

Brighton & Hove City Council

Cabinet

Agenda Item 153

Subject: Affordable Housing Planning Advice Note

Date of meeting: Thursday, 19 March 2026

Report of: Cabinet Member for Finance and City Regeneration

Lead Officer: Corporate Director- Operations

Contact Officer: Clare Flowers

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Ward(s) affected: (All Wards);

Key Decision: Yes

Reason(s) Key: Is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

1.1 This report seeks Cabinet agreement to formally adopt and publish an Affordable Housing Planning Advice Note (PAN) (see Appendix 1) which provides updated good practice and technical guidance to support the implementation of Policy CP20 Affordable Housing and other relevant policies in the adopted City Plan. This supports the objective 'Homes for Everyone' in the Council Plan which sets the goal to deliver accessible, affordable and high quality homes for all residents of Brighton & Hove. Under the Council Plan heading 'Increasing housing supply' this PAN will help achieve the goal of '*addressing the mix of housing the city needs, including the need for more affordable family homes.*'

1.2 The PAN is a collaborative project between officers in the Planning Policy team and Strategic Housing & Development team. It will replace previous guidance set out in the Affordable Housing Brief (AHB) which was most recently updated in 2021. The PAN sets out the council's preferred approach to securing affordable housing through Section 106 planning agreements and draws on recently updated evidence about housing needs in the city and changes to national policy. As part of its preparation the PAN has been subject to a focused consultation with local housing providers, developers and agents.

2. Recommendations

2.1 Cabinet agrees to adopt the Affordable Housing Planning Advice Note (PAN) at Appendix 1 and authorises the Head of Planning to make any necessary minor non-material text and illustrative alterations prior to its publication.

3. Context and background information

- 3.1 City Plan Policy CP20 sets a requirement for 40% affordable housing to be provided by developers in schemes of 15 or more homes and requires smaller percentages of affordable housing on site or an *in lieu* financial contribution in schemes down to 5 homes. These requirements are subject to development viability which is tested at the planning application stage if a policy-compliant level of affordable housing is not proposed.
- 3.2 The council publishes guidance for implementing Policy CP20 for affordable housing secured through Section 106 agreements by setting out the council's preferred tenure mix and unit size mix. Current guidance is in the AHB, which seeks a preferred mix of 55% affordable housing to rent and 45% affordable housing to buy (allowing for shared ownership First Homes and other Low-Cost Home Ownership models). The Affordable Housing PAN has been subject to external consultation and updated to reflect current evidence and changes to national guidance which gives additional weight to existing guidance set out in the AHB.
- 3.3 The key amendment set out in the PAN is to update the preferred tenure mix in line with current evidence and to reflect changes to national planning policy. Recent evidence in the Strategic Housing Market Assessment (SHMA) 2023 clearly indicates that the greatest need in the city is for affordable housing to rent, especially homes let at social rent levels. The starting point will now be to seek 100% affordable housing to rent (comprising either social or affordable rent subject to viability considerations).
- 3.4 Whilst Low Cost Home Ownership (LCHO) including shared ownership will not normally be sought through Section 106 agreements, the council will support the delivery of such homes as 'additional' affordable units delivered with the help of affordable housing grant or other sources of funding, as well as part of 100% affordable housing schemes brought forward by Registered Providers.
- 3.5 The PAN also includes minor amendments to the preferred unit size mix with an increased proportion of 30-35% three- and four-bedroom units now preferred rather than the 25% set out in the AHB, with a proportionate reduction in the number of two-bedroom units provided for affordable rent. This will assist the council in addressing the extremely long waiting time on the housing register for family-size accommodation and enable families to remain in the city rather than move out to more affordable towns nearby. Although Policy CP20 already sets a preferred size mix it specifies that up-to-date assessments of local need will be a consideration on individual sites. The amended size mix also reflects the recommendations of the SHMA 2023.
- 3.6 Other amendments and clarifications in the PAN include the following:

- Local eligibility requirements are now specified for Affordable Private Rent/Discounted Market Rent units provided within Build to Rent developments. The local eligibility requirements to be sought for occupants of First Homes have also been clarified.
- The PAN highlights the need for developers to engage with affordable housing providers prior to submitting a planning application and indicates that the affordable housing value used in viability assessment should (where possible) reflect offers from, or discussions with a Registered Provider.
- Where the provision of onsite affordable housing delivery is demonstrated not to be viable, the PAN outlines a ‘cascade’ of alternative options, which include consideration of the council directly purchasing the affordable homes for rent (subject to assessment and viability); or, if that is not achievable, a financial payment in lieu (commuted sum) which the council will then use to help fund its own affordable housing programmes.

4. Analysis and consideration of alternative options

- 4.1 The decision to prepare an Affordable Housing PAN to replace the AHB was intended to update and clarify the previous guidance, but also to give it greater weight as a material planning consideration in council officer negotiations with planning applicants and developers. The PAN provides guidance and does not alter the affordable housing policy set in the adopted City Plan. There remains a need to review and update the affordable housing policy itself through the emerging City Plan 2041. The SHMA 2023 has provided an updated assessment of affordable housing needs.
- 4.2 Whilst recognising that a new City Plan will be prepared, it is intended that the PAN will in the interim carry greater planning weight than the AHB did (which will no longer be used), having been subject to consultation with local housing providers, developers and agents, and drawing on updated evidence on local housing needs provided by the SHMA. It better reflects the council’s housing priorities and the importance the council attaches to delivering housing which genuinely addresses the needs of local residents.

5. Community engagement and consultation

- 5.1 A four-week focused informal consultation with external housing providers, developers, local agents and relevant Council officers was undertaken between 11 November and 10 December 2025. Member liaison and engagement was carried out through the Planning Policy Members Advisory Working Group. A consultation summary is below. More details on the consultation and responses can be seen at Appendix 2.

Consultation response summary	Officer response
Support for the PAN's approach	Responses welcomed
Highlighting national problems delivering s106 affordable housing leading to concerns that the PAN should allow flexibility in both tenure and mix given that 100% affordable housing to rent can negatively impact development viability	The PAN states the council 'will normally seek' 100% affordable housing to rent. There remains flexibility through existing planning policy at site level to ensure developments remain viable.
Requests to change the City Plan policies to raise site size thresholds for s106 affordable housing and lower the overall requirement for affordable housing	The PAN does not change City Plan policy. New policies will be introduced through the City Plan review

6. Financial implications

- 6.1 The PAN will enable the council to better negotiate the delivery of affordable housing (or equivalent off-site financial contributions) through developer contributions as part of Section 106 agreements. The provision of more affordable housing will, in the medium to longer term, contribute to mitigating financial pressure on the General Fund resulting from the council having to support large numbers of families in temporary accommodation. Where the PAN refers to the use of council funds (such as the option for council purchase of affordable rent homes on sites where there is no interest from other affordable housing providers), this reflects already established council policy.

Name of finance officer consulted: John Lack Date consulted: 22/01/2026

7. Legal implications

- 7.1 The Planning Advice Note will act as supplementary guidance to inform both applicants and decision-makers of the Council's approach to affordable housing. Note that unless formally adopted as a Development Plan Document (DPD) following statutory procedures, the Advice Note will not have the status of part of the statutory development plan. Instead, it will be a material consideration in decision-making under section 70(2) of the Town and Country Planning Act 1990, to be weighed alongside the adopted development plan and other material considerations.
- 7.2 The weight to be given to the Advice Note in individual planning decisions will depend on its consistency with adopted policy, and relevance to the application in question. While planning authorities are entitled to adopt and apply local policies as material considerations, such policies must not fetter the statutory duty to determine applications in accordance with the development plan unless material considerations indicate otherwise

Name of lawyer consulted: Katie Kam Date consulted (19/01/2026):

8. Risk implications

- 8.1 The council's Strategic Risk 21 seeks to deliver new affordable homes. There is a risk that fewer overall affordable homes may be delivered through s106 agreement, as rented affordable housing is more expensive to provide than shared ownership units. However, Strategic Risk 21 also notes that the demand for affordable rented homes is growing with a significant number of households in temporary accommodation. The PAN seeks 100% affordable housing to rent in the first instance which will help meet this demand and provide homes for households currently in temporary accommodation.

9. Equalities implications

- 9.1 The PAN is published as technical guidance supporting affordable housing policy CP20 as set out in the adopted City Plan Part 1 and the council's housing priorities. The City Plan was subject to a Health and Equalities Impact Assessment as part of its preparation. The assessment appraisal focused on key determinants of health and equality, applying a community profile to establish local circumstance and associated susceptibility to potential health outcomes. City Wide policies including policy CP20, were considered individually. The outcomes of the Assessment for these city wide policies are:
- They are not anticipated to adversely impact upon any particular sensitive community groups
 - They are geared to support the development of more sustainable, cohesive and vibrant communities.

10. Sustainability implications

- 10.1 None identified.

11. Health and Wellbeing Implications:

- 11.1 The PAN will help to reduce inequalities across the city by helping to secure the delivery of affordable housing which best meets the range of identified housing needs in the city. Meeting the needs of individuals when delivering services will positively impact upon equality outcomes. The PAN sets out affordable housing design criteria including units required for people with disabilities. Improved opportunities for households to access appropriate accommodation will improve health and wellbeing outcomes.

Other Implications

12. Procurement implications

- 12.1 None identified.

13. Crime & disorder implications:

- 13.1 None identified.

14. Conclusion

- 14.1 Delivery of affordable housing is a key priority for the Council and the PAN will provide important practical guidance to assist the implementation of Policy CP20 and other policies in the adopted City Plan. The PAN will guide and give weight to officer discussions and negotiations with developers regarding current affordable housing need when determining planning applications for housing in the city.

Supporting Documentation

1. Appendices

1. Affordable Housing Planning Advice Note (PAN)
2. Consultation responses

2. Background documents

1. Brighton & Hove City Plan Part One (includes Policy CP20: Affordable Housing) [City Plan Part One \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk/city-plan-part-one)
2. Strategic Housing Market Assessment (SHMA) 2023
[Strategic Housing Market Assessment - August 2023 \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk/strategic-housing-market-assessment-august-2023)
3. Brighton & Hove City Council plan 2023 to 2027 refresh 2025
[Brighton & Hove City Council plan 2023 to 2027 refresh 2025 \(brighton-hove.gov.uk\)](https://www.brighton-hove.gov.uk/city-council-plan-2023-to-2027-refresh-2025)