

Applying the new Affordable Housing Threshold and the reintroduction of Vacant Building Credit

Update to the Affordable Housing
Supplementary Planning Document

5 September 2016



Introduction

Policies CS16 (Affordable Housing) and CS17 (Rural Exception Schemes) of the adopted Core Strategy (2012) define the councils requirement for affordable housing. The Affordable Housing Supplementary Planning Document (November 2013) provides detailed guidance on delivery.

This policy update sets out the councils approach to seeking affordable housing contributions following revisions to the National Planning Policy Guidance (NPPG) and should be read in conjunction with the above referenced policies, available [here](http://www.n-somerset.gov.uk/my-services/planning-building-control/planningpolicy/). (<http://www.n-somerset.gov.uk/my-services/planning-building-control/planningpolicy/>).

Background

On the 28th November 2014 the NPPG was revised. The Government introduced a higher unit threshold where contributions for affordable housing could be sought. Furthermore, Vacant Building Credit (VBC) was introduced to aid redevelopment of brownfield sites by offering a mechanism which qualified developers to pay a reduced affordable housing contribution. These revisions were implemented with the aim of stimulating the development of smaller sites by removing the financial burden associated with s106 contributions.

However following a successful challenge by a number of local authorities these revisions were later quashed. A subsequent appeal against this decision was launched by the Department of Communities & Local Government (DCLG). DCLG were successful in their appeal and these revisions to the NPPG were reinstated on the 19 May 2016. Please see link to the changes [here](http://planningguidance.communities.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/). (<http://planningguidance.communities.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/>)

It is important for the council to incorporate the NPPG into local plans and policies, this promotes consistency and will guide development effectively.

Affordable Housing Requirement Threshold

The council will only be able to seek affordable housing contributions on sites of 11 units or more with the following exceptions;

Sites of 10 units or less with buildings that have a combined floor space of over 1000sqm.

Where this occurs 30% affordable housing provision will be required as set out within Policy CS16 of the Core Strategy. The onus will be on the applicant to show that the gross floor space is under 1000 sqm.

Sites of between 6 and 10 dwellings located within in a designated rural area

As under section 157(1) of the Housing Act 1985 (the Mendip Area of Outstanding Natural Beauty is the only area which qualifies in North Somerset). A financial contribution towards the provision of affordable housing will be sought as set out within Appendix 4 of the Affordable Housing SPD 2013.

Historical applications

Applications for full or outline planning consent consisting of 10 units or less submitted on or after 28th November 2014 that do not have a resolution to approve will not be required to provide an affordable housing contribution (unless the application falls under the exceptions set above).

The reintroduction of Vacant Building Credit

VBC was introduced with the aim of stimulating the development of vacant buildings on brownfield sites. VBC will try to achieve this by offering developers a financial credit based on the existing gross internal floor area of the vacant building on the development site. This will not apply to a building that has been deemed abandoned.

A VBC Statement must be submitted alongside a planning application in order to seek reduced affordable housing contributions.

Within this statement the developer will need to submit the following information:

- Evidence that any referenced building is a 'Vacant Building'. A 'Vacant Building' is a building (refer to the Town and County Planning Act 1990) that has not been in continuous use for any six month period during the last three years.
- Evidence a building on site is not an 'Abandoned Building' or vacated solely for the purpose of redevelopment. The onus will be on the applicant to demonstrate this. The four factors the council will take into account are:
 - i) The physical condition of the building;
 - ii) The length of time that the building had not been used;
 - iii) Whether it had been used for any other purposes; and
 - iv) The owner's intentions.

- Information on the existing Gross Internal Floor Area (GIFA) against the proposed GIFA. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level. The Royal Institution of Chartered Surveyors (RICS) definition of GIFA will be used for the purpose of assessing VBC. See link to the RICS website for further information [here](http://www.rics.org/uk/knowledge/bcis/about-bcis/forms-and-documents/gross-internal-floor-area-gifa-and-ipms-for-offices). (<http://www.rics.org/uk/knowledge/bcis/about-bcis/forms-and-documents/gross-internal-floor-area-gifa-and-ipms-for-offices>).

If we deem VBC applicable to the proposed site, the information on floor space will inform the level of affordable housing contributions.

Worked example of Vacant Building Credit Calculation

A development is proposed on the site of a vacant building for a total of 40 units. CS16 of the Core Strategy requires 30% affordable housing which equates to 12 on-site affordable homes.

- 1) Calculate the increased GIFA:

$$\begin{array}{r} \text{Proposed internal area:} \quad 20,000 \text{ sqm} \\ - \text{Existing internal area:} \quad 10,000 \text{ sqm} \\ \hline = \text{Increase in internal area:} \quad 10,000 \text{ sqm} \end{array}$$

- 2) Use the following formula to calculate the affordable housing contribution

Increase in internal area (10,000 sqm)/Proposed internal area (20,000 sqm)
X affordable housing contribution (12 units out of 40 total) =

$$\frac{(10,000 \text{ sqm} / 20,000 \text{ sqm}) \times 12}{1} = 6$$

This will give a total six affordable housing units onsite.

If the council deems VBC applicable to a site, there will be a reduced affordable housing contribution based on the existing floorspace of the Vacant Building. In this circumstance the council will continue to seek an onsite contribution or where appropriate a financial contribution in lieu of onsite affordable housing, based on Appendix 4 of the Affordable Housing SPD 2013 (or its successor document).