



Wycombe District Council Advice Note: Affordable Housing

March 2018

Wycombe District Council Advice Note

Affordable Housing

1. Purpose of the Advice Note

1.1 This Advice Note sets out the Council's position with regard to Affordable Housing. It comes in with immediate effect i.e. from the date that it appears on the website as the preferred approach for discussions on planning applications involving affordable housing provision. However, the Council will adopt a pragmatic approach with regard to these requirements.

1.2 The Advice Note should be read alongside the Planning Obligations Supplementary Planning Document (SPD) (April 2013). A more detailed update of the Planning Obligations Supplementary Planning Document that includes further planning guidance on, amongst other things, affordable housing will be undertaken once the outcome from the Local Plan examination is known. This will include looking in more detail at the issue of dwelling size mix for different forms of affordable housing.

1.3 This Advice Note covers the following areas:

- Wycombe District Council's position with regard to affordable housing thresholds and vacant building credit following the re-issuing of the Government's Written Ministerial Statement (WMS) and update to the Planning Guidance on 26th March 2015.
- Guidance that in light of the update to the Buckinghamshire Housing and Economic Development Needs Assessment (HEDNA) (December 2016) and the HEDNA Addendum (September 2017), a tenure mix of 80% Affordable Rented and/or Social Rented and 20% Intermediate Housing is preferred to the 66% Affordable Rented and 34% Intermediate tenure mix in the current Supplementary Planning Document

2. Written Ministerial Statement on Affordable Housing Thresholds and Vacant Building Credit

2.1 On 28 November 2014 the Minister of State for Planning and Housing, Brandon Lewis MP, revised national planning policy concerning the use of section 106 planning obligations through a written ministerial statement (WMS). The national Planning Practice Guidance (PPG) was simultaneously updated to set out implementation guidance, and again updated on 26 March 2015 for further clarification.

- 2.2 The two primary changes introduced by the Ministerial Statement were the introduction of national thresholds for securing planning obligations; and the introduction of a 'vacant building credit' (VBC) when calculating affordable housing requirements.

Planning obligation thresholds

- 2.3 The WMS and updated PPG state that affordable housing or tariff style contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 sqm (gross internal area).
- 2.4 The PPG states that in designated rural areas, local authorities may choose to apply a lower threshold of 5 units or less. In this case affordable housing should only be sought in the forms of cash payments (not on-site) from developments of between 6 and 10 units.
- 2.5 Designated rural areas are defined in Section 157 of the 1985 Housing Act as National Parks, Areas of Outstanding Natural Beauty, or an area designated by order of the Secretary of State. In Wycombe district the only area that is designated is the AONB.
- 2.6 The restrictions on seeking planning obligations contributions do not apply to development on Rural Exception Sites.

Wycombe District Council's position on the national planning obligation thresholds

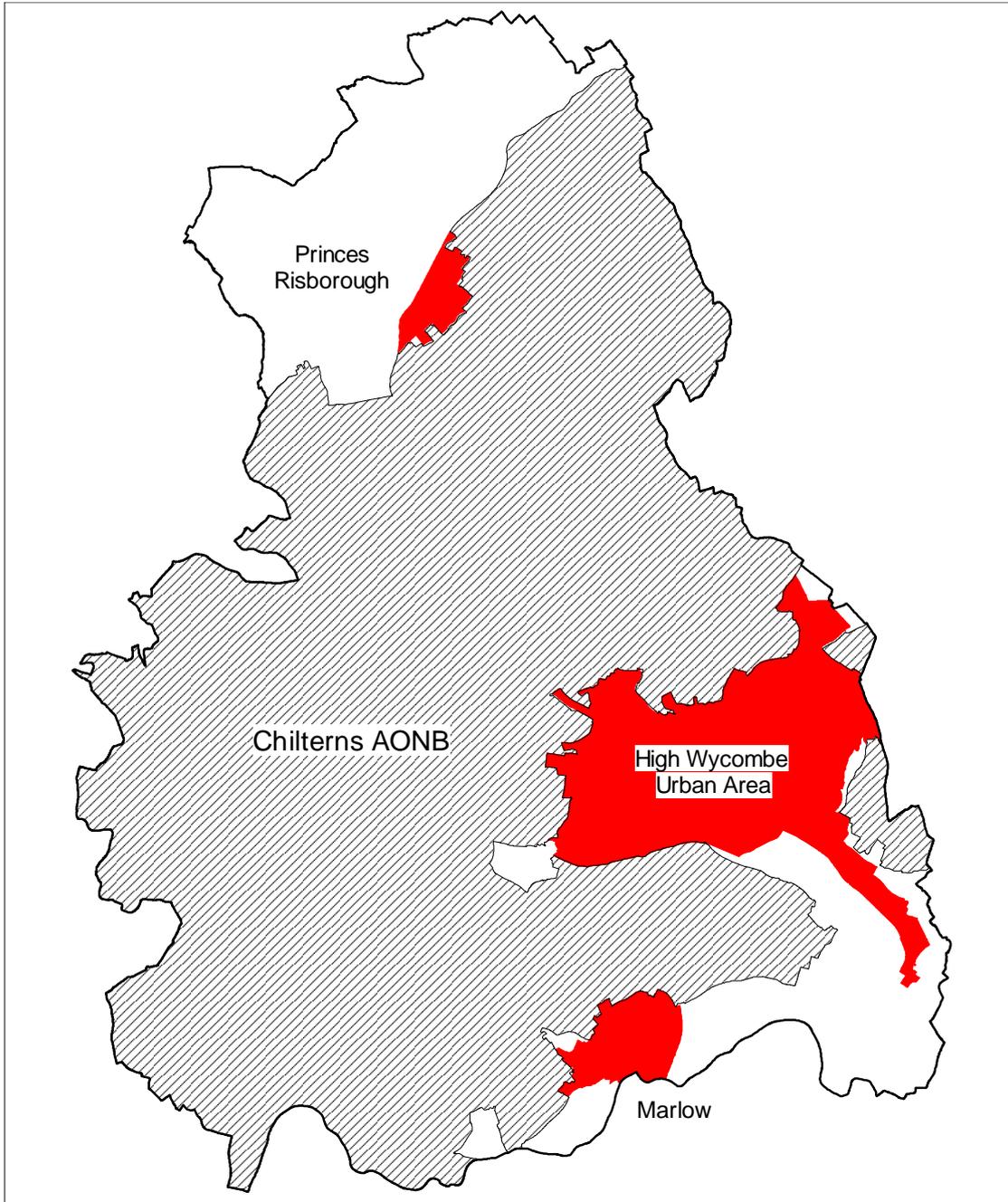
- 2.7 With the introduction of the Wycombe Community Infrastructure Levy Charging Schedule in November 2012, the Council no longer seeks tariff style contributions through S106 contributions that are pooled into funding pots. Therefore the threshold changes on tariff-style contributions have no impact on the current approach and policies of the Council.
- 2.8 Core Strategy Policy CS13 sets out the Council's current affordable housing policies and the detail is provided in the 2013 Planning Obligations SPD. The Council requires that affordable housing is provided within developments of 15 dwellings or more (or a minimum of 0.5ha) in the urban areas of High Wycombe, Marlow and Princes Risborough.
- 2.9 Despite the change in national policy, Wycombe District Council proposes not to amend the current thresholds in the urban areas as set out in CS13 for the time-being. The thresholds will be altered through the new Wycombe Local Plan.
- 2.10 In the remainder of the district current policy requires that affordable housing is provided on sites of 5 dwellings or more and normally on

site. In light of the new national thresholds the Council will apply the national threshold and only seek affordable housing commuted sums on sites of between 6 and 10 dwellings within the Area of Outstanding Natural Beauty. This is on the basis that the WMS and PPG carry sufficient weight as material considerations to justify a departure from adopted Policy CS13, but those parts of current policy that fit with the WMS and PPG are still up-to-date and should be given full weight.

- 2.11 On developments of 11 dwellings or more in all areas of the district outside the urban areas of High Wycombe, Marlow and Princes Risborough and beyond the AONB affordable will continue to be required on site.

Area of District	Development size	Affordable Housing requirement
In High Wycombe Urban Area, Marlow and Princes Risborough	On developments of 14 dwellings or less	No affordable housing requirements
	Developments of 15 or more dwellings or a minimum of 0.5ha	On-site provision on greenfield sites and land last used for business (i.e. "B" use classes) or a similar sui generis employment-generating use, at least 40% of total bedspaces. On other sites, at least 30% of the total bedspaces.
AONB	On developments of 5 dwellings or less	No affordable housing requirements
	On developments of between 6 and 10 dwellings	Commuted sum equivalent to 40% of total bedspaces on greenfield sites and land last used for business (i.e. "B" use classes) or a similar sui generis employment-generating use, at least 40% of total bedspaces. Commuted sum equivalent to at least 30% of total bedspaces on all other sites.
	On developments of 11 or more dwellings or over a combined gross floorspace of 1000sqm (gia)	On-site provision on greenfield sites and land last used for business (i.e. "B" use classes) or a similar sui generis employment-generating use, at least 40% of total bedspaces. On other sites, at least 30% of the total bedspaces.

All other areas	On developments of 10 dwellings or less and which have a combined gross floorspace of no more than 1000sqm (gia)	No affordable housing requirements
	On developments of 11 or more dwellings or over a combined gross floorspace of 1000sqm (gia)	On-site provision on greenfield sites and land last used for business (i.e. "B" use classes) or a similar sui generis employment-generating use, at least 40% of total bedspaces. On other sites, at least 30% of the total bedspaces.



Vacant Building Credit

- 2.12 The WMS and updated guidance introduced the vacant building credit (VBC). This states the floorspace of any vacant building which is demolished or brought back into use, except where the building is abandoned, will be discounted when calculating any affordable housing contribution. Effectively on sites with existing vacant buildings, affordable housing can only be sought on uplifts in floorspace e.g. 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.
- 2.13 In terms of what constitutes what is vacant the PPG states that it may be appropriate to consider:
- Whether the building has been made vacant for the sole purpose of redevelopment, and
 - Whether the building is covered by an extant or recently expired planning permission for the same or substantial same development.

Wycombe District Council's position on the Vacant Building Credit

- 2.14 In order to apply the VBC effectively the Council must consider what a building is and what is considered vacant. It is also necessary to ensure that the VBC does not incentivise the forceful eviction of businesses or neglect of viable commercial premises.
- 2.15 The Council must also be aware of the resubmission of near identical permitted applications where the sole intention is to avail of a vacant building credit. Therefore the Council need to consider whether is appropriate to apply the VBC on the resubmission of extant or recently expired planning permissions for the same or substantial same development on a case-by-case basis.
- 2.16 The Minister has explicitly referenced the CIL Regulations in explaining that the VBC is intended to mirror the CIL regulations. The CIL Regulations state that a 'building' does not include buildings:
- into which people do not normally go;
 - into which people go only intermittently for the purpose of maintaining or inspecting machinery; or
 - for which planning permission was granted for a limited period.

2.17 Therefore as well as abandoned buildings, the Council will not credit the floorspace in buildings which meet any of the above criteria.

2.18 The purpose of the VBC as stated by Government, is to incentivise brownfield development including the reuse or redevelopment of empty or redundant buildings. Therefore to be eligible for the VBC the relevant building must be vacant in its entirety from the date that the relevant planning application is validated. However the VBC will not be applied where it is evident that a building has been vacated solely to enable a development to proceed because applying the VBC in such instances would not be required to incentivise the reuse of empty or redundant buildings.

2.19 In summary the Council will not apply the VBC where:

- Buildings are abandoned
- The buildings are such where people do not normally go; into which people go only intermittently for the purpose of maintaining or inspecting machinery; for which planning permission was granted for a limited period
- Buildings are only partially vacant i.e. the whole physical structure of the building must be vacant when a planning application is validated
- Where it is evident that the buildings have been made purposely vacant for the sole purpose of redevelopment and to avail of the VBC

Calculation of the vacant building credit

The VBC will be calculated by the following formula:

$RAH = AH - (AH \times E/P)$ where,

RAH = Revised number of affordable housing bedspaces to be provided

AH = Policy compliant expected number of affordable bedspaces to be provided

E = Existing floorspace to be demolished

P = Proposed floorspace* to be created

*For mixed use schemes the GIA of the proposed residential elements only will be used. Where flatted developments are proposed the GIA will include all communal and circulation areas.

Worked example - A development of 100 dwellings with a total of 500 bedspaces is proposed with a floorspace of 10,000sqm.

An existing vacant building measuring 2,000sqm is to be demolished as part of the application.

The normal affordable housing requirement would be 200 bedspaces (40% of 500)

The revised affordable housing requirement will be:

$$200 - (200 \times 2,000/10,000) =$$

$$200 - 40 = 160$$

So taking account of the VBC the development will be required to provide 160 affordable housing bedspaces.

If the total floorspace of existing buildings to be demolished exceeds the total floorspace of the proposed development then there would be no requirements for affordable housing.

NB – On any planning application, the VBC will be applied before any discussions on viability are commenced.

Update to the tenure mix being sought

- 3.1 Policy CS13 of the Core Strategy states that “New housing developments will be expected to provide for a mix of dwelling size, type and tenure that meet the identified housing needs of the community” and that “Further detail on the operation of this policy and the nature of the needs to be met including tenure requirements, will be set out in the Supplementary Planning Document...”
- 3.2 Current guidance on housing tenure mix is set out in the Planning Obligation Supplementary Planning Document (SPD) - April 2013. This sets out that two-thirds (66%) of affordable housing provided should be Affordable Rent or Social Rent, or a combination of the two; and one third (34%) of affordable housing provided should be for intermediate affordable housing products – mainly shared ownership or shared equity products.
- 3.3 The latest evidence on housing need and tenure is set out in the Buckinghamshire Housing and Economic Development Needs Assessment (HEDNA) (December 2016) and the Bucks. HEDNA Addendum (September 2017). The approach taken to calculate need in these two documents uses established methodologies as set out in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG).
- 3.4 The documents conclude that the full objectively assessed housing need (FOAN) for Wycombe District is 13,200 dwellings or 660 dwellings per annum for the 2013-33 period. The affordable housing component of the above is 3,100 (23.5% of the FOAN). The tenure split is updated to 84% affordable rent and or social rent to 16% intermediate housing, such as shared equity or other forms of low cost

home ownership which we have rounded up to 80:20 for Viability purposes and for the purposes of this Advice Note.

- 3.5 As part of the preparation of the Local Plan, the housing supply was assessed to try and estimate how much affordable housing may come forward during the Plan period. Where sites in the supply already have a permission, the amount of affordable housing permitted on the site has been included. Only sites that exceeded the affordable housing threshold set out in Government guidance, of 10 or more dwellings outside designated rural areas, were included in the analysis. Sites with Prior Notification, office to residential were also excluded from the analysis, as these sites do not contribute towards affordable housing. For the remaining sites without planning permission the 80:20 tenure split was applied between rented accommodation and intermediate housing.
- 3.6 The resulting affordable housing supply is estimated to be around 3,065 units over the Plan period (see Table 1 below). This supply is therefore estimated to be quite close i.e. within in 1% of the estimated need set out in the HEDNA/ HEDNA Addendum.

Table 1: Estimated supply of affordable housing over the Local Plan period 2013-33

Source of supply	Intermediate housing	Affordable/ social rented	Unknown	Total
Completions	38	126	0	164
Permissions at base date	194	246	28	468
Supply	466	1967	0	2433
Totals	698	2339	28	3065

Viability Testing

- 3.7 In order to test whether the tenure split of 80:20 was viable the following scenarios were included within the Whole Plan Viability Report (May 2017):
- 66/34 split of affordable rent and or social rent /intermediate housing and
 - 80/20 split based on the HEDNA findings (This represents the findings from the HEDNA/ HEDNA Addendum but the figures have been rounded).

- 3.8 Both scenarios were found to be viable but, the Whole Plan Viability Report did note that the 66/34 split increases the viability of schemes. The Whole Plan Viability Report recommended that an 80/20 tenure split of Affordable Rent and or Social Rent / Intermediate Housing is applied to the Plan.
- 3.9 Therefore, Wycombe District Council shall in the first instance seek to agree the preferred tenure mix of 80% Affordable Rented and or Social Rented and 20% Intermediate Housing when negotiating planning applications and planning obligation agreements involving affordable housing in the light of the most recent evidence on tenure mix, as set out in the Bucks HEDNA Update (December 2016) and Bucks HEDNA Addendum (September 2017) before seeking the 66% affordable rent and 34% Intermediate tenure mix in the existing SPD.