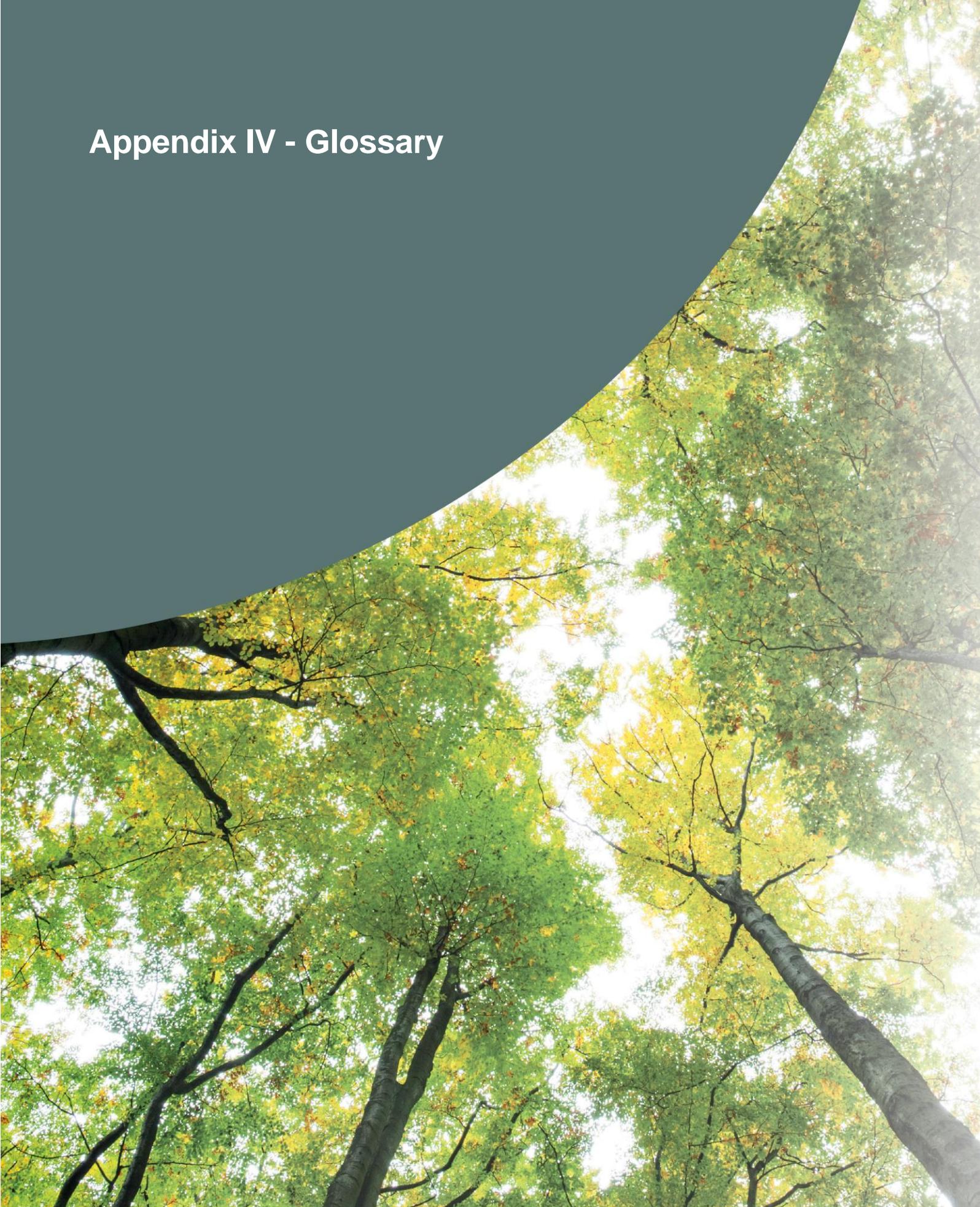


Appendix IV - Glossary



Source: CDC & SBDC

Abbreviations & Glossary:

AUV	Alternative Use Value
BCIS	Building Cost Information Service
BLV	Benchmark Land Value
CIL	Community Infrastructure Levy
DCS	Draft Charging Schedule
EUV	Existing Use Value
EUV+	Existing Use Value Plus
GDC	Gross Development Cost
GDV	Gross Development Value
NPPF	National Planning Policy Framework
PPG	National Planning Policy Guidance
SPD	Supplementary Planning Document

Alternative Use Value: AUV refers to the value of land for uses other than its current permitted use, and other than other potential development that requires planning consent, technical consent or unrealistic permitted development with different associated values. AUV of the land may be informative in establishing benchmark land value. If applying alternative uses when establishing benchmark land value these should be limited to those uses which have an existing implementable permission for that use. Where there is no existing implementable permission, plan makers can set out in which circumstances alternative uses can be used. This might include if there is evidence that the alternative use would fully comply with development plan policies, if it can be demonstrated that the alternative use could be implemented on the site in question, if it can be demonstrated there is market demand for that use, and if there is an explanation as to why the alternative use has not been pursued. Where AUV is used this should be supported by evidence of the costs and values of the alternative use to justify the land value. Valuation based on AUV includes the premium to the landowner. If evidence of AUV is being considered the premium to the landowner must not be double counted

Affordable homes or housing: homes: 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 types:

- a) Affordable homes for rent
- b) Starter homes
- c) Discounted market sales housing
- d) Other affordable routes to home ownership

Affordable homes 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 Affordable Private Rent and should not exceed 80% of Market Rent.

Benchmark Land Value: To define land value for any viability assessment, a Benchmark Land Value should be established on the basis of the existing use value (EUV) of the land, plus a premium for the landowner. The premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called 'Existing Use Value Plus' (EUV+).

Building Cost Information Service: The RICS Building Cost Information Service ('BCIS') is an industry accepted cost index for the cost of building.

Build to Rent: Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

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.

Gross Development Value: GDV is an assessment of the value of development. For residential development, this may be total sales and/or capitalised net rental income from developments. Grant and other external sources of funding should be considered. For commercial development broad assessment of value in line with industry practice may be necessary.

Local Plan: A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies, or a combination of the two.

Major development: For housing, development where 10 or more homes (5 homes within the AONB) will be provided, or the site has an area of 0.25 hectares or more. For non-residential development it means additional floorspace of 1,000m² or more, or a site of 0.25 hectare or more. [Local definition]

Planning obligation: A legal agreement entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Premium to the landowner: The premium (or the 'plus' in EUV+) is the second component of benchmark land value. It is the amount above existing use value (EUV) that goes to the landowner. The premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

Renewable and low carbon energy: Includes energy for heating and cooling as well as generating electricity. Renewable energy covers those energy flows that occur naturally and repeatedly in the environment – from the wind, the fall of water, the movement of the oceans, from the sun and also from biomass and deep geothermal heat. Low carbon technologies are those that can help reduce emissions (compared to conventional use of fossil fuels).

Self-build and custom-build housing: Housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing. A legal definition, for the purpose of applying the Self-build and Custom Housebuilding Act 2015 (as amended), is contained in section 1(A1) and (A2) of that Act.

Shared ownership housing: A form of intermediate affordable housing which is partly sold and partly rented to the occupiers, with a Registered Provider (normally a housing association) being the landlord. Shared ownership housing should normally offer a maximum initial share of 25% of the open market value of the dwelling. The annual rental charges on the unsold equity (share) should be no more than 2.75% of this share.

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.

Social rented housing: Homes that are let at a level of rent generally set much lower than those charged on the open market, available to those recognised by the Councils as being in housing need, and offering long term security of tenure (through Secure or Assured tenancies). The rent should currently be calculated using the formula set out in Appendices C and D of Housing Corporation Circular 27/01 – Rent Influencing Regime – Implementing the Rent Restructuring Framework. Should this circular be revoked at any time, the Councils would use a weekly rent figure equivalent to 30% of the lower quartile net income (after deductions) for full-time employees, pending any revised formula adopted or supported by the Councils.

Supplementary planning document: Document which adds further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

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.