

Affordable Housing SPD

Amendments due to changed National Planning Policy Guidance

Introduction

Add new para 1.3a: *In November 2014 Government policy changed to introduce new thresholds for affordable housing provision and the SPD has been amended to take this into account.*

Purpose and Status

Add to end of para 1.6: *and revised on xxxx 2015.*

National Planning Context

Delete paras 2.1 – 2.4 and replace with:

2.1 *Government policy on affordable housing is set out in the National Planning Policy Framework (NPPF) supported by National Planning Policy Guidance (NPPG)..*

2.2 *On 28 November 2014 the Government amended the NPPG to introduce new minimum thresholds for affordable housing provision. These are:*

- *In most areas contributions to affordable housing should not be sought in developments of 10 units or less provided the development is also less than 1,000 sq m or less.*
- *In designated rural areas affordable housing should not be sought in developments of 5 units or less (In Sevenoaks designated rural areas correspond to Areas of Outstanding Natural Beauty). For developments of 6-10 units in designated rural areas only financial contributions may be sought.*

2.3 *The NPPG was also amended to introduce a “vacant building credit” to be deducted from the affordable housing requirement when vacant buildings are brought back into use or demolished as part of a scheme. The calculation of the vacant building credit is considered in section 5 below.*

2.4 *The Council recognises that its decisions need to be consistent with Government policy and it will not seek affordable housing contributions on developments below the new thresholds in the period they are in place.*

Local Planning Context

Add new para 2.7a at end of section: *Following the introduction of new minimum thresholds in the NPPG the requirements for on site provision and financial contributions will not apply to developments below the new thresholds. For developments above the new thresholds Core Strategy policy will continue to apply. This includes developments of 10 units or less that exceed 1,000 sq m. For developments of 6-10 units that do not exceed 1,000 sq m in designated rural areas the requirement will be for a financial*

contribution based on the equivalent of 20% affordable housing (5-9 units) or 30% affordable housing (10 units).

Definitions

Delete para 3.1 -3.4 and replace with:

3.1 The NPPF defines affordable housing as follows:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.”

On Site Provision

Add new second sentence to para 5.1: *The policy will not be applied to developments below the NPPG threshold and the text below should be read with this qualification.*

After para 5.3 add new sub heading: *“Vacant Building Credit”*

5.3a Calculation of the affordable housing requirement may be affected by the vacant building credit introduced in the NPPG. Vacant building credit only applies in the following circumstances:

- There is a building in existence at the time the decision is made on the application. Buildings already demolished cannot count.*
- The building must be vacant at the time of the decision. Occupied or partly occupied buildings cannot count, neither can occupied buildings that are expected to become vacant.*

- *The building must be brought back into use or demolished as part of the development. Vacant buildings on a site that do not form part of the development proposal cannot count.*

5.3b *The NPPG states that the vacant building credit should be calculated by deducting the gross vacant building floorspace from the gross floorspace of the new development. Council policy calculates affordable housing requirement in numbers of units rather than floorspace and it will apply the vacant building credit as follows:*

1. *Subtract the qualifying gross vacant floorspace from the gross proposed floorspace to obtain the net increase in floorspace of the development.*
2. *Divide the net change in floorspace by the proposed floorspace to establish the net floorspace change as a proportion of the total proposed.*
3. *Establish the affordable housing requirement in units for the development based on Core Strategy policy and the SPD.*
4. *Multiply the affordable housing requirement by the net floorspace proportion to establish a revised requirement in terms of numbers of units.*

5.3c *For example if the development is for 90 units with a gross floorspace of 8,000 sq m and the existing qualifying vacant floorspace is 2,000 sq m then the calculation is as follows:*

1. *The net change in floorspace is 6,000 sq m (8,000 – 2,000)*
2. *The net change is 75% of the gross floorspace proposed (6,000/8,000)*
3. *The original affordable housing requirement is 36 units (40% of 90)*
4. *The new requirement is 27 units (75% of 36)*

5.3d *In developments where the original affordable housing requirement is in the form of a financial contribution the calculation is similar except that the original requirement in step 3 will be a sum of money calculated following the methodology in section 6 below which will be multiplied by the net floorspace proportion to get a revised financial requirement.*

5.3e *In all cases where vacant building credit is sought the applicant will need to provide evidence that the building meets the vacancy test, provide details of the floorspace of the proposed development and the vacant building and a calculation of the revised requirement following the approach above.*

Add new sub heading “Other Matters” before para 5.4

Off Site Provision

Add new second sentence to para 6.1: *The policy will not be applied to developments below the NPPG threshold and the text below should be read with this qualification.*

Amend sub heading before para 6.4 to delete “for less than 5 units”

Development Viability

Add new second sentence to para 8.1: *The policy will not be applied to developments below the NPPG threshold and the text below should be read with this qualification.*