

AFFORDABLE HOUSING PROVISION: IMPLEMENTATION OF POLICY CS12 FOLLOWING THE INTRODUCTION OF NEW NATIONAL AFFORDABLE HOUSING THRESHOLD AND VACANT BUILDING CREDIT.

When and how much affordable housing is required?

On 19th May 2016 the Government published revisions to the National Planning Practice Guidance (NPPG) [national planning practice guidance](#) following a Court of Appeal decision on the 11th May 2016 regarding affordable housing contributions for small housing sites to the effect that only developments of over 10 dwellings, or more than 1,000 square metres of gross floorspace, would be liable for affordable housing contributions through Section 106 agreements. The Government considers that this will assist in the delivery of housing on small-scale sites and previously developed (brownfield) land.

In addition, a “vacant building credit” is also available to developers to incentivise them to bring back into use vacant buildings. This applies where vacant buildings are proposed to be brought back into lawful use or demolished and redeveloped. This does not apply to buildings which have been abandoned (see definitions of vacant and abandoned buildings below). As a result of these changes, the following provides guidance on how Woking Core Strategy Policy CS12 will be implemented by the Council in light of the new affordable housing threshold and how the Council will apply the vacant building credit.

Affordable Housing Provision

In taking account of the change to the NPPG as a material consideration, the Council will no longer require affordable housing or affordable housing financial contributions for sites of less than 11 dwellings unless more than 1,000 square metres of new gross internal floorspace is proposed.

- Where more than 1,000 sq.m gross floorspace is proposed for sites of less than 11 units, the Council will require affordable housing provision or a contribution in line with Policy CS12:
 - an equivalent financial contribution to 10% of the units being affordable where a scheme proposes 1-4 net additional dwellings;
 - 20% of the units to be affordable or an equivalent financial contribution (to be determined on a case by case basis), to be made where a scheme proposes 5-9 net additional dwellings;
 - 30% of the units to be units to be affordable or an equivalent financial contribution to be made where a scheme proposes 10 net additional dwellings.
- On sites providing between 11 and 14 dwellings, the Council will require 30% of the dwellings to be affordable.
- On sites providing 15 or more dwellings the Council will require 40% of the dwellings to be affordable.
- On sites of over 0.5 ha where more than 10 dwellings or 1,000 sq.m gross floorspace is proposed, the Council will require 40% of the dwellings to be affordable.
- On greenfield sites and sites in public ownership, where the development is more than 10 dwellings or more than 1,000 square metres of gross floorspace, the Council will require 50% of the dwellings to be affordable.

All other parts of the adopted Policy CS12 will remain as before.

Please note that the implementation of the new national threshold for Affordable Housing contributions does not alter a development's liability to the Community Infrastructure Levy (CIL). The only impact in this sense will be a positive effect upon development viability of schemes of 10 or fewer dwellings or under 1,000 sq.m gross floorspace. For more information about CIL, see <http://www.woking.gov.uk/planning/service/contributions>

Vacant Building Credit

The Government (the Department for Communities and Local Government) has introduced a "vacant building credit" in an update to the [national planning practice guidance](#) (NPPG) in May 2016. This credit applies where vacant buildings are proposed to be brought back into lawful use or demolished and redeveloped. This does not apply to buildings which have been abandoned.

The NPPG states:

"National policy provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.

What is the process for determining the vacant building credit?

Where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing contributions required from the development as set out in their Local Plan. A 'credit' should then be applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided.

The existing floorspace of a vacant building should be credited against the floorspace of the new development. For example, where a building with a gross floorspace of 8,000 square metre building is demolished as part of a proposed development with a gross floorspace of 10,000 square metres, any affordable housing contribution should be a fifth of what would normally be sought."

The NPPG gives guidance to local planning authorities applying the vacant building credit:

"The policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and redundant buildings. In considering how the vacant building credit should apply to a particular development, local planning authorities should have regard to the intention of national policy.

In doing so, it may be appropriate for authorities to consider:

- Whether the building has been made vacant for the sole purpose of redevelopment.
- Whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development".

As a result of these changes, the following provides guidance on how the Council will apply the vacant building credit.

Calculating the vacant building credit

The existing vacant gross internal area (GIA) of any buildings proposed to be brought back into lawful use or to be demolished and redeveloped, will be calculated as a percentage of the proposed total GIA, leaving the net increase in floorspace. The required percentage of affordable housing will then be applied only to the net increase in floorspace.

Where the 'vacant building credit' is applicable, it will be calculated as follows:

Existing vacant floorspace is **A** sq.m

Proposed total floorspace of new development is **B** sq.m

Net increase in floorspace (B – A) is **C** sq.m

Requirement under Core Strategy Policy CS12 Affordable Housing is **D** dwelling units

To apply the Vacant Building Credit to give a reduced Affordable Housing requirement (**E**):

$$\frac{\mathbf{C} \times \mathbf{D}}{\mathbf{B}} = \mathbf{E}$$

For clarity, a worked example is shown below:

Existing vacant floorspace is 300 sq.m (A)

Proposed total floorspace of a mixed use development providing 40 dwelling units is 2,400 sq.m (B)

Net increase in floorspace (2,400 sq.m. - 300 sq.m) is 2,100 sq.m (C)

Requirement under Core Strategy Policy CS12 Affordable Housing is 16 dwelling units (D)¹

To apply the Vacant Building Credit to give a reduced Affordable Housing requirement (E):

$$\frac{2,100 \text{ (C)} \times 16 \text{ (D)}}{2,400 \text{ (B)}} = 14 \text{ Affordable Homes (E)}$$

Please note that the onus will be on the Applicant to demonstrate to the satisfaction of the Local Planning Authority a building's vacancy and to provide accurate GIA floorspace measurements.

¹ Policy CS12 requires a development of 40 dwellings to make 40% provision for Affordable Housing, which is 16 units.

Definitions

For the purposes of applying the vacant building credit, the following definitions will apply:

Existing building – a permanent structure with a roof and walls, which is present on the site during assessment of the planning application by the Local Planning Authority (the Council). This definition excludes open-sided structures and buildings into which people do not normally enter or only enter intermittently for the purposes of inspecting or maintaining fixed plant or machinery. No discount will be given for sites that have already been cleared of any such buildings, those in an advanced state of dereliction or to abandoned buildings.

Vacant – to be considered vacant, a building shall not have been in continuous use for a period of at least 6 months within the 3 years ending on the day the planning application is made valid. Council tax and rates records may provide evidence when determining if a building is vacant.

Abandoned – for the purposes of applying the vacant building credit, a building will be treated as ‘abandoned’ rather than ‘vacant’ where the lawful planning use of the building has been abandoned for a period of five years. Cessation of a use does not necessarily equate to abandonment.

Gross Internal Area (GIA) – the GIA is the area of a building measured to the internal face of the perimeter walls at each floor level. It includes:

- Areas occupied by internal walls and partitions
- Columns, piers, chimney breasts, stairwells, lift-wells, other internal projections, vertical ducts, and similar
- Atria and entrance halls, with clear height above, measured at base level only
- Internal open-sided balconies, walkways, and similar
- Structural, raked or stepped floors are property to be treated as a level floor measured horizontally
- Horizontal floors, with permanent access, below structural, raked or stepped floors
- Corridors of a permanent essential nature (e.g. fire corridors, smoke lobbies)
- Mezzanine floor areas with permanent access
- Lift rooms, plant rooms, fuel stores, tank rooms which are housed in a covered structure of a permanent nature, whether or not above the main roof level
- Service accommodation such as toilets, toilet lobbies, bathrooms, showers, changing rooms, cleaners' rooms, and similar
- Projection rooms
- Voids over stairwells and lift shafts on upper floors
- Loading bays
- Areas with a headroom of less than 1.5m
- Pavement vaults
- Garages
- Conservatories
- Basements

The GIA excludes:

- Perimeter wall thicknesses and external projections

- External open-sided balconies, covered ways and fire escapes
- Canopies
- Voids over or under structural, raked or stepped floors
- Domestic greenhouses, garden stores, fuel stores, and similar

This note clarifies guidance provided in Woking Borough Council's Affordable Housing delivery supplementary planning document (SPD) in light of national planning policy and guidance changes. The Affordable Housing Delivery SPD is available at:

<http://www.woking2027.info/supplementary/wwwoking2027infoaffordablehousingdeliveryspd>

If you have any questions, please contact Colin Hall, Housing Strategy and Enabling Officer, on 01483 743656 and by email colin.hall@woking.gov.uk, or the Planning Policy team on 01483 743477 and planning.policy@woking.gov.uk.

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