

Local Plan Working Group

29 January 2015

Report of the Director for City and Environmental Services

Changes to Affordable Housing National Planning Guidance

Purpose of the Report

1. The purpose of this report is to update Members on new National Planning Policy Guidance that relates to affordable housing.

Background

2. On Friday the 28th November 2014, following consultation in March 2014 on 'Planning Performance and Planning Contributions' the Government amended National Planning Policy Guidance (NPPG) to state that Section 106 planning obligations requiring a financial contribution, including those towards affordable housing, should not be sought from small scale and self build development. It is understood that Members have already been briefed in respect of the impact of the change for open space contributions.

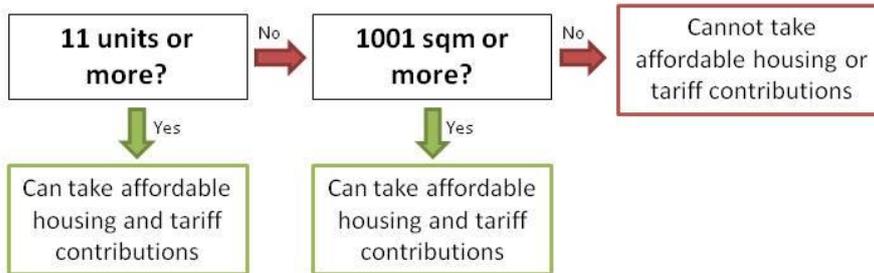
Rural Schemes 1 – 10 Units

3. Following the change to NPPG, the council can no longer seek financial contributions towards affordable housing on rural schemes of 1-10 units with a gross area of no more than 1,000sqm. Planning obligations on affordable housing and other matters can only be applied to schemes of 11 new homes or more or 1-10 new homes with a total gross floorspace of more than 1,000sqm. For example:
 - The development of 10 rural homes with a total gross floorspace of 999sqm **is exempt** from affordable housing and other planning obligations.
 - The development of 7 new rural homes with a total gross floorspace of 1,001 sqm is not exempt from affordable housing and other planning obligations. Therefore the council can still seek financial contributions to affordable housing in planning

obligations (Section 106 agreements) from small sites where the total gross floorspace is over 1,000sqm.

4. The flow chart below illustrates when affordable housing is to be provided on rural sites:

Affordable housing will be required from schemes that have 11 residential units or more, or schemes with a gross combined floorspace of more than 1000sqm.



Examples....	Can it provide AH or tariff style contributions?	Explanation:
11 unit scheme, with a total combined gross floorspace of 1,100 sqm	Yes	11 or more units are being provided.
11 unit scheme, with a total combined gross floorspace of 900 sqm	Yes	11 or more units are being provided.
10 unit scheme, with a total combined gross floorspace of 1,100 sqm	Yes	There are less than 11 units but it will provide more than 1,001sqm.
10 unit scheme, with a total combined gross floorspace of 900 sqm	No	There are less than 11 units and it will provide less than 900 sqm.

5. Appendix 1 sets out current off site contributions for rural sites between 2 and 14 homes which meet the above criteria.
6. These changes in national planning policy will not apply to Rural Exception sites, which subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people

Vacant Building Credit

7. The National Planning Policy Guidance also introduces a vacant building credit. Where redevelopment or reuse of a vacant building is proposed, affordable housing contributions will only be applicable to any increase in floorspace. However, where a vacant building has been abandoned the affordable housing relief will not apply. There is no minimum period of vacancy indicated. The traditional planning definition of abandoned if applied here would be a building that is in such a state of dilapidation it could not be converted (for example a ruined farmhouse that not been

occupied for 25 years could be considered as abandoned, but not a dwelling that had simply been vacant for 10 years and fallen into some disrepair)

8. The aim of this new provision is to help bring vacant buildings back into use, and conversion schemes requiring planning permission will benefit from the same nil-affordable housing requirement as currently benefits office-residential permitted development.

Consultation

9. The new guidance will now be translated into Local Plan policy and will be formally consulted on as part of this process later in the year.

Options

10. Option 1 - Officers request that Members note the changes of the new guidance.

Analysis of Options

11. On rural developments of between 2 and 14 homes Cabinet approved for an 18 month period from 1st March 2013 off-site financial contributions towards affordable housing in lieu of on-site provision. That interim policy change was to be extended until the Local Plan affordable housing policy superseded it. However, following this change to National Planning Policy Guidance the council will no longer seek financial contributions towards affordable housing on rural schemes of 1-10 units with a gross area of no more than 1,000sqm. As set out above planning obligations on affordable housing and other matters can only be applied to schemes of 11 new homes or more or 1-10 new homes with a total gross floorspace of more than 1,000sqm.
12. Since the introduction of the off-site financial contributions policy in March 2013, a total of £250,604 commuted payments towards affordable housing have been negotiated on 11 rural housing developments of 10 or fewer homes (Annex 2). Clearly the introduction of this new guidance will mean that such commuted sums can no longer be collected on developments receiving planning consent after 28th November 2014 and used towards the provision of affordable housing in York.

13. The vacant building credit will mean that on site affordable housing provision or a commuted payment can not be sought on such sites unless there is an increase in floorspace.

Next Steps

14. The new guidance will now be translated into Local Plan policy. This policy will be brought back to Members for consideration prior to statutory consultation later in the year

Council Plan

15. The option outlined above accords with the following priorities from the Council Plan:
 - Build strong communities
 - Create jobs and grow the economy

Implications

16. The following implications have been assessed.
 - **Financial** – The change in policy will see a reduction in commuted sums paid to the Council (in respect of affordable housing, education and open space) and therefore a reduction in the potential level of affordable housing that would otherwise be provided in the city, particularly rural areas.
 - **Human Resources (HR)** – There are no HR implications
 - **Community Impact Assessment** - The reduction in potential for affordable homes in rural villages will be likely to have impact typically on prospective younger householders leaving parental homes but being unable to afford to continue living in these communities.
 - **Legal** – The National Planning Policy Guidance is new guidance, there may be future case law that impacts on planning applications/policy direction
 - **Crime and Disorder** – There are no crime and disorder implications
 - **Information Technology (IT)** – There are no IT implications
 - **Property** – There are no property implications
 - **Other** – None

Risk Management

There are no risks associated with this report.

Recommendations

17. The Local Plan Working Group notes the changes of the new national planning policy guidance and the consequent reduction in the supply of affordable housing and Section 106 contributions.

Reason

To keep the Local Plan Working Group informed of new guidance.

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Report **Date** 21/01/2015
Approved

Specialist Implications Officer(s) N/A

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None

Annex 1: Operational Development Management Commuted Sum Payments Schedule and formula

Annex 2: Developments receiving planning consent following introduction of interim off site commuted payment in March 2013 and Rural planning consents with on-site and off-site financial contributions towards affordable housing: April 2012 – February 2013

Annex 1

Operational Development Management Commuted Sum Payments

Off Site contributions for rural sites between 2 and 10 homes if over 1000sqm and 11 – 14 homes will be based on the following formula. Payment is not required where there is only a net gain of 1 home:

Average Property Price – Fixed RSL Price X % target

Dwelling Threshold	Average York Property price (Land Reg August 2012)	Average York Fixed RSL Price	% Target	Commuted Payment
2 – 4 homes	£180,502	£64,833	10%	£11,566.90
5 – 10 homes	£180,502	£64,833	15%	£17,350.35
11-14 homes	£180,502	£64,833	20%	£23,133.80

If the threshold it triggered, the amount payable on a site by site basis is summarised in the following table:

Site size (number of dwellings)	% Target	Off Site Financial Contribution
1	N/A	N/A
2 if over 1000sqm	10	£11,566.90
3 if over 1000sqm	10	£23,133.80 (2 x £11,566.90)
4 if over 1000sqm	10	£34,700.70 (3 x £11,566.90)
5 if over 1000sqm	15	£69,401.40 (4 x £17,350.35)
6 if over 1000sqm	15	£86,751.75 (5 x £17,350.35)
7 if over 1000sqm	15	£104,102.10 (6 x £17,350.35)
8 if over 1000sqm	15	£121,452.45 (7 x £17,350.35)
9 if over 1000sqm	15	£138,804.00 (8 x £17,350.35)
10 if over 1000sqm	15	£156,153.15 (9 x £17,350.35)

11	20	£231,338.00 (10 x £23,133.80)
12	20	£254,471.80 (11 x £23,133.80)
13	20	£277,605.60 (12 x £23,133.80)
14	20	£300,739.40 (13 x £23,133.80)

Annex 2

Developments Receiving Planning Consent following Introduction of Interim Off Site Commuted Payment in March 2013 on Sites of 10 Homes or Less.			
Development	Planning ref	Total Homes	Affordable Housing Commuted sum
Manor Farm, Towthorpe Road, York YO32	13/00034/FUL	3	£23,133.80
Algarth, Wetherby Road, Rufforth	Approved (delegated authority Apr 13) 12/00367/FUL	2	£15,427
Park Cottage, Jackson Walk, Askham Richard	13/01982/FUL	4	£34,700.70
42-44 Church Lane, Bishopthorpe,	13/02055/FUL	4	£34,700.70
Aspen House, 65 The Village, Stockton on the Forest	13/03587/FUL	2	£11,566.90
Windmill Farm, 9 York Street, Dunnington	13/01253/FUL	2	£11,566.90
Church Farm, 84 The Village, Stockton on the Forest	13/02755/FUL	2	£11,566.90
21 School Lane	14/00635/FUL	3	£23,133.80
First Farm Main Street Askham Richard	14/02280/FUL	3	£23,133.80
Holtby Piggeries	11/00585/FUL	4	£46,282.50

Algarth, Wetherby Road, Rufforth	Approved (delegated authority Apr 13) 12/00367/FUL	2	£15,427
Total		31	£250,640

Rural planning consents on sites of 10 homes or less with on-site and off-site financial contributions towards affordable housing: April 2012 – February 2013			
Development	Planning Committee Date	Total Homes	Affordable Housing Contribution and Commuted Sum (Paid or agreed only)
97 York Street Dunnington	Approved (Sep 12)	4	£46,282.50
Fox Inn, 90 The Village, Stockton On The Forest	Approved (Nov 12)	9	1 home + £46,282.50
The Green, Poppleton	Approved (delegated authority Oct 12) 12/01134/FUL	9	1 home + £61,710
Total		22	2 homes + £169,702