

**Bath and North East Somerset**  
**Planning Obligations Supplemental Planning Document**  
**April 2015**

**Appendix 1 (Affordable Housing): Options in lieu of Onsite delivery of affordable homes.**

- 1.1 Should the Council agree that an offsite payment is warranted as outlined in Para 3.1.78, then the following methodology will be used to calculate the commuted sum to deliver the broadly equivalent value as outlined in the NPPF Para 50.
- 1.2 The intention of the formulae is to deliver a simple broadly equivalent value as if the provision had been made on site, which can also be easily updated on an annual basis.
- 1.3 Within the consultation process the desire to keep the process simple and easy to use was a common objective of the Council and the developer group (consisting of a group of smaller developers and consultants who raised concerns about the commuted sum calculation during the SPD 2015 consultation pre adoption process). This is especially appropriate to small sites where the offsite payment may be accepted in lieu of say one unit and a straight forward calculation will aid an accurate land offer.
- 1.4 The formulae are applicable for small sites and larger sites as appropriate to the affordable housing percentage target within the Local Plan.
- 1.5 These aspects will form part of the initial calculation for the affordable housing and used to calculate the final offsite payment on any particular site.
- 1.6 The offsite calculation is based on sample residual land value calculations for the different value areas as used in the CIL viability report 2014 and different scheme types, low density, medium density and high density to reflect the different types of housing and affordable housing mix that would be delivered. The value and build prices have been updated from the 2014 CIL viability study using the BCIS TPI and Land Registry Index to give current figures as of Q4 2016 for use for the financial year 2017/18. The figures will be updated annually during February/March, to reflect market changes, for use in the following financial year.

<sup>1</sup>DCLG PPG Planning Obligations Issued 19<sup>th</sup> May 2016.

1.7 The calculation uses a matrix of values to be applied to the proposed scheme as follows:

**Table 1. Per unit Commuted Sum**

<b>Scheme Density</b>	<b>Low Density</b>	<b>Medium Density</b>	<b>High Density</b>
<b>Density Definition</b>	<b>At least 80% houses or bungalows</b>	<b>Mix of houses and flats</b>	<b>At Least 80% flats</b>
<b>AH Area 1 Bath Prime</b> High Value Area 1 - (40% and 20% affordable housing)	£188,445	£154,695	£118,654
<b>AH Area 1 Bath Rural</b> High Value Area 1 - (40% and 20% affordable housing)	£152,836	£125,333	£95,921
<b>AH Area 1 Bath North and East</b> High Value Area 1 - (40% and 20% affordable housing)	£127,432	£104,593	£80,206
<b>AH Area 2</b> Low Value Area (30% and 15% affordable housing)	£88,727	£70,693	£52,700

***Superseded by the 2018 figures***

**Example 1** - A scheme of 9 houses with a total of 1200m2, meaning that the affordable housing policy applies, in Bath Rural post code areas, the calculation would be as follows:

9 x 20% (scheme under 10 units) = 1.8 units.

Scheme Type is 100% Houses = Low Density

The commuted sum figure per units for Low Density in Bath Rural Post Code area is £152,836. (See column 2 row 4 in Table 1 above)

**The Commuted Sum Calculation is 1.8 x £152,836 = £275,105.**

**Example 2** - A scheme of 15 houses and flats, meaning that the affordable housing policy applies, in Area 2 post code areas, the calculation would be as follows:

15 x 30% = 4.5 units.

Scheme Type is a mix of houses and flats = Medium Density.

The commuted sum figure per units for mix of houses and flats houses in Area 2 Post Code area is £70,693. (See column 3 row 6 in Table 1 above)

**The Commuted Sum Calculation is 4.5 x £70,693 = £318,118.**

## **Payment of the Commuted Sum**

1.9 Payment to be made in accordance with Para 3.1.18 or by agreement with the LPA and set out within the S 106 agreement.

## **Applications that Straddle financial year updates.**

1.10 The Commuted Sum calculation payable will be the commuted sum within the SPD as valid at the point of grating consent (i.e. the signing of the S 106 agreement). So an application in January 2018 and granted in May 2018 will use the relevant Commuted sum updated figures for the year 2018/19.