

Addendum to Solihull 'Meeting Housing Needs' Supplementary Planning Document

1. Affordable Housing Threshold

On the 19 May 2016 Government announced changes to national planning guidance in respect of the thresholds at which affordable housing contributions may be sought.

This follows the order of the Court of Appeal dated 11 May 2016, which gave legal effect to the policy set out in the Written Ministerial Statement of 28 November 2014. The new guidance states at paragraph 31 that,

“contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm”

<http://planningguidance.planningportal.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/>

The Council has therefore amended Council Plan Policy P4 a) as follows,

‘The Council will require developers of allocated and unidentified sites to make a contribution to affordable housing on residential sites of 11 units or more, or which have a maximum combined gross floor space of more than 1000sqm to meet the housing needs of the Borough’.

2. Rural Areas

Government changes to national planning guidance stated that in designated rural areas local planning authorities may choose to apply a lower threshold.

The Metropolitan Borough of Solihull does not have any areas designated as ‘rural’ by the Secretary of State under Section 157 of the Housing Act 1985.

3. Vacant Building Credit

The amended National Planning Practice Guidance also affects the extent of affordable housing that should be provided in relation to developments that either re-use existing buildings or include the demolition of existing buildings. This is called the 'vacant building credit'.

The Council has approved the following approach to calculate the Vacant Building Credit:

Step 1 - Calculate the number of dwellings that should be provided as affordable housing on a given site (40% of the total number of dwellings proposed)

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.

This will be calculated by the formula $RAH = AH - (AH \times E / P)$ 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 (i.e. 40% of total number of dwellings proposed)
- E = Existing floorspace to be demolished.
- P = Proposed floorspace to be created

Worked example:

- Development of 50 dwellings on a site that has a building of 1,000 sq. m which would be demolished,
- Floorspace of 100 sq. m for each new dwelling assumed (5,000 sq. m in total)
- The normal affordable housing contribution would be 20 units (40% of 50)
- So the revised affordable housing contribution would be $20 - (20 \times 1,000 / 5,000) = 20 - 4 = 16$

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