

Affordable Housing

Planning Policy Guidance Note

March 2020

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 revisions to the [National Planning Policy Framework](#)¹ (NPPF) in July 2018 and February 2019, and various revisions to the Planning Practice Guidance.
2. 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 DPD².

Background

3. 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 July 2015³, however the Government appealed the challenge through the Court of

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/81019/7/NPPF_Feb_2019_revised.pdf

² <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/>

³ <http://www.no5.com/cms/documents/JWI%20West%20Berkshire%20Judgment.pdf>

Appeal and achieved a successful outcome on 12th May 2016⁴. The WMS was reinstated as national policy and the national Planning Practice Guidance was amended in 2016 to incorporate the content of the WMS.

4. 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 2016⁵ setting out an interim position, and a report setting out the Council's updated position on planning obligations to [Planning Committee](#) in February 2018⁶.
5. An initial version of this guidance note was published by the Council in November 2018 to reflect the publication of the 2018 NPPF, and has now been updated and re-issued to reflect further changes to the Planning Practice Guidance since the NPPF's publication.

National Policy and Guidance

6. 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 required⁷, 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 housing contribution due should be reduced by a proportionate amount⁸.

⁴[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)

⁵ <http://democracy.southlakeland.gov.uk/documents/s15624/National%20Planning%20Update.pdf>

⁶ <http://democracy.southlakeland.gov.uk/documents/s21079/Planning%20Obligations%20for%20Affordable%20Homes.pdf>

⁷ *Applying the definition in Annex 2 to the Framework.*

⁸ *Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.*

7. National Planning Practice Guidance (PPG) has been updated following the publication of the NPPF and the most recent version (last updated September 2019) states that planning obligations for affordable housing should only be sought for residential developments that are major developments. The PPG explains that major development is defined in the NPPF as development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. Paragraph 023 (Ref ID: 23b-023-20190901) states that in designated rural areas local planning authorities may choose their own lower threshold in plans and seek affordable contributions from developments above that threshold. Designated rural areas applies to rural areas described under section 157(1) of the Housing Act 1985 which includes National Parks and Areas of Outstanding Natural Beauty. The PPG clarifies that the new thresholds and commuted sum restrictions do not apply to development on rural exception sites.
8. The 2016 iteration of the PPG stated that where local authorities set lower thresholds in designated rural areas they should only seek affordable housing contributions from developments of between 6 to 10 units as financial contributions and not on site. This sentence of the PPG no longer features in the 2019 PPG and it is therefore understood that local authorities can request on site affordable housing on sites less than 10 units in designated rural areas.

Implications of National Policy on Site Size Thresholds in South Lakeland

9. 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.
10. 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.
11. The guidance below does not affect how the Council will apply its rural exception policy. 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 Development Management Policies DPD. Policy DM14 sets 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

12. 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 or site size of 0.5 hectares or more	35%	On site provision
1 to 9 dwellings	0%	N/A

Milnthorpe and Kirkby Lonsdale

13. 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
9 or more dwellings or site size of 0.5 hectares or more	35%	On site provision
1 to 8 dwellings	0%	N/A

14. 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.

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

15. Within the remaining designated rural area of South Lakeland District, excluding the Arnside and Silverdale AONB and settlements of Milnthorpe and

Kirkby Lonsdale, the Core Strategy policy will continue to be given full weight as it is fully compatible with the NPPF and PPG. The 2019 changes to the PPG which removed the guidance around only requiring affordable contributions in the form of financial contributions mean that the Council will continue to seek affordable provision on site unless financial contributions can be justified.

Proposed Development Size	Affordable Housing Requirement	Delivery Method
3 or more dwellings	35%	On site provision or financial contributions where justified in line with NPPF.
1 to 2 dwellings	0%	N/A

Arnside and Silverdale AONB

16. It should be noted that a distinction is made between the Arnside and Silverdale AONB and the rest of the district in terms of affordable housing policy and requirements following the adoption of the AONB DPD. In the AONB affordable housing requirements are stated in Policy AS03, which requires 50% of units on sites of two or more dwellings to be affordable.⁹

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 ¹⁰ of the AONB DPD.
1 dwelling	0%	N/A

Vacant Building Credit

17. 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

⁹ 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.

¹⁰ 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.

incentivise brownfield development on sites containing vacant buildings by reducing the affordable housing requirement where vacant buildings are being reused or redeveloped.

18. 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

19. 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.
20. The Council has prepared, and annually updates affordable housing guidance for developers and this can be found on its [website](#)¹¹. 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.
21. 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.
22. The AONB DPD also contains an appendix providing further guidance on the implementation of Policy AS03.
23. The Council's [Planning Application Validation Guidance](#) provides guidance on the requirements for affordable housing statements and has been amended to ensure its consistency with the current approach being taken.

¹¹ <https://www.southlakeland.gov.uk/housing/affordable-housing/affordable-housing-building/>

Contact Details

For queries relating to specific development proposals:

Development Management:

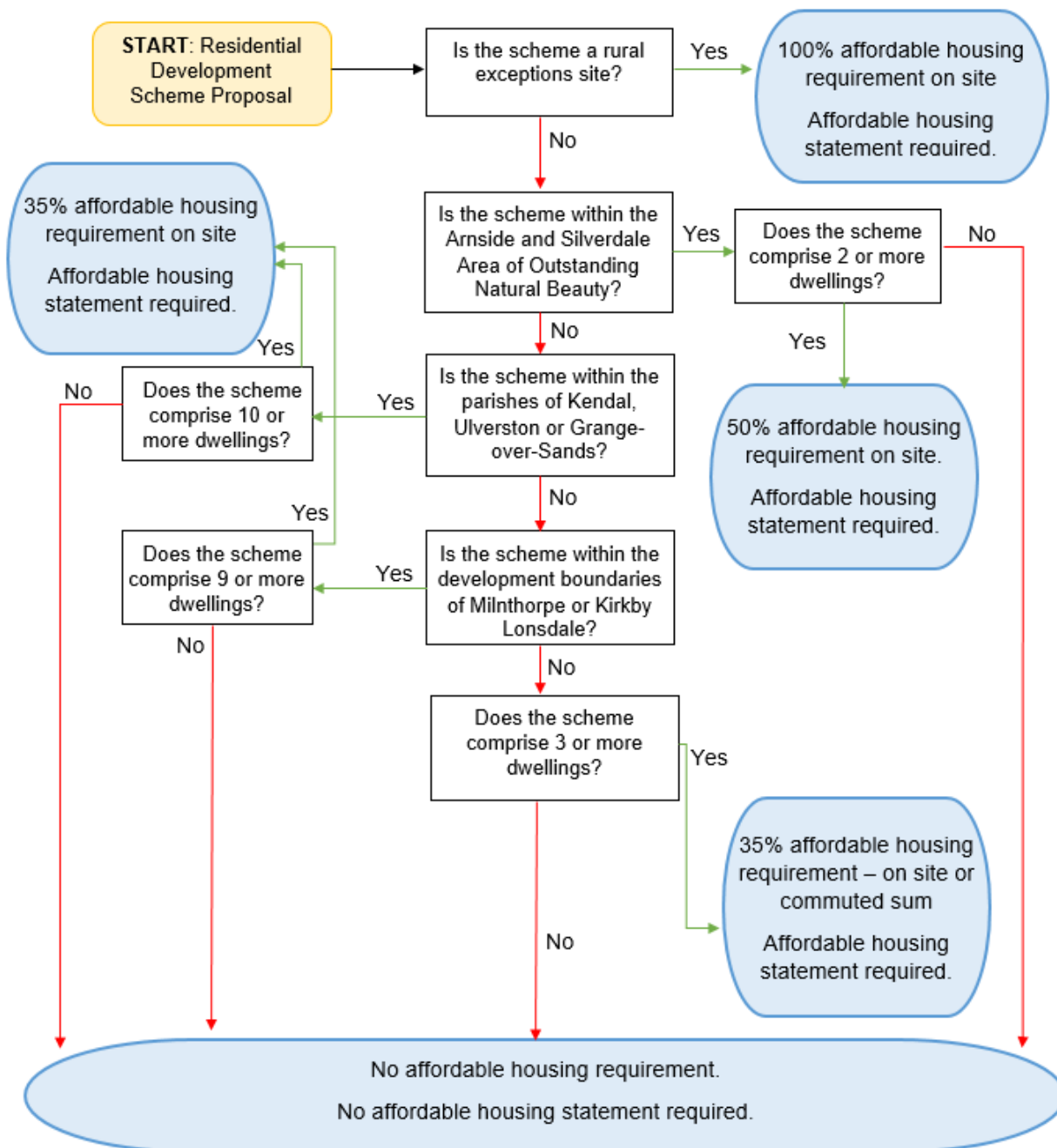
development.management@southlakeland.gov.uk | 01539 793330

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 17-18 of the guidance note.