

28 May 2019

REPORT NO. EPSH1929

KEY DECISION? NO

**PUBLIC CONSULTATION ON THE DRAFT AFFORDABLE HOUSING  
SUPPLEMENTARY PLANNING DOCUMENT**

**SUMMARY AND RECOMMENDATIONS:**

The purpose of the Draft Affordable Housing Supplementary Planning Document (SPD) is to provide further guidance to support the implementation of the affordable housing policy contained in the recently adopted Rushmoor Local Plan and the housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.

**It is recommended that Cabinet, approve the publication of the Draft Affordable Housing Supplementary Planning Document for the purposes of six weeks public consultation.**

**1. INTRODUCTION**

- 1.1. The purpose of this report is to present to Councillors the draft Affordable Housing Supplementary Planning Document (SPD) (attached as Appendix A) and recommend that it be subject to six weeks public consultation commencing on the 3 June 2019 at 9am and closing on the 15 July 2019 at 5pm.
- 1.2. The purpose of the Draft Affordable Housing SPD is to provide further guidance to support the implementation of the affordable housing policy of the Rushmoor Local Plan (Policy LN2: Affordable Housing) and the housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.
- 1.3. The Affordable Housing SPD upon adoption will supersede the current affordable housing guidance (2014) that relates to the now superseded Core Strategy and its supporting evidence base.

**2. BACKGROUND**

- 2.1. The purpose of an SPD is to build upon and provide more detailed advice or guidance on policies contained in an adopted Local Plan. SPDs are a material consideration in decision-making but cannot introduce new planning policies into the development plan or add unnecessarily to the financial burdens on development.

- 2.2. To support the Implementation of Local Plan Policy LN2: Affordable Housing the Draft SPD provides further guidance on:
- how to undertake early engagement with expertise within the Council
  - how an appropriate mix of affordable units will be calculated
  - the Council's rent setting framework in relation to the Local Housing Allowance
  - procuring a registered provider
  - grant funding available to support affordable housing schemes
  - vacant building credit
  - commuted sums to fund off site affordable housing provision.
- 2.3. The supporting text to Local Plan Policy LN2 (paragraph 10.18) commits the Council to publishing and adopting guidance in the form of an SPD to provide further detail on the type and mix of affordable housing to best meet local needs. Upon adoption, the draft Affordable Housing SPD will satisfy this commitment.
- 2.4. Planning Legislation sets out the process for preparing Supplementary Planning Documents.

### **3. DETAILS OF THE PROPOSAL**

- 3.1. The proposal is to undertake six weeks public consultation on a draft Affordable Housing SPD. Following public consultation the document will be amended as necessary before being presented to Cabinet for adoption, this is anticipated to take place in August 2019. Upon adoption, the document will supersede the current affordable housing guidance (adopted 2014).

#### **Alternative Option**

- 3.2. The alternative option would be not to produce an Affordable Housing SPD. However, this would mean that the Council will not have published up to date guidance on securing affordable housing delivery, potentially undermining the authorities ability to implement the Affordable Housing policy of the recently adopted Local Plan.

#### **Consultation**

- 3.3. Officers presented the draft Affordable Housing SPD to Strategic Housing and Local Plan Group (SHLPG) on 27 March 2019.

- 3.4. Following Cabinet approval, the draft Affordable Housing SPD will be subject to six weeks public consultation in accordance with the Council's adopted Statement of Community Involvement.

## **4. IMPLICATIONS**

### **Risks**

- 4.1. There are not considered to be any risks associated with the implementation of the recommendations of this report.

### **Legal Implications**

- 4.2. There are legal issues to consider in progressing the SPD towards adoption, specifically satisfying Part 5 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

### **Financial and Resource Implications**

- 4.3. There are not considered to be any financial implications arising from the decision.

### **Equalities Impact Implications**

- 4.4. The adoption of the Affordable Housing SPD is likely to lead to positive equalities implications, as it will ensure that affordable housing provision secured from development meets local needs.

## **5. CONCLUSIONS**

- 5.1 Following the adoption of the Local Plan, updated guidance on the implementation of Affordable Housing policy in the Borough is required.

## **BACKGROUND DOCUMENTS:**

**Appendix A** – Draft Affordable Housing Supplementary Planning Document.

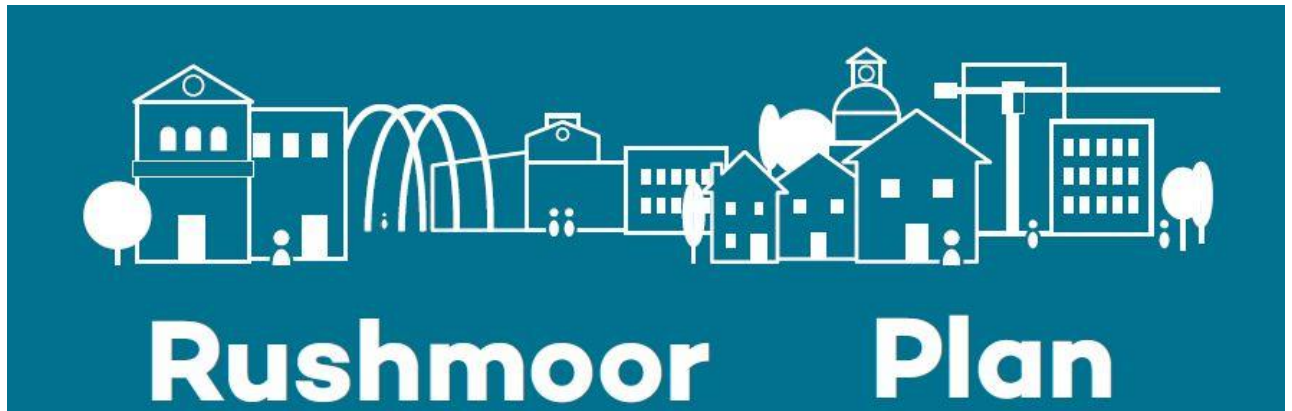
The current Rushmoor Affordable Housing Development Guidance Note (2014) can be accessed from the following link:

<https://www.rushmoor.gov.uk/CHttpHandler.ashx?id=13226&p=0>

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**DRAFT AFFORDABLE HOUSING SUPPLEMENTARY  
PLANNING DOCUMENT**

**June 2019**

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## 1. Consultation

- 1.1. The Adopted Rushmoor Local Plan (2019) sets out the development strategy for the borough up to 2032.
- 1.2. This draft Affordable Housing Supplementary Planning Document (SPD) provide further guidance to support the implementation of the affordable housing policies of the Rushmoor Local Plan and housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-2022.
- 1.3. This draft Affordable Housing SPD is available for public consultation for a period of six weeks between 3 June 2019 and 15 July 2019.
- 1.4. Comments can be submitted:

**By email:** [planningpolicy@rushmoor.gov.uk](mailto:planningpolicy@rushmoor.gov.uk)

**By writing in person to:**

The Planning Policy and Conservation Team

Rushmoor Borough Council  
Council Offices  
Farnborough Road  
Farnborough  
GU14 7JU

**Please note:** the comments received during this consultation cannot be treated as confidential so please do not include any personal information within your comments. Responses will be published on the Council's website, together with the name and/or organisation name of the respondent.

You can find out how we will use the information you send us at:

<https://www.rushmoor.gov.uk/article/10359/Keep-up-to-date-with-the-latest-news-on-the-Rushmoor-Plan>

We will consider all comments received on the document and amend it if necessary before deciding whether to adopt it as formal supplementary planning guidance early next year.

## 2. Introduction

### What is a Supplementary Planning Document?

- 2.1. A Supplementary Planning Document (SPD) elaborates upon policies in the Development Plan, in this instance the Rushmoor Local Plan 2014-20321 (adopted February 2019). SPDs are one of the material considerations that can be taken into account when determining a planning application.
- 2.2. This SPD elaborates upon Local Plan Policy LN2: Affordable Housing.

### What is the purpose of this SPD?

- 2.3. The purpose of this Supplementary Planning Document (SPD) is to provide further guidance to support the implementation of the affordable housing policies of the Rushmoor Local Plan and housing delivery objectives of the Rushmoor Housing and Homelessness Strategy 2017-20222.
- 2.4. A core purpose of this SPD is to ensure the delivery of affordable housing that meets residents' needs and aspirations, and which supports the delivery of sustainable, inclusive communities.

### National Policy Context

- 2.5. Chapter 5 of the National Planning Policy Framework (NPPF), 2019 confirms the importance of significantly boosting the supply of homes and delivering housing needed for different groups in the community, including those who require affordable housing.
- 2.6. Paragraph 62 states that planning policies should specify the type of affordable housing required, 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.
- 2.7. Paragraph 63 states that the provision of affordable housing should not be sought for residential developments that are not major developments... 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 amount<sup>3</sup>.

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<sup>1</sup> <https://www.rushmoor.gov.uk/rushmoorplan>

<sup>2</sup> <https://www.rushmoor.gov.uk/housingstrategies>

<sup>3</sup> Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.



- 2.8. The national planning policy definition of affordable housing is included in the Glossary of the NPPF which is repeated in the Glossary of this document. However, an extract of the definition is provided below:

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

- a) *Affordable housing for rent*
- b) *Starter homes*
- c) *Discounted market sales housing*
- d) *Other affordable routes to home ownership*

## **Local Policy Context**

- 2.9. To support the provision of the overall level of housing required, and the mix of housing types and tenures, the Council jointly commissioned a Strategic Housing Market Assessment (SHMA)<sup>4</sup> with Hart and Surrey Heath councils. The SHMA (2016) identifies a need in Rushmoor for 160 affordable subsidised rented homes per annum (social or affordable rent). In addition, there is a need for 220 intermediate (subsidised home ownership) homes a year.

- 2.10. The SHMA and Local Plan Viability Evidence have informed the Local Plan Affordable Housing Policy (LN2) detailed below:

### ***Policy LN2 - Affordable Housing***

*The delivery of affordable housing will be supported by requiring developments, subject to site viability, to provide:*

- a) *On sites of 11 or more dwellings, a minimum of 30% of dwellings as affordable homes;*
- b) *On sites within Aldershot and Farnborough town centres of 11 or more dwellings, a minimum of 20% of dwellings as affordable homes;*
- c) *A site appropriate mix of dwelling sizes designed to meet local needs, as set out in the SHMA (2016) or any subsequent update;*
- d) *Predominantly subsidised rented affordable housing, in order to best meet local needs as set out in the SHMA (2016) and any subsequent update, with a smaller proportion of intermediate affordable housing, to help create mixed communities;*
- e) *The integration of affordable housing with market housing, unless the development is 100% affordable housing;*

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<sup>4</sup> <https://www.rushmoor.gov.uk/shlaa>

- f) *On sites of 15 or more dwellings, on-site provision of affordable housing, unless there are exceptional circumstances, in which case a commuted sum of equivalent value will be required;*
- g) *On sites of 11 to 14 dwellings, either on-site provision of affordable housing or a commuted sum of equivalent value; and*
- h) *Subject to site suitability, affordable dwellings to be built to accessible and adaptable standards to meet the requirements of Building Regulations M4(2) and, where evidenced by local need, a proportion of affordable dwellings to be built as wheelchair user dwellings to meet the requirements of Building Regulations M4(3).*

2.11. On site affordable housing provision in accordance with Local Plan Policy LN2 will be secured by a Planning Obligation (S106 Legal Agreement) unless the developer can demonstrate that the development would be made unviable as a result of the policy requirements or the developer has difficulty procuring a Registered Provider (see Section X for further information).

2.12. The Rushmoor Housing and Homelessness Strategy 2017-20225 (2017) aims to ensure that Rushmoor's residents have access to good-quality homes that are affordable and appropriate to their needs. It identifies the need for housing for different groups and includes actions in relation to the delivery of specialist housing. These groups include those leaving the Army and their families, who have priority status for home ownership schemes and 'local connection' status with any local authority to which they present as homeless, and the Nepali community, many of whom are former Gurkhas and their families who have settled in the Borough. The Council works in partnership with providers to meet the specialist needs of disabled veterans and the older population through the Housing and Homelessness Strategy and to address issues of access to housing.

### **When does this guidance apply**

2.13. This guidance applies to all schemes in the Borough that generate a need to provide affordable housing in accordance with Rushmoor Local Plan Policy LN2 – Affordable Housing.

### **Early Engagement**

2.14. We recommend that development proposals be discussed with the Council's Housing Strategy and Enabling Team before a planning application is submitted to identify and resolve any issues at an early stage. The Housing Strategy and Enabling Team can advise on the tenure mix and design of policy compliant schemes, which meet housing need, as well as capital funding available to support scheme viability. There is no charge for this advice; enquiries should be addressed to [housingstrategy&enabling@rushmoor.gov.uk](mailto:housingstrategy&enabling@rushmoor.gov.uk)

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<sup>5</sup> Housing and Homelessness Strategy <https://www.rushmoor.gov.uk/housingstrategies>

- 2.15. In addition, the Council's Development Management Team can provide pre-application planning advice; this is a fee charging service. Further information on pre-application can be found here:

<https://www.rushmoor.gov.uk/article/3433/Pre-application-advice>

### 3. Affordable Housing: On Site Provision

#### Mix of affordable units

- 3.1. The Local Plan is based on evidence contained in the Hart, Rushmoor and Surrey Heath Strategic Housing Market Assessment (SHMA) 2014-2032. Affordable housing should secure 70% for rent and 30% for intermediate housing. As private market rents are high in Rushmoor compared to local incomes, social rents should be offered wherever possible to support low-income households who live and work in the borough.
- 3.2. The Local Plan identifies the following house size mix to enable the Council to meet affordable housing need in the longer term:
- One-bedroom: 30%
  - Two-bedrooms: 30-40%
  - Three or more bedrooms: Around 30%, with 10% sought as 4 bedrooms.
- 3.3. To best meet housing needs, the two-bed requirement should provide a mix of houses and flats. To offer maximum flexibility, two-bed homes should be able to accommodate occupation by four people.
- 3.4. The Council recognises that the full house type mix may not be appropriate on all sites, however, the Council's objective is to secure policy compliant development wherever possible. The developer must evidence where this is not appropriate and consult with the Housing Strategy and Enabling Team before submitting a planning application.
- 3.5. The Local Plan and its supporting evidence base identify that greatest need for affordable homes in the Borough is for social rented properties. Therefore, the starting point for a developer is to assume that tenure mix requirements will be 70% for social rent and 30% for intermediate products (e.g. shared ownership). This exact affordable mix will be dependent upon site-specific circumstances (e.g. site size and location), local needs and viability.

#### Affordability of rented units

- 3.6. Affordable homes must be genuinely affordable to those whose incomes do not allow them to rent or buy a home that is suitable for their needs on the open market. Importantly affordable and social rented homes in the Borough must be affordable to the households in the Rushmoor Housing Allocation Pool (those residents who the Council nominates to rented homes). Local income data informs the Council's approach to rent setting.

- 3.7. The measure of affordability that developers should consider when appraising schemes is that rents should not exceed 30% of lower quartile gross household incomes.
- 3.8. Income data can be accessed at [www.ons.gov.uk](http://www.ons.gov.uk). In addition, income data for those waiting for affordable housing in Rushmoor is available on request from the Housing Strategy and Enabling team.
- 3.9. The Council's preference is for social rent, wherever possible, Homes England capital grant is available to subsidise the delivery of social rent in Rushmoor (see Section 5 for more details). Social rented units delivered in Rushmoor should be calculated using the National Guidance on Rents available at [www.gov.uk/government/publications/guidance-on-rents-for-social-housing](http://www.gov.uk/government/publications/guidance-on-rents-for-social-housing).
- 3.10. Where Affordable Rents are used the Councils preferred rent-setting framework is:
- One-, two- and three-bed properties: 70% of the open market rent or the Local Housing Allowance, whichever is the lower;
  - Four- and five-bedroom properties: 65% of open market rent or the Local Housing Allowance, whichever is the lower;
  - A rent cap in the region of £250 per week for a four-bed property;
  - Other such rents as agreed with the Council.
- 3.11. Local Housing Allowance rates are available at <https://www.rushmoor.gov.uk/article/3079/Local-Housing-Allowance-LHA-for-private-tenants>

## **Procuring a Registered Provider**

- 3.12. Registered Providers own and / or manage the affordable housing stock (social rent and shared ownership) in the Borough. Therefore, early engagement with Registered Providers (RPs) that operate in the Borough is actively encouraged as this will potentially reduce design related issues with the dwellings, but also in the longer term early engagement of an RP could result in reduced management costs to future residents. The Council's Housing Strategy and Enabling Team maintain a list of RP partners that are active in the borough, which can be provided.
- 3.13. Once a Registered Provider has been secured for a development, the Council will enter into a nomination agreement with them. This is a contract, which allows the Council to nominate those in housing need to affordable homes as they become available.
- 3.14. It is important to note that Registered Providers let their properties in accordance with their own tenancy policies. However, the Borough Council encourages RPs to take account of the Council's Tenancy Strategy<sup>6</sup> when setting their policies.

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<sup>6</sup> [www.rushmoor.gov.uk/housingstrategies](http://www.rushmoor.gov.uk/housingstrategies)

## **Difficulty Procuring a Registered Provider**

- 3.15. The Council recognise that for some development, particularly on smaller sites, a situation may arise where the developer is unable to fulfil the affordable housing obligations as, despite all reasonable efforts, no registered Provider (RP) is willing to procure the affordable dwellings. This may be due to a number of factors, such as the tenure proposed does not fit the RPs business model or the financial offer submitted by the RP may not cover the developers reasonable build costs.
- 3.16. In these circumstances and where provision has been made within the s106 agreement the developer may apply to the Council to commute onsite provision of affordable housing to a financial sum. The Council will need to be satisfied that the developer has made all reasonable efforts to dispose of the affordable housing to an RP and they will be required to evidence details of any offers received from RPs or correspondence with RPs. This may also include financial information on the sum the developer is seeking for the affordable dwellings to ensure that cost is not the overriding factor in the failure to procure an RP.
- 3.17. If the Council agrees, the affordable housing obligations may be committed to a financial payment to fund off site provision (see below). However, it is important to note that the Councils priority remains the provision of affordable housing on the application site and this cascade to a financial sum is the last resort. Before considering requests, the Council will first explore with the developer whether amended affordable housing scheme, including changes to the number, type, tenure and location within the site, will make on site provision possible.

## **Accessible and Adaptable Homes**

- 3.18. Rushmoor Local Plan Policy LN2 (criteria h) requires affordable housing to be accessible and adaptable standards to meet the requirements of the Building Regulations M4(2), unless the site is unsuitable. This is to support the aging population and the specific needs of people with mobility problems.
- 3.19. In addition, where evidenced by local need, a proportion of affordable dwellings should be built as wheelchair-user homes to meet the requirements of Building Regulations M4(3). The Housing Strategy and Enabling Team can advise on the level of need.
- 3.20. Standards for accessible and adaptable homes are contained within Building Regulations Approved Document M: Volume 1 (2015). This is available online at:  
<https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

## **Internal Space Standards**

- 3.21. To achieve a satisfactory living environment, homes should meet the internal space standards set out Local Plan Policy DE2 – Residential Internal Space Standards. These standards reflect the nationally described space standard, which was published by the government in 2015.

## Residential Amenity Space Standards

3.22. Access to outside green space is important to people's health and well-being, particularly children. To achieve a satisfactory living environment, homes should meet the standards set out Local Plan Policy DE3 – Residential Amenity Standards.

3.23. Amenity space can be in the form of private or communal gardens, balconies, and/or roof terraces. The minimum requirements for private outdoor space are:

- Flatted development: a balcony of a 5 sq m which is accessible from the main habitable room
- 1 or 2 bed houses: 15 sq m garden
- Residential units of Two bedrooms or more: 30 sq m garden space

3.24. For flatted developments, if it is not possible to provide external balconies, Juliet balconies with compensating internal space in the living area may be acceptable. Ideally, balconies should have enclosures that are safe, offer some degree of privacy, and be robust enough to take clothes-drying equipment and furniture.

## Other Design considerations

3.25. Housing design must be genuinely tenure blind, therefore affordable and market dwellings must be completely indistinguishable across the different tenures. It is preferable if affordable units are dispersed throughout the development.

3.26. The Council has analysed the outcome of new-build affordable housing schemes in the borough, and it is our view that consideration of the issues set below can reduce housing management issues in completed properties. The council therefore requires:

- Circulation space near the entrance to allow space to accommodate outside items, such as prams, umbrellas, coats and shoes.
- Direct entry from the outside into a living room should be avoided.
- Clear circulation space provided in bathrooms, that meet (or preferably exceed) the standards set in Optional technical Standard M4(2) of building regulations. This will allow properties to be used by a wide range of occupiers, including those with mobility problems.
- In larger homes, careful thought should be given when designing open-plan living and dining and kitchen areas, taking into account the number of potential occupiers and the need for some quiet space.
- All rooms, except internal bathrooms, should have natural light.
- Double and twin bedrooms must be capable of being used interchangeably to reflect the occupancy rates expected of affordable housing. A minimum width of 2.75 metres allows this to be achieved.
- Layouts should be planned so that the effect of noise from adjoining properties is minimised in sound-sensitive rooms (for example, bedrooms).

- 3.27. In addition, lack of internal and external storage space is frequently identified as an issue in new dwellings. The provision of internal built-in storage space in excess of the nationally described space standard will therefore always be welcomed.
- 3.28. Good design can incorporate bin storage into a scheme so that bins are easily accessed from the home but do not harm the appearance of the development. Arrangements that require rubbish to be taken through the home should be avoided. Consideration should be given to the size of the bin stores and how bins will be collected. Further information is available online at [www.rushmoor.gov.uk/article/3434/Rubbish-and-recycling-bins-at-new-or-converted-properties](http://www.rushmoor.gov.uk/article/3434/Rubbish-and-recycling-bins-at-new-or-converted-properties)

### High-density developments (flats)

- 3.29. Although high density usually results in the development of flats, concentrations of similar housing types should be avoided, and developers should aim to provide a mix of housing types wherever possible, although it is acknowledged that site specific factors (such as location) will influence the type and density of residential units provided.
- 3.30. To enable the effective management of residential buildings containing flats, the number of units served by a single entrance should be limited. The Council and its partners have found that no more than 12 units served by a single entrance point works well.

## 4. Affordable Housing Off Site Provision (Commuted Sums)

- 4.1. Local Plan Policy LN2 enables the use of committed sums (a financial contribution) towards off site affordable housing provision for schemes of between 11 and 14 dwellings or schemes greater than 15 units in exceptional circumstances
- 4.2. The Council's preference is to deliver affordable housing units on-site. As noted above, in exceptional circumstances, the Council may agree that the local housing need can best be met by a financial contribution for off-site provision.
- 4.3. The financial contribution will be calculated using the following formula:

*Residual Land Value (with 100% market housing) – Residual Land Value (with 30% affordable housing)*

In Aldershot and Farnborough Town Centres, the financial contribution will be calculated as follows:

*Residual Land Value (with 100% market housing) – Residual Land Value (with 20% affordable housing)*

Note that the calculation of Residual Land Value with affordable housing should be based on 70% rented and 30% intermediate tenure.

- 4.4. It is important to note that the developer will be asked to provide financial appraisals to support the inputs / assumptions for determining the financial contribution. The Council will submit this appraisal for an independent financial assessment, with the costs borne by

the developer. All commuted sum funding received is ring-fenced for affordable housing delivery.

4.5. A worked example of how to calculate commuted sums is shown below:

Dwelling Mix	X30% Aff Hsg	X70% rent	X30% int	OMV per unit	AR per unit @45%OMV	Int per unit @35%OMV	AR total	Int total
1 bedx38	11	8	3	£230K	£103,500	£80,500	£1,138,500	£644,000
2 bed x 42	13	9	4	£300K	£135,000	£47,250	£1,755,000	£425,250
3 bed + x 80	24	17	7	£400,000	£180,000	£140,000	£4,320,000	£2,380,000
160	48	34	14	£53,340,000			£7,213,500	£3,449,250
								£10,662,750

$GDV = £53,340,000 - £42,677,250$  (policy compliant scheme) = Commuted Sum of £10,662,750

## 5. Viability

### Viability Appraisals to justify a departure from Policy LN2

- 5.1. The Local Plan is supported by Evidence base including the Local Plan and Community Infrastructure Levy Economic Viability Study (2017) <sup>7</sup> that has considered the effect of the requirements in the Local Plan to ensure that the combined total impact of such requirements does not threaten the viability of the sites and scale of development identified in the development plan.
- 5.2. Where schemes do not meet the policy requirements for potential viability reasons (such as those set out in Policy LN2: Affordable Housing), the Council will require applicants to submit an open book viability assessment as part of the planning application submission. It is important to note that this information will be made available in the public domain. In such cases, the Council will commission an independent review of the viability assessment, the cost of which should be met by the applicant.
- 5.3. Proposals for a lower level of affordable housing provision will only be acceptable where the viability case is supported by the independent review and the Council accepts that meeting the full affordable housing requirement makes the scheme unviable.

### Grant Funding

- 5.4. The Council may be able to provide capital grant funding in support of affordable housing schemes. Affordable housing must therefore comply with the space standards; these standards also ensure development meets the grant conditions of Homes England. In addition, each scheme must also:

<sup>7</sup> <https://www.rushmoor.gov.uk/article/10136/Background-evidence-on-viability>



- Meet the standards set out in this SPD;
  - Provide homes for rent that comply with the Council’s rent-setting formula (see paragraph 3.10);
  - Provide the Council with nomination rights;
  - Provide an opportunity for chain lettings; and
  - In the case of shared ownership, offer additional units to the shared ownership requirement of an s106 agreement or offer a return to the Council in the form of a ground rent or a share in capital growth.
- 5.5. To assist with the pre-application process, the Council has an online pre-application checklist. This can be found at [www.rushmoor.gov.uk/article/3433/pre-application-advice-for-developers](http://www.rushmoor.gov.uk/article/3433/pre-application-advice-for-developers).

### **Vacant Building Credit**

- 5.6. The National Planning Policy Framework (NPPF) (paragraph 63) provides an incentive for brownfield development on sites containing vacant buildings. National Planning Practice Guidance<sup>8</sup> (NPPG) requires that where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.
- 5.7. The Local Plan acknowledges that the Vacant Building credit is intended to incentivise brownfield development on sites with empty or redundant buildings, and that if applicable a ‘credit’ should be then applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use (converted) or demolished.
- 5.8. The Local Plan makes it clear that in considering Vacant Building Credit applications, the Council will have regard to the national policy, which is to incentivise brownfield redevelopment and not simply to reduce the affordable housing requirement of schemes that would have come forward anyway. Sites allocated for development within the Local Plan in Aldershot and Farnborough Town Centres may not be eligible for Vacant Building Credit, as the Affordable Housing requirements have already been reduced in these locations to reflect the higher costs associated with redeveloping brownfield land.
- 5.9. It is important to note that the vacant building credit does not apply to buildings that have been abandoned. The Council will determine on a case by case basis whether building is vacant or abandoned. As a general principal to qualify for the vacant building credit a building should be vacant at the time a planning application is registered. The credit is only applicable to relevant vacant buildings; the Council will not accept for example sheds and non-permanent buildings for the purposes of vacant building credit.

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<sup>8</sup> NPPG Paragraph: 021 Reference ID: 23b-021-20160519 <https://www.gov.uk/guidance/planning-obligations>

5.10. In instances where the Council considers that a proposed development qualifies for Vacant Building Credit, the following formula should be used for schemes providing on-site affordable housing provision:

**Step 1** - Calculate the number of dwellings that should be provided as affordable housing on a given site in accordance with Local Plan Policy LN2: Affordable Housing

**Step 2** - Calculate as a proportion, the extent of existing floorspace compared against the proposed floorspace.

**Step 3** - Make a deduction to the number of affordable dwellings to be provided based on the proportion identified at Step 2.

5.11. This will be calculated by the formula  $RAH = AH - (AD \times E / P)$  where:

RAH = Revised number of affordable housing units to be provided

AH = Expected number of affordable housing units to be provided prior to application of credit in accordance with Local Plan Policy LN2

E= Existing floorspace to be demolished

P = Proposed floorspace to be created

## Glossary

**Affordable Housing (National Planning Policy Framework 2019 definition):** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

**Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

**Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

**Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

**Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

**Chain Lettings:** Chain letting is an important approach in managing and securing the best use of affordable housing. It ensures that as many tenants as possible are housed in accommodation that is suitable for their needs and encourages mobility of tenants into the right sized home.

For example:

A housing association tenant currently under-occupying moves into a new build one-bed property releasing their property to house an overcrowded household. The smaller property released by the overcrowded household can be allocated as a management move to another household OR be used to house an applicant in the housing allocation pool and so on. Using this approach can achieve several right sizing moves through a single new build property.

**Intermediate Housing:** Homes for sale and rent provided at a cost above social rent but below market levels. They can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.

**Nomination Rights:** Allow the local authority to send referrals (nominations) to RPs to fill a certain percentage of their vacant at the beginning of a new development and as vacancies arise (re lets). Households or individuals nominated must come from the council's allocations scheme. Nomination Rights are relevant for both rented and intermediate tenures.

**Registered Providers:** Government-funded not-for-profit organisations that provide affordable housing. They include housing associations, trusts and co-operatives. They work with local authorities to provide homes for people who meet the affordable homes criteria. As well as developing land and building homes, they undertake a landlord function by maintaining properties and collecting rent.

**Social rented Housing:** 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 agreements to the above, as agreed with the local authority or with the Homes and Communities Agency (HCA).

**Strategic Housing Market Assessment:** An evidence base document that:

Estimates housing need and demand in terms of affordable and market housing

Determines how the distribution of need and demand varies across the Hart, Rushmoor and Surrey Heath Housing Market Area; and

Consider future demographic trends and identify the accommodation requirements of specific groups.