**Addition information regarding the**

**vacant building credit.**

**as requested by the Inspector at Matter 8 hearing on Wednesday 20th July 2016**

**Prepared by Canterbury City Council**

26th August 2016

**Context**

1. This note is made in response to the Inspectors verbal request at the matter 8 examination hearing of Wednesday 20th July 2016 (and as set out in his post-session “To Do List”) for a note regarding the implications of the Vacant Building Credit provision as set out within the Secretary of State’s Written Ministerial Statement (WMS) of 29 November 2014.
2. In simple terms, the WMS set out that where a vacant building is brought back into residential use through a new development, or is demolished to be replaced by new residential units, the applicant should be offered a financial credit against any affordable housing contribution calculated for that site. The intention is to incentivise development of brownfield sites containing vacant buildings, including the reuse or redevelopment of empty and redundant buildings.
3. The Vacant Building Credit (VBC) was reinstated as national planning policy on the 11th May 2016. Subsequent amendments to the National Planning Practice Guidance (NPPG) sets out how the VBC is to operate in practice.

**National Planning Practice Guidance**

1. The NPPG states 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.[[1]](#footnote-0)
2. The financial credit that is to be applied will be the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. The overall affordable housing contribution this is to be deducted from will be that as set out in the Local Plan. The existing floorspace of a vacant building should be credited against the floorspace of the new development. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided [[2]](#footnote-1)
3. The VBC does not apply where the building has been abandoned.  In considering how the VBC should apply to a particular development, local planning authorities should have regard to the intention of the national policy, which is to incentivise brownfield development. In making this determination, consideration should be given to whether the building has been made vacant for the sole purposes of re-development or whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development.[[3]](#footnote-2)

**Implication for the Local Plan**

1. The application of this national policy will see a net overall reduction in affordable housing provision for the district across the plan period. This is particularly regrettable in view of the City Councils backlog of affordable housing need from the current waiting list of 1,550 households (as at 1st April 2016) and the significant annual affordable housing needs identified in the Housing Needs Review (CDLP5.7 Section 5).
2. It is however accepted this is an inevitable consequence of the policy common for all Local Planning Authorities. For Canterbury, it is considered the overall reduction in provision will be relatively limited owing to very few allocations likely to be able to apply the VBC as these are predominantly non-brownfield sites. For windfall allocations, the provision for the VBC is already a material consideration in making planning decisions to be taken into account in determining current and future planning applications.
3. Canterbury City Council therefore consider that the approach to seeking affordable housing as set out within Policy HD2 of the Local Plan Publication Draft 2014 (CDLP 1.1) would continue to be sound and could be used as the basis for seeking affordable housing as now established in the NPPG.
4. Notwithstanding this, it is recognised that modification of policy HD2 confirming the City Councils approach to the VBC may aid clarity. In particular, the NPPG does not expressly define what constitutes ‘vacant’ or how Local Planning Authorities should determine whether the building has been made vacant for the sole purpose of re-development.
5. In view of the above, some suggested wording will be added to the Potential Main Modifications, so as to demonstrate conformity with the VBC policy. This suggests that the following paragraph be included within policy HD2:

*“A vacant building credit will be applied where it can be demonstrated that qualifying buildings are genuinely vacant. Whether a qualifying building is genuinely vacant will be determined on a site by site basis, having regard to the vacant building credit policy intention to incentivise brownfield development. The vacant building credit applies where the building has not been abandoned, has not been made vacant for the sole purposes of re-development and is not covered by an extant or recently expired planning permission for the same or substantially the same development”.*

1. Paragraph: 021 Reference ID: 23b-021-20160519 [↑](#footnote-ref-0)
2. Paragraph: 022 Reference ID: 23b-022-20160519 [↑](#footnote-ref-1)
3. Paragraph: 023 Reference ID: 23b-023-20160519 [↑](#footnote-ref-2)