

Bristol Affordable Housing Practice Note

Viability Addendum

This addendum to Bristol's Affordable Housing Practice Note sets out an approach to schemes that benefit from a full planning permission but where the costs associated with the scheme have increased significantly since planning permission was granted, creating viability challenges that threaten the successful delivery of new affordable homes.

The Council is aware that costs associated with the delivery of housing schemes have escalated significantly in recent years particularly in Bristol's high density inner urban area, both in terms of construction and labour, and meeting new building safety regulations. These costs are compounded by the nature of constrained brownfield sites that typify housing delivery in Bristol and viability further challenged by a housing market where values have stagnated.

Bristol is also in the midst of an affordable housing crisis, with homelessness on an upwards trajectory, the number of households on the Council's Housing Register increasing and families waiting longer and longer for a new affordable home. The Council adopted its [Interim Affordable Housing Delivery Plan](#) in February 2025 which articulates the scale of need in the city and makes a commitment to working with developers and Registered Providers to maximise the delivery of new homes.

The Council is mindful that there may be some sites with planning permission which had been in pre-development prior to the significant increase in build costs impacting from 2022 onwards, and which could (in early stages of appraisal) fulfil planning policy objectives for affordable housing delivery. Some of these sites may now be threatened with significant viability concerns. To secure the continued delivery of housing, and in particular affordable housing, the Council is willing to re-open discussions over the affordable housing provision that had previously been approved for some sites. This would be on the basis of seeking to maintain high levels of affordable housing delivery through exploring the use of affordable housing subsidy into some or all of the subsidy-free provision.

What sites are open to renegotiation over affordable housing provision?

The Council will be open to reconsider the level of subsidy free affordable housing provision on planning permissions that fulfil all of the following criteria irrespective of whether they are on privately owned land or land owned by the Council:

- Located within the Affordable Housing Practice Note defined City Centre zone benefitting from a full planning permission; and
- Are subject to a Section 106 Agreement requiring the provision of subsidy-free affordable housing delivery for social rent / shared ownership.
- Planning permissions outside of the City Centre zone may be considered under this approach on an exception basis where the developer is also promoting additional funded delivery of affordable housing with an RP partner, resulting in more affordable housing than was secured at planning permission stage.

What expectations are placed on renegotiation over affordable housing provision?

- Submission of a viability appraisal to demonstrate the challenges with delivering the previously agreed level of subsidy free affordable housing
- Story-line of viability changes since the initial planning permission was granted and measures to address; for example, value engineering, exploration of infrastructure funding, re-negotiation of land deal, previous engagement with the Council's Strategy and Enabling and / or Regeneration Services.
- Demonstration of Registered Provider involvement in the affordable housing delivery who has access to HE funding
 - This does not have to be a HomesWest RP but you will be asked to demonstrate your attempt to engage with and work to bring a HomesWest RP on board, before bringing a non-HomesWest provider into the City.
 - Your RP provider will be expected to allocate all rented homes in accordance with the Council's Allocation Scheme
- Timeframe to delivery that meets Homes England Affordable Housing Programme milestones
- You will have engaged with the Council's Strategy and Enabling Team prior to submission and have secured their support for alternate affordable housing delivery proposal.

How will the renegotiation on affordable housing provision take place?

Planning Practice Guidance is clear that viability reviews of existing planning permissions are to be upwards only (Viability paragraph: 009 Reference ID: 10-009-20190509). Consequently, any renegotiation of affordable housing provision will need to relate to a different planning permission. A Section 73 application¹ will be therefore be required.

An assessment of the viability appraisal submitted as part of the Section 73 application will be undertaken in line with the council's policy approach, and the applicant will be required to meet the Council's costs in undertaking this work.

If this results in a revised level of subsidy free affordable housing, then a new Section 106 Agreement (not a Deed of Variation) will be required. Where subsidy is to be introduced to enable the delivery of some or all of the affordable housing to be provided, the RP partner must be included in finalising the Agreement to ensure compliance with HE capital funding requirements and their internal Business Plan / policy assumptions but will not be party to the new s106. The Council is also happy to explore other forms of affordable and supported housing delivery as part of this Addendum.

In cases where viability shows that a reduced (or nil) level of subsidy free affordable housing can be provided and subsidy will need to be introduced, it is possible that there will need to be amendments to the design and internal layout of the scheme. The Council recognises that this may reduce the height of the building and a loss of units. Please engage early with the Council's Strategy and Enabling team and the LPA to explore options for delivery.

Design changes to the consented scheme will be dealt with as part of the Section 73 application determination process

¹ Town and Country Planning Act 1990 Section 73 (Determination of applications to develop land without compliance with conditions previously attached).

Timelines associated with revised affordable housing provision:

- This opportunity to renegotiate affordable housing provision to allow the use of affordable housing subsidy runs from the publication date of this Addendum until such time as the next full update of the practice note is published.
- It is expected that development will commence and complete within an agreed period ensuring PC for the affordable housing units meets any funding milestones of the registered provider

In December 2025² the Secretary of State for Housing clarified expectations around the changes to the use of Section 73:

"As a general rule, attempts to revisit fundamental issues of viability or planning obligations through Section 73 applications should be scrutinised carefully, and the applicant should provide a robust justification for any changes proposed for planning obligations associated with the original permission beyond those linked to the specific variation of condition being sought. Where developers submit a Section 73 application that seeks to reduce affordable housing provision based on a new viability assessment, the decision maker should have regard to the harm that such a reduction may cause and give this appropriate weight in the overall planning balance, alongside the wider merits of the scheme."

The Secretary of State also reiterated the government's commitment to implementing a new route to vary planning permissions, via the introduction of a Section 73B. He stated:

"Section 73B should become the key mechanism for dealing with legitimate variations in a pragmatic way in response to changing circumstances over time, but it is not intended to allow developers more easily to reduce planning obligations already entered into, including for affordable housing, and Section 73B(5) will affect the extent to which that can be done."

It is advised that new guidance will be published on the appropriate use of Section 73B upon its implementation.

² [Letter from the Secretary of State to local authority leaders and metro mayors: Next phase of reforms to accelerate growth and housebuilding](#)