



Affordable Housing Supplementary Planning Document (SPD) Frequently Asked Questions

A series of frequently asked questions have been put together to answer some of the queries raised on the guidance set out in the [Affordable Housing SPD](#).

1. Does this apply to me if I am not “proposing” more than one unit?

The Council’s policy to seek affordable housing contributions does apply to all housing proposals. It applies even to one unit as the policy is applied gross (i.e. there is no deduction of any existing units). This is clarified in the Affordable Housing SPD at paragraph 2.1.10 ... *The affordable housing provision (on-site or off-site) or any financial contribution should be calculated in relation to gross rather than net development i.e. it should be based on the total number of units proposed in the final development.*

2. Does the SPD continue to be used once the Borough Community Infrastructure Levy (CIL) comes into effect?

Yes. The [Borough CIL](#) is effective from 1 November 2014; this will operate alongside the Revised Planning Obligations SPD, the Mayoral CIL and the Affordable Housing SPD. The details of the borough CIL rates and charging zone boundaries are set out in the approved [Borough CIL Charging Schedule](#). The introduction of the Borough CIL does not affect the existing adopted policies and the SPD in relation to Affordable Housing and how such contributions are calculated. As the policy requirements for affordable housing and other contributions have been taken into account in setting the Borough CIL, both payments will be expected when CIL is introduced, subject to the test of viability in relation to individual sites.

3. I am not a “developer” and cannot afford to make a contribution, can I be exempt?

The test of viability, of being able to provide the contribution, is not dependent on the applicant’s circumstances, but is assessed through the submission of a properly detailed viability appraisal to accompany the application, if necessary undertaken by an expert. Consultants, under the Council’s instruction, will then review this information and the cost of this assessment will also need to be met by the applicant.

Annex B to the SPD sets out the schedule of inputs and sources of information necessary for such appraisals. The Council will appraise such applications using the GLA Affordable Housing Development Control Toolkit. The onus is upon the applicant to provide information/evidence setting out the costs of the scheme (including acquisition, construction, professional fees, cost of finance, sales and marketing, any S106 and CIL liabilities and allowing for a reasonable return for the developer) - this is where specific circumstances would need to be evidenced and could be considered. These costs are compared with the Gross Development Value

of the scheme – essentially the sales income achievable from the unit to be produced.

4. If my site has a mix of conversion and new build, how do I calculate the % of affordable housing that is required?

This should not be calculated as an average or a blended percentage. If each part has distinct components then it may be appropriate to add up both of the sums for the conversion and new build parts. For example, a four unit scheme which is comprised of two converted units and an infill extension to create two new build units, the percentage sought would be 8% for the two converted units, plus 10% for the two new build units, the affordable housing contribution would be equal to 18%. This sits below the % if it were wholly new build but above the % if it was wholly converted units. This approach is to accurately reflect the scale and nature of the proposal. Any more complex proposals may need to be considered on a scheme by scheme basis, see question 5 below.

5. How can I get more specific advice about the amount of an affordable housing contribution I will need to pay?

The Council only has limited resources to respond to general queries. Planning policy may be able to offer **generic advice** on the application of the housing policy or the affordable housing SPD, please send an email to LocalPlan@richmond.gov.uk including all the context and details, and we will aim to acknowledge your email within 7 working days.

For **site specific advice**, it is advisable to follow the formal [pre-application advice](#) route with Development Management. This will cover all planning aspects of a proposal and advise how to submit an application. The onus is on developers / agents / applicants to submit the proforma at Annex A to the SPD, along with any supporting information, with an application. If there are issues of viability to raise, fuller information is required as outlined in question 3 above. It will assist in speeding up the Council's consideration of an application if as much information as possible can be provided up front by developers / agents / applicants having regard to the guidance in the SPD and on this webpage.

6. How do I find out what affordable rent levels should apply to the calculation of the affordable the contribution?

For use in the proforma at Annex A to the SPD, there are agreed assumptions by unit size set out on this webpage in the tables above, which reflect the Council's adopted policies and guidance. More details are also provided in the Step by Step Guide Annex E Step 4.

Market rent levels vary considerably across the Borough. The Council's adopted approach to the setting of rent levels for affordable rented properties is currently set out in the Tenancy Strategy 2019. **For further advice on site specific rent setting** where on-site provision of affordable housing needs to be explored please contact the Housing Development Manager on 0208 891 7446.

7. What is meant by “profit”?

The national planning policy framework allows for a profit for the developer, which reflects the risks in developing and funding the scheme. This is allowed for in viability appraisals, regardless of the type of applicant. Profit refers to gross profit inclusive of marketing costs

Profit levels have tended to fall within a range of 15-20% as a proportion of development costs for market housing.

For a **site specific viability appraisal**, applicants should provide site specific justification for their assumed profit levels with reference to up to date market conditions, comparative investment returns, site and location specifics and associated risks.

For use in the proforma at Annex A to the SPD, the Council’s current default is at 20%. Any different approach to the default should be justified.

The level of profit would be assessed as part of the Council’s expert review of information submitted.

8. Does this apply if the proposal is just changing the use of a small amount of floorspace, and amalgamating this within an existing residential unit?

Yes, the policy applies to all new housing development, including changes of use for wholly residential and mixed use sites incorporating residential use, where planning permission is required. Different policy requirements apply depending on the capability of the site, and whether or not it is a change of use from employment or produces new housing through the conversion of existing non-employment floorspace. Any residential use replacing employment floorspace should maximise the amount of affordable housing, in accordance with Policies LP41 and LP36, see also paragraph 9.3.9 in the Local Plan. A contribution should reflect the nature of the proposal particularly in terms of the amount of floorspace affected by the change of use, and how this is calculated should be discussed on a site by site basis to reflect any unusual circumstances, see question 5 above.