

Yorkshire Dales National Park Authority

Commuted Sums Calculator

Guidance Notes – September 2026

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1 1 Purpose & principles

Purpose of the Commuted Sum Calculator (CSC)

1.1 In exceptional circumstances, the Yorkshire Dales National Park Authority may agree that an affordable housing contribution does not need to be provided on-site, and the Authority may allow a financial contribution as an alternative to on-site provision of affordable housing. Such a payment is known as a commuted sum.

1.2 The Authority may seek a partial financial contribution to bring the total affordable housing provision within a development up to the level required in policy. For example, 35% of 22 units is 7.7 units which could translate into 7 units on-site and the remaining 0.7 units provided as a commuted sum.

1.3 Having decided that a commuted sum is to be collected, it is important that there is a consistent and transparent mechanism for calculating that sum. The Commuted Sum Calculator (CSC) provides this mechanism.

1.4 The CSC is not a scheme viability assessment; it does **not** calculate whether the scheme can afford a particular amount of affordable housing. To do this would require a full analysis of costs and revenues with supporting information as to how they were derived and the appropriate financial modelling. The CSC is designed for the specific purpose of estimating a commuted sum and assumes that the amount being collected is viable (either on its own or in combination with an on-site provision). It is important to note that the CSC follows the principles of the Planning Practice Guidance for Viability but it is not the same as a full site-specific viability appraisal, If an applicant wishes to challenge the contribution calculated by the CSC, the applicant should approach the Authority to arrange a suitable full viability appraisal.

1.5 These guidance notes explain the principles behind the CSC; the data it uses and provides step by step instructions for its use.

1.6 The CSC uses the most up-to date information available. This includes viability evidence (e.g. about affordable housing rents, development costs) used in the January 2025 Yorkshire Dales National Park Authority Economic Viability Assessment. The 2025 Economic Viability Assessment identified two value areas, and these are shown in Tab.5 Value Map in the CSC. Users are not restricted to these market values and can input their own market values if they prefer.

1.7 However, where affordable housing targets are referenced, users of the CSC should use the targets set out in the adopted local plan for the National Park.

Principles of the calculator

1.8 The key principle underlying the Calculator is that the developer of a scheme should be broadly no worse or better off financially, whether they provide the affordable housing on-site or as a commuted sum.

1.9 **The 'contribution' made by a developer as a commuted sum is the assessed difference in value between a 100% market housing scheme and a scheme with the required level of affordable housing on site.**

1.10 The CSC calculates the difference between the revenue for a market unit (less an allowance for the developer return and marketing fees) and the revenue for an equivalent affordable housing unit, at the relevant % of affordable housing.

1.11 Underlying the calculation is the premise that the scheme is viable for the % of affordable housing being tested. If this is not the case, the % of affordable housing sought should be adjusted BEFORE calculating the commuted sum to be paid.

Chapter 2 Operation of the Calculator

Use of the tabs

3.1 When the CSC is opened, the user will see five tabs at the bottom of the page. Please note that Tab 4 sets out the licence agreement and the user is deemed to be bound by the terms of the licence agreement by using the CSC.

3.2 Each tab and the required inputs are explained below – the screenshots taken from the CSC shown in the following step by step guidance, do not represent a specific scheme but illustrate how each stage of the CSC works.

> ***Good practice tip 1:***
>
> ***The Authority should save a 'master' file of the CSC so that it has a version it can rely on for subsequent use. Thereafter, the user should save and store each 'assessment' separately so that future iterations can be identified.***

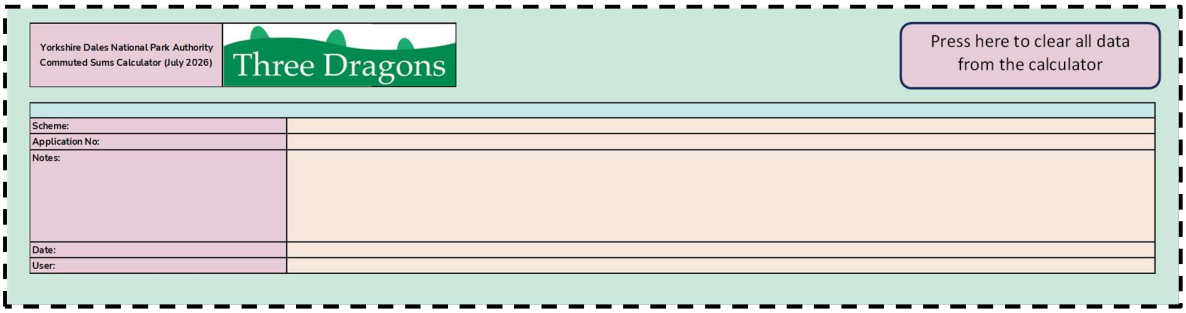
'Tab 0' Landing page

3.3 When the CSC is first opened and a new version is saved, a security warning appears in the toolbar above the CSC. Users should press the 'Options button' and tick the 'Enable this option' button in the screen that is called up. If users are concerned about using macros with their system or have issues regarding opening the CSC, they should seek their own IT advice.

3.4 The landing page provides the user with spaces in which to enter information about the scheme being assessed including a planning application number, date of the assessment and who is the author of the assessment.

> ***Good practice tip 2:***
>
> ***Whilst entering this detail is not essential to operate the CSC, it is advised that users record and save the versions of the CSC to include within the planning file for future reference.***

The 'landing page'



3.5 With the landing page open, there are a series of tabs at the bottom of the page. Having completed the landing page, the user should move to Tab 1 – Mix.

> ***Good practice tip 3:***
>
> ***Before any data is entered elsewhere in the CSC, it is good practice to clear existing data from the version of the CSC that is being used. This is done using the 'button' in the top right and corner of the page after any required version of the CAC has been saved.***

'Tab 1' Mix

3.6 Tab1 deals with the basic data about the scheme. The page is divided into two halves with the left-hand side of the page for data and the right-hand side, giving guidance about the process for data entry. The tables on Tab1 are described in turn.

Table 1.1	
Total Dwellings	**11.00**
% affordable housing	**35%**

3.7 **Table 1.1** – in the pale orange cells, the user enters the number of dwellings in the scheme and the applicable percentage of affordable housing that is sought. In this example, there is a scheme of 11 units with a requirement for 35% affordable housing. Users of the CSC should refer to the affordable housing target in the local plan for the area in which the site is located.

3.8 **Table 1.2** – deals with on-site provision and the balance of affordable housing to be provided as a commuted sum.

Table 1.2	
Total number of affordable dwellings	**3.85**
On-site provision	**2.00**
Affordable dwelllings taken as a commuted sum	**1.85**

3.9 The total number of affordable dwellings is taken from Table 1.1 (in this example 3.85 units). If any of the dwellings are to be provided on-site, the user enters the number of these in the pale cells, as in the above illustration (in the above example, 2 affordable units are to be provided on-site. If there are none on-site, enter 0 or leave this cell blank. In our example the CSC shows that 1.85 are to be provided as a commuted sum.

3.10 The Calculator can also be used where the user knows the number of dwellings for which a commuted sum is to be collected. In the above example, this would be 1.85 dwellings. In this case, the user completes tables 1.1 and 1.2 as follows:

Table 1.1	
Total Dwellings	**1.85**
% affordable housing	**100%**
Table 1.2	
Total number of affordable dwellings	**1.85**
On-site provision	
Affordable dwelllings taken as a commuted sum	**1.85**

3.11 **Table 1.3** (see below) – in the pale cells, the user enters the number of affordable units for the different tenures used in the CSC.

> ***Good practice tip 4:***
>
> ***It is acceptable to use the CSC on the basis of a small fraction of a house type; however, users should not enter the number of units to greater than two decimal points (as above). This will make the calculations easier to perform and understand.***

3.12 The tenures in the Calculator are:

- Affordable Rent
- Social Rent
- Shared Ownership
- Discount Market Sale (or equivalent)
- Other

3.13 The 'Other' category is where the user has identified a tenure that is different from the other four tenures available in the Calculator. If you are unsure or require a bespoke tenure not found in the CSC, please contact the Authority in the first instance.

> ***Good practice tip 5:***
>
> ***Any tenure that is simply a discount on full market value (without any repayment requirements on the discount) can be treated as if it were Discount Market Sale.***

3.14 A completed **Table 1.3** is illustrated below, again for the scheme with 1.85 units as affordable dwellings taken as a commuted sum.

Table 1.3	
	User Values
Affordable Rent	**1.00**
Social Rent	**0.60**
Shared Ownership	**0.25**
Discount Market Sale	
Other	

3.15 If the number of units does not add to the correct number, there will be a **'warning'** sign. An example is shown below in red.

Table 1.3	
	User Values
Affordable Rent	**1.00**
Social Rent	**2.00**
Shared Ownership	**0.25**
Discount Market Sale	
Other	
Warning User Defined number does not match total	

Good practice tip 6:

In cases where there is both on-site provision of affordable housing and a financial contribution for the balance of the requirement, the mix of tenure types entered into Table 1.3, should follow that of the on-site provision

In cases where there is no scheme-specific information available (or any other guidance to refer to), as a fall-back, users should distribute the affordable housing on the following basis:

- ***one third Social Rent***
- ***one third Affordable Rent***
- ***one third Shared ownership***

3.16 **Table 1.4** identifies the dwelling types available in the CSC and the floor area (NIA) of the affordable dwellings in a scheme for each dwelling type. NIA (net internal area) is the area that is 'sold' – for houses NIA and GIA (gross internal area) are the same – for flats the GIA will be greater than the NIA as it includes circulation and plant area.

Table 1.4

			Dwelling Sqm	
			Default	User Values
Flats		1 bed	50.00	
		2 bed	61.00	
		3 bed	74.00	
		4 bed	99.00	
Houses	Semi	2 bed	79.00	
	Semi	3 bed	93.00	
	Semi	4 bed	106.00	
	Terraced	2 bed	79.00	
	Terraced	3 bed	93.00	
	Terraced	4 bed	106.00	
	Detached	3 bed	93.00	
	Detached	4 bed	106.00	
	Detached	5 bed	119.00	
	Bungalow	1 bed	50.00	

3.17 The affordable dwelling types including the number of bedrooms, can be changed with the use of drop-down lists in the yellow cells. For instance, in the following example the 2 bed flats could be changed to any of 1 to 5 beds. There are 4 available flat types and 10 available house types (including a bungalow).

Table 1.4				
			Dwelling Sqm	
			Default	User Values
Flats		1 bed	50.00	
		2 bed	61.00	
		3 bed	74.00	
		4 bed	99.00	
Houses	Semi	2 bed	79.00	
	Semi	3 bed	93.00	
	Semi	4 bed	106.00	
	Terraced	2 bed	79.00	
	Terraced	3 bed	93.00	
	Terraced	4 bed	106.00	
	Detached	3 bed	93.00	
	Detached	4 bed	106.00	
	Detached	5 bed	119.00	
	Bungalow	1 bed	50.00	

1 bed
2 bed
3 bed
4 bed
5 bed

3.18 The grey column provides 'default' dwelling sizes based on Nationally Described Space Standards and reflecting views of local stakeholders sought in the summer of 2026. The user is able to change the size of the flats or houses by entering their own dwelling size in the pale orange cells in the column labelled 'User Values'. Any value entered in the 'user values' in the pale orange cells will over-ride the default values and will be used in the calculation of the commuted sums. In the following illustration, the user wants to use a 90 sq m two bed semi and in this example has inputted the over-ride in place of the default assumption of 79 sqm.

Table 1.4				
			Dwelling Sqm	
			Default	User Values
Flats		1 bed	50.00	
		2 bed	61.00	
		3 bed	74.00	
		4 bed	99.00	
Houses	Semi	2 bed	79.00	90.00
	Semi	3 bed	93.00	
	Semi	4 bed	106.00	
	Terraced	2 bed	79.00	
	Terraced	3 bed	93.00	
	Terraced	4 bed	106.00	
	Detached	3 bed	93.00	
	Detached	4 bed	106.00	
	Detached	5 bed	119.00	
	Bungalow	1 bed	50.00	

3.19 Once **Table 1.4** is completed, the user must then allocate each dwelling (or portion of dwelling) into the different tenures set out in **Table 1.5**, as in the following example.

Table 1.4

			Dwelling Sqm	
			Default	User Values
Flats		1 bed	50.00	
		2 bed	61.00	
		3 bed	74.00	
		4 bed	99.00	
Houses	Semi	2 bed	79.00	90.00
	Semi	3 bed	93.00	
	Semi	4 bed	106.00	
	Terraced	2 bed	79.00	
	Terraced	3 bed	93.00	
	Terraced	4 bed	106.00	
	Detached	3 bed	93.00	
	Detached	4 bed	106.00	
	Detached	5 bed	119.00	
	Bungalow	1 bed	50.00	

Table 1.5

Affordable Rent	Social Rent	Shared Ownership	Discount Market Sale	Other	
1.00					
	0.60				
		0.25			
1.00	0.60	0.25	0.00	0.00	Total
1.00	0.60	0.25	0.00	0.00	Required

3.20 In this example the user is modelling:

- One 1 bed flat of 50 sq m – as Affordable Rent
- 0.6 of a 3 bed flat at 74 sq m – Social Rent
- 0.25 of a 2 bed semi at 90 sq m – Shared Ownership

Good practice tip 7:

Keep the splits as simple as possible and do not exceed 2 decimal places as this will make the calculation more complicated and prone to error

Where a financial contribution only is being sought and the user has no information to guide data to enter into Table 1.4, as a fall-back use the 2bed (terrace) house at 79 sq m. The tenure mix will have been identified in Table 1.3 and the user should enter all affordable units as a 2bed terrace of 79 sq m.

3.21 There are two lines at the bottom of **Table 1.5**. The first calculates the total amount of dwellings that the user has allocated to each tenure. The second gives an indication of the number of units that it is expecting is 'required' based on the data that the user input into **Table 1.3**. If the total number of units in any tenure does not sum to the required number (as shown in **Table 1.3**) a **red 'warning light'** appears at the foot of the table.

Table 1.4

			Dwelling Sqm	
			Default	User Values
Flats		1 bed	50.00	
		2 bed	61.00	
		3 bed	74.00	
		4 bed	99.00	
Houses	Semi	2 bed	79.00	90.00
	Semi	3 bed	93.00	
	Semi	4 bed	106.00	
	Terraced	2 bed	79.00	
	Terraced	3 bed	93.00	
	Terraced	4 bed	106.00	
	Detached	3 bed	93.00	
	Detached	4 bed	106.00	
	Detached	5 bed	119.00	
	Bungalow	1 bed	50.00	

Table 1.5

Affordable Rent	Social Rent	Shared Ownership	Discount Market Sale	Other	
1.00					
	2.00				
		0.25			
1.00	2.00	0.25	0.00	0.00	Total
1.00	0.60	0.25	0.00	0.00	Required

Good practice tip 8:

The unit type and number of each tenure should have already been agreed as part of the application but if this has not been stated then use the latest version of the HNA

Good practice tip 9:

There may be situations where a proposed scheme is for a number of large (detached) market dwellings but the affordable housing requirement is for smaller homes e.g. 2 or three bed terrace housing. If the scheme is acceptable in other terms and the Authority is prepared to accept a commuted sum for all or some of the affordable units, the commuted sum shown in the CSC (because of the significant difference between the value of a large market unit and a small affordable home) may be of such a scale that there is evidence that the scheme would be unviable. If the Authority is sympathetic to this case, an option would be for the commuted sum to be based on a notional 3 bed market house, with the affordable units based on the best available evidence of the affordable housing requirement for the site. Evidence supporting this approach is found in the 2019 SHMA at Table 5.3.

3.22 When tables 1.1 to 1.5 are completed, the user should move to Tab 2 – Market Values.

'Tab 2' Market Values

3.23 The user is required to select the 'value area' of the National Park that the development falls in from the dropdown cells highlighted in yellow in Table 2.1.

Table 2.1		
Select a value area from the dropdown list	South East	
	Flats	Houses
£ per sqm	£2,910	£3,937
Select a local authority from the dropdown list	Lancaster	
HPI (February 2026)	103.1	
Latest HPI		

3.24 The CSC provides the user with different options for calculating the market values.

3.25 The CSC has a set of default market values shown in the grey cells in Table 2.1. These are derived from the council's Economic Viability Assessment and are based on February 2026 figures. These generate a set of 'Default' values in the Table 2.2, which are a calculated figure that multiplies together the value per sq m shown in Table 2.1 and the dwelling size set out previously in Table 1.4. If the user does nothing further at Tab 2, these are the values that will be used by the CSC for each dwelling that the user has specified as part of the mix in Table **1.5**.

3.26 However, the user also has the option to re-index the default values from February 2026 to a later date. This can be done by amending the House Price Index (HPI) figure in the cell as shown below. Appendix 3 has a detailed guidance about how to find and update the HPI figure. The HPI is at local authority level so the user will need to take care when selecting the HPI that corresponds with the correct location of the development.

Table 2.1		
Select a value area from the dropdown list	South East	
	Flats	Houses
£ per sqm	£2,910	£3,937
Select a local authority from the dropdown list	Lancaster	
HPI (February 2026)	103.1	
Latest HPI	120	

3.27 Alternatively, if the user has information about actual market values for the scheme, the user can over-ride the calculated figures in the grey 'Default' column by entering the market value in the pale orange cells in the column called 'User Values' in **Table 2.2**.

Good practice tip 10:

It can be a useful check to compare the calculated market values using the £/ sq m values in Table 2.1 and dwelling sizes from Table 1.4 with values provided by a scheme's promoter.

Table 2.2

			Market Value	
			Default	User Values
Flats		1 bed	£145,500	
		2 bed	£177,510	
		3 bed	£215,340	
		4 bed	£288,090	
House	Semi	2 bed	£354,330	
	Semi	3 bed	£366,141	
	Semi	4 bed	£417,322	
	Terraced	2 bed	£311,023	
	Terraced	3 bed	£366,141	
	Terraced	4 bed	£417,322	
	Detached	3 bed	£366,141	
	Detached	4 bed	£417,322	
	Detached	5 bed	£468,503	
	Bungalow	1 bed	£196,850	

3.28 The user only has to put in values for the types of units selected in **Table 1.5**, all others can be left blank as they will not form part of the calculation.

Other cost adjustments

3.29 **Table 2.3** – the CSC is not producing a residual value (i.e. taking into account both costs and values in a scheme), it is a **best estimate of** the relative **value** of affordable housing to inform the Commuted Sum required. However, the CSC does make some cost adjustments to take into account the major differences in cost between market and affordable housing. These relate to return and marketing costs.

In **Table 2.3**, the default figures in the grey cells are drawn from the Yorkshire Dales National Park Authority Economic Viability Assessment. However, the user can override these figures by entering their own values in the pale orange cells in the column called 'User Defined'

Table 2.3		
	Default	User Defined
Developer Return (Open Market)	17.50%	
Contractor Return (Discount Market Sale)	10.00%	
Contractor Return (Affordable)	6.00%	
Marketing Fees	3.00%	

3.30 **Table 2.4** is for the user to enter the relevant CIL rate per sq m that would apply to the selected dwellings in **Table 1.4/1.5**, as if they were standard market dwellings. At the time of writing, Yorkshire Dales does not have a CIL so this should be left blank. Should this change in the future, then the current CIL rate for houses and flats should be included in this table.

Table 2.4	
	User Defined
CIL Rate per sqm (House)	
CIL Rate per sqm (Flat)	

3.31 In calculating the commuted sum, the Calculator takes a strict view of the equivalence principle. The Calculator assumes that, were the affordable housing provided on-site, the affordable units would be exempt from CIL and therefore the total levy would be reduced accordingly. The Calculator therefore 'allows' for the reduced levy that is foregone and deducts it from the commuted sum that is to be paid.

3.32 When **Tables 2.1** to **2.4** are completed, the user should move to Tab 3 Affordable Housing (AH) Values.

'Tab 3' Affordable Housing (AH) Values

3.33 **Table 3.1** sets out three ways in which the CSC calculates affordable housing revenue. The user can select different ways for different tenures using the drop-down boxes in the yellow cells in **Table 3.1.**

> ***Good practice tip 11:***
>
> ***The method of calculation used in this CSC for affordable housing revenue will be whatever has been selected in Table 3.1 regardless of what assumptions are entered into Table 3.2 to 3.4.***

Table 3.1	
	Method of Calculation
Affordable Rent	**% of Open Market Value**
Social Rent	**Capitalised Value**
Shared Ownership	**User defined**
Discount Market Sale	**% of Open Market Value**
Other	**User defined**

3.34 The three options for calculating affordable housing revenue (or the transfer value) are:

- Option 1 - as a percentage of the Market Value – the market value is taken from **Table 2.2** and the percentage used taken from **Table 3.2** (see below).
- Option 2 - Capitalised value (not to be used for Discount Market Sale or equivalent)
    - For Social and Affordable Rent - calculated as the amount that can be borrowed against the net rent
    - For Shared Ownership – calculated as the sum of the bought percentage of the open market value and the amount that can be borrowed against the rent on the unbought share
- Option 3 - User defined. Where the user has a known value for the affordable housing, they should use the 'User defined' box in the drop-down list then complete **Table 3.4**

3.35 If the user is uncertain which option is the most appropriate, it is recommended to use the Capitalised Value (Option2).

3.36 **Option 1 - Table 3.2** should be completed when the user specifies that the value for a tenure is to be calculated on the basis of a percentage of open market value.

> ***Good practice tip 12:***
>
> ***Note that only a percentage of market value can be entered in this table and is important to keep as simple as possible, preferably using whole numbers but no more than 2 decimal places to make calculations simple to understand.***
>
> ***With use of option 1, it is good practice to check the percentages with locally active registered providers and the housing team of the relevant district council (as housing authority) on an annual basis.***

3.37 The grey cells in the column called 'Default' are percentages drawn from the Economic Viability Assessment. Alternatively, the user can over-ride these with different percentages entered into pale orange cells in the right-hand column as seen below.

Table 3.2 (% of Open Market Value)		
	Default	**User Defined**
Affordable Rent	**34.0%**	
Social Rent	**25.0%**	
Shared Ownership	**73.0%**	
Discount Market Sale	**70.0%**	
Other	**80.0%**	

3.38 **Option 2 - Table 3.3** sets out the data used by the CSC to calculate a capitalised value. It has a number of elements with the option for the user to over-ride the default values in the CSC (shown in the grey cells) by entering their own values in the pale orange cells in the column called 'User Defined' and the dropdown list in the yellow cell.

Table 3.3 (Capitalised Value)				
LHA rates			Bradford & South Dales BRMA	User Defined
		1 bed	£103.56	
		2 bed	£120.82	
		3 bed	£146.14	
		4+ bed	£172.60	
			Default	User Defined
Social Rent	% of total LHA rate		75%	
Affordable Rent & Social Rent	Manage/maintenance costs pa		£1,250	
	Repairs reserve		£600	
	Voids & bad debts		2.50%	
	Capitalisation rate		4.50%	
Affordable Rent	Flats service charge (pw)		£10	
	House service charge (pw)		£10	
Shared Ownership	Average % purchased		35%	
	Rental on unbought share		2.50%	
	Capitalisation rate		4.50%	
	Repairs Reserve		£4,000	

3.39 Each part of **Table 3.3** is described in turn:

3.40 **BRMA** – in the yellow box the user needs to select the BRMA area in which the proposed development is located - this generates the rents set out in the grey default cells. Rents vary by number of bedrooms – see Appendix 3 for further details.

Table 3.3 (Capitalised Value)			
LHA rates		Bradford & South Dales BRMA	User Defined
	1 bed	£103.56	
	2 bed	£120.82	
	3 bed	£146.14	
	4+ bed	£172.60	

3.41 The CSC assumes that the LHA rate (selected by choosing the BRMA area) is the rate for Affordable Rent (if that tenure is selected). For Social Rent (if selected) the CSC assumes this to

be at 75% of the LHA rent. Alternatively, the user can over-ride the BRMA rates by entering rent figures in the pale orange cells in the column called 'User Defined'.

Good practice tip 13:

Recent evidence indicates that social rents are running at a higher percentage than the 75% default shown in the CSC but with no single alternative percentage available as a default. It is therefore strongly recommended that checks are made with the relevant housing authority and/or active registered provider to secure up to date Social Rents for use in the CSC.

The other defaults:

3.42 The default values are based on the Economic Viability Assessment of 2025, updated in consultation with local stakeholders in summer 2026. If not appropriate, alternative figures can be entered into the user defined column to the right of the default in the pale orange cells. Please see Appendix 3 for further details regarding the default figures.

		Default	User Defined
Social Rent	% of total LHA rate	75%	
Affordable Rent & Social Rent	Manage/maintenance costs pa	£1,250	
	Repairs reserve	£600	
	Voids & bad debts	2.50%	
	Capitalisation rate	4.50%	
Affordable Rent	Flats service charge (pw)	£10	
	House service charge (pw)	£10	
Shared Ownership	Average % purchased	35%	
	Rental on unbought share	2.50%	
	Capitalisation rate	4.50%	
	Repairs Reserve	£4,000	

3.43 **Option 3** - should the user not want to use either the % of open market as in **Table 3.2** or the capitalised value approach shown in **Table 3.3**, the user can enter in total per unit figures in **Table 3.4**. Note that this requires a per £/unit figure, and not the total amount. For instance, in the example below, the user has entered a value for **each** 2 bed affordable flat of £80,000.

Table 3.4 (User Defined values - enter in the total amount per unit)							
			Affordable Rent	Social Rent	Shared Ownership	Discount Market Sale	Other
Flats		1 bed					
		2 bed	£80,000				
		3 bed					
		4 bed					
Houses	Semi	2 bed					
	Semi	3 bed					
	Semi	4 bed					
	Terraced	2 bed					
	Terraced	3 bed					
	Terraced	4 bed					
	Detached	3 bed					
	Detached	4 bed					
	Detached	5 bed					
	Bungalow	1 bed					

Arriving at a final value

3.44 With all the information entered into the CSC, the total commuted sum payable is shown at the top of the page, as set out below (and shown on each page of the CSC). Please remember to 'save as' your final version.

Total Commuted sum
£0

Appendix 1 Calculation of the commuted sum

i. The revenue from a scheme varies with the amount of affordable housing and reduces as the proportion of affordable housing increases. This relationship is also affected by the type of affordable housing in a scheme (e.g. social rent versus shared ownership etc). The costs of building a market unit and an affordable unit are similar (for the same type and size of unit). Build costs, fees and the cost of finance do not differ significantly. However, market housing has additional costs (return, marketing & CIL) that do not apply to affordable housing.

ii. Using the above principles, the commuted sum calculation is as follows:

Steps in calculation	**Abbreviations**
CS = RV (M) – RV (AH)	CS = commuted sum RV (M) =residual value market housing RV (AH) = residual value affordable housing
RV (M)= Rev (M) – C (M)	RV (M) = residual value market housing Rev (M) = revenue for market housing C (M) = costs of market housing
C (M) = Basic costs + DR% + Marketing%	C (M) = costs of market housing Basic costs = costs of building, fees and interest DR% = developer return as % revenue Marketing % = marketing fee as % revenue
RV (AH)= Rev (AH) – C (AH)	RV (AH) = residual value affordable housing Rev (AH) = revenue for affordable housing C (AH) = costs of affordable housing
C (AH) = Basic costs	C (AH) = costs of affordable housing Basic costs = costs of building, fees and interest (Note – Basic costs are same for market and affordable housing for same type /size of unit)

So that the out-turn commuted sum is calculated as follows:
CS = ((Rev(M)- (Basic costs +DR% + Marketing %))-((Rev (AH%)- Basic costs))
CS = Rev(M)- (DR% + Marketing %) - Rev(AH)

Appendix 2 Licence agreement

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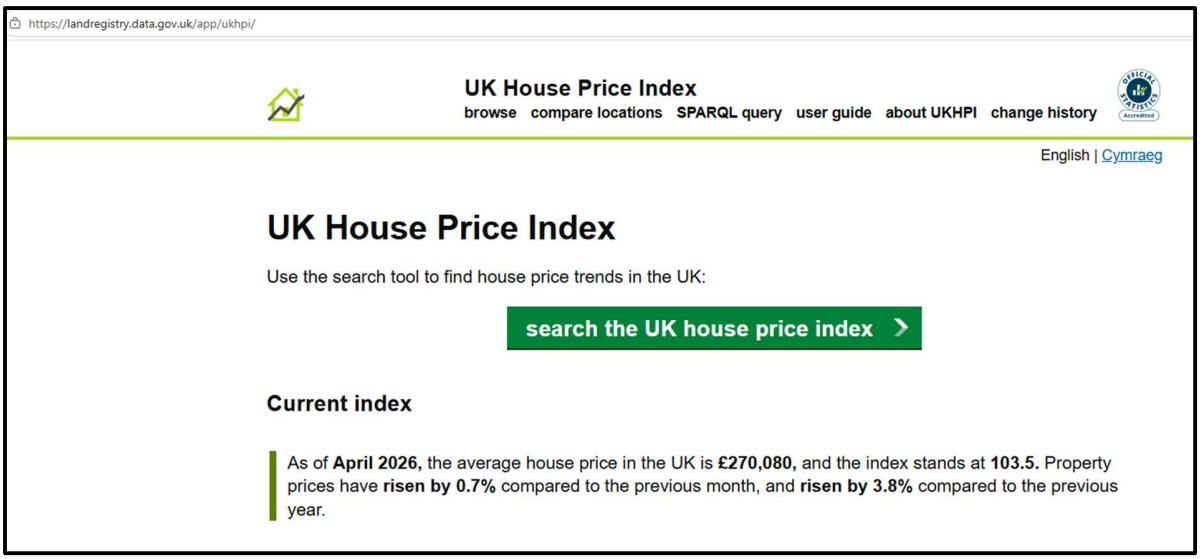
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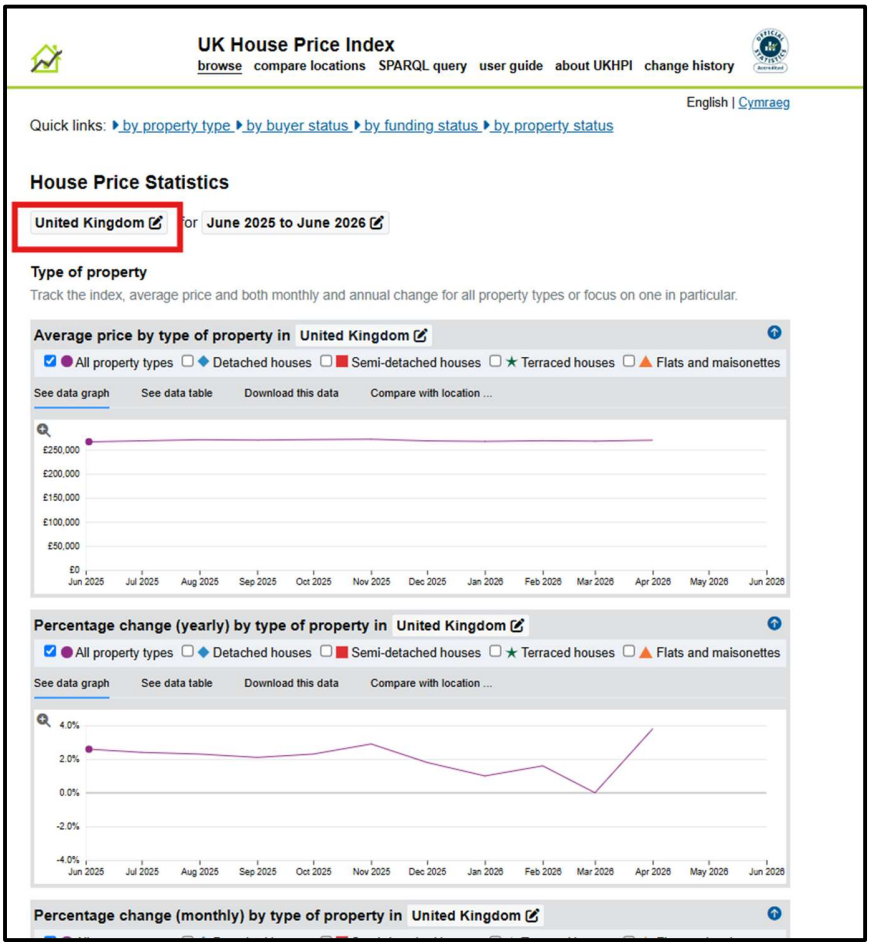
Appendix 3 HPI, LHA rates & AH capitalisation

House price index

i. The £s per sq m values are based on values within the 2025 Economic Viability Assessment and uprated to values as February 2026 using the House Price Index (HPI) published monthly by Land registry (https://landregistry.data.gov.uk/app/ukhpi). The user can uprate the index further by following the link and selecting 'Seach the UK house price index as shown in the page below. It is recommended that this is reviewed each time you use this option.



ii. Land Registry data will have a default to the 'United Kingdom' as shown below.



iii. By clicking on United Kingdom (highlighted in red box), then the user is able to change this to show one of the local authorities that comprise the Yorkshire Dales National Park instead. For instance, Westmorland and Furness is shown below.

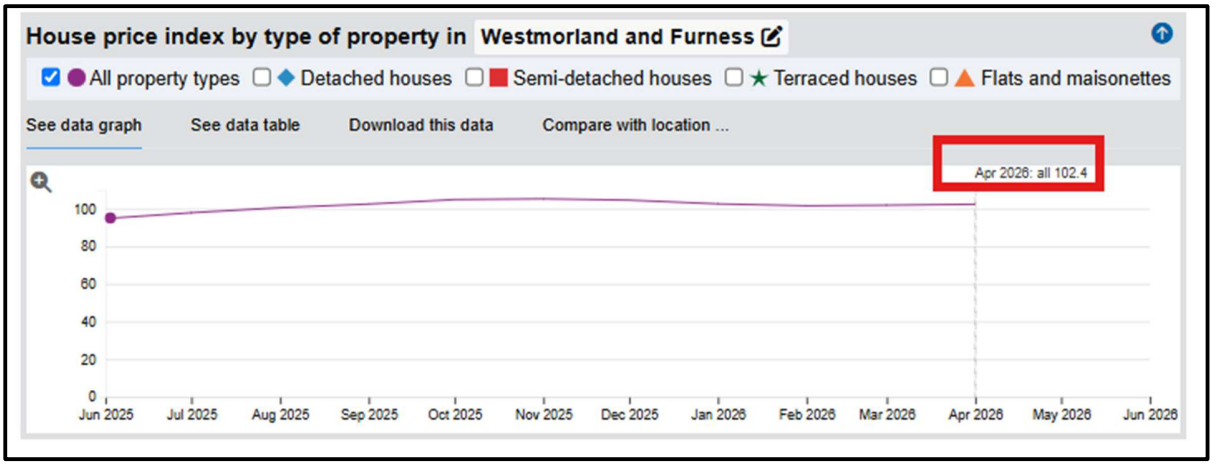


iv. The HPI data is therefore shown in the table marked ‘House price index by property in Westmorland and Furness’– and is the fourth table down on the page, as shown below.

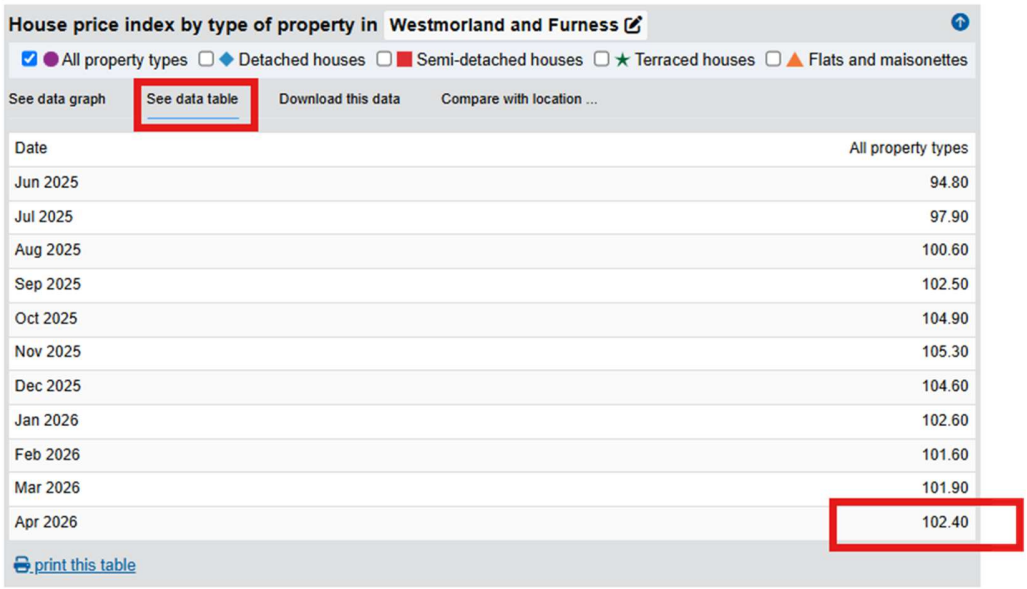


v. The data shows how house prices change over a time period, and the website will automatically default to “All property types”, shown in the data graph as the purple line. The “All property type” figure is the figure used by the calculator so there is no need to change this, or include any of the other housing types.

vi. In Land Registry there is often a lag of around three months from when these indexes are published, so it is unlikely you will find an index for precisely ‘todays’ month. For the purposes of the Calculator, the latest index is acceptable. This can be found by hovering the cursor over the latest date recorded. At the time ofwriting (July 2026) the latest index is April 2026, which shows an index of 102.4.



vii. An alternative way of getting this data is to select ‘See data table’, and then select the index at the bottom of the table, which will be the latest figure.



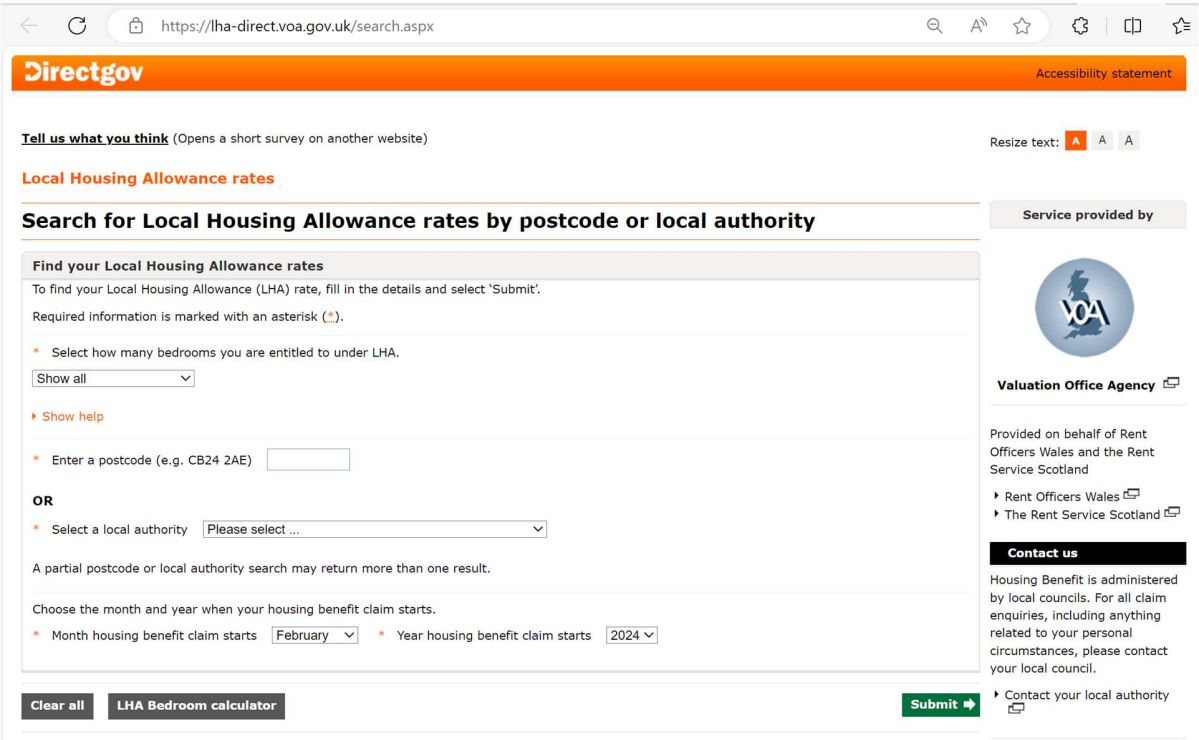
viii. The latest index (in this instance 102.4) can be entered into the green cell labelled ‘Latest HPI’. The effect of using a different HPI figure rebases all of the grey, default market values in **Table 2.2** of the calculator.

Local Housing Allowance

ix. Local Housing Allowance (LHA) rates are based on private market rents being paid by tenants in a Broad Rental Market Area (BRMA) and can be found at https://lha-direct.voa.gov.uk/search.aspx .

x. Yorkshire Dales National Park is covered by the following BRMA's: Bradford & South Dales, Richmond & Hambleton, Kendal, Lancaster & North Cumbria; and the above website provides maps to show the boundaries of the BRMAs.

xi. It is good practice to enter the postcode for a scheme to ensure the correct BRMA values are being used.



xii. The Calculator includes default values for the four BRMA's as of July 2026, however it is possible that these may change in future years. LHA rates are provided for shared accommodation, and for one-, two-, three-and four-bedroom properties – with no distinction between flats and houses.

Affordable housing capitalisation approach

xiii. For both affordable and social rent there are a number of costs to be deducted from the gross rent to determine the net annual rent for a property. These are:

- Management/maintenance costs pa
- Repairs reserve
- Void and bad debts.

xiv. The Capitalisation Rate is the assumed rate at which the provider of the affordable housing (typically a housing association) can borrow against the net rent it receives. The default value is based on the published annual reports of housing associations operating in and around The National Park.

xv. For Affordable Rent only, an allowance is made for service charges and also deducted from the gross rent. There are different service charges for flats and houses. The default values are based on custom and practice.

xvi. For shared ownership only, the Calculator uses data for

- Average % purchased
- Rental on unbought share
- Capitalisation rate
- Repairs Reserve

xvii. The default values are based on custom and practice.