

Affordable Housing

Supplementary Planning Document

Adopted June 2026



Contents

1. Introduction and purpose of the SPD	3
2. Policy context	4
3. Delivering affordable housing	7
4. Off-site affordable housing provision via a commuted sum	11
Appendix 1. Details of how final blended figures have been calculated	12

1. Introduction and purpose of the SPD

1. Introduction and purpose of the SPD

- 1.1 This Supplementary Planning Document (SPD) supports the interpretation and effective implementation of Greater Norwich Local Plan (GNLP) Policy 5: Homes. The SPD will be a material consideration in the determination of planning applications.
- 1.2 Policy 5 encourages the provision of a full range of type, tenure and cost of housing to meet the varied housing needs of our community. It also includes minimum space standards and requirements for adaptable homes to provide an improved quality of life and meet the needs of an ageing population.
- 1.3 The policy is flexible in relation to affordable housing sizes, types and tenures to allow differing needs to be met in Broadland, Norwich and South Norfolk on a site-by-site basis based on the most up-to-date evidence. The policy is pragmatic and adaptable, enabling the most up-to-date evidence on housing need to be used.
- 1.4 The policy sets a general requirement for on-site affordable housing provision of 33% on sites that show better viability based on local evidence, with a lower requirement of 28% in Norwich City Centre. The policy is clear that affordable housing should be provided on-site except where exceptional circumstances justify off-site provision.

- 1.5 The main purpose of this SPD is to provide guidance on how the off-site affordable housing contribution will be calculated where such provision has been justified. It is considered that the GNLP policy, the National Planning Policy Framework and Planning Practice Guidance provide sufficient detail to ensure the effective implementation of the rest of the policy on affordable housing. The SPD does however signpost readers to relevant policies and evidence.
- 1.6 This SPD applies to development in the Norwich City Council administrative area. It does not apply within Broadland and South Norfolk. The Broads Authority, however, has regard to the district's affordable housing policies. As such, this SPD is relevant to housing schemes in the Norwich City part of the Broads.



Proposed new affordable homes at Mile Cross depot site (CGI - Feilden & Mawson)

2. Policy context

2. Policy context

National Planning Policy Context

2.1 At the time of adoption, the National Planning Policy Framework 2024 (NPPF) sets out the Government's policy approach to achieving sustainable development with paragraphs 63 - 66 setting out the Government's policy on delivering affordable housing through planning. A revised NPPF is expected to be published in summer 2026 which will replace the 2024 NPPF. Relevant sections of the 2024 NPPF include the following:

- The overall aim should be to meet an area's identified housing need, including with an appropriate mix of housing types for the local community (NPPF paragraph 61).
- To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance (NPPF paragraph 62).
- The size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing (including Social Rent) (NPPF paragraph 63).
- Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required), and expect it to be met on-site unless off-site provision or an appropriate financial contribution in lieu can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities (NPPF paragraph 64).
- Provision of affordable housing should not be sought for residential developments that are not major developments. To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount (NPPF paragraph 65).

- Where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local need, across Social Rent, other affordable housing for rent and affordable home ownership (NPPF paragraph 66).

2.2 The Glossary to the NPPF (Annex 2) defines affordable housing and sets out definitions for the following types of affordable housing:

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

2.3 Planning Practice Guidance - Housing needs of different groups (paragraphs 005 – 008) relate to the provision of affordable housing. The main focus is on how to calculate affordable housing need which formed part of the GNLP plan making process and will not be considered further under this SPD.

2.4 Planning Practice Guidance - Viability (paragraphs 007 – 009) relate to viability and decision taking. This sets out the provision for viability testing at the planning application stage. Paragraphs 010 – 028 set out standardised inputs to viability assessments and issues relating to accountability.

2.5 Planning Practice Guidance - Planning obligations gives more detail on the use of planning obligations. Paragraph 011 relates to viability assessments and paragraphs 027 and 028 relate to the vacant building credit.

2. Policy context

Local Planning Policy Context

- 2.6 Policy 5 of the [Greater Norwich Local Plan](#) (GNLP) (adopted March 2024) sets out the affordable housing policy requirement for Greater Norwich.

Policy 5 Homes

Affordable Housing

Major residential development proposals will provide:

- At least 33% affordable housing on-site across the plan area, except in Norwich City Centre (as defined in map 10) where the requirement is at least 28%, or where:
 - a. the site is allocated in a Neighbourhood Plan for a different percentage of affordable housing, or
 - b. the applicant can demonstrate that particular circumstances justify the need for a viability assessment at decision-making stage.
- Affordable housing on-site except where exceptional circumstances justify off-site provision.
- A mix of affordable housing sizes, types, and tenures in agreement with the local authority, taking account of the most up-to-date local evidence of housing need.
- Affordable housing of at least equivalent quality to the market homes on-site.

The sub-division of a site to avoid affordable housing provision will not be permitted.

- 2.7 Paragraphs 266 - 270 of the GNLP includes supplementary text that is relevant to affordable housing provision. A summary of the key information is as follows:

- The NPPF sets out that major housing developments should meet the need for affordable housing on-site, with at least 10% of the affordable homes available for affordable home ownership. The NPPF puts the emphasis on local plans to identify the amount of affordable housing needed. It also requires local plans to provide a mix of property types and sizes and a variety of affordable housing tenures, as well as meeting the needs of all groups in the community. Note – the NPPF has been amended and now sets out that the mix of affordable housing should meet identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures. Therefore the most up to date evidence of local housing need should be used.
- The policy is flexible in relation to affordable housing sizes, types and tenures to allow differing needs to be met in the three districts on a site-by-site basis based on the most up-to-date evidence. The policy is pragmatic and adaptable, enabling the most up-to-date evidence on housing need to be used.
- The policy sets a general requirement for on-site affordable housing provision of 33% on sites that show better viability based on local evidence, with a lower requirement in Norwich City Centre. This is based on:
 - The [Strategic Housing Market Assessment 2017](#), which identifies a need for 11,030 affordable homes in Greater Norwich from 2015 to 2038, 28% of the total housing need identified at that point and the [Greater Norwich Local Housing Needs Assessment 2021](#).
 - Under national policy, small sites under 10 dwellings are not required to provide affordable housing. Larger sites will therefore have to ensure that overall affordable housing need is delivered.

2. Policy context

- The viability study findings which informed the GNLP concluded that centrally located brownfield sites which have higher development costs which affect viability are generally able to provide 28% affordable housing. The policy however does allow site specific assessment to be submitted to reflect case by case differences and differences over time. In addition, the introduction by the Government of Vacant Building Credit enables existing vacant floorspace on a site to be discounted in order to lower the affordable housing requirement, with the aim of incentivising development on brownfield sites.
- Some specific sites have very high costs associated with development. These are allocated with lower affordable housing requirements.
- As national planning guidance makes it clear that where applicants can demonstrate particular circumstances that justify the need for a viability assessment at the planning application stage, the policy provides some flexibility on this point for sites where exceptional costs are more likely.

2.8 At the time of adoption of this SPD, the Norwich Development Management Policies plan still forms part of the adopted Local Plan for Norwich. As part of the regulation 10A review which was carried out in January 2025 it was concluded that Policy DM33 (Planning obligations and development viability) was out-of-date, has been superseded by the GNLP and should not be used for decision making. Therefore, this SPD only supplements GNLP policy 5.



Three Score, Bowthorpe



Proposed affordable homes at Argyle Street (CGI - WTDesign)

3. Delivering affordable housing

3. Delivering affordable housing

3.1 The main purpose of this SPD is to set out how off-site contributions will be calculated (see chapter 4). However, for the avoidance of doubt this chapter also sets out key questions and signposts to the relevant policy and guidance.

When is affordable housing required?

3.2 In accordance with the NPPF and policy 5 of the GNLP the provision of affordable housing is required for major residential developments, including specialist older persons housing and purpose-built student accommodation. GNLP policy 5 sets out that the sub-division of a site to avoid affordable housing provision will not be permitted.

What is affordable housing?

3.3 The Glossary to the NPPF (Annex 2) defines affordable housing and sets out definitions for the following types of affordable housing:

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

How is affordable housing need best met?

3.4 Housing need evidence underlying the Local Plan is the Greater Norwich Strategic Housing Market Assessment (SHMA) 2017. Greater Norwich commissioned the Greater Norwich Local Housing Needs Assessment in 2021 in order to understand more about the nature and make-up of current and future housing needs across Greater Norwich.

3.5 All major residential planning applications must carefully consider housing mix (size, type and tenure) in order that affordable housing meets identified need. The 2021 Greater Norwich Local Housing Needs Assessment currently forms the key evidence base. However a new assessment is likely to be required to inform the GNLP 2045 (subject to the policy approach to affordable housing that is taken through national planning reform). If the Local Housing Needs Assessment is reviewed and updated, then the most recent report must be taken into account. The extent to which proposed affordable housing contributes to meeting the identified need for affordable housing is a matter which will be taken into account in the determination of individual planning applications.

What is vacant building credit?

3.6 Paragraph 65 of the NPPF set out that to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount. Planning Practice Guidance - Planning Obligations provides further detail on what the vacant building credit is, the process for determining the level of credit and when it should be applied (paragraphs 026-028).

3. Delivering affordable housing

Can viability be considered at the decision-making stage?

- 3.7 All development proposals should be fully policy compliant unless it can be demonstrated through a full viability assessment that this is not possible. Whilst the role for viability assessment is primarily at the plan making stage, both the national Planning Policy Guidance and policy 5 of the GNLP include the provision for viability testing at the planning application stage. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment. Where a reduction in affordable housing is agreed, the Council will prioritise Social Rent over low-cost home ownership and will have a clawback agreement within the s106 agreement to enable the Council to recoup additional affordable housing/off-site commuted sums if the development becomes more profitable than initially projected.
- 3.8 Planning Practice Guidance - Viability sets out the key principles in understanding viability include the standardised inputs that should be used during viability assessments. Any viability assessment should reflect the government's recommended approach. The weight to be given to a viability assessment is a matter for the decision maker.

How should viability be reviewed during the lifetime of a project?

- 3.9 Viability assessment represents a snapshot of development viability at a particular moment in time. Paragraph 10 of Planning Practice Guidance - Viability sets out that plans should set out circumstances where review mechanisms may be appropriate. The review will reassess the total affordable housing provision. Such a review may result in additional affordable housing provision either on-site or via a commuted sum but cannot be used to reduce the provision.

- 3.10 Where reduced on-site provision or off-site provision is accepted by means of a commuted sum it will be necessary to revisit the viability assessment for the development scheme if the scheme has not been commenced. This will ensure that the values associated with the development are still valid should the development be implemented sometime after the viability appraisal was originally undertaken (in other words, values may have increased).
- 3.11 S106 agreements relating to a development where reduced on-site provision or a commuted sum has been accepted as necessary due to development viability considerations will therefore include an 'affordable housing viability review clause'. Such a clause will come into effect upon either of the following criteria being met:
- if there has been no commencement of the permission within 12 months of the date of the decision being issued, or;
 - if commencement has occurred within 12 months of the decision being issued but where there has been no occupation within a further agreed period of time (defined on a case-by-base basis) from commencement. For sites with schemes of significant size or complexity, this may need to be staggered, subject to agreement.
- 3.12 In accordance with PPG on viability (reference 10-010-20251216, revised 16/12/2025), as the potential risk to developers is already accounted for in the assumptions for developer return in viability assessment, realisation of risk does not in itself necessitate further viability assessment or trigger a review mechanism. Review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities' ability to seek compliance with relevant policies over the lifetime of the project. They should not be used to avoid policy compliance or reduce agreed contributions.

3. Delivering affordable housing

3.13 Large multi-phase schemes determined with an agreed level of provision of affordable housing/commuted sum at outline application stage will be expected to review the viability as part of any following Reserved Matters application submissions for each phase.

What should the design of affordable housing be like?

3.14 As set out in GNLP policy 5, affordable housing must be of at least equivalent quality to the market homes on site. Therefore, the NPPF and all GNLP policies and DM policies relating to principles for residential development, amenity and design should be adhered to.

Can affordable housing be provided off-site via a commuted sum?

3.15 The Council's preferred approach to delivering affordable housing is that it should be provided on-site. However, in exceptional circumstances it is pragmatic to accept the provision of off-site affordable housing via a commuted sum to ensure sites are not stalled and much needed housing can be delivered. This approach of accepting a commuted sum in lieu of on-site provision can deliver a valuable funding stream to providing affordable dwellings off-site. Examples of situations where it may be acceptable to seek off-site provision of affordable housing via a commuted sum include the following (these are not exhaustive):

- On relatively small sites proposed for flatted developments where it can be demonstrated that Registered Providers (RPs) are reluctant to take on the management of individual affordable units.
- On any site with exceptional site-specific factors which would not be attractive to RPs, such as high service charges.
- On any sites where, after an open-book viability appraisal has been conducted and accepted by the Council, it can be demonstrated that the site is not sufficiently viable to enable the provision of one affordable unit on site.

3.16 Developers should undertake early discussions with RPs, considering alternative designs where necessary in order to accommodate on-site affordable housing in the first instance. It will be up to the developer to demonstrate that all options have been considered and that it is impractical for development to be brought forward in a form which may be more attractive to RPs. Where RPs are not willing to take on affordable units, clear evidence is required. Each application will be considered on its own merits.

3.17 A schedule of the level of payment that will be used in calculating such a commuted sum in lieu of provision of on-site affordable housing is set out in chapter 4. Commuted sums collected by the council in lieu of on-site provision of affordable housing will be spent on delivery of affordable housing schemes across the city. A clause within the s106 agreement for the planning permission will normally set out the timeframe in which any contribution must be spent.

Should student accommodation provide affordable housing?

3.18 Policy 5 of the GNLP requires development proposals for PBSA away from the UEA campus to “pay a commuted sum sufficient to provide an off-site policy compliant level of affordable housing”. It goes on to say that an SPD will provide further guidance on the methodology for calculating equivalent dwellings from student accommodation.

3.19 The [Purpose-built student accommodation Supplementary Planning Document \(PBSA SPD\)](#) was adopted in September 2025. This set out that to calculate the value of commuted sums for PBSA, it is considered appropriate to keep the approach consistent with the calculation that is applied to other mainstream residential schemes on which financial contributions for off-site affordable housing provision are sought. At the

3. Delivering affordable housing

time that the PBSA SPD was adopted this was the methodology within Appendix 3 of Norwich's Affordable Housing SPD, July 2019. However, the PBSA SPD noted that this document was due to be updated and the methodology in any updated SPD would then apply. The PBSA SPD and this SPD should therefore both be considered when calculating an off-site affordable housing contribution for PBSA.

Should older people's housing provide affordable housing?

3.20 Proposals for specialist older people's housing is expected to meet the need for affordable housing by providing policy compliant levels of affordable housing, irrespective of C2 or C3 use class classifications. In order to ascertain whether a proposal is 'major' a conversion rate of 1.9:1 should be used for care homes (i.e. 1.9 care home rooms would equate to 1 unit of general market housing, as set out in the [Housing Delivery Test measurement rule book](#)). For specialist older people's housing which takes the form of self-contained flats or dwellings, each unit would be counted as 1 net new dwelling.

3.21 It would be appropriate to pay a commuted sum sufficient to provide an off-site policy compliant level of affordable housing. The same calculation should be used as for general needs housing. The floorspace should be based on the Net Internal Floor area (i.e. lobbies or corridors will not be included but shared common space for residents should be included).

Should Build to Rent schemes provide affordable housing?

3.22 Build to Rent is defined within the NPPF glossary as purpose-built housing that is typically 100% rented out. Schemes will typically be professionally managed stock in single ownership and management control.

3.23 [Planning Practice Guidance - Build to Rent](#) sets out the government's guidance on the provision of build to rent. This explains how the NPPF states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for built to rent. Unless local authorities set a different proportion in their local plan (which would need to be evidenced from a local housing needs assessment), 20% is considered a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity). These would be private rented dwellings at least 20% below market rents and capped at the Local housing allowance rent for the area.

Will the number of affordable houses delivered be monitored?

3.24 Consents and delivery of affordable housing will be reported annually via the Annual Monitoring Report (AMR) (Plan indicators H1 and SGS3).



Goldsmith Street

4. Off-site affordable housing provision via a commuted sum

4. Off-site affordable housing provision via a commuted sum

- 4.1 The chapter sets out the level of payment that will be used in calculating a commuted sum for provision of off-site affordable housing. The payment schedule is set at a level that will enable the Council to deliver a unit equivalent in type to those that would otherwise be provided on site i.e. a site providing for 10 one bedroom units and not able to provide three affordable units on site will be expected to make a contribution sufficient to provide for three one bedroom units as part of another development elsewhere in the city.
- 4.2 The 65% social rent and 35% shared ownership percentages (as set out in the LHNA 2021) reflect the affordable housing tenure mix policy expectation. The final blended figure for the cost of off-site affordable housing provision as of March 2026 is £1,696.69 per m² (based on the most recent published figures at time of adoption). It is this final blended figure that should be applied. Appendix 1 gives further detail as to how this was calculated. However, if the Local Housing Needs Assessment is reviewed and updated, then the tenure mix (and final blended figure) may need to be changed to reflect the most recent evidence.

4.3 The following points will be taken into account when calculating the off-site affordable housing contribution.

- The figures presented are accurate at the time of adoption (June 2026), however at the time of determining a planning application, all sums must be index linked using 'BCIS All-in tender price index' back to the date of the SPD to bring it up to date.
- The GNLP requires 33% affordable housing on all sites across the plan area with the exception of Norwich city centre, where the requirement is at least 28% (subject to viability).
- Regarding the floorspace input to the calculation this should be based on the Net Internal Floor area (i.e. lobbies or corridors will not be included but shared common space for residents should be included).
- A flat fee of £1,000 is added to cover legal costs associated with the land transfer etc. This is paid per scheme rather than per unit.
- Where vacant buildings are being reused or redeveloped it may benefit from Vacant Building Credit.

Off-site affordable housing calculation

Average cost of affordable provision per m² floorspace is calculated to be
 $(£2,215.52 \times 0.65) + (£733.14 \times 0.35) = £1,696.69$

Affordable Housing Foregone (AA) equals net internal floorspace of development proposed x 0.33
(or 0.28 in Norwich city centre)

Therefore, the following calculation should be applied to calculate off-site affordable housing provision:
 $(£1,696.69 \times AA) + £1000$

Appendix 1. Details of how final blended figures have been calculated

Appendix 1.

Details of how final blended figures have been calculated

The average cost of affordable provision per m2 floorspace is calculated to be
 $(£2,215.52 \times 0.65) + (£733.14 \times 0.35) = £1,696.69$

The 65% social rent and 35% shared ownership percentages reflect the affordable housing tenure mix policy expectation.

The tables below provide further information as to how the social rent and shared ownership figures were calculated. The source of the figures is BCIS all-in tender index for costs.

Social Rent

Property Type	Land Costs (a)	Build Costs (b)	On-Costs (c)	Total Scheme Costs (d)	RP Borrowing (e)	Shortfall (f)	Floorspace (g)	Cost per m2 (i)
Studio	£20,000	£90,481	£13,572	£124,053	-£36,586.43	£87,466.92	39	£2,242.74
1B2P	£20,000	£116,002	£17,400	£153,402	-£48,038.91	£105,362.82	50	£2,107.26
2B3P	£20,000	£162,402	£24,360	£206,762	-£54,049.54	£152,712.88	70	£2,181.61
2B4P	£20,000	£183,282	£27,492	£230,775	-£54,049.54	£176,725.19	79	£2,237.03
3B5P	£20,000	£215,763	£32,364	£268,127	-£59,153.19	£208,974.03	93	£2,247.03
4B6P	£20,000	£245,923	£36,888	£302,812	-£65,840.21	£236,971.46	106	£2,235.58
Average	£20,000	£168,976	£25,346	£214,322	-£52,958.09	£161,363.76	72.83	£2,215.52

Appendix 1. Details of how final blended figures have been calculated

Shared Ownership 50% equity sold									
Property Type	Land Costs (a)	Build Costs (b)	On-Costs (c)	Total Scheme Costs (d)	RP Borrowing (e)	Capital Receipt 50% equity (f)	Shortfall (f)	Floorspace (g)	Cost per m2 (i)
Studio	£20,000	£90,481	£13,572	£124,053	-£11,775.30	-£64,750	£47,528.05	39	£1,218.67
1B2P	£20,000	£116,002	£17,400	£153,402	-£22,751.23	-£87,500	£43,150.50	50	£863.01
2B3P	£20,000	£162,402	£24,360	£206,762	-£29,038.56	-£122,500	£55,223.86	70	£788.91
2B4P	£20,000	£183,282	£27,492	£230,775	-£33,742.53	-£138,250	£58,782.20	79	£744.08
3B5P	£20,000	£215,763	£32,364	£268,127	-£41,582.48	-£162,750	£63,794.74	93	£685.96
4B6P	£20,000	£245,923	£36,888	£302,812	-£47,869.81	-£185,500	£69,441.85	106	£655.11
Average	£20,000	£168,976	£25,346	£214,322	-£34,049.98	-£126,875	£53,396.87	72.83	£733.14



If you would like this information in another language or format such as large print, CD or Braille please visit www.norwich.gov.uk/Intran or call 0344 980 3333.

e: info@norwich.gov.uk

