

CIL & Planning Obligations SPD: Clarification of Guidelines GAH2 and GAH3

The purpose of this note is to provide clarification on Guidelines GAH2 and GAH3 of the CIL & Planning Obligations Supplementary Planning Document (SPD). These guidelines relate to affordable housing provision. The clarification is to assist applicants in interpreting the SPD, and officers in implementing it.

Defining the proportion of floor area to be provided as affordable housing – Guidelines GAH2 and GAH3

Guideline GAH2 Required Level of Affordable Housing Provision sets out that:

*'The developer will be required to provide a specified percentage of the **gross internal floor area of the development** for transfer to a Registered Provider at the Transfer Price (or equivalent provision as agreed with the City Council)'. (Emphasis added)*

Box 1

This means that the contribution should equate to a specified percentage of the total gross internal floor area of the whole development, that is, all the floor area within the external walls of the scheme. In schemes comprising houses with garages, the internal floor area of the garages should also be included. In apartment schemes, this will include all communal and circulation space, for instance corridors, stairwells, gyms, and shared living spaces. It does not include external structures such as bin stores and cycle shelters.

In Appendix 2 (b) of the SPD, there is formula for calculating provision of affordable housing. This uses the term 'gross internal area of units'. However, as explained above, the gross internal area floor area should be calculated for the whole development, not just the internal area of the dwellings themselves. Box 2 provides an additional worked example to explain how the contribution is calculated for apartments.

Box 2

Worked Example – Development of 100 apartments

The total gross internal floor area of the development is 6,900sqm, comprising 100 apartments of 60sqm with a market value of £120,000, plus 900sqm of communal and circulation space.

The market value per square metre is therefore $(£120,000 \times 100) / 6,000\text{sqm} = £2,000$.

Market value = £2,000sqm

Transfer price = £850sqm

Percentage expected level of affordable housing = 30%

Total size of development = 6,900sqm

Developer contribution = $(£2,000 - £850) \times (0.30 \times 6,900) = £2,380,500$

Guideline GAH3 covers commuted payments in lieu of on-site provision, and sets out that the amount of a commuted payment will be calculated based on the expected developer contributions in Guideline GAH2. The contribution will therefore be calculated based on the total gross internal floor area of the development, as explained in Boxes 1 and 2.

The Council's Template for an Affordable Housing Statement, which is available to download as a spreadsheet¹, has been amended so that it can be used to calculate the provision of affordable housing based on a percentage of the gross internal floor area of a development.

¹ <http://www.sheffield.gov.uk/content/sheffield/home/planning-development/local-planning-guidance/affordable-housing.html>