

Affordable Housing

Planning Policy Guidance Note

November 2018

Introduction

1. The intention of this guidance note is to clarify the Council's position on affordable housing provision in light of recent national policy changes including the publication of the revised [National Planning Policy Framework](#)¹ (NPPF) on 24 July 2018.
2. The changes within the revised NPPF mean that elements of the Council's adopted development plan policy on affordable housing provision (Policy CS6.3 of the Core Strategy DPD2) are no longer fully in accordance with national policy.
3. This guidance is intended to ensure that developers, agents and applicants understand the current policy requirements, and the weight that will be applied to the revised NPPF in local decision making. It also raises awareness of the new planning policy position with regards to affordable housing requirements in the Arnside and Silverdale AONB arising from the AONB DPD³.

Background

4. On 28th November 2014, the Government published a Written Ministerial Statement (WMS) (HCWSS50), which sought to reduce the financial burden of planning obligations on small scale developers, by removing affordable housing requirements on sites less than 10 units. The WMS was successfully challenged in the High Court in

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733637/National_Planning_Policy_Framework_web_accessible_version.pdf

² <https://www.southlakeland.gov.uk/media/3521/cs01-core-strategy-october-2010.pdf>

³ <https://www.southlakeland.gov.uk/planning-and-building/south-lakeland-local-plan/area-of-outstanding-natural-beauty-aonb/area-of-outstanding-natural-beauty-aonb-development-plan/>

July 2015⁴, however the Government appealed the challenge through the Court of Appeal and achieved a successful outcome on 12th May 2016⁵. The WMS was reinstated as national policy and the national Planning Practice Guidance was amended in 2016 to incorporate the content of the WMS.

5. The Council has closely followed the national policy developments relating to affordable housing and has issued two previous interim positions to clarify the Council's approach, including a report to [Cabinet](#) in August 2016⁶ setting out an interim position, and a report setting out the Council's updated position on planning obligations to [Planning Committee](#) in February 2018⁷.
6. The revised National Planning Policy Framework was published on 24 July 2018 and updates the Government's earlier WMS position. The Council has therefore produced this guidance note to confirm its approach in light of the published NPPF. At the time of preparation of this guidance note updated national Planning Practice Guidance (PPG) is awaited to reflect the new NPPF.

National Policy and Guidance

7. The revised National Planning Policy Framework (NPPF) states in paragraphs 62 to 63:
 62. *Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required⁸, and expect it to be met on-site unless:
 - a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
 - b) the agreed approach contributes to the objective of creating mixed and balanced communities.*
 63. *Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable*

⁴ <http://www.no5.com/cms/documents/JWI%20West%20Berkshire%20Judgment.pdf>

⁵ [http://www.landmarkchambers.co.uk/userfiles/documents/R%20\(West%20Berkshire\)%20v%20%20SSC%20-%20transcript.pdf](http://www.landmarkchambers.co.uk/userfiles/documents/R%20(West%20Berkshire)%20v%20%20SSC%20-%20transcript.pdf)

⁶ <http://democracy.southlakeland.gov.uk/documents/s15624/National%20Planning%20Update.pdf>

⁷ <http://democracy.southlakeland.gov.uk/documents/s21079/Planning%20Obligations%20for%20Affordable%20Homes.pdf>

⁸ *Applying the definition in Annex 2 to this Framework.*

housing contribution due should be reduced by a proportionate amount⁹.

8. National Planning Practice Guidance (PPG) is in the course of being updated following the publication of the NPPF but the most recent version (last updated November 2016) states that contributions for affordable housing should not be sought on developments of 10-units or less, and that have a maximum floor space of 1,000 square metres. In designated rural areas the PPG states that local planning authorities may apply a lower threshold of 5-units or less, but advises that for sites between 6 and 10 units the requirement should be in the form of commuted sums collected after site completion, rather than on-site provision. The PPG clarifies that the new thresholds and commuted sum restrictions do not apply to development on rural exception sites.
9. The Council assumes that the PPG will be updated to reflect the terminology in the NPPF for the size threshold for affordable housing provision – now being in terms of ‘major development’ rather than the ‘10 units or less’ wording in the PPG and WMS. It is considered that greater weight should be given to the revised NPPF than the PPG given the respective timings of their publication and status.

Implications of National Policy on Site Size Thresholds in South Lakeland

10. The tables below confirm how South Lakeland District Council will apply its planning policies in relation to affordable housing provision, taking account of the updated national policy position in the revised NPPF. This information is also provided in a flowchart format at Appendix 1 to guide applicants of the implications for specific scheme proposals.
11. The approach differs across different geographical locations in the district, given the provisions of the existing Core Strategy policy (Policy CS6.3) and its approach to different settlement types, the new AONB DPD policy (Policy AS03), and the fact that not all of the district is a designated rural area.
12. The guidance below does not affect how the Council will apply its rural exception policy, and schemes outwith development boundaries and outwith planning policies for rounding off and infill in small villages and hamlets will continue to be expected to provide 100% affordable housing subject to the provisions of the relevant policies, specifically Policy DM14 of the emerging DMDPD. Policy DM14 of the DPD does set

⁹ *Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.*

out specific circumstances where a minimal amount of open market housing may be permitted to enable the viable delivery of rural affordable housing on exception sites.

Kendal, Grange-over-Sands and Ulverston Parishes

13. Within the **parishes** of Kendal, Grange-over-Sands and Ulverston (which are not a designated rural area), for schemes that are not rural exception sites the Council will give significant weight to the NPPF in applying its affordable housing policy and will require the following provision:

Proposed Development Size	Affordable Housing Requirement	Delivery Method
10 or more dwellings	35%	On site provision
1 to 9 dwellings	0%	N/A

Milnthorpe and Kirkby Lonsdale

14. The settlements of Milnthorpe and Kirkby Lonsdale are designated as key service centres in the Core Strategy and lie within the designated rural area. Within the development boundaries of Milnthorpe and Kirkby Lonsdale the Council will continue to give full weight to its Core Strategy policy requirement as set out below, and will require affordable housing provision on sites of 9 units or more. This policy is in accordance with the NPPF given that these settlements are within the designated rural area and a threshold below 10 units is therefore acceptable in national policy terms.

Proposed Development Size	Affordable Housing Requirement	Delivery Method
10 or more dwellings	35%	On site provision
9 dwellings	35%	On site provision or commuted sum
1 to 8 dwellings	0%	N/A

15. Even though these settlements are within the designated rural area, and the NPPF states that a lower threshold of 5 units or fewer may be set, the Council's existing development plan policy (Core Strategy Policy CS6.3) only requires affordable housing on sites of 9 units or more in the key service centres, and this policy position will be maintained. The Council will maintain its expectation that the affordable housing requirement should be met through on site provision for schemes within Milnthorpe and Kirkby Lonsdale. For schemes of 9 units, on site provision will be sought in the first instance and commuted sums will only be accepted in exceptional circumstances.

South Lakeland District – Designated Rural Area (excluding the AONB and settlements of Milnthorpe and Kirkby Lonsdale)

16. Within the remaining designated rural area of South Lakeland District, excluding the Arnsdale and Silverdale AONB and settlements of Milnthorpe and Kirkby Lonsdale, significant weight will be given to the NPPF in applying the Core Strategy policy and affordable housing will not be required on sites of 5 units or less.

Proposed Development Size	Affordable Housing Requirement	Delivery Method
10 or more dwellings	35%	On site provision
6 to 9 dwellings	35%	On site provision or commuted sum.
1 to 5 dwellings	0%	N/A

17. With regards to sites of 6 to 9 dwellings the Council is mindful of the national Planning Practice Guidance dated 19 May 2016 that states that for developments between 6 and 10 units, affordable housing contributions should be in the form of commuted sum payments paid upon completion of sites. However the NPPF, published 24 July 2018 clearly expresses a presumption that affordable housing requirements should be met on site, an approach that the Council supports.
18. At the time of publishing this guidance the Council awaits the updated PPG on planning obligations and affordable housing in light of the revised NPPF. In the interim the Council will continue to promote on-site provision of affordable housing on sites of 6 to 9 dwellings in the designated rural area but will apply a flexible approach where off-site provision or contribution by way of commuted sums can be robustly justified on a case by case basis.

Arnsdale and Silverdale AONB

19. It should be noted that a distinction is made between the Arnsdale and Silverdale AONB and the rest of the district in terms of affordable housing policy and requirements. In the AONB affordable housing provision will be required having regard to Core Strategy Policy CS6.3 and the emerging Arnsdale and Silverdale AONB DPD, particularly Policy AS03 which is to be given significant weight in decision taking. The AONB DPD

increases the Core Strategy affordable housing requirement from 35% on sites of three or more dwellings to 50% on sites of two or more dwellings.¹⁰

20. In his [post-examination hearings letter](#)¹¹ of July 2018 the Local Plan Inspector confirmed that he is satisfied that there are exceptional circumstances in the AONB that justify an increased affordable housing requirement and he agreed that the strict application of national policy in this area would severely restrict the ability of the Council to secure affordable housing through new development to meet local need. The tables below set out the current Core Strategy requirement in the AONB, and the emerging AONB DPD policy, which will be given significant weight in the lead up to its adoption in February 2019 given the Inspector’s post hearing letter and confirmation that the general approach is justified.

Current Core Strategy Policy CS6.3

Proposed Development Size	Affordable Housing Requirement	Delivery Method
3 or more dwellings	35%	On site provision

Emerging AONB Policy AS03

Proposed Development Size	Affordable Housing Requirement	Delivery Method
2 or more dwellings	50% - see Policy AS03 of the DPD	On site provision, and in exceptional circumstances commuted sums in accordance with Appendix 4 ¹² of the AONB DPD.

Vacant Building Credit

21. The revised NPPF has confirmed the Government’s approach to vacant building credit, which was first introduced through the written ministerial statement and subsequently incorporated into the PPG. The Government introduced the vacant building credit to incentivise brownfield development on sites containing vacant buildings by reducing the

¹⁰ Main modifications have been proposed to the AONB DPD following the examination hearings and will be consulted on in October – November 2018. The references in this guidance note refer to Policy AS03 with its proposed modifications.

¹¹ https://www.southlakeland.gov.uk/media/5703/id014_aonb-the-inspectors-letter-to-the-councils-regarding-modifications-after-the-hearings.pdf

¹² Appendix 4 has been drafted following the examination hearings and is being subject to consultation as part of the Main Modifications consultation in October-November 2018.

affordable housing requirement where vacant buildings are being reused or redeveloped.

22. The Council will apply the vacant building credit in accordance with the NPPF and PPG and where vacant buildings are being re-used or redeveloped for housing the affordable housing contribution requirement will be reduced by a proportionate amount equivalent to the existing gross floor space of the existing building. In accordance with the NPPF and PPG this will not apply to buildings that have been abandoned. In applying the vacant building credit the Council will consider whether the building has been made vacant for the sole purposes of redevelopment and whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development. In these cases the Council may consider that the application of vacant building credit is not appropriate, but this will be determined on a case by case basis in line with the PPG.

Further Local Guidance

23. This guidance note has been prepared to specifically address the implications of the NPPF in relation to site size thresholds, and to clarify the weight that will be given to the NPPF in applying local policies on affordable housing. It does not provide guidance on any other matters in relation to affordable housing requirements, as the Council already provides a range of guidance in the sources explained below.
24. The Council has prepared, and annually updates affordable housing guidance for developers and this can be found on its [website](#)¹³. This guidance should be read in conjunction with the guidance contained within the Core Strategy (pages 143-153) which it updates in a number of regards.
25. It should be noted that the Council's updated [Local Connection Policy](#) was approved by the Council in September 2014 and replaces sections 7.2.1 – 7.2.3 of the affordable housing guidance in Appendix 1 of the Core Strategy.
26. The AONB DPD will also contain an appendix providing further guidance on the implementation of Policy AS03. This has been drafted following the examination hearings in June 2018 and will be included in the main modifications consultation in autumn 2018.

¹³ <https://www.southlakeland.gov.uk/housing/affordable-housing/affordable-housing-building/>

27. The Council's [Planning Application Validation Guidance](#) provides guidance on the requirements for affordable housing statements and will be reviewed to ensure its compatibility with the current approach being taken.

Contact Details

For queries relating to specific development proposals:

Development Management:

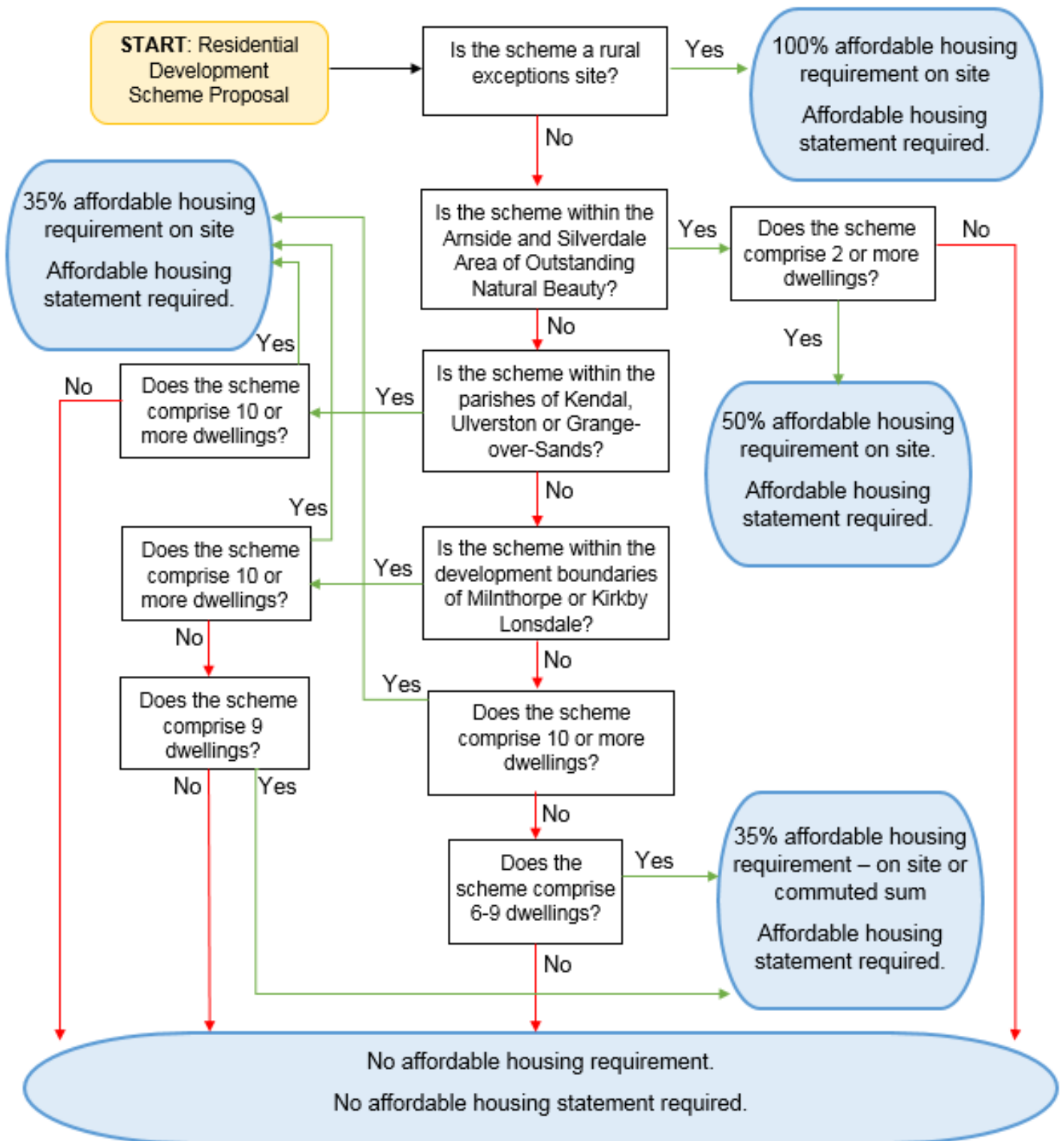
development.management@southlakeland.gov.uk | 01539 793330

For planning policy queries:

Development Plans:

development.plans@southlakeland.gov.uk | 01539 793388

Appendix 1: Flowchart



Note: Vacant building credit may also be applicable to schemes and may reduce the affordable housing requirement – see paragraphs 21-22 of the guidance note.