

## INFORMATIVE NOTE

### National Planning Practice Guidance: Affordable housing delivery and the Vacant Building Credit

#### Introduction

National Planning Policy Guidance (NPPG) [Planning Obligations](#) amends national policy to allow some circumstances where small scale and self-build developments are no longer required to make contributions of affordable housing or tariff-style obligations towards the provision of general infrastructure. Some on-site planning obligations may still be required to make a development acceptable in planning terms, such as improving road access and the provision of adequate street lighting (Planning obligations: paragraph 020). The NPPG also introduces the Vacant Building Credit.

The main amendments to national policy are as follows:

- Developments of 10 units or fewer **and** with a combined gross floorspace of no more than 1000m<sup>2</sup> **will not be** required to make S106 contributions.
- In designated rural areas (see rural areas section below for definition) a lower threshold of 5 units or less applies, where no affordable housing or tariff style contributions can be sought.
- In designated rural areas, for developments of 6 - 10 units, only a cash payment is payable upon completion of units i.e. in circumstances where affordable housing is not to be delivered on site.
- Residential annexes and existing home extensions are exempt from affordable housing and tariff-style contributions.
- Rural Exception Sites are also excluded from having to make contributions.
- The Vacant Building Credit allows a reduction in affordable housing contributions proportional to the existing floorspace of an empty existing building which is to be demolished, replaced or brought back into use.

This note has been prepared in order to bring to your attention these changes and the implications on planning policy, which took effect on the 19<sup>th</sup> June 2016.

#### Background

National Planning Practice Guidance (NPPG): [Planning Obligations](#) was introduced by the Written Ministerial Statement of the 28<sup>th</sup> November 2014 and subsequent revisions were made in February and March 2015, which confirmed its status as national policy.

Following an application for a judicial review by Reading and West Berkshire Councils, which was heard in July 2015, the Court's judgement declared the publication as national policy to be unlawful and the relevant paragraphs were withdrawn from the NPPG. The Secretary of State appealed the judgement and in May 2016 the Court of Appeal allowed the appeal and the guidance was reinstated on the 19<sup>th</sup> June 2016.

#### Rural Areas

Rural areas, where the lower threshold may be applied, are defined in [Section 157\(1\) of the Housing Act 1985](#) as National Parks, Areas of Outstanding Natural Beauty (AONB) designated under section 82 of the Countryside and Rights of Way Act 2000 and an area designated by order of the Secretary of State as a rural area.

Areas identified as designated rural areas by order of the Secretary of State are set out in various statutory instruments made under s157(1) of the Housing Act 1985. A list of these rural areas has been provided by DCLG. **There are no rural areas in South Gloucestershire included in this list.**

South Gloucestershire has no National Parks but does contain rural parishes which are wholly or partly within the Cotswold AONB, where the lower threshold of 5 units or less applies, where no affordable housing or tariff style contributions can be sought. These include:

Parish Areas within the Cotswold AONB (Whole: W; Part: P; Majority: M):

- |   |                            |
|---|----------------------------|
| ▪ Acton Turville (W)                                | Hawkesbury (W)             |
| ▪ Badminton (W)                                     | Horton (P to east)         |
| ▪ Bitton (P, to the east)                           | Little Sodbury (P to east) |
| ▪ Cold Ashton (W)                                   | Marshfield (W)             |
| ▪ Dodington (P, to the east)                        | Sodbury (P to east)        |
| ▪ Doynton (P)                                       | Tormarton (W)              |
| ▪ Dyrham & Hinton<br>(Dyrham, M, Hinton, P to east) | Wick & Abson (small part)  |

Those 'part of parish' areas which **are not covered** by the AONB classification e.g. Bitton (part of parish is in the AONB) will be subject to the higher threshold of 10 or fewer dwellings rather than the lower 5 or fewer dwellings, before contributions will be sought.

Rural areas outside the Cotswolds AONB:

In these areas, the thresholds for the urban areas apply, i.e. developments of 10 units or fewer and with a combined gross floorspace of no more than 1000m<sup>2</sup> are not required to make S106 contributions, including for affordable housing.

### **Current Policy Position**

The Adopted Core Strategy (December 2013) at Policy CS18 currently requires all developments to provide 35% affordable housing on-site in urban areas of 10 dwellings or more or 0.33 hectares irrespective of the number of dwellings (except in rural areas where the threshold will be 5 or more dwellings or 0.20 hectares) unless economic viability is an issue for developers. The Adopted Affordable Housing and Extra Care Housing SPD (May 2014) also contains advice and direction on the implementation of Policy CS18 for the successful delivery of affordable housing in South Gloucestershire.

### **The Affordable Housing and Extra Care Housing SPD**

Paragraph 3.1 of the SPD provides further guidance on developments subject to the affordable housing requirement:

*'Policy CS18 requires 35% of housing provided on "all new housing developments" over certain thresholds to be affordable and to be provided on-site, normally without public subsidy, unless the developer can demonstrate that the affordable housing jeopardises the economic viability of the proposals (see paragraph 7.2)*

*In urban areas the council requires affordable housing as part of any development of 10 or more dwellings or residential site with a gross area of at least 0.33 ha, irrespective of the number of dwellings. Urban areas are defined by the Core Strategy to include the North Fringe of Bristol, the East Fringe of Bristol, Yate/Chipping Sodbury and Thornbury and the industrial area of Severnside (see Appendix 3).*

*The threshold for providing affordable housing in rural areas is 5 or more dwellings or a residential site with a gross area of at least 0.2 ha, irrespective of the number of dwellings.'*

## **Summary**

Policy CS18 is not replaced, as it is still part of the Adopted Development Plan for South Gloucestershire and continues to have some weight in decision making upon planning applications, in accordance with Section 38(6) of the Planning & Compulsory Purchase Act 2004.

The Strategic Housing Enabling team accepts, when consulted on residential planning applications, that there is a presumption in favour of the requirements of the NPPG: Planning Obligations, including the affordable housing thresholds, as set out above.

However, where an application relates to a scheme in a rural parish and there is recent evidence of a local need for affordable housing through, for example, a housing needs survey of that parish, the Strategic Housing Enabling Team may regard the Core Strategy policy CS18: Affordable Housing as having greater weight as a material planning consideration and will apply the threshold of 5 dwellings or above. An affordable housing contribution would be required in such a case.

**Strategic Housing Enabling Team**

**December 2017**