Eden Local Plan. This position is supported by Paragraph 79 of the NPPF which seeks to avoid the development of isolated homes in the countryside unless specific circumstances exist and is seen to respond to changing agricultural practices and circumstances primarily within the rural area. Where countryside is referred to in Policy HS3 this means the Other Rural Area as described in Policy LS1.

4.1.2 The need for a farm or rural worker's dwelling must be substantiated through the submission of the following information:

- i) The Existing functional need of the business – applicants should demonstrate that there is a compelling case for workers to live on the site;
- ii) The labour requirements of the business – applicants should demonstrate that there is a justified need for additional workers for the business;



- iii) The financial viability of the business – the business should be capable of generating sufficient income to support the required worker;
- iv) The availability and suitability of existing dwellings to meet the existing functional need – evidence should be provided to show that no suitable or available accommodation exists in the near vicinity that could reasonably be used.

4.1.3 The above is also known as an Agricultural Holding Assessment.

4.1.4 The evidence should demonstrate that the business has a clear prospect of sustaining the employment of a full-time worker.

4.1.5 The evidence provided will be independently assessed by the Council. The Council's independent review of an application will consider the following:

- An assessment of the information provided to establish whether a justified functional need exists at the agricultural holding or rural business for a further dwelling;
- Whether the Council concurs with the financial assessment provided as justification;
- Whether any functional need could be fulfilled at any other existing accommodation in the area which is suitable and available for the workers concerned;
- Whether there is a sufficient labour requirement to warrant additional accommodation at the agricultural holding or rural business.

4.1.6 There may be circumstances where the Council requests further information in order to determine an application.

4.1.7 The Council will not normally support planning applications for farm or rural workers dwellings where existing accommodation has recently been sold off from the business. Applicants will be required to provide a justification demonstrating why this should not apply to a particular case. Also the Council may not support a proposal where a need has arisen due to the fragmentation of land ownership or occupation, unless all units created by this fragmentation can be shown to be viable.

4.1.8 Dwellings for workers in the countryside will be secured by condition to ensure they remain available for agricultural and rural workers in perpetuity. Where there is a change in circumstance and there is no longer a functional need for the agricultural and rural workers dwelling, a planning application will be required to remove the condition.

4.1.9 When applying to remove the occupancy condition on an agricultural and rural workers' dwelling the applicant should provide the following information:

- Evidence that the property has been marketed for at least 12 months at an appropriate price, ie the valuation should demonstrate an appropriate price commensurate with the occupancy condition;

- Evidence that demonstrates that the valuation of the property has been carried out by a competent professional;
- Evidence and full details of when and where the property has been advertised demonstrating that the property has been publicised in a manner that is likely to bring it to the attention of people who are able to occupy it;
- Full details of all enquiries and offers made on the property and;
- Full details of the change in circumstances of the business that has removed the need for the agricultural and rural workers' dwelling.

## **4.2 Size of Dwellings**

- 4.2.1 New agricultural and rural worker's dwellings should be size limited to a maximum floor area of 150m<sup>2</sup> as required by Policy HS3, which would include garages where they are integral to the main building.
- 4.2.2 The purpose of the size restriction is to ensure that any approved dwelling is of a size which ensures that the value of the property remains generally attainable for rural workers in perpetuity. Where such a dwelling is approved a condition will be imposed removing permitted development rights both for extensions and the erection of freestanding buildings. An enlargement will require the expressed permission of the Council to ensure that such dwellings remain within financial reach of rural workers.
- 4.2.3 Proposals for larger dwellings will generally not be supported by the Council in the absence of sufficiently robust and overriding justification.
- 4.2.4 The size restriction still enables the construction of a generous four bedroomed detached property. A brief assessment of the house types provided by housebuilders in the local area showed that typically four bedroom homes range between 120 and 135m<sup>2</sup> in size, which is below the proposed limit.
- 4.2.5 If it can be demonstrated that a dwelling over 150m<sup>2</sup> is required to support the farm enterprise then this may be supported where the applicant can demonstrate that the proposed house is in proportion with the function of the business. The appropriateness of a dwelling over 150m<sup>2</sup> will be considered on a case by case basis.

## **4.3 Location of Dwellings**

- 4.3.1 Proposals for rural workers dwellings should be located within the curtilage of the business or agricultural holding and well-related to associated buildings, to ensure that the residents are readily able to respond to the need that is being justified, eg animal welfare, and that the proposal does not result in a development sprawl which would erode the quality and character of the rural area within which it is located.
- 4.3.2 The Council will not support proposals for rural workers dwellings which are remote and isolated from the business itself and which detract from the character of the local landscape, in the absence of an overriding justification.

The Council will seek to preserve the rural landscape character and reduce the visual prominence of a development and will look to ensure that any development is contained by existing features, appropriate landscaping and screening together with an overall high quality design as required by Policy DEV5.

## **5 Policy HS4 - Housing Type and Mix**

The mix of dwelling types and sizes provided in new residential schemes will be expected to address the nature of local needs as evidenced through each of the following criteria:

- Any up to date local housing needs surveys and local housing market assessments.
- Any other local housing needs information (eg relating to elderly people or special needs).
- The location and characteristics of the site.
- The type and mix of housing in the locality, including housing age, condition and occupancy.
- Current housing market conditions and viability.

### **5.1 What type of homes should developers provide?**

- 5.1.1 The Council's Housing Needs Study (December 2018)<sup>14</sup> anticipates the house types that are likely to be needed over the plan period. This provides a general picture for the District as a whole, providing for smaller household sizes and advocating the provision of two and three bedroom properties as a priority over larger properties.
- 5.1.2 The housing type and mix provided on any development will be expected to meet local need. Applicants should demonstrate that they are providing homes that meet this need by referring to up-to-date local housing need surveys in their application (see section 2.11 and 2.12 for further information on evidencing local housing need).

### **5.2 Need for bungalows**

- 5.2.1 The Housing Needs Study (December 2018) commissioned by Eden District Council identifies a need for the delivery of bungalows over the Local Plan period.
- 5.2.2 It is therefore recommended that applicants provide an element of bungalows, or other property types suitable for older persons, designed to flexible and adaptable standards. Other types of suitable accommodation include:
- Adaptable ground floor apartments;
  - Adaptable upper floor apartments, which are serviced by a lift;
  - Dormer bungalows, incorporating a ground floor w/c and washing facilities that can easily be converted to a wet room.

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<sup>14</sup> <https://www.eden.gov.uk/media/5425/eden-hns-final-report-for-client-10-07-19.docx>

- 5.2.3 It is recognised that on some schemes, such as conversions of existing buildings or town centre apartment schemes, bungalows would not be practical or appropriate.
- 5.2.4 It is appreciated that bungalows require a larger footprint, which can raise viability issues, especially on smaller sites. The recommended proportion of bungalows (or other suitable adaptable dwellings) in the table below is therefore based on a sliding scale, taking into account economies of scale around the size of the development site.

Number of units	Percentage of bungalows to be provided
<b>Fewer than 50</b>	Applicants are encouraged to provide an element of bungalows to meet the requirements of Policy HS4.
<b>50-99</b>	5%
<b>100 or more</b>	10%

- 5.2.5 The provision of bungalows, or other suitable adaptable properties meeting the needs of the ageing population, relates to both market and affordable housing, eg on sites of 50-99 dwellings 5% of affordable houses should be bungalows and 5% of market-led dwellings should be bungalows.

### **5.3 Bungalows and Viability**

- 5.3.1 Whilst bungalows are relatively 'land hungry', requiring a larger plot of land to deliver a similar floor area as a house of two or more storeys, they will also generally achieve greater values with values recently evidenced in the region of 15% to 25% on new developments in Eden compared to houses of similar floor area. It is considered that any marginal negative effect of viability arising from the requirement for bungalows on schemes of 50 or more units will be factored into site value negotiations.
- 5.3.2 Furthermore, on sites of this size there is scope to 'design out' any potentially negative viability effect, for example through slightly reducing average garden sizes or varying the size and shape of areas of public open space. Therefore it is considered that a requirement to provide 5% of units as bungalows on a 50 units size (equating to three bungalows) and 10% of units as bungalows on 100 unit sites (10 bungalows) is not an unreasonable expectation in viability terms.

## **6 Policy HS5 - Accessible and Adaptable Homes**

New housing must be designed and constructed in a way that enables it to be adapted to meet the changing needs of its occupants over time.

For this reason the Council will require 20% of new housing on sites of 10 or more new homes to meet the optional Building Regulations Requirement M4(2): Category 2 - Accessible and Adaptable Dwellings.

New development will only be exempt from the requirement where it can be demonstrated by the applicant that it is not practically achievable or financially viable to deliver this policy.

Within Penrith, Alston, Appleby and Kirkby Stephen and the Key Hubs, applications for development specifically for older people or groups who require supported housing will be supported.

### **6.1 When should accessible housing be provided and what building regulations should it comply with?**

6.1.1 Policy HS5: Accessible and Adaptable Homes requires 20% of new housing on sites of 10 or more new homes to meet the optional Building Regulations Requirement M4(2): Category 2 – Accessible and Adaptable Dwellings. However, the Council encourages developers to provide more than 20% of dwellings to meet Building Regulations Requirement M4(2) as this ‘future proofs’ dwellings for the benefit of an ageing or changing population.

6.1.2 The requirement for Accessible and Adaptable Homes is applicable to both market and affordable housing eg on sites of 10 or more dwellings, 20% of market-led dwellings should meet the optional Building Regulations Requirement M4(2) and 20% of affordable dwellings should meet the optional Building Regulations Requirement M4(2).

6.1.3 Accessible and adaptable homes that meet the M4(2) Building Regulations are designed and built to a standard that meets the needs of occupants with differing needs, including some older or disabled people. They must also allow adaptation to meet the changing needs of occupants over time. These homes are broadly equivalent to, and replace the former Lifetime Homes standards. Homes built to this standard are more flexible and readily adaptable as people’s needs change, for example if they have children and require easy access for pushchairs, if they have a temporary or permanent disability or health issues, or as they gradually age and their mobility decreases.

6.1.4 A development may provide less than the required amount of homes compliant with Building Regulations Requirement M4(2) if robust and credible evidence is provided that the following circumstances apply:

- It is not practically achievable given the physical characteristics of the site;
- It was not financially viable to deliver this policy requirement.
- Site specific factors mean that step-free access to the dwelling cannot be achieved;

- The dwellings are located above a non-lift serviced multi-storey development.

## **7 Policy HS6 - Community Land Trusts**

Applications for development of sites bought forward by a Community Land Trust will be supported, provided that:

- The location accords with the locational strategy set out in policy LS1.
- The scheme incorporates a range of dwelling sizes, types and tenures appropriate to identified local need.
- The scheme has general community support, with evidence of meaningful public engagement.

An element of open market housing on the site will be acceptable where it is demonstrated through a financial appraisal that it is essential to enable the delivery of affordable housing or other community benefits on-site, and the community benefits of the scheme are significantly greater than would be delivered on an equivalent open market site.

### **7.1 How does the Council support Community Led Housing?**

- 7.1.1 Community-led developments will be supported, where these are in line with Policy HS6, subject to compliance with all other requirements of the Local Plan.
- 7.1.2 The Council will work with community groups to help them overcome obstacles to development which can be resolved. Any proposed development should be discussed with the Council at an early stage to prevent any unnecessary work.
- 7.1.3 Community Land Trusts are one form of Community Led Housing and are a legally defined concept<sup>15</sup>. However, the Council recognises that Community Led Housing can take a variety of forms and can be led by a range of groups.
- 7.1.4 The Council offers a package of support for Community Led Housing, including a supportive policy environment, officers who can assist with project delivery, and grant funding.

### **7.2 Officer Support**

- 7.2.1 Eden District Council has a lead officer accredited by the national Community Led Homes organisation who can assist people in starting their own Community Led Housing project.
- 7.2.2 We can offer specialist support throughout the whole of your project, or just at particular stages of it, depending on your needs.
- 7.2.3 If someone has ideas for a project we can discuss these with them and help them to work out whether a Community Led Housing project would be right for them. The lead officer can also help groups to contact other departments within the Council.

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<sup>15</sup> Section 79 of the Housing and Regeneration Act 2008



7.2.4 We can also link up individuals with others who have expressed an interest in forming a group to take a project forward.

7.2.5 Officer support is also available to help community groups apply for funding, including funding from the Council's Community Housing Fund.

### **7.3 The Community Housing Fund**

7.3.1 The Community Housing Fund (CHF) is a funding programme aimed at supporting the development of Community Led Housing.

7.3.2 The Fund can be used to pay for revenue or capital costs at any stage of your project, and you can receive funding several times for the same project. It could be particularly helpful at the early stages, when it can pay for activities such as hiring venues to help get a group together, finding a site, or carrying out a Housing Needs Survey to give you a good understanding of local needs.

7.3.3 Other examples of things the fund could pay for are:

- Drawing up initial scheme layouts
- Site surveys and investigations
- Buying land, or taking out an 'option' agreement (an agreement which prevents the land from being sold to another buyer)
- Land remediation costs, site clearance and demolition
- Expert advice and professional fees

7.3.4 Please get in touch if you have ideas for activities you would like to apply for funding for, which aren't listed here. We are happy to discuss any funding requirements you may have.

### **7.4 What is Community Led Housing?**

7.4.1 Community Led Housing schemes share the same common principles, as set out by the National Community Land Trust Network:

- The community is integrally involved throughout the process in key decisions like what is provided, where it is provided, and for who it is provided. They don't necessarily have to initiate the conversation, or build homes themselves.
- There is a presumption that the community group will take a long term formal role in the ownership, stewardship or management of the homes.
- The benefits of the scheme to the local area and/or specified community group are clearly defined and legally protected in perpetuity.

7.4.2 Many forms of affordable housing, including low cost homes for sale, intermediate homes for rent or to buy or self-build schemes can be delivered, owned and managed through Community Led Housing schemes.

7.4.3 All community-led housing projects are individual and there is no one correct route that groups have to follow. However, most projects will typically involve

five main stages. The following stages have been set out by the national organisation 'Community Led Homes' as a general guide:

**Group stage:** Where a steering group is formed, members are recruited if necessary, a clear purpose and goals are decided on, a legal form is chosen and a business plan is developed.

**Site stage:** Whether you're looking for a site or you already have one in mind, at this point you'll be investigating any potential problems, costs and raising the money to pay for it.

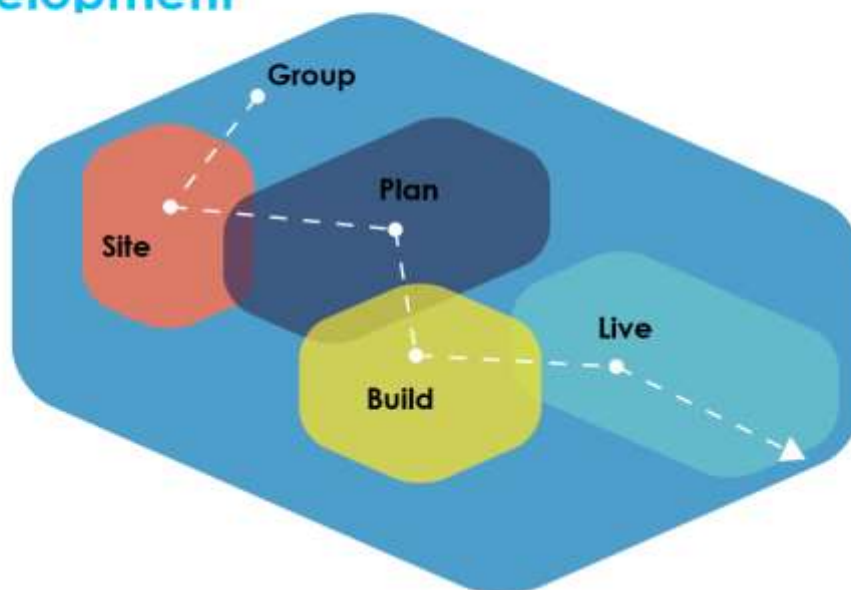
**Plan stage:** This is when you'll produce your planning application. The application will need to include detailed plans for the homes and any additional facilities like common houses and shared gardens. Considered plans and significant support from the wider community will stand you in good stead for when you reach the planning committee.

**Build stage:** You don't have to physically build the homes yourselves, although of course, you can! Just as with traditional housing, groups can hire a contractor to complete the work. Some groups also choose to partner with a housing association that will then manage this stage of the process.

**Live:** The bit everyone has been waiting for! For some groups they will be living in the homes themselves, for others they will now be landlords or working with a managing agent.

Stages taken from: <https://www.communityledhomes.org.uk/how-do-it>

## Total Process – Stages of Community Led Housing Development



7.4.4 The above diagram shows the 'Group' stage surrounding all the other process stages, as the community group will usually continue to be involved throughout the project.

## **7.5 Forms of Community Led Housing**

7.5.1 Community Land Trusts (CLTs) are one of the most common forms of Community Led Housing and are non-profit, community-based organisations run by volunteers that develop housing, workspaces, community facilities or other assets that meet the needs of the community, are owned and controlled by the community and are made available at permanently affordable levels.

7.5.2 However Community Led Housing can be delivered by a range of other types of group, including charities, Community Interest Companies, Co-operative Societies and Town and Parish Councils.

7.5.3 The Council will expect legitimate Community Led Housing groups to demonstrate:

- That they are representative of the local community – this might be evidenced by the number and type of local members of the organisation and by petitions, letters of support etc. Groups should also be able to demonstrate that all members of the local community have been encouraged to become members and/or play an active part in their work.
- That the local community are able to influence the strategic direction of the Community Led Housing project. Where there are professional partner groups involved, it will be important to demonstrate that the local community group has influence over major decisions.
- That they have a clear communication strategy – to ensure effective communication with the community, providing information on the purpose of its work, scheme progress and activities, and clear feedback on decisions that are made.
- That they have clear management policies and procedures in place – particularly to deal with conflicts of interest on decisions around allocation of resources.
- That they become (or formally partner with) a constituted body and uphold financial, legal and other standards as required by their constitution. That they are not-for-profit – any profits generated by the organisation cannot be paid by way of dividend or otherwise to its members but must be used to further the community's interests.

## **7.6 How should Community Led schemes prove that they have the support of the community?**

7.6.1 Community Led schemes will need to provide clear evidence to the Council that 'meaningful engagement' has been undertaken, and that there is 'general community support'.

7.6.2 A local community in this context is generally considered to be the individuals who live or work, or want to live or work, in a particular area. The Council can provide assistance to the group to help them to define the area.

7.6.3 We would expect to see evidence of the following engagement activities as a minimum:

- Details of events held, including dates, details of attendance, the number of people engaged in the process and how many were from the local community.
- Copies of any written material, such as questionnaires, exhibition boards, publicity and so on.
- Schedule of comments and feedback; details of discussion and/or debate and how this was facilitated.
- Statistical analysis of question replies.
- Summary of main issues raised, along with details of subsequent changes made / actions taken.

7.6.4 We will consider taking into account evidence from alternative forms of consultation, for example social media surveys, where it can be demonstrated that these have meaningfully engaged the community.

7.6.5 Where schemes are especially contentious we would expect to see evidence of particular effort being made to engage the community, including the opportunities provided for the community to understand the group's plans and to discuss these openly.

## **7.7 Useful links for Community Led Housing**

- <https://clhhub.org.uk/>
- <https://www.communityledhomes.org.uk/>
- <https://www.eden.gov.uk/housing/community-housing-fund/>
- <http://www.communitylandtrusts.org.uk/>

## **8 Policy RUR4 – Employment development and diversification in rural areas**

Employment developments of an appropriate scale (including new build and live/work units) will be supported in rural areas where they meet the following criteria:

- Wherever possible they involve the re-use of suitable redundant traditional rural buildings.
- Help towards the diversification of the rural economy.
- Do not have a significant transport impact.
- Are of a scale and type sympathetic to the area within which they are proposed.
- Would respect and reinforce local landscape character, the historic environment and not cause harm to the natural environment, through the use of good design.

Diversification of activities on existing farm units will be permitted provided:

- They will help sustain an existing farm business.
- They are of a scale which is consistent to the location of the farm holding.
- They would not prejudice the agricultural use of the unit.

### **8.1 Live/work units**

8.1.1 Policy RUR4 supports live/work (LW) units of an appropriate scale in the rural areas. The following guidance covers only the LW aspect of Policy RUR4 as the remainder of the policy relates to employment uses and is therefore outside the remit of the Housing SPD.

8.1.2 The rural area for the purpose of Policy of RUR4 is defined in the Local Plan as areas outside the four main towns of Penrith, Appleby, Alston and Kirkby Stephen. Policy LS1 in the Local Plan restricts development outside the main towns, particularly in the Smaller Villages and Hamlets and the Other Rural Areas. Policy RUR4 specifies certain criteria that will have to be met before development under Policy RUR4 can be supported. As explained in Local Plan §3.23.1, whilst Policy RUR4 seeks to support employment development in rural areas there is a balance to be struck between supporting the economic sustainability of local communities and preventing inappropriate development in rural areas which may be contrary to other social and environmental objectives of the Local Plan.

8.1.3 This section of the SPD provides further guidance on the development of LW units under Policy RUR4.

## **8.2 What is the purpose of a LW unit?**

- 8.2.1 A LW unit is a way of meeting the employment needs of people in rural areas by way of accommodating a combination of employment and residential space in a single building. Combining living and employment space in single building can provide a more affordable option for people living in rural areas and can stimulate entrepreneurial growth. This has the added benefit of reducing commuting over relatively long distances to the nearest town.

## **8.3 What is a live-work unit?**

- 8.3.1 A LW unit is defined as a property that is specifically designed for dual use combining both residential and employment space providing the place of main residence of the person (and their family) occupying the employment part of the unit. The LW unit is 'sui generis'<sup>16</sup> and thus different from a mixed use development consisting of separate elements within B class (employment) and C3 (residential). A LW unit is also different from a dwelling with ancillary office space where a person can 'work from home' either full time or part time. In such circumstances the property (eg the dwelling) falls with class C3.
- 8.3.2 The requirement for car parking in relation to a LW unit would be higher than a residential dwelling potentially to accommodate a visitor space or space for a small commercial vehicle. Where the development relates to more than one LW unit, it is possible to have shared visitor /small commercial vehicle parking. Any outside storage, deliveries or servicing should be agreed as part of any development proposal. The operation of the business should not have an adverse impact on the amenities of other LW units or other residential properties in the vicinity.
- 8.3.3 The LW unit comprises dedicated employment element which is functionally separate but linked internally with the residential element and operated together. Both the employment and residential elements will also have separate independent accesses. The employment element will also include a small kitchenette and toilet facilities. Typically, the employment element is on ground level and faces the street with the residential element above. However residential element may also be alongside the employment element or behind it.

## **8.4 Who can occupy a LW unit?**

- 8.4.1 A LW unit is intended for use by one or more members of the resident household. Thus the business occupying the employment element of the LW unit should be owned and operated by a person whose main residence is the residential element of the LW unit. LW units typically are used by professionals including accountants; architects; artists and designers;

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<sup>16</sup> Planning circular 03/2005: Changes of use of buildings and land - The Town and Country Planning (Use Classes) Order 1987 which was withdrawn in 2014 provided guidance on the Use Classes order. It stipulated in §79 that: 'live work units are often purpose-built premises, or purposely converted into such units. They are clearly a mix of residential and business uses which cannot be classed under a single class within the Use Classes Order and would therefore be *sui generis*.'

consultants; designers; hair stylists; one-on-one instructors; photographers and similar occupations.

8.4.2 The employment element should be occupied within three months of the residential element being occupied and continued to be thus occupied. Expansion of the residential element into the employment space or the change of use of a LW unit into wholly residential will not be acceptable and contrary to the purpose of the policy to encourage employment in rural areas. A temporary cessation of the use of the employment element may be appropriate for a limited period to allow for the sale of owner-occupied LW units where a business has failed.

8.4.3 The ratio between the employment and residential element should be at least 50:50. Proposals to alter the ratio will need to be justified by demonstrating that a different ratio of residential to employment will not have an impact on the future use of the unit as LW unit. This will require a market assessment for LW units.

## **8.5 What should the applicant provide when applying for a live-work unit?**

8.5.1 The LW unit could be either owner occupied or leased. Since the purpose of the policy is to facilitate employment in rural areas, a proposal for a LW unit should be supported and justified by a business plan, which should demonstrate the future viability of the business operation. Where a proposal is speculative, it should be a market assessment demonstrating the demand for LW units in the locality.

## **8.6 Where is it acceptable to build a live-work unit?**

8.6.1 In determining applications the location of the LW unit will be taken into account. New build LW units sited outside of existing settlements are unlikely to be considered acceptable. Proposals for new LW units should relate well in their form and context to an existing settlement or building group. Such a proposal should not have to depend on additional screening and landscaping to make the proposal acceptable, but should be seen as complementary to the immediate and existing built and natural environment.

8.6.2 A proposed LW unit outside an existing settlement or group of existing buildings should be justified.

8.6.3 A proposal for a LW unit must be of a scale and type sympathetic to the area within which it is proposed, respecting and reinforcing local landscape character, the historic environment and not cause harm to the natural environment, through the use of good design. A proposal should meet each of the 10 criteria of policy DEV5: Design of New Development and other relevant policies.

## 9 Policy AL2 - Redevelopment in Alston Moor

The redevelopment of traditional former dwellings in Alston Moor parish will be permitted where:

- Evidence can be provided to demonstrate that the former dwelling was once in use at that location, and that the proposed redevelopment will make use of substantial remains and on site materials.
- The resultant dwelling does not materially exceed the footprint of the original building and reflects the scale, form and appearance of the original building when it was last in use.
- The building is adjacent to or in close proximity to the public highway network and access is in place or can be created without damaging the surrounding area's rural character.
- It can be demonstrated that there is no significant impact on local biodiversity, including on protected habitats and species.
- Applications for development under this policy adhere to design principles set out in any design guides for the North Pennines Area of Outstanding Natural Beauty.

### 9.1 When granting permission for any development under this policy the Council will remove any permitted development rights, which would normally apply to the building and its curtilage.

9.1.1 Policy AL2 recognises the unique settlement pattern in Alston Moor, with its high number of dispersed and isolated dwellings. Many of these have fallen into disrepair following a significant decrease in population due to the collapse of the mining industry in the 1980s.

9.1.2 The aim of Policy AL2 is to increase the housing supply in Alston Moor whilst also encouraging the redevelopment of redundant and semi derelict dwellings to a scale and form which reflect their original and traditional appearance and enhance the overall landscape of the Alston Moor area.

### 9.2 What evidence can be used to demonstrate that a former dwelling was once in use?

9.2.1 The applicant will be required to provide evidence to demonstrate that a former dwelling was once in use on a particular site.

9.2.2 There is no prescribed list of documents that should be provided in order to prove that a former dwelling was once in use. Evidence could include: photographs, historical maps, census or taxation data, etc. The evidence should provide conclusive proof that the former dwelling was once in use.



**9.3 How much of the former dwelling should be incorporated into the proposed dwelling?**

9.3.1 The development ‘...will make use of substantial remains and on site materials’ as part of the proposal. There does not need to be substantial remains in the form of existing internal and external walling or include gables still standing on site but merely that there are quantities of stone and slate available to be used in the redevelopment.

9.3.2 To comply with Policy AL2, there should be enough of the former dwelling remaining to show the footprint of the building, or clear historical evidence of the footprint, in order to demonstrate that the proposal complies with the second criterion:

‘The resultant dwelling does not materially exceed the footprint of the original building...’

9.3.3 Where an applicant is unable to provide evidence of the scale, form and appearance of the original building (for example, through pictures or plans of the building) the proposed building should reflect the scale, form and appearance of similar buildings in the area.

## **10 National Planning Policy Framework (February 2019)**

### **10.1 Introduction**

- 10.1.1 The Eden Local Plan was prepared in accordance with the 2012 National Planning Policy Framework and the reviewed version of the NPPF is a material consideration and may impact on decision making. This section of the Housing SPD contains guidance relating to the most recent version of the NPPF.

### **10.2 Vacant Building Credit**

- 10.2.1 The Vacant Building Credit is a scheme introduced by the Government to encourage and incentivise the re-use of brownfield land, or land that contains vacant buildings for appropriate re-development.
- 10.2.2 Where a vacant building is proposed to be brought back into any lawful use, or is to be demolished to be replaced by a new building(s), a developer will be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when Eden District Council calculates any affordable contribution. Affordable housing contributions may still be required in instances where the proposed development results in an increase in floorspace above that of the vacant building.
- 10.2.3 If the floorspace of the proposed development is less than the floorspace of the existing building, then no affordable housing contribution will be required. Where there is an overall increase in floorspace proposed by a development, Eden District Council will calculate the amount of affordable housing contribution that the developer will need to make, in accordance with the Eden Local Plan and paragraph 2.22 below. A credit will then be applied to the development, which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the development, and deducted from the overall affordable housing contribution calculation.

### **10.3 How is Vacant Building Credit calculated?**

- 10.3.1 The existing floorspace of a vacant building will be credited against the floorspace of the proposed new development. For example, where a building with a gross floorspace of 8,000 square metres is to be demolished and replaced by a new development with a total floorspace of 10,000 square metres, an affordable housing contribution would be 20% of what would normally be sought as a contribution.
- 10.3.2 As an example, a housing development for 100 dwellings would have a requirement for a 30% provision as affordable houses under the requirements of Policy HS1 of the Eden Local Plan. If the existing Gross Internal Floor Area was 1,000 square metres and the proposed Gross Internal Floor Area of the new development was 10,000 square metres then the following calculations would be made:

- 1) Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (30%) required by Policy HS1:
  - **100 units x 30% = 30 units.**
- 2) Calculate the amount of existing floorspace, if any, as a proportion of the proposed floorspace provided by the development:
  - **1,000sqm (existing) / 10,000sqm (proposed) x 100 = 10%**
- 3) Stage 3 – Calculate the Vacant Building Credit:
  - **30 units x 10% = 3 units**
- 4) Deduct the Vacant Building Credit from the affordable housing contribution required under Policy HS1:
  - **30 units – 3 units = 27 affordable units to be delivered on site.**

10.3.3 For outline planning applications it may not always be clear what the actual number of dwellings or the size of those dwellings may be. Therefore, it will often be difficult to quantify what Vacant Building Credit will be applicable to a development. Where Eden District Council considers that the Vacant Building Scheme is applicable, the applicant will be expected to enter into a Section 106 Agreement at the outline stage to enable the final requirement to be calculated at the Reserved Matters stage when the relevant details of the scheme are known.

10.3.4 If viability still remains an issue for the remaining provision, then a viability appraisal would need to be submitted to provide evidence to justify a reduced provision in line with the requirements of Policy HS1 of the Eden Local Plan.

#### **10.4 What information is needed when submitting an application involving Vacant Building Credit?**

10.4.1 In order to enable the Vacant Building Credit to be calculated, the following information will need to be provided within a supporting Planning Statement:

- Evidence that the referenced building is 'vacant.' A building will not be considered 'vacant' if it has been in continuous use for any period of six months or longer in the last three years prior to the date of the submission of the planning application:
- The whole building must be vacant in order to qualify for the Vacant Building Credit;
- Evidence that the referenced building is not an abandoned building (an abandoned building no longer has a use and is merely considered previously developed land), or vacated solely for the purpose of the proposed redevelopment. The onus will rest with the applicant to demonstrate that this is the case. The Council take into account the following factors:
  - The physical condition of the building;

- The length of time that the building has not been used;
- Whether the building has been used in the three year period for any other purposes and if relevant, what the uses were;
- The owners/applicants intentions for the building.
- Information on the existing Gross Internal Floor Area and the proposed Gross Internal Floor Area;
- Whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development;

10.4.3 Eden District Council will determine whether a building is ‘vacant’ or ‘abandoned’ on a site specific case-by-case basis.

## **10.5 Self and custom build housing**

10.5.1 There is a clear demand in Eden for new build housing that is not the standard volume housebuilder product. The Council’s recent Housing Needs Study<sup>17</sup> indicates that some 445 households across Eden are interested in pursuing a self or custom-build opportunity and over 75 people have registered on our Self and Custom-Build Register since May alone. Although there is no requirement in the Local Plan to provide self-build plots the Council are keen to encourage the provision of plots to meet the demand. Policy HS2 of the Local Plan aims to encourage people to meet their own housing need locally, particularly through self-build.

## **10.6 How is self-build defined?**

10.6.1 The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals. In considering whether a home is a self-build or custom build home, the Council must be satisfied that the initial owner of the home will have primary input into its final design and layout.

10.6.2 The Self-build and Custom Housebuilding Act 2015 requires public authorities to keep a register of those who wish to acquire serviced plots in order to bring forward self-build and custom build projects and imposes a “duty as regards registers”, to have regard to the need for plots expressed by the register. Eden District Council maintains a self-build register; further information is available at: <https://www.eden.gov.uk/planning-and-building/self-build-and-custom-build-housing/>

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<sup>17</sup> <https://www.eden.gov.uk/media/5425/eden-hns-final-report-for-client-10-07-19.docx>

## **10.7 Can Self-Build and Custom Housebuilding be provided as part of the housing mix?**

- 10.7.1 The government has recently sought to promote the delivery of plots for self-build and custom housebuilding by changes in legislation and in national policy and guidance.
- 10.7.2 The NPPF<sup>18</sup> requires Local Authorities to plan for a mix of housing based on the needs of different groups in the community including those who wish to build their own homes. Policy HS2 of the Local Plan recognises that self-build and custom housebuilding can make a contribution to meeting local housing need.
- 10.7.3 Major residential schemes (of 10 or more dwellings) are expected to provide a mix of types and sizes of dwellings to ensure that developments meet the range of needs and demands in the District. Accordingly, proposals to include plots for self-build and custom housebuilding within larger housing development sites will be approved, subject to compliance with other requirements of the plan with respect to design, layout, mix and access. Developers of strategic housing sites will be encouraged to devote a proportion of the site to provide serviced plots for self-build and custom housebuilding.
- 10.7.4 Major development sites provide an opportunity for developers to devote part of the site for self-build and custom housebuilding. Although it is recognised that it may be outside the preferred business model of some developers, the policy is intended to provide encouragement to those developers who may see custom building as an opportunity to develop bespoke design-and-build services as part of their product offer and cater to a wider market.
- 10.7.5 On Major development sites, it is also good practice for plot providers to seek to provide a mix of serviced plot sizes to meet the range of demand and affordability. This may include plots suitable for bungalows for people with limited mobility, smaller plots which provide opportunities for households seeking lower cost market housing, and larger plots suitable for semi-detached properties to cater for extended families wishing to build together. The range of plots provided should be informed by market research or other evidence which may indicate the ability of households to afford plots, such as information from the Help to Buy Agency, the strategic housing needs assessment or information from the Council.
- 10.7.6 Applications to provide serviced plots for self-build and custom housebuilding on smaller sites (of fewer than 10 dwellings) will be supported where the site is located in accordance with Policy LS1, subject to compliance with other policies in the plan. Wherever self-build and custom housebuilding is proposed, they should be well-designed, in accordance with Policy DEV5: Design of New Development and, where appropriate, ENV5: Environmentally Sustainable Design.

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<sup>18</sup> Paragraph 61

## **10.8 Environmentally sustainable design**

10.8.1 On 11 July 2019 Eden District Council declared a climate change emergency and an ecological emergency. The Council will aim to make Eden District carbon neutral by 2030, among other actions, taking into account both production and consumption emissions. New development must play its part in promoting the efficient use of resources, and responding to the challenges posed by climate change.

10.8.2 The NPPF<sup>19</sup> requires applications for new development to minimise energy consumption through landform, layout, building orientation, massing and landscaping. Although the Eden Local Plan was introduced prior to the revised NPPF, consideration of the requirements set out in Policy ENV5 and ENV7 of the local plan and the submission of a climate change statement will assist applicants to comply with national policy. Following the revision of the NPPF climate change policy is something that the Local Plan review will look into in more detail.

10.8.3 Applications for major residential development (proposals for 10 or more dwellings or on a site of 0.5 hectares or more) should demonstrate compliance with Policy ENV5 (Environmentally Sustainable Design) and ENV7 (Air Pollution) by way of a Climate Change Statement.

10.8.4 In accordance with Policy ENV5 applications for major residential development (proposals for 10 or more dwellings or on a site of 0.5 hectares or more) should demonstrate that the following measures have been considered:

- Maximising daylight and passive solar gain through the orientation of buildings.
- Integrating sustainable urban drainage systems.
- Designing and positioning buildings to minimise wind funnelling, frost pockets and uncomfortable microclimates.
- Integrating renewable energy technology into the scheme, and in schemes comprising over fifty dwellings or on sites over 1.5 hectares, exploring the scope for district heating.
- Minimising construction waste, through for example designing out waste during the design stage, selecting sustainable and efficient building materials and reusing materials where possible.
- Providing well-designed and visually unobtrusive outdoor waste storage areas to promote recycling.
- Promoting sustainable transport modes, through for example careful layout and road design to ensure it is conducive to walking and cycling and prioritises the pedestrian and cyclist over the car.

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<sup>19</sup> Paragraph 153

10.8.5 The Climate Change Statement should clearly show that each criterion has been considered and how it is incorporated into the scheme. Where it is not practical to include such measures this should be justified in the statement.

10.8.6 Policy ENV7 requires applications for major development to assess the likely impact of the proposed development on air quality and include mitigation measures to offset the negative impacts. The Climate Change Statement should clearly set out what impact the proposed development will have on air quality and demonstrate how any negative impacts have been mitigated.

10.8.7 As stated in Policy ENV7, mitigation measures could include, but are not limited to:

- Ensuring the development is located within easy reach of established public transport routes.
- Maximising provision for cycling and pedestrian facilities.
- Encouraging the use of cleaner transport fuels on site, through the inclusion of electric car charging points.
- Contributing towards the improvement of the highway network where the development is predicted to result in increased congestion on the highway network.

## **10.9 Design: security and environmental sustainability**

10.9.1 Paragraph 127 of the NPPF states that “planning policies and decisions should ensure that developments:

Create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users; and where crime and disorder, and the fear of crime, do not undermine the quality of life or community cohesion and resilience.”

10.9.2 The following paragraphs provide guidance on how applicants can use the design process to make places safer for residents.

### **10.10 How should crime prevention measures be incorporated into the design of residential development?**

10.10.1 Providing a safe environment and incorporating appropriate crime prevention measures is an important element of a high quality design. Proposals for new housing and refurbishment of existing buildings to dwellings are expected to comply with Policy DEV5 of the Local Plan “Incorporates appropriate crime prevention measures.” It is recommended that applicants demonstrate that the following issues have been addressed:

- Designated Public Open Space, communal areas and all access routes shall be directly overlooked from surrounding dwellings and from a variety of directions.
- Dwellings are positioned and orientated to maximise surveillance opportunities, avoiding blank frontages or gables.

- Vehicular, cycle and pedestrian routes shall be generally laid out together and designed to serve the development to reach places where residents wish to go and do not merely provide short-cuts for non-residents nor create excessive permeability.
- Public and private spaces shall be clearly defined, utilising appropriate physical treatments to promote the concept of ownership and 'defensible space' and to deter intrusion.
- Landscaping schemes shall be designed so that trees and shrubs do not form hiding places, obstruct views, nor impede the effects of street lighting as they mature.
- Street lighting schemes shall exhibit high uniformity and Colour Rendition Index values to provide confidence and reassurance in the Public Realm. Low intensity schemes may be more appropriate for rural areas. All outdoor lighting schemes should meet the criteria set out in Policy ENV9.
- Dwellings shall be provided with exterior low-energy 'white' light sources (controlled by the householder) to enhance natural surveillance opportunities in private spaces throughout darkness, where they are in accordance with Policy ENV9.
- Dwellings shall be protected against forced entry, eg incorporating exterior doors and ground floor windows compliant with PAS 24:2016 and fitted with a pane of laminated glazing, as appropriate.
- Garages (particularly dwelling integral examples) and outbuildings shall be protected against forced entry eg vehicle entry doors compliant with LPS 1175 or STS 202 BR1 - or hasps and padlocks compliant with BS EN 12320 or 'Sold Secure' certification.
- Car and communal pedal cycle parking facilities shall be provided where they can be easily supervised. Suitable physical security measures may be necessary, eg 'Sheffield' type stands or ground anchors to which cycles and motorcycles can be attached.
- 'Wheelie' bins will be stored securely when not in use to prevent exploitation as a climbing aid or source for arson.
- Deployment of CCTV may be appropriate in some circumstances, eg within apartment blocks or in other buildings with communal entrances.

10.10.2 As the Constabulary may be consulted as part of the planning process, the council encourages developers to consult with the police Crime Prevention Officer for site specific design advice, prior to application stage. Otherwise, developers must be prepared to alter or amend designs where a vulnerability has been identified, which may delay determination of the application.

10.10.3 The council welcomes applications that seek to achieve 'Secured by Design' certification.



## 11 Appendices

### 11.1 Appendix 1: NPPF definition of affordable housing

#### Definition of affordable housing

The definition of affordable housing used by the Council is set out in Annex 2 of the NPPF as follows:

Affordable housing: 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:

- a) **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 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).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **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.
- d) **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.

## 11.2 Appendix 2: Eden Local Plan 2014-2032 (Policy LS1)

### Policy LS1 – Locational Strategy

New development will be distributed as set out below:

**Our Main Town - Penrith:** Penrith will benefit from sustained development appropriate to that of a larger town. There will be improved town centre facilities and public realm; development of strategic employment sites around the town; provision of large scale new housing development to the east and north; and an improving strategic road network and public transport system.

**Market Towns - Alston, Appleby and Kirkby Stephen:** Market towns will be the focus for moderate development appropriate to the scale of the town, including new housing, the provision of new employment and improvements to accessibility.

**Key Hubs** - Thirteen Key Hubs will be the focus for development to sustain local services appropriate to the scale of the village and its hinterland, including new housing, the provision of employment and improvements to accessibility. Unless proposed in this plan, new housing developments which would increase the size of a village by more than 10% on a single site will not normally be supported. Proposals will only be acceptable where they respect the historic character and form of the village.

**The Key Hubs are:** Armathwaite, Brough and Church Brough, Culgaith, Greystoke, High and Low Hesket, Kirkby Thore, Langwathby, Lazonby, Nenthead, Plumpton, Shap, Stainton, Tebay.

**Smaller Villages and Hamlets:** Development of an appropriate scale, which reflects: the existing built form of the settlement, adjoining and neighbouring development to the site, and the service function of the settlement, will be permitted within Smaller Villages and Hamlets, to support the development of diverse and sustainable communities. Development in these locations will be permitted in the following circumstances:

- Where it reuses previously-developed land (PDL) defined in Appendix 2.
- Where it delivers new housing on greenfield sites only, in accordance with the local connection criteria defined in Appendix 6.

**The Smaller Villages and Hamlets are:** Aiketgate, Ainstable, Blencarn, Blencow, Bolton, Brackenber, Brampton, Brough Sowerby, Brougham, Burrells, Calthwaite, Catterlen, Cliburn, Clifton, Clifton Dykes, Colby, Crackenthorpe, Croglin, Crosby Garrett, Crosby Ravensworth, Dufton, Eamont Bridge, Edenhall, Ellonby, Gaisgill, Gamblesby, Garrigill, Glassonby, Great Asby, Great Musgrave, Great Ormside, Great Salkeld, Great Strickland, Greystoke Gill, Hackthorpe, Hartley, High Bank Hill, Hilton, Hunsonby, Hutton End, Ivegill, Johnby, Kaber, Keld, Kelleth, Kings Meaburn, Kirkoswald Knock, Laithes, Lamonby, Leadgate, Little Asby, Little Musgrave, Little Salkeld, Little Strickland, Long Marton, Longdale, Low Braithwaite, Low Moor, Maulds Meaburn, Melkinthorpe, Melmerby, Milburn, Millhouse, Morland, Motherby, Murton, Nateby, Newbiggin (Ains), Newbiggin (Dacre), Newbiggin (Temple Sowerby), Newbiggin-on-Lune, Newby, Newton Reigny, North Dykes, Old Town (High Hesketh), Orton, Ousby, Outhgill, Pallet Hill, Raisbeck, Ravenstonedale, Reagill, Renwick, Roundthorn, Roundthwaite, Ruckcroft, Sandford, Skelton, Skirwith, Sleagill, Sockbridge and Tirril, Soulby, South Dykes, Southwaite, Temple Sowerby Unthank (Gamblesby), Waitby, Warcop, Winskill, Winton, Yanwath.

All development must be of a high quality design and will be restricted to infill sites, which fill a modest gap between existing buildings within the settlement; rounding off, which provides a modest extension beyond the limit of the settlement to a logical, defensible boundary; and the reuse of traditional rural buildings and structures, subject to the criteria set out in Policy RUR3. Villages have been identified on the basis that they contain a coherent and close knit group of ten or more dwellings, which are well related and in close proximity to each other, or clustered around a central element or feature, as opposed to areas of scattered and poorly related development.

(Although not included at the time of adoption in October 2018 Bowscar meets the criteria to be considered as a Smaller Village and Hamlet, and will be treated as such during the consideration of any subsequent planning applications, together with any other settlements within the 'Other Rural Areas' which change over time to meet the requisite criteria. Any such proposal will be required to be reported to the Planning Committee as they would be considered contrary to the Development Plan, due to their status at the time of adoption of the Local Plan in October 2018. This approach is to reflect changing circumstances rather than await a review of the Local Plan).

**Other Rural Areas (outside the Key Hubs and Smaller Villages and Hamlets) -** Development will be restricted to the re-use of traditional buildings, the provision of affordable housing as an exception to policy only, or where proposals accord with other policies in the Local Plan. Some market housing may be acceptable in accordance with the criteria in Policy HS1. To qualify as rural exceptions housing the site must be in a location considered suitable for the development of affordable housing.

Evidence will need to be given as to why the scheme's benefits to the locality are such that it justifies an exception to policy.

### **11.3 Appendix 3: Economic Viability Assessment Guidance**

The text below has been supplied by Lambert Smith Hampton ('LSH'). LSH provide planning viability consultancy services to a number of Local Authorities in Cumbria.

The text below is accompanied by a viability appraisal template. This template comprises an updated version of a template previously developed by Cumbria Local Economic Partnership (LEP) Planning and Housing Task Group. It is recommended that this template is used to provide a common basis for decision making within Eden District, where viability is an issue in the determination of a planning application.

#### **What is viability?**

'Viability' refers to a situation where:

The value of the site with assumed planning consent for the proposed scheme is sufficiently in excess of existing and alternative non-residential use values (if any) that a landowner, when acting reasonably, would be willing to proceed with the proposed residential development.

Royal Institution of Chartered Surveyors ('RICS') guidance (Financial Viability in Planning - RICS Guidance Note 1st Edition (GN 94/2012) (RICS, August 2012) provides a methodology framework and guiding principles for financial viability in the planning context. It defines 'financial viability for planning purposes' as being:

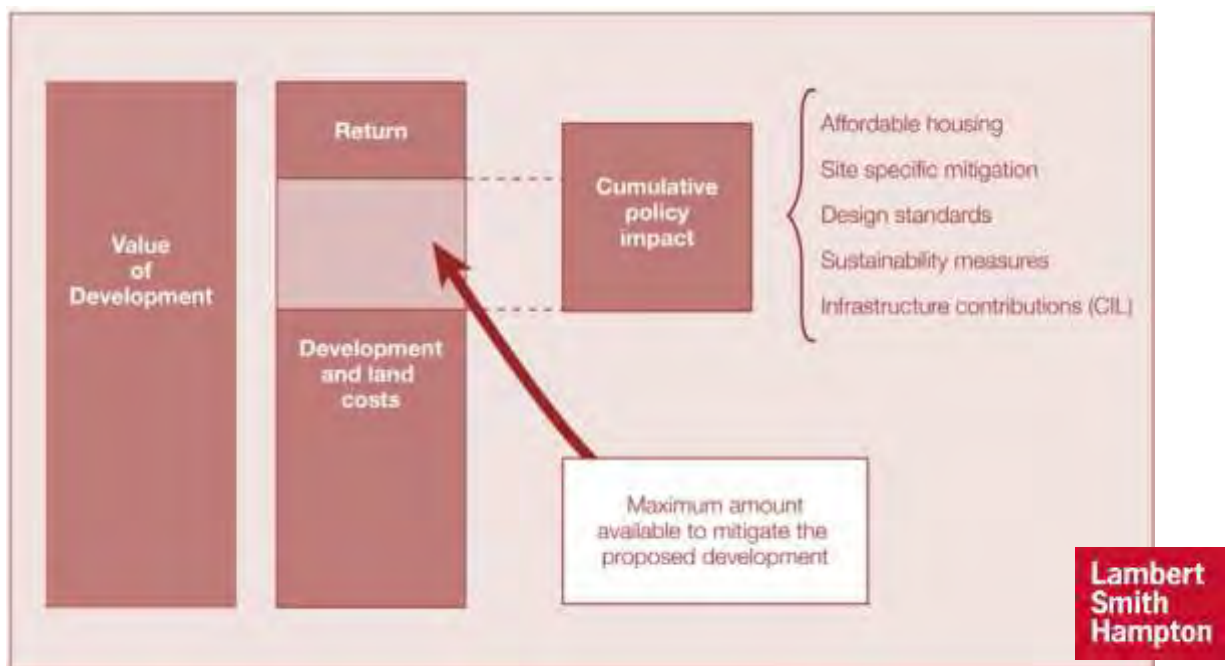
'An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the Applicant delivering the project.'

Another important source of guidance is Viability Testing in Local Plans – Advice for planning practitioners (LGA/HBF – Sir John Harman, June 2012) (known as the 'Harman Guidance'), which provides practical advice for planning practitioners on developing viable local plans and viability testing states (at page 14) that:

'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'



The National Planning Policy Framework ('NPPF') (Ministry of Housing, Communities and Local Government, February 2019) says that plans should be **deliverable** and that the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened, as illustrated by the diagram below:



The previous (March 2012) version of the NPPF (paragraph 173) emphasised the need for deliverability of development schemes and the provision of competitive returns to willing land owners and developers to enable sustainable development to come forward:

'To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost

of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.'

### **Why is viability important?**

To be financially viable, a development broadly needs to satisfy three main parties:

1. Developer – providing a competitive return to a willing developer in consideration of the risks of development.
2. Landowner – providing a competitive return to a willing landowner to sell their land.
3. Local planning authority – in order to grant planning permission, including CIL and Section 106 requirements (typically in the form of on-site affordable housing contributions).

If one or more parties (landowner, developer or planning authority) are not satisfied, it is unlikely that the development or redevelopment in question will proceed.

In those instances where the Council grants planning consent for appropriate developments an applicant is required to provide a set level of housing to be sold at prices theoretically 'affordable' to sections of society unable to afford to purchase at 'full' market value. In so doing the objective is that new housing developments will accord with the National Planning Policy Framework's ('NPPF') vision (at paragraph 8b) for the 'social objective' of 'sustainable development' – 'to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations.'

In circumstances where the apparent viability of a potential development site is such that the developer cannot viably provide the Council's target level of affordable housing then the Council will require 'detailed evidence' in the form of a 'site based' viability assessment to justify variance from that target level.

### **Assessment of viability**

Planning Practice Guidance (PPG) (Ministry of Housing, Communities and Local Government, July 2018, Viability, paragraph 10) defines the process of viability assessment:

'Viability assessment is a process of assessing whether a site is financially viable, by looking at whether the value generated by a development is more than the cost of developing it. This includes looking at the key elements of gross development value, costs, land value, landowner premium, and developer return.'

A developer will generally produce a development appraisal in order to assess the residual value ('RV') of a potential scheme and compare this to a target value (also known as the 'residual valuation model'). Residual value will generally relate to either the site value (land price) or the level of developer return (profit). If the RV is above the target value, in the context of a set of reasonable and realistic development assumptions, then the scheme is considered to be viable. If the RV is close to or slightly below the target value then the scheme is likely to be of marginal viability. If the RV is significantly below the target value the scheme will be considered to be

unviable and one or more costs of the scheme (land value, planning contributions development costs or profit) will need to be reduced in order for the scheme to proceed. In such instances the Applicant may decide to submit viability evidence to the LPA in an attempt to justify deviation from the headline planning policy position in respect of the provision of on-site affordable housing and / or other planning contributions.

The 'RICS Guidance' note advocates the use of the development appraisal / residual valuation model in such situations:

In assessing the impact of planning obligations on the viability of the development process, it is accepted practice that a residual valuation model is most often used. This approach uses various inputs to establish a (Gross Development Value) GDV from which (Gross Development Cost) GDC is deducted. GDC can include a Site Value as a fixed figure resulting in the developer's residual profit (return) becoming the output, which is then considered against a benchmark to assess viability. Alternatively, the developer's return (profit) is an adopted input to GDC, leaving a residual land value as the output from which to benchmark viability, ie being greater or less than what would be considered an acceptable Site Value.

The diagrams below show the key elements in a development appraisal / residual valuation model:

**Residual Value approach with land value as output:**

**Gross Development Value**

(The combined value of the complete development)

Less

**Gross Development Cost**

(Cost of creating the asset, including a profit margin)

(ie Construction + fees + finance charges + profit)

**= Residual Land Value**

(which is then compared with acceptable competitive return for willing landowner)

**Residual Value approach with developer profit as output:**

**Gross Development Value**

(The combined value of the complete development)

Less

**Gross Development Cost**

(Cost of creating the asset, including purchase of land)

(ie Land + Construction + fees + finance charges)

**= Residual Profit (Return)**

(which is then compared with acceptable competitive return for willing developer)

Commentary is provided below on each expected variable element within a development appraisal (Applicant viability submission) in the context of LSH's ongoing experience of the local housing sector.

### **GDV – Market Units**

For viability assessment purposes it is important to realistically model the effective sales value (ie the capital contribution to the scheme) of any market units within a scheme. Applicants should provide realistic market values for proposed units. This should ideally be expressed as market value figures for each unit, with accompanying floor areas and figures being expressed on a £ per m<sup>2</sup> / ft<sup>2</sup> basis. Anticipated sales values should be based on the developer's professional knowledge, if necessary with a supporting valuation report from a Chartered Valuation Surveyor. The viability audit process will be assisted by the provision of comparable valuation evidence by Applicants.

LSH have found in recent years that new housing sales of the same property type within the key settlement of Penrith and the surrounding Eden Valley have generally achieved relatively similar prices when analysed on a £ per floor area basis. Some settlements, such as Greystoke and Skelton situated in close proximity to the Lake District National Park (LDNP), are capable of achieving slightly higher values. Conversely values for new houses in the Alston Moor area are typically expected to be around 20% below those for the rest of the District.

Changing levels of market values within the District and neighbouring areas are illustrated by the table below, which looks at sales values achieved for the same Story Homes house types across current and recent schemes:

Within Eden District:

<b>Address</b>	<b>Taunton house type</b>	<b>Warwick house type</b>	<b>Durham house type</b>	<b>Hastings house type</b>
The Fairways, Penrith	£339,950	£314,950	£306,950*	£229,950*
The Oaks, Clifton	£319,950	£309,950	N/A	£209,950
The Meadows, Lazonby	N/A	N/A	N/A	£200,000
Orchard Place, Appleby	N/A	£304,950*	N/A	£191,950



## Outside Eden District:

<b>Address</b>	<b>Taunton house type</b>	<b>Warwick house type</b>	<b>Durham house type</b>	<b>Hastings house type</b>
High Wood, Lancaster (Eastern edge of City; 48 miles south of Penrith)	£364,995	£335,995	£304,995	£224,950
The Grange, Dalston (village 5 miles south-west of Carlisle; 17 miles north-west of Penrith)	£349,950	N/A	£287,450	N/A
Edenholme Park, Cumwhinton (village 4 miles south-east of Carlisle; 15 miles north of Penrith)	£339,950	£303,950	N/A	N/A
Eden Gate, Houghton, Carlisle (Eastern edge of City; 21 miles north of Penrith)	£324,950	£310,000	N/A	£201,950
Aspen Grange, Carlisle (Northern edge of City; 23 miles north of Penrith)	N/A	N/A	£287,950*	N/A
St Andrews View, Thursby (village 7 miles south-west of Carlisle; 20 miles north-west of Penrith)	£314,950*	£289,950*	N/A	N/A
The Ridings, Blackwell, Carlisle (Southern edge of City; 20 miles north of Penrith)	£304,950	£274,950	£249,950	£184,950

- Taunton House type – 1,597ft<sup>2</sup> (148.4m<sup>2</sup>) – 2 storey, 4 bedroom detached with integral single garage.
- Warwick house type – 1,400ft<sup>2</sup> (130.1m<sup>2</sup>) – 2 storey, 4 bedroom detached with integral single garage.
- Durham house type – 1,367ft<sup>2</sup> (127m<sup>2</sup>) – 2 storey, 4 bedroom detached with integral garage.
- Hastings house type – circa 87m<sup>2</sup> – 2 storey, 3 bedroom semi-detached, or terraced with driveway parking.

Note – Sales prices analysed are from period 01/10/2016 to 30/09/2018 and figure referred to is highest price achieved for house type on first sale during this period. Figures marked with an asterisk (\*) are highest current asking price for house type in respective development.

The Zoopla website compiles a 'zed-index' which is the average property value in a given area based on current zoopla estimates, which in turn are based on a range of information including sales data, asking prices, regional price trends. Zoopla estimates provide a useful starting point when reviewing the current price differentials between different areas, although any assumptions must be considered

in the context of the respective nature of the generic housing stock of each area (ie a predominance of small terraced houses will reduce average recorded sale prices).

The table below shows current 'zed-index' figures for each postcode sub-area within Eden District Council's area of planning control:

<b>Postcode sub-area</b>	<b>'zed-index' figure</b>	<b>Settlements in area</b>	<b>Value change in 12 months to November 2018</b>
CA4	£274,104	High Hesket, Armathwaite (note this area, which also includes Warwick Bridge, Wetheral, Cumwhinton and Scotby, is predominantly within Carlisle District)	+ 1.74% (152 sales)
CA7	£185,926	Hesket Newmarket and Caldbeck (note this area, which also includes Wigton, Silloth and Aspatria, is predominantly within Allerdale District)	- 0.03% (260 sales)
CA9	£206,554	Alston, Garrigill and Nenthead (note this area also includes a part of Northumberland)	+ 1.28% (21 sales)
CA10	£263,242	Brougham, Clifton, Crosby Ravensworth, Culgaith, Kirkby Thore, Kirkoswald, Langwathby, Lazonby, Morland, Orton, Penrith (Carleton Hall area), Shap, Tebay, Temple Sowerby (note this area also includes Bampton and Pooley Bridge within the LDNPA planning control area, and a small part of South Lakeland District)	- 1.23% (191 sales)

Postcode sub-area	'zed-index' figure	Settlements in area	Value change in 12 months to November 2018
CA11	£249,356	Dacre, Greystoke, Penrith (most of town), Stainton, (note this area also includes also Glenridding, Matterdale, Mungrisedale, Patterdale within the LDNPA planning control area)	+ 0.65% (331 sales)
CA16	£243,788	Appleby-in-Westmorland, Bolton, Great Asby, Long Marton, Warcop	+ 1.28% (82 sales)
CA17	£243,750	Brough, Crosby Garrett, Kirkby Stephen, Mallerstang, Ravenstonedale, Stainmore (note this area also includes the Yorkshire Dales National Park and a small part of South Lakeland District)	+ 1.07% (55 sales)

For reference, set out below is a summary of gross sales values of open market units achieved on eight ongoing and recently completed housing developments within the District for the period from 1 October 2016 to 30 September 2018:

Address	Ave floor area (m <sup>2</sup> )	Number of market sales in period	Ave sale price per unit	Ave £ per m <sup>2</sup>	Ave £ per ft <sup>2</sup>
Beacon Square, Penrith (Atkinson Homes)	144	6	<b>£343,833</b>	£2,385	£222
Carleton Manor Park, Penrith (Cumbrian Homes)	164	24	<b>£390,458</b>	£2,383	£221
Carleton Manor Park, Penrith – <b>2 storey market units only</b>	183	17	<b>£425,603</b>	£2,324	£216

Address	Ave floor area (m <sup>2</sup> )	Number of market sales in period	Ave sale price per unit	Ave £ per m <sup>2</sup>	Ave £ per ft <sup>2</sup>
Carleton Manor Park, Penrith – <b>Bungalow / Flatted units only</b>	117	7	<b>£305,107</b>	£2,605	£242
Carleton Heights, Penrith ( <b>Persimmon / Charles Church Homes</b> )	100	42	<b>£227,805</b>	£2,286	£212
Carleton Heights, Penrith – <b>2 storey market units only</b>	108	39	<b>£247,636</b>	£2,233	£216
Carleton Heights, Penrith – <b>3 storey market units only</b>	129	3	<b>£243,328</b>	£1,891	£176
The Fairways, Penrith (Story Homes)	163	8	<b>£369,950</b>	£2,266	£211
Orchard Place, Appleby – <b>All market units</b> (Story Homes)	94	57	<b>£208,060</b>	£2,203	£205
Orchard Place, Appleby – <b>3 storey market units only</b>	120	10	<b>£209,950</b>	£1,755	£163
Orchard Place, Appleby – <b>2 storey market units only</b>	99	33	<b>£220,618</b>	£2,233	£208
Orchard Place, Appleby – <b>Bungalow units only</b>	66	14	<b>£177,111</b>	£2,674	£248
The Oaks, Clifton (Story Homes)	136	26	<b>£298,233</b>	£2,193	£204
Pewter Close, Penrith ( <b>Atkinson Homes</b> )	84	7	<b>£179,357</b>	£2,124	£197
Pewter Close, Penrith – <b>2 storey market units only</b>	85	5	<b>£175,100</b>	£2,060	£191
Pewter Close, Penrith – <b>Bungalow units only</b>	83	2	<b>£190,000</b>	£2,289	£213
Tara Hill, Penrith – <b>All sales are 2.5 storey units</b> _(RBTL Ltd)	99	7	<b>£182,000</b>	£1,835	£171

Note – Floor areas are stated on a gross internal basis and are net of garage space, if any

## **GDV – Affordable Units (Intermediate and Affordable / Social Rent Homes)**

For viability assessment purposes it is important to realistically model the effective sales value (ie the capital contribution to the scheme) of any elements of affordable housing within a scheme. Where possible any value assumptions should be able to be evidenced by an offer in writing made by a Registered Provider ('RP').

Rental affordable housing tenures (refer to section 2.2 for additional detail) will typically comprise one of the following:

- **Social Rent**

Any such units arising from privately developed residential schemes will generally be purchased from a developer upon completion of construction by an RP. At the time of writing such RP transfers of such properties typically take place at between 40% and 50% of full market value, dependent upon the exact nature and location of the properties concerned.

- **Affordable Rent**

Any such units arising from privately developed residential schemes will again generally be transferred upon completion of construction to an RP. At the time of writing such RP transfers of such properties typically take place at between 40% and 50% of full market value, dependent upon the exact nature and location of the properties concerned. In Eden District there is relatively little difference between social and affordable rents.

'Intermediate' affordable housing tenures (refer to section 2.3 for additional detail) will typically comprise one of the following:

- **Discounted Sale**

Eden District Council's Low Cost Home Ownership Policy requires a 40% discount on new developments (ie these properties are sold to first time and subsequent purchasers at 60% of full market value).

- **Shared ownership / shared equity**

Typically such properties will be purchased from a developer upon completion of construction by a RP (Housing Association). At the time of writing such RP transfers of such properties typically take place at between 50% and 65% of full market value, dependent upon the exact nature and location of the properties concerned.

- **Starter Homes**

A potentially emerging affordable product, on which Government regulations are awaited at the time of writing. It is envisaged that these properties will be sold to first time purchasers at 80% of full market value.

## **Land Value (Competitive return to a willing landowner)**

What can be considered to be a reasonable landowner return will depend upon the specific circumstances of the case, for example whether a site is greenfield or

brownfield in nature, the extent of abnormal costs, current and future uses of the land. Clearly if a landowner does not receive close to what they perceive to be a reasonable return in relation to the sale of their land then it will not be made available for development.

The Threshold Land Value ('TLV') is a viability concept relating to a land value at or above that which it is assumed a landowner would be prepared to sell.

The Residual Land Value ('RLV') is the amount remaining to buy the land once the total cost of a development and an appropriate profit are deducted from the gross development value. The RLV must be above or close to the TLV in order for a scheme to be considered to be potentially viable.

Typically a landowner will have a preconceived notion of the value or worth of their site. In the case of greenfield sites (typically in an existing agricultural use) it is relatively simple to reconcile whether this notion is realistic through the benchmarking of greenfield land values against other relevant transactions. The benchmarking of land value for brownfield sites is much more subjective, depending on such factors as the existing and previous use of the property or site in question, the extent of abnormal or remediation costs required to facilitate an alternative use for the site and lost income from the termination of existing investments on the site and the perceived historic investment in the site or building by the landowner.

The 'RICS Guidance' states that 'site value' as a (landowner) benchmark should:

'Equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan.'

The table below details recent transactional evidence for residential development sites and has been obtained from HM Land Registry (and is therefore in the public domain):

<b>Name of site</b>	<b>Purchase date</b>	<b>Price</b>	<b>Apx Net acres</b>	<b>Price per net acre</b>	<b>Comment</b>
Land at Elm Close, High Hesket (McManus Builders)	July 2014	£611,000	1.73	<b>£352,712</b>	24 units (11 affordables). Greenfield scheme in village
Land at Carleton Heights, Penrith (Persimmon Homes)	June 2015	£1,112,000	3.35	<b>£331,940</b>	55 units (Phase 1 of a 560 unit scheme) (29% affordable housing). Greenfield / urban edge

Name of site	Purchase date	Price	Apx Net acres	Price per net acre	Comment
Land at Salkeld Rd ('The Fairways'), Penrith (Story Homes)	March 2017	£2,925,000	9.16	<b>£319,323</b>	98 unit scheme Greenfield / urban edge (23% affordable housing)
Land off Scaur Lane ('The Meadows'), Lazonby (Story Homes)	June 2014	£1,230,000	4.03	<b>£305,211</b>	48 units (29% affordable housing) . Greenfield scheme in village (Average value of 11 market units sold 01/07/15 to 31/07/16 = <b>£203/ft²</b> )
Land to the North of Hackthorpe Hall, Hackthorpe (Esh Homes)	April 2016	£800,000	2.8	<b>£285,714</b>	28 unit scheme Greenfield scheme in village (14% affordable housing and s106 contribution of £67k)
Land at Town End ('The Oaks'), Clifton, Penrith (Story Homes)	Oct 2016	£1,891,236	6.67	<b>£283,544</b>	59 unit scheme Greenfield scheme in village (30% affordable housing)

Note: 1 Acre = 0.404686 hectares

To provide an idea of regional context, the table below sets out a selection of recent transactional evidence of residential land from across Cumbria and North Lancashire, obtained from HM Land Registry:

Name of site	Purchase date	Price	Apx Net acres	Price per net acre	Comment
<b>SOUTH LAKELAND DISTRICT</b>					
Land adj Value View, Pennington, Ulverston ( <i>D and E Wood</i> )	Dec 2014	£300,000	0.75	<b>£400,000</b>	5 units (2 affordables).  Windfall / rural in-fill

Name of site	Purchase date	Price	Apx Net acres	Price per net acre	Comment
Land off Allithwaite Road ('Oversands View'), Kents Bank, Grange-over-Sands (Russell Armer)	Oct 2014	£1,495,000	3.94	<b>£379,442</b>	42 units (33% affordable housing). Greenfield scheme on edge of village  (Ave value of 14 non-bungalow mkt units sold 01/01/16 to 28/02/17 = <b>£263/ft²</b> )
Vicarage Dr, Kendal (Russell Armer)	Oct 2014	£380,000	1.01	<b>£383,800</b>	15 units (5 affordables). Windfall / urban in-fill
Natland Mill Beck Farm, Kendal (Story Homes)	June 2014	£2,180,000 + cost of building farmhouse = say £2,500,000	7.4	<b>£337,800</b>	76 units (26 affordables).  Greenfield / urban edge
<b>CARLISLE DISTRICT (£150k to £300k per net acre benchmark for greenfield sites)</b>					
Carleton Clinic, Cumwhinton Rd, Carlisle (Taylor Wimpey)	May 2016	£2,991,451	14.13	<b>£211,643</b>	189 units. Greenfield / urban edge
The Ridings, Durdar Rd, Blackwell (Phases 1 and 2 only) (Story Homes)	Jan 2016 Feb 2015 Mar 2014	£2,178,451	8.85	<b>£246,046</b>	108 units (from a total for overall scheme of 318). Greenfield / urban edge  (Average value of 28 mkt units sold 01/01/16 to 31/03/17 = <b>£174/ft²</b> )
The Grange, Townhead Rd, Dalston (Story Homes)	Jan 2016	£1,510,000	10.06	<b>£299,289</b>	121 units Greenfield / village  (Average value of 42 market units sold 01/01/16 to 31/03/17 = <b>£197/ft²</b> )
<b>LANCASTER DISTRICT</b>					



Name of site	Purchase date	Price	Apx Net acres	Price per net acre	Comment
The Sheiling, Kirkby Lonsdale Road, Arkholme, LA6 1BA ( <i>Russell Armer Homes</i> )	Feb 2016 April 2015	£700,000	1.35	<b>£518,519</b>	13 units (31% affordable). Within village conservation area. 30% of site formally private residence, 70% was agricultural paddock.
Coastal Rd, Bolton-le-Sands (Phase 1) ('The Orchards') – ( <i>Oakmere Homes</i> )	Nov 2014	£1,020,000	3.11	<b>£327,974</b>	Urban edge greenfield. 37 units with 30% affordable housing.
<b>BARROW BOROUGH</b>					
Site of Former Bevan House Elderly Persons Home (EPH), Stackwood Ave, Barrow	Mar 2017	£275,000	0.72	<b>£381,944</b>	18 units (12 semi-detached and 6 terraced houses) (0 affordables). Brownfield – demolition of former care home. Replacement by new build dwellings
Site of Former Rock Lea Elderly Persons Home (EPH), Abbey Road, Barrow	Nov 2015	£350,000	1.03	<b>£339,806</b>	10 'executive' units (4 to 6 bed detached houses) (0 affordables). Brownfield – demolition of former care home. Replacement by new build dwellings
Site of Former Park View School, Barrow	2014	£900,000	4.62	<b>£194,805</b>	63 'executive' units (0 affordables). Brownfield – demolition of former school.
Site of Former Thorncliffe School, Barrow	2014	£875,000	3.08	<b>£284,091</b>	40 'executive' units (0 affordables). Brownfield – demolition of former school.

In the context of the above evidence, adopted local and national planning policy and our ongoing local knowledge and experience of Eden District and the wider Cumbrian residential land market LSH take the view that a benchmark greenfield land value of in the range of £300,000 to £350,000/net developable acre is appropriate for sites (without any significant abnormal costs) in and around Penrith (ie Penrith and Eden Valley North and South) at the present time (where sales

values for new houses typically range between £2,100 and £2,500 per m<sup>2</sup>; £195 to £232/ft<sup>2</sup>). Some settlements, such as Greystoke and Skelton situated in close proximity to the LDNP, are capable of achieving slightly higher values. Conversely values for new houses in the Alston Moor area are typically expected to be around 20% below those for the rest of the District. LSH would anticipate land values to be similarly reduced within this area.

With respect to site-specific viability audits, where required, the appropriate land value attributable to each case will be considered on its own merits in the context of relevant factors and circumstances.

### **Development costs**

Component costs and typical methods of calculation:

- **Basic build costs**

These are direct costs relating to the creation of each proposed dwelling unit, including preliminaries, cost of creating substructure and superstructure, but excluding abnormal items. They do not include the costs of any external works beyond the footprint of the walls of each dwelling.

A useful starting point for the calculation of basic build costs for new build schemes is RICS's BCIS ('Building Cost Information Service') – the UK property market's leading provider of construction cost and price information. Adopted BCIS costs should be location adjusted to the District and we would generally advocate the use of median data for small sites. BCIS costs are based on Gross Internal Area ('GIA'). For residential schemes BCIS 'Average Prices' data arises from the analysis of sample cost returns from a range of schemes, including a significant proportion of wholly affordable housing schemes (which will typically have greater relative costs than private residential schemes), of varying design and schemes of small to medium scale.

Although of some use, BCIS data is features a predominance of small-scale schemes and social housing projects built to higher than average specification. BCIS data should always be 'sense checked' against an applicant's and viability auditor's own internal figures – which are typically built up from actual costs arising from previous local comparable projects and / or costed specifically by quantity surveyors. When preparing or auditing site specific viability assessments LSH's opinion of appropriate build costs will always be considered in the context of data held of recent representative build costs from within the local area. At the time of writing there has been a significant increase in BCIS costs over the past 12 to 18 months. This increase has been greater than the rate of increase seen in representative local build costs. Typically, LSH are now finding that for any scheme of more than ten houses most housebuilders are able to build at below BCIS lower quartile index figures for estate housing. Larger schemes are expected to be capable of being built at well below these rates.

BCIS costs will typically include main contractor profit (circa 10%). With 'main contractors' often being a subsidiary part of an Applicant (developer) company it is debateable whether it is appropriate to assume a main contractor profit in

conjunction with a developer profit ( ie in this scenario the total assumed profit could be as high as 30%).

Whilst BCIS figures are also available for conversion schemes the sample data on which these figures are based is typically small and from a diverse range of projects to make the resultant cost data of particular use. LSH would advocate the use of a quantity surveyor / cost consultant for conversion schemes and for particularly complex or high density schemes.

With respect to site-specific viability audits, where required, the appropriate level of build costs for each case will be considered on its own merits in the context of relevant factors and circumstances.

- **Infrastructure and External Costs**

These are the costs of any external works beyond the footprint of the walls of each dwelling. These include the cost of 'non-abnormal' external works within the curtilage of each plot and within the communal areas of the site such as the installation of utilities, drainage, highways infrastructure and site landscaping. Many of these items will depend on individual site circumstances and can only properly be estimated following a detailed assessment of each site. It is however possible to generalise. External costs are typically lower for higher density than for lower density schemes as higher density schemes will have a smaller area of external works, and services can be used more efficiently. Large greenfield sites are more likely to require substantial expenditure on bringing mains services to the site. Typically LSH expect to see external costs comprising from around 10% of basic build costs for smaller sites (up to 0.5 hectares) and increasing to 20% of basic build costs for larger greenfield schemes (of 1.5 hectares and above). Any deviation from this assumed range will need to be specifically evidenced by the Applicant.

- **Site-specific abnormal costs**

Abnormal costs should be those specific to the site, which are over and above costs that can reasonably be expected to be incurred for the development of an allocated, level and well-drained greenfield site with adopted highways and utilities available to the site boundary. When auditing Applicant viability submissions the LPA will require that site-specific abnormal costs are separated from non-site-specific external costs. This is important as significant abnormal costs are likely to have a bearing on land value.

Such costs are typically provided on behalf of an Applicant by a quantity surveyor / cost consultant or engineer. Applicants will need to provide evidence and justification for abnormal costs within viability submissions to the LPA. Examples of typical site-specific abnormal costs are set out below:

- Re-contouring, construction of retaining walls and importation of topsoil to achieve and maintain appropriate levels for development platforms and vehicular access road due to significant sloping and undulating nature of a site.
- The use of more expensive methods of construction (eg piled foundations) as a result of identified ground conditions.

- Demolition of existing structures on a site in order to facilitate development.
- Removal to a licensed landfill site or appropriate treatment of contaminated topsoil or identified alien materials.
- The need to relocate existing services crossing a site.
- The geology of a site necessitating the breaking out of rock for drains and sewers.
- Site-specific flood mitigation measures.

When carrying out audits of Applicant viability submissions LPAs may appoint a specialist to independently cost submitted abnormal cost items in situations where it is felt that such costs could be excessive or unnecessary.

- **Contingency**

A contingency allowance will typically range between 2% and 5% of total build costs for new build schemes. For previously undeveloped and otherwise straightforward sites we would normally allow a contingency of around 2.5% with a higher figure of 5% on more risky types of development and previously developed land. Contingency figures in the range of 5 to 7.5% may be appropriately adopted for conversions of more challenging buildings – where it is more likely that unexpected costs could be encountered as a scheme progresses on site. Where costs have been more accurately calculated, for example by a quantity surveyor or engineer or in the context of particularly extensive site investigative works, there may be a case to reduce contingency.

## **Professional Fees**

Professional fees for schemes within the local area (including statutory fees) will typically fall into the range of 5% to 10% of construction costs, dependent upon scale and nature of scheme. Sites requiring input from wider range of professionals (eg brownfield, flood-affected and more complicated sites) are likely to be at the higher end of this range.

Some Applicants will utilise the professional services of their own employees, whilst others will utilise external consultants. Costs arising from either scenario should fall into ‘professional fees’. Volume housebuilders will be able to reduce professional fees to an extent through the use of a suite of standard house types across a number of schemes, negating the need for the specific re-design of every unit on each scheme.

## **Developer contributions (s106)**

Each scheme should be considered on its own merits, dependent on the specific need for off-site mitigation, as reasonably justified by the LPA. Typical developer cost contributions provided through s106 agreements relate to education, off-site public open and community space provision and off-site highways.

## **Marketing and disposal costs**

Marketing and disposal costs include sales legal fees, sales promotion and agency, marketing budget and sales incentives (where necessary). Typically these cumulative costs are expected to fall within the range of 1.5% and 3% of GDV. Some developers prefer to deal with marketing in-house, whilst others will utilise the services of a local estate agent. Whichever model is adopted the resultant costs will fall under this heading. Larger housing developments are likely to require a staffed show-house. Small schemes may require little promotion beyond a roadside sales board and a presence on an online property sales portal.

In the context of the significant local housing need for affordable discounted sale units we would expect to see the marketing and sales allowance for such units reduced to 1% (comprising legal fees and basic agency only). It is anticipated that affordable and social rent units will be transferred directly to an RP, therefore a lower allowance of 0.5% (comprising legal fees only) should be adopted for such units.

## **Site acquisition costs**

Site acquisition costs will typically be covered within a budget of 1.5% of site value and will incorporate acquisition agents and legal fees. In addition to this allowance SDLT (Stamp Duty Land Tax) should be accounted for at the prevailing rate for the scheme in question. Link to the most recent SLDT rates: <https://www.gov.uk/stamp-duty-land-tax/overview> .

## **Development Finance Costs**

Finance costs within a development appraisal are usually based on the accumulated debt, ideally calculated using a cash flow model in the context of the application of appropriate timescales for the scheme in question. At present most mainstream developers can obtain finance in the range of 5 to 6.5% per annum with a credit facility or up to around 60% loan to value. When the arrangement costs of obtaining finance are taken into account the total cost of finance will typically fall within the range of 6% to 7.5% per annum.

It is appreciated that the business models of some developers will involve investing more of their own funds into schemes, with other developers requiring greater external funding. The 'RICS Guidance' note (detailed below) is very clear on how such matters must be dealt with:

... viability appraisals...should disregard either benefits or disbenefits that are unique to the applicant, whether landowner, developer or both; for example, internal financing arrangements. The aim should be to reflect industry benchmarks as applied to the particular site in question for a planning application .... Clearly, there must be consistency in viability principles and application across these interrelated planning matters.

Consequently, for consistency, the assumption is advocated that finance will fall within the range of 6% to 7.5% per annum of accumulated debt; assuming a requirement for 100% debt funding. Any scenario that differs from this will need to be specifically justified by an Applicant.

## Sales rates and development timescales

Sales rates of between one and three units per month are typical at the present time across Eden District dependent upon the scale, nature and location of scheme and subject to the appropriate initial pricing of units by the developer. By way of local current examples the table below sets out total number of sales achieved within the two years from 1 October 2016 for each of active residential development sites within the District with average number of sales per month (for the duration of the period from first to last recorded sale):

Address	Total number of sales	Ave number of sales per month during active sales period
Pewter Close, Penrith	7	3.5
The Oaks, Clifton	43	3.07
Orchard Place, Appleby	66	2.73
Carleton Heights, Penrith	42	2
The Fairways, Penrith	8	1.6
Carleton Manor Park, Penrith	24	1.09
Beacon Square, Penrith	6	0.38
Tara Hill, Penrith	7	0.3

In general terms each dwelling on a scheme is likely to be built on average over a six month period. Typically a two to three month pre-construction enabling / mobilisation period will follow site purchase and then a six month period will be required from commencement of construction to first sale. Flatted schemes will be assessed on their own merits, as clearly it can be impractical for such units to be sold and occupied until the block they sit within has been completed in full.

Any significant deviation from these starting assumptions will need to be justified by the Applicant.

### Developer Return (Profit) (Competitive return to a willing developer)

There has been much debate at appeal and through assessment of Local Authority policy and guidance documents of what might be considered a competitive and appropriate developer return. The following points are useful to refer to in this regard:

- The Planning Advisory Service 'Viability Handbook and Exercises' (para 4.80) (January 2011) advises that:

Where a positive residual land value is achieved...Typical required margins, depending on the developer and the risks of the development, are a 20% margin on cost and 17.5% margin on GDV.

- The accompanying guidance to the HCA's Development Appraisal tool comments as follows on Developer's Return for Risk and Profit (including developer's overheads):

### **Open Market Housing**

The developer 'profit' (before taxation) on the open market housing as a percentage of the value of the open market housing. A typical figure currently may be in the region of 17.5-20% and overheads being deducted, but this is only a guide as it will depend on the state of the market and the size and complexity of the scheme.

### **Affordable Housing**

The developer 'profit' (before taxation) on the affordable housing as a percentage of the value of the affordable housing (excluding SHG). A typical figure may be in the region of 6% (the profit is less than that for the open market element of the scheme, as risks are reduced), but this is only a guide.

- LSH provided expert witness services in relation to a key appeal decision in relation to a large urban edge housing scheme in Kendal in 2013. The following extract, taken from the Appeal Decision, sets out the Inspector's conclusion as to developer return:

The concept of a 'competitive return' is not further defined by the NPPF, and could be the subject of differing interpretations by the parties involved in any particular development. The assessment of a competitive return will involve an element of judgement. Clearly, however, excessively ambitious predictions must be tempered by comparison with industry norms and local circumstances.

In this case, it is common ground that a competitive return for the developer can be taken as a profit of 18-20% of the gross development value ('GDV')...I see no reason to reach a different conclusion.

- The revised version of the National Planning Guidance on Viability was published on 24 July 2018 and contains the following commentary on developer return (Paragraph: 018 Reference ID: 10-018-20180724):

'For the purpose of plan making an assumption of 15-20% of gross development value (GDV) may be considered a suitable return to developers in order to establish the viability of plan policies. Plan makers may choose to apply alternative figures where there is evidence to support this according to the type, scale and risk profile of planned development. A lower figure may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk. Alternative figures may also be appropriate for different development types.'

It is important to acknowledge that the returns sought by different developers and how they secure this through the whole development process can vary considerably. Developers will take into account a range of factors relating to the risk profile of the scheme, such as scheme size, time of delivery, location and other market factors, in determining what an acceptable rate of return is. Developer's Return is often the most potentially contentious aspect of any Viability Assessment.

From experience LSH are aware that widely differing profit margins will be expected by different Developers within the Cumbria area. Some smaller developers and builders may be willing to accept profit levels of between 8 and 15% of GDV (net of central overheads) in order to keep their workforce employed. Such smaller developers will generally have low level or no funding requirements and the policies of lenders will have minimal relevance.

Other Developers have greater profit expectations of anything from 15% and 20% of GDV. Developers falling into this bracket will generally utilise bank funding facilities and therefore the current risk-averse cautious policies of lenders will have a greater effect. In general terms ongoing reduced sales rates across the UK and the potential consequences of the Brexit process continue to cause lenders some concern.

In relation to the current situation in Eden District it is anticipated that a minimum assumption of 15% of GDV is appropriate on smaller schemes of up to ten units, increased to 18% for schemes of 20 or more units. It should be noted that these assumed target rates of return are inclusive of central overhead costs.

These expected levels of headline profit take into account a reduced profit expectation of 6% for affordable housing elements of each scheme, if viable. This assumption is justified in the context that affordable units will either be pre-sold to an RP or sold as discounted sale units. The pre-sale / below market value sale of elements of a scheme is clearly of lower risk to the developer than the remainder of the scheme.

Whilst many funders do expect 20% of GDV as a starting point on medium and large schemes, there is typically scope for a developer with a reasonable track record to agree a reduction to 18% of GDV where viability becomes an issue and all three parties to transaction (the landowner, developer, LPA) will each need to potentially compromise expectations, to some extent, in order to broker a mutually acceptable solution.



## 11.4 Appendix 4: Standard economic viability template

Housing Viability Model:				Bespoke pro-forma viability appraisal template													
Brief Description																	
Location		[Site Location]												Date		Work in Progress	
Typology:			40	UNIT development													
		FEATURING	30	OPEN MARKET UNITS												Status: Draft	
			10	AFFORDABLE UNITS		Subject to tenure assumptions, policy requirements and viability for affordable housing										Private and Confidential	
Gross Development Value																	
Plot Number	1	2 Bed	For sale	70	m2	£92,400	Affordable	Source: Discounted Sale Affordable Unit @ 60% of MV						£1,320	per m2		
Plot Number	2	2 Bed	For rent	70	m2	£69,300	Affordable	Source: Recent negotiated contracts for affordable rent units with RPs						£990	per m2		
Plot Number	1	2 Bed	For sale	70	m2	£92,400	Affordable	Source: Discounted Sale Affordable Unit @ 60% of MV						£1,320	per m2		
Plot Number	4	2 Bed	For sale	75	m2	£165,000	Open Market	Source: Applicant Chartered Valuation Surveyor's opinion of market value						£2,200	per m2		
Plot Number	5	2 Bed	For sale	75	m2	£165,000	Open Market	Source: Applicant Chartered Valuation Surveyor's opinion of market value						£2,200	per m2		
Plot Number	6	2 Bed	For sale	75	m2	£165,000	Open Market	Source: Applicant Chartered Valuation Surveyor's opinion of market value						£2,200	per m2		
Plot Number	7	2 Bed	For sale	75	m2	£165,000	Open Market	Source: Applicant Chartered Valuation Surveyor's opinion of market value						£2,200	per m2		
Plot Number	8	2 Bed	For sale	75	m2	£165,000	Open Market	Source: Applicant Chartered Valuation Surveyor's opinion of market value						£2,200	per m2		
Plot Number	9	2 Bed flat	For rent	60	m2	£59,400	Affordable	Source: Recent negotiated contracts for affordable rent units with RPs						£990	per m2		
Plot Number	10	2 Bed flat	For rent	60	m2	£59,400	Affordable	Source: Recent negotiated contracts for affordable rent units with RPs						£990	per m2		
Plot Number	11	2 Bed flat	For rent	60	m2	£59,400	Affordable	Source: Recent negotiated contracts for affordable rent units with RPs						£990	per m2		
Plot Number	12	2 Bed flat	For rent	60	m2	£59,400	Affordable	Source: Recent negotiated contracts for affordable rent units with RPs						£990	per m2		

### Housing Viability Model:

[illegible]

Housing Viability Model:				Bespoke pro-forma viability appraisal template											
Average GIA per unit	89	m2	Total GIA of Units	3,555	m2	£7,085,100									

Gross Development Costs																			
Site acquisition costs																			
	Site value								Net site area is 3 acres. <b>Site value should be based on net developable area</b>										
		3.00	Acres @	£300,000	=	900,000	£900,000		Current benchmark site value for Penrith typically £300k to £350k per net acre for unconstrained greenfield sites										
	Stamp duty						£34,500												
	Legal fees			@	0.5%	of Site value	£4,500												
	Agent fees			@	1%	of Site value	£9,000												
	Total Acquisition costs						<b>£948,000</b>												
Costs of construction																			
	Basic Build cost		@	£969		per m <sup>2</sup>	£3,443,910		Source: BCIS Average Prices - Housing mixed developments - New build (Lower quartile figure) - location adjusted to Eden - benchmarked against local evidence										
	External Works (within curtilages and communal) @				15%	of Basic Build	£429,002		Source: Expected to fall in range of 10% to 20% of basic build cost (depending on nature of development and size of site)										
	Abnormal and Enabling Works																		
		Demolition of existing buildings					£75,000		Source: Advised by applicant and evidenced by two quotations from demolition contractors										
		Asbestos - inc specialist scaffold					£25,000		Source: Advised by applicant and evidenced by two quotations from specialist contractors										
		Off-site surface water drainage inc 3rd party compensation					£75,000		Source: Advised by applicant and evidenced by detailed quantity surveyor schedule of costs										
		Diversion of overhead electricity cables					£50,000	£225,000	Source: Advised by applicant and evidenced by detailed quotation from utility provider										
	Contingency		@	3%		of Total Build	£122,937		Source: Typical rate for a development of this scale and nature										



[illegible]

## 11.5 Appendix 5: How is a commuted sum calculated?

11.5.1 There are a number of ways that a future commuted sum policy in this context could be developed. For example, requiring payment of a set figure per unit; payment of a set figure for each unit above the fifth unit; or adopting a tailor-made formula. Set figures are, however, problematic due the fact that sites featuring predominantly smaller units could be required to make disproportionately greater contributions (as a percentage of total sales value) than contributions required from sites with larger and higher value units.

11.5.2 In order to address this issue, a review was undertaken of the total commuted sum contributions collected from developers over the 2.5 year period since September 2016 when this policy was introduced.

11.5.3 The table below shows planning consents that have been granted for residential development on sites of six to ten dwellings in rural areas within the District since September 2016 with respective commuted sum figures for each application:

Planning reference	Location	Type of consent	Commuted sum figure	% of GDV
16/0185	Land adjacent The Laurels, Tebay	Outline	N/A	12%
16/0544	Eden Gate, Warcop	Outline	£122,965	4.37%
16/0658	Land adjacent Pennine View, Skelton	Full	£165,534	6.23%
16/0682	Land behind Tanglewood, Morland	Outline	N/A	12%
17/0465	Land to the rear of Mothercroft, Morland	Outline	N/A	12%

11.5.4 Unfortunately during this 2.5 year period there has only been one full planning permission, with the remainder being outline consents. It may well be the case that at reserved matters stage, when more details are known about scheme costs, an applicant may look to contest the payment of 12% of GDV, based on viability.

11.5.5 In order to test the current viability of commuted sum payments on sites of six to ten units the viability testing of a range of hypothetical sites of between six and ten units was undertaken. From the viability modelling exercise the level of financial contribution that may be reasonably payable as a commuted sum from residential development schemes on such sites was derived.

11.5.6 The site viability modelling exercise has adopted expected generic development assumptions for schemes of this nature within the District as at February 2019. Key assumptions are set out below:

- Two bed house – gross internal floor area of 68m<sup>2</sup>; sales values of £160,000 (£2,353 per m<sup>2</sup>; £219 per ft<sup>2</sup>)
- Three bed house – gross internal floor area of 84m<sup>2</sup>; sales values of £193,000 (£2,298 per m<sup>2</sup>; £213 per ft<sup>2</sup>)
- Four bed house – gross internal floor area of 102m<sup>2</sup>; sales values of £230,000 (£2,255 per m<sup>2</sup>; £209 per ft<sup>2</sup>)
- Site value – based a purchase price of £325,000 per net acre at an assumed density of 12,500 ft<sup>2</sup> of floorspace per acre

Number of units	Accommodation mix	Site Value	Gross Development Value	Gross Development Costs	Residue (figure available for commuted sum)	Commuted sum as % of GDV
6	2 x 2 bed houses; 2 x 3 bed houses; 2 x 4 bed houses	£142,170	£1,166,000	£906,301	£84,799	7.27%
7	2 x 2 bed houses; 3 x 3 bed houses; 2 x 4 bed houses	£165,678	£1,359,000	£1,056,513	£98,637	7.26%
8	2 x 2 bed houses; 4 x 3 bed houses; 2 x 4 bed houses	£189,186	£1,552,000	£1,206,897	£112,303	7.24%
9	3 x 2 bed houses; 3 x 3 bed houses; 3 x 4 bed houses	£213,254	£1,749,000	£1,360,850	£125,800	7.19%
10	3 x 2 bed houses; 4 x 3 bed houses; 3 x 4 bed houses	£236,763	£1,942,000	£1,511,234	£139,466	7.18%

- Base build cost – for sites of this scale economy of scale savings are limited; based on the BCIS index for estate housing at the mid-point between the current two story lower quartile and median rate for Eden District = £1,112 per m<sup>2</sup> (£103 per ft<sup>2</sup>).
- External works – 10% of base build costs.
- Contingencies – 3% of total construction.
- Professional fees – 7% of total construction.

- Cost of finance – 7% per annum; applied to total site acquisition costs, costs of construction and professional fees; assumes a 12 month build period.
- Cost of disposal – 2% of total sales values ('GDV').

Developer profit – 15% of GDV; considered to be minimum appropriate risk return to developer for development of this scale and nature; assumptions accords with NPPG on Viability.



## 11.6 Appendix 6: Affordable Housing Statement

The **Affordable Housing Statement** should clearly set out the following:

- Detail how the proposed development complies with national (NPPF and NPPG) and local (especially Local Plan policy HS1 Affordable Housing) planning policies.
- Provide a schedule of the overall number of residential properties proposed, including the mix of market and affordable units, and providing a breakdown of both market and affordable units by property type.
- Estimated open market value for the affordable units (ideally provided by a local RICS qualified surveyor). This is because on some higher value schemes properties for some affordable tenures (eg discounted sale) may not be “affordable” to people on typical local incomes, even with a discount applied. In cases where an economic viability assessment has been provided valuations will also be required for the open market units – see Appendix 3.
- A site layout plan, identifying the location and property types of the affordable units – different affordable housing tenures, such as social rent or discounted sale, should be made explicit on the plan (eg through colour coding). The layout plan, including the key, should be clearly legible when printed in A3. The plan should also detail car parking for each plot including the affordable units.
- Clarification of the gross site area and net developable area.
- The affordable properties should be fully integrated within the development, which should be “tenure blind” as far as possible. It is acceptable to have clusters of social/ affordable rented properties for housing management purposes, although on larger schemes they should not be in just one location; however, low cost home ownership properties should be “pepper-potted” around the site as much as possible.
- Details of the individual unit sizes for each of the affordable units – guidelines on minimum affordable unit sizes (based on gross internal floor space) are set out in Table 1 in Section 2.16 of this document.
- Identification of the development standards for both the scheme and individual units need to be considered. It will be expected that the specification of the affordable units will be equivalent to that of the market units unless otherwise stated.
- If the proposal is that the affordable units are delivered other than transferring any rental units to a Housing Association and selling the low cost home ownership units through the Council’s discounted sale register, details will be required of the arrangements for ensuring the properties remain affordable to successive occupiers.
- The expectation set out in Local Plan policy HS1 is that affordable housing will be delivered on the application site, unless it can be evidenced that this

cannot be managed effectively on site or there would be other benefits (eg significantly widening housing choice and encouraging a better social mix) of providing the affordable housing on an alternative site or via a financial contribution. If the proposal specifies that the affordable housing will be delivered on an alternative site it should be completed in full and ready for occupation before the development within the application site is completed – in accordance with a scheme of provision to be negotiated and agreed within a Section 106 Agreement. This should be agreed with the Council's Housing or Planning team, prior to submitting the details in the Affordable Housing Statement.

- Details of the preferred Housing Association partner involved in the development. Where this is unknown at the time of submitting the application the named Housing Association will need to be confirmed prior to the commencement on site to ensure the satisfactory delivery of affordable housing as part of the overall scheme. This will be achieved through the imposition of a pre-commencement planning condition or a scheme of delivery to be agreed also through the imposition of a pre-commencement planning condition.
- The Council would reserve the right to invalidate the planning application, in cases where no Affordable Housing Statement has been provided, or the Statement contains insufficient supporting information. However, it is acknowledged that not all information may be available at Outline Planning stage (as detailed below).

### **Outline Planning Applications**

It is accepted that not all of this information will always be available for Outline Planning Applications (especially in respect of the above points 2, 3, 4 and 7). In the case of Outline applications, it is recommended that a headline summary of the likely provision should be included, pertaining to these points, with the final detail then provided with the Reserved Matters application. The necessary Section 106 Agreement will be resolved prior to the release of the outline planning permission and will detail the tenure, form, type and proportion of affordable housing to be provided.

## **11.7 Appendix 7: Policy HS1 - Local Connection Criteria - Affordable Housing Only**

A person will be considered to meet the local occupancy conditions if immediately before taking up occupation of the affordable dwelling, he/she or a member of his/her household meets one of the following criteria:

- The person lives in the locality and has done so for a continuous period of at least three years.
- The person works permanently in the locality and has done so for a continuous period of at least three years.
- The person is an existing social tenant who needs to move to take up an offer of work in the district, as detailed in the Government's 'Right to Move' statutory guidance (DCLG, March 2015).
- The person has moved away but has strong established and continuous links with the relevant locality by reason of birth or long term immediate family connections.
- The person needs to live in the locality because they need substantial care from a relative who has lived in the locality for at least three years, or needs to provide substantial care to a relative who has lived in the locality at least three years. Substantial care means that identified as required by a medical doctor or relevant statutory support agency.

"Locality" refers to the parish and surrounding parishes\*. In terms of marketing an affordable property, if after a reasonable period of active marketing an occupier cannot be found the definition would cascade out to include the County of Cumbria, in accordance with the terms of the Section 106 Agreement.

\*Where the new house is in Penrith "locality" refers to Eden District.