CITY OF YORK COUNCIL

Affordable Housing

Non-statutory planning guidance

Approved 7 July 2026



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1. Affordable housing policy site thresholds and requirements

Affordable housing policy provisions are determined by application thresholds summarised below. Applications that meet these requirements would be supported from an affordable housing perspective. Early engagement with the Housing Strategy and Performance Team is encouraged as they may be able to identify possible sources of grant funding to increase affordable housing provision on development.

In accordance with recent changes to the National Planning Policy Framework, major development on sites within the Green Belt should provide affordable housing in accordance with the Golden Rules (see NPPF 2024 paragraphs 156-158[1]). These require affordable housing at 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%. In York this equates to a requirement for 45% (30% as the highest existing affordable housing range plus 15%) on site affordable housing on Green Belt sites.

Table 1: Affordable Housing Policy Expectations

Threshold	Policy provision requirement	Affordable tenure mix / other provisions
Brownfield sites of 15 or more dwellings	**20%** of total homes, on site	80% social rent 20% intermediate tenure
Greenfield sites of 15 or more dwellings	**30%** of total homes, on site	80% social rent 20% intermediate tenure
Sites of **5-10 dwellings** where the combined gross floorspace is more than 1,000m2	**10%** provided as commuted sum using specified calculation below	Outbuildings are excluded from the floor area calculation
Sites of **11-14 dwellings:** any floorspace	**10%** provided as commuted sum using specified calculation below	n/a

[1] https://www.gov.uk/guidance/national-planning-policy-framework/13-protecting-green-belt-land

Threshold	Policy provision requirement	Affordable tenure mix / other provisions
Green Belt sites where the NPPF **Golden Rules** are applicable	**45%** of total homes, on site	A minimum of 24% of homes on greenfield sites must be delivered as social rent. This reflects the policy requirement for 30% affordable housing on greenfield sites, of which 80% must be social rent: 30% x 80% = 24% social rent minimum, of the minimum 45% Golden Rules affordable provision.
Off-campus purpose built student accommodation	Off-site financial contribution in line with the calculation in policy H7	n/a
Note 1: This policy will apply if a development proposal below the thresholds is followed by an obviously linked proposal at any point where the original permission remains extant, or up to 5 years following completion of the first scheme, and the combined total of dwellings is 5 or more dwellings. **Note 2:** Tenure mix will be applied in accordance with the current Local Housing Needs Assessment (LHNA) evidence base. Build to Rent schemes will provide Affordable Private Rent **Note 3**: Where the LHNA is referred to within this Guidance, as in Local Plan policy, it is the most up-to-date version which should be used. **Note 4:** To achieve the policy expectations affordable housing on site provision must be 'rounded up' to achieve to achieve the relevant percentage.		

Securing Affordable Housing

Section 106 of the Town and Country Planning Act 1990 provides the statutory basis for planning obligations. The Council will expect

applicants to enter into an appropriate s106 Agreement securing all necessary provisions for the delivery, management and long-term affordability of the affordable housing required on the site.

Where necessary the s106 Agreement will include provisions relating to:

- Affordable housing definitions - the definition of affordable housing and the specific affordable tenures to be secured.
- Tenure mix and dwelling schedule - the agreed tenure mix, number of bedrooms, and the location of affordable dwellings within the development.
- Registered Provider details - confirmation of the affordable housing provider and any requirements relating to their appointment.
- Phasing - the timing and phasing of affordable housing delivery in relation to the wider development.
- Financial contributions - milestones for payment of any commuted sum or financial contribution.
- Nomination rights - nomination arrangements and any criteria relating to the allocation of affordable homes.
- Safeguarding affordability - measures to ensure the homes remain affordable to eligible households in perpetuity.
- Recycling of receipts - expectations regarding the recycling of any receipts or grant arising from the disposal of affordable housing units.
- Council costs - payment of the Council's reasonable legal and monitoring costs in preparing and administering the Agreement.
- Overage / viability review - where less than policy compliant affordable housing or a reduced commuted sum is accepted, an overage clause requiring a viability review [prior to occupation] and payment of any additional commuted sum if viability has improved.

The Council recognises that the content of s106 Agreements can vary considerably from site to site to reflect specific circumstances, including any proposed phasing of a development.

Pre-application discussions

Pre application discussion with the Housing Strategy and Performance Team is encouraged to allow for clarity on the expected size, type and tenure mix of the affordable provision and to help ensure efficiency of the application process. This approach is also supported in the NPPF.

2. Affordable housing tenures and affordability

The Council will apply a tenure split in accordance with Local Plan Policy H10 and the current LHNA evidence base. This currently equates to a split by tenure into 80% social rented, and 20% intermediate tenure, which typically will be shared ownership. This tenure split is the current default position unless site-specific circumstances, updated LHNA evidence, or viability considerations justify otherwise. The position of each tenure set out in the NPPF definition of affordable housing is summarised below. Compliance with NPPF and Regulator of Social Housing requirements must be maintained for affordable housing in all cases.

For applications proposing affordable housing in excess of the policy requirement provisions, applicants should demonstrate that social rented tenure has been maximised within site constraints, and in all cases the equivalent policy minimum social rented proportion must be provided. For example, if 50% affordable housing is proposed in a greenfield, it would not be acceptable to provide below 24% of the site as social rent, as this is the social rent proportion that would have been provided at 80% tenure split of the 30% minimum overall affordable provision requirement.

Definitions

- **Social rent**: Social rent is for households assessed as having a high level of need and generally unable to afford other forms of housing such as private rent or Intermediate tenure affordable housing. Rent must be set in accordance with government formula rent requirements as currently described in the Rent Standard guidance, meeting all regulatory obligations. Lettings will usually be made through nomination from the Council's own assessed list, the statutory housing register under Part 6 of the 1996 Housing Act.

- **Affordable rent:** Affordable rent is a tenure with rent charges set at up to 80% of market rent. Affordable Rent is generally discouraged unless justified by viability or site-specific circumstances, reflecting LHNA evidence. Rent must be set in accordance with rent setting requirements as currently described in the Rent Standard guidance, meeting all regulatory obligations.

  If accepted due to viability constraints as set out in section 6, Economic Viability, the affordable rent level must include all service charges, and will be generally at a maximum comprising the lower of:

  - Local Housing Allowance for the City of York published by the government for the purposes of Housing Benefit and Universal Credit entitlement; or any successor scheme, and
  - 80% of local market rent for an equivalent property

  Further guidance is available in the City of York Living Rent that forms part of the Tenancy Strategy for the City.

  It is important to note that if the level of Local Housing Allowance or equivalent scheme reduces, Affordable Rent levels must match this if required to ensure affordability for tenants in receipt of Housing Benefit/Universal Credit under benefits schemes rules.

  Lettings will usually be made through nomination from the Council's own assessed list, the statutory housing register under Part 6 of the 1996 Housing Act.

- **Affordable private rent (APR) or "discounted market rent":** This is the NPPF term for what is often known as discounted market rent (DMR). **This tenure is used for Build to Rent schemes only.** Where APR is proposed to meet the same requirements as Affordable Rent above, lettings may be made through nomination from the Council's own assessed list, the statutory housing register under Part 6 of the 1996 Housing Act.

APR will be considered an intermediate tenure provision where it does not meet these requirements.

Discount levels will be set by reference to government guidance and local evidence as described in section 4, Rent to Buy and Affordable Private Rent levels and eligibility.

Shared Ownership: Shared Ownership offers homes where an initial share can be bought between 10% and 75% with the option to increase the share in the future, known as ‘staircasing’. Rent is paid on the remaining share. Capital receipts from ‘staircasing’ should be reinvested in affordable housing development or improvements within the City of York area where possible, on a best endeavours basis.

Shared Ownership properties should be sold using the relevant model Homes England lease and under the terms of the Homes England programme. **Rental charges should be restricted to a maximum 2.5%** of the equity owned by the Registered Provider, to support affordability for occupants. A higher rent charge up to 2.75% may be applied where this is demonstrated to be essential for scheme viability.

Older People’s Shared Ownership schemes that include an age-related occupancy restriction will apply the terms of Homes England’s Older Persons Shared Ownership model.

Service charges

Applicants should ensure that service charges do not compromise the affordability of the scheme for residents with a need for affordable housing.

The service charge is the amount payable on an affordable housing unit in addition to the rent/mortgage due. It should include all estate management charges, ground rents, services, repairs, regular and

cyclical maintenance of communal areas such as cleaning and grounds keeping, and the insurance of the building.

Contributions to sinking funds may be charged additionally to service charges. Such charges should only be made to recover the costs of replacing items or areas of a building at their expected ‘end of life’ as part of programmed repairs for that building.

Applicants must engage with the Housing Strategy and Performance Team at an early stage for all schemes where service charges are likely to be significant.

Applicants will be expected to demonstrate that high service charge levels would meet Housing Benefit / Universal Credit eligibility requirements to support the affordability of the homes. It is also expected that applications will take service charge impacts of design choices into consideration and that affordable housing service charges will be minimised wherever possible.

3. Approved RP list and allocations

Affordable housing must be transferred to a Registered Provider (RP) from the Council's approved list and then will be managed in line with the Regulator of Social Housing and Homes England rules. Provider approval by the Council will be reviewed periodically and will be assessed against criteria including:

- compliance with nominations agreements
- satisfactory Regulator assessment
- housing management and maintenance performance
- compliance with Tenancy Strategy expectations

If an RP is interested in providing social housing in York they will need to contact the Housing Strategy and Performance Team to ensure they meet the criteria and are accepted to be on the list.

There are restrictions placed on who is eligible to purchase or rent affordable housing to ensure that priority is offered to local people. Applicants on the Local Authority waiting list for an affordable rented property must have been a resident within York for six out of the past 12 months, or 3 out of the 5 past years, or have local connection. The eligibility criteria will be applied in accordance with the Housing Act 1996, statutory guidance, and the Council's adopted Allocations Policy.

There will be a Section 106 obligation to ensure RPs enter into a Nominations Agreement that will allocate affordable homes in accordance with the Council's Allocations Policy.

Social Rent transfer values are not fixed, as they are set by a competitive tender process between approved Registered Providers on the basis of zero public subsidy financial viability. This is carried out by the developer and the procedure is detailed in the s106 agreement. Applicants should work with Registered Providers and should aim to achieve the York and North Yorkshire Affordable Homes Standard for affordable housing provision.

4. Rent to Buy and Affordable Private Rent levels and eligibility

Rent levels for Affordable Private Rent should be indexed to earnings, with reference to the Council's most up to date housing needs assessment. This provides a more effective approach to affordability than a fixed market rent discount. There would also be a minimum 20% discount in the event that wages increased at an unexpectedly more rapid rate than market rents. Maximum rents include service charges within the calculation.

Affordability is benchmarked against income scenarios of households that are expected to be typical low income, in-work eligible households for the Affordable Private Rent tenure. Median rent levels are also considered an upper ceiling for an affordable housing product. The City of York Living Rent approach should also be taken into account.

Up to date Office of National Statistics or successor data will be applied for this purpose. Rent and income levels at the time of publishing are shown below, for illustrative purposes.

References and data from the Office of National Statistics (ONS)
a. ONS data on City of York private rents and incomes: 1-bed

Reference data for 1-bed Affordable Private Rented property:

- Single full-time earner on Lower Quartile income: **£24,985/year**
- Lower Quartile rent for 1-bed: **£695/month**

b. ONS data on City of York private rents and incomes: 2-bed

Reference data for 2-bed Affordable Private Rented property:

- 2-person household: 1 full-time earner on Lower Quartile income and 1 part-time earner on median income, total **£37,914/year**
- Median rent for 2-bed: **£865/month**

Table 2: illustrative local housing and labour market data

	Proposed rent	% of reference income	Proportion of total rent *[discount]*	Market valuation
1-bed	**£695/month**	33.4%	*Calculated from valuation*	*Applicant to provide*
2-bed	**£865/month**	27.4%	*Calculated from valuation*	*Applicant to provide*

The calculations to be updated at time of application assessment. Annual rent increases are restricted to a maximum of CPI + 0.5%.

5. Future sustainability and provision in perpetuity

Rented affordable homes must be retained in perpetuity, with exceptions limited to:

- Mortgagee-in-possession provisions in accordance with the agreed Section 106 agreement. Registered Providers should ensure that their finance terms for the properties can accommodate these requirements.
- Affordable Private Rent properties may be sold as part of a whole block transfer provided an appropriate commuted sum is paid.
- Rent to Buy is treated as a low-cost home ownership tenure for these purposes and the process is set out below.

Discount Market Sale properties must be maintained as affordable homes with resale restricted to the proportion of the initial price to market valuation.

For any properties generating a market receipt such as Shared Ownership and Rent to Buy tenures, the sale receipts must be retained by the Registered Provider and re-invested in affordable housing, with best endeavours to secure this within the City of York Council area.

6. Economic viability

The supporting text to **Local Plan policy H10** describes the approach to assessment of viability in respect of affordable housing, with the process summarised in the table below. Viability assessments must be published in full in accordance with national government expectations unless exceptional circumstances justify redaction.

The **National Planning Policy Guidance** on viability should be followed in preparing and reviewing viability appraisals, including methodology and standardised inputs. Future updates to national policy will be incorporated into decision making where relevant.

Process Stage	Responsibility
1. The applicant believes because of development viability that a site cannot meet the requirements of the policy	**Applicant**
2. Open book appraisal submitted with application that complies with national planning guidance on decision making	**Applicant** including bearing costs of appraisal
3. Review of appraisal submission and notification of either: **a.** Acceptance of submission, or **b.** Need for further review	**Local Planning Authority (LPA)** **Local Housing Authority (LHA):** consultee during process
4. If a need for further review is identified, the LPA will instruct either the Valuation Office Agency or, where needed, an alternative suitably qualified survey to review the appraisal submission. The applicant will undertake to pay all costs of doing this.	**LPA:** instruction of surveyor **LHA:** housing-specific guidance **Applicant:** bearing costs of appraisal and related reviews (including any required by the LPA)

Process Stage	Responsibility
5. The parties will work to achieve an agreed position, with the support of the instructed valuers. Viability review mechanisms will be utilised for Outline applications and for other applications with a longer development timescale.	**LPA** and **LHA** **Applicant** including bearing costs of appraisal and related reviews
6. Where non-viability and non-compliance with policy requirements is agreed, options will be assessed to maximise affordable housing provision: **a.** Seek Homes England or other capital funding sources to enable additional affordable housing **b.** Consider alternative tenure provision mixes that can enhance viability, within the priorities of the LHNA	**LPA** and **LHA**
7. Decision issued taking into account outcome of assessment and options pursued to address affordable housing shortfall.	**LPA**

Viability review mechanisms

All review mechanisms are upwards-only. This means that if conditions have improved, the surplus is used to progress towards (or reach) policy compliance. Whereas if conditions have worsened and a deficit arisen, there is no reduction in planning obligations. Viability assessments allow for developer's profit to accommodate market risk; it is not the role of the planning system to insulate developers against market downturns.

Viability review mechanisms will only be utilised when the application viability appraisal is likely to be significantly obsolete by the time the development has been completed. They will be used for all Outline

applications and where the development is expected to take place on a longer timescale for example, due to being larger, phased developments.

Government guidance and evidence-based practice will be used to determine viability review mechanisms.

7. Affordable housing mix

Early engagement with the Housing Strategy and Performance Team is encouraged to ensure that the design and layout of the affordable housing is appropriate. In providing affordable housing, applicants should deliver an appropriate mix for the location and consider the evidenced mix in the latest Local Housing Needs Assessment (LHNA). The most appropriate size and type of affordable housing will be determined on a case-by-case basis reflecting the context of the site, the LHNA, the current housing register, existing affordable housing stock and relevant planning guidance.

The requirements of Policy H3 must be met in respect of affordable housing mix which also depends on an appropriate wider mix across the site to achieve good quality, sustainable provision.

Details of the mix and affordable provision should be provided with any planning application in spreadsheet format in addition to a clearly identifiable layout plan. This must cover the details shown in Table 3, as a minimum.

Table 3: Affordable Housing Mix Schedule

Bedrooms	Type		Size	Accessibility Part M	Social Rent	Discount Sale	Market	Total

Layout

The affordable houses are to be ‘pepper-potted’ evenly throughout the development and visually indistinguishable from the open market dwellings. Different tenures should also be evenly distributed throughout the site.

Smaller house types should not be clustered together within the development if doing so would make the above principles unachievable. Any affordable flats shall be distributed evenly throughout the blocks by the same principle, where possible.

It is recognised that freehold sale of apartment blocks may be necessary in order to achieve on site delivery via a Registered Provider, offering a whole block for the purpose of better housing management. In this case, the block(s) will not be of excessive size and if there are multiple affordable blocks, they will not be located directly next to one another.

Apartment blocks should be designed with consideration of freehold transfer where this is the most suitable option, providing an appropriate scale, quality and level of amenity for any blocks which may be identified as affordable housing.

Accessibility standards

Building Regulations stipulate that all new homes must meet the requirements for M4(1) Category 1 – Visitable Dwellings.
The Council recommends that as much as possible all affordable homes should be built to an a M4(2) accessible and adaptable dwelling standard as a minimum. This is supported by evidence in the current LHNA. The LHNA also highlights there are higher number wheelchair users in social housing than the private sector and that approximately 25% of affordable homes should be M4(3) to meet this need.
In the development of M4(2) and M4(3) homes, it is encouraged that developers use Accessible York's accessible homes rating checklist to test accessibility.

The Nominations Agreement for a scheme should ensure that households with an assessed need for the M4(3) homes will be prioritised for all initial and future allocations.

8. Affordable housing quality and design

The Council seeks to achieve high quality and inclusive affordable housing. It is expected that developers ensure that affordable housing is well integrated into the development so that “no tenure is disadvantaged” in line with the National Design Guide and NPPF. These requirements represent strong expectations for all qualifying schemes. However, the Council may apply appropriate flexibility where applicants provide clear and robust justification based on site-specific circumstances, updated evidence, or viability considerations.

Property size

The recommended mix of bedrooms for affordable housing is established in the LHNA and reflects the city-wide need. Each individual site will have varied expectations based on the nature and character of the local area. The Council monitors the delivery of the housing mix and up to date evidence of need may impact the affordable mix of development sites as referenced in the LHNA.

Local Plan Policy H3 requires that all homes must be suitable for the intended occupiers in relation to the quality and type of facilities. This has implications for social and affordable rented provision, for example due to central government welfare policy 2+ bed social and affordable rented properties will often be occupied by families. Consequently, there is an expectation that 2-bed affordable homes should predominantly be provided as family houses that are indistinguishable from equivalent open market homes on the scheme. Approved Registered Providers in York and North Yorkshire have co-produced an Affordable Housing Standard to define the requirements for any affordable units they acquire through S106 agreements and developers should have regard to these requirements and the following house types:

- 1 bed: minimum 2 person
- 2 bed: minimum 3 person
- 3 bed: minimum 5 person
- 4 bed: minimum 6 person

Other design considerations

Applicants are encouraged to provide private outdoor space for all homes wherever possible given site constraints, with an individual garden or a suitably sized balcony/terrace for apartments. For apartment blocks including homes of 2+ bedrooms, access to suitable children's play space on a 'doorstep play' basis should be demonstrated.
Open Space and related aspects such as central parks, children's play areas and linear gardens should be designed to fully accommodate and integrate residents of affordable homes within the scheme. Residents of affordable homes must have full and equal access to all amenity space, in addition to other relevant amenities such as car and bike parking and communal areas.

Wherever possible, private drives/highway to affordable homes should be avoided, with adopted highways up to the curtilage of affordable properties. This is due to the service charges and maintenance implications for Registered Providers.

There should be no difference between the amount and quality of car and cycle parking provision between the market and affordable houses, or access to any other shared amenities of the development.

Active and public transport links are especially important to residents of affordable housing in the City and evidence should be provided with any planning application to support assessment of how the site performs in relation to these considerations.

If electric heating and hot water are provided, these should be provided by a suitable system such as heat pump provision of heating and hot water or efficient district heating systems. This will minimise fuel poverty risks for residents of affordable housing.

9. Delivery of affordable housing through the planning system

For applications of 15 homes or more, the Council's clear expectation is that affordable housing is delivered on site in all but exceptional cases. This is the most effective means of delivery of urgently needed affordable housing for our city and can facilitate new communities that are diverse and mixed tenure.

Off-site forms of provision for sites of 15 homes or more will only be agreed where it is demonstrated that there is no suitable means of delivering appropriate affordable housing within the application development: "*Any other off-site provision or commuted payment in lieu of on-site provision for affordable housing will only be acceptable if it is robustly justified*" (Local Plan Policy H10 supporting text). The presumption is that this would not be suitable and any applicant concerns relating to affordable housing should be discussed at an early stage to reduce the risk of delay to the application.

In the event that off-site provision is agreed it may take one of several forms:

- Equivalent delivery on an alternative site
- Transfer of land supported by a commuted sum sufficient for affordable development
- Payment of a commuted sum equal to the value of the affordable housing that would have been provided

Equivalent delivery on an alternative site

In those exceptional cases where it is accepted that on-site delivery is not possible in accordance with policy, affordable housing of equivalent type and quality may be provided on an alternative site. Considerations in determining the acceptability of the proposal would include:

- Size, type and design quality of affordable homes provided
- Suitability of alternative location

- Integration of the affordable housing within mixed and sustainable communities
- Deliverability: planning permission should already be secured, with a robust plan to deliver the homes on a similar schedule to the application site
- Overage provisions may be included where the alternative homes are of lower market value
- A “backstop” would be required for a full commuted sum payment in the event that the homes are not delivered within the agreed timescale (Table 4 below)
- The homes provided must be delivered in addition to any section 106 requirement for the alternative site itself

Payment of a commuted sum equal to the value of the affordable housing that would have been provided

In the event that all other options have been explored and it is accepted that no delivery of affordable homes or provision land is possible, a commuted sum will be provided instead – “calculated as the difference between the transfer price and the market value of the specific home(s) on that site.” (Policy H10 supporting text) This is shown in the formula set out below.

Commuted sums will be secured via S106 agreement and spent by the Local Authority within 10 years of receipt. They can be used for a range of costs in providing alternative affordable housing, including staff, project management and consultancy costs in development of the pipeline and on-site delivery. A schedule of payments will include a proportion of payment prior to start on site and at regular intervals thereafter.

Table 4:

Sites of 15+ dwellings with a commuted sum requirement

This formula will be used to calculate commuted sums **for sites of 15+ homes** in the event these are agreed in lieu of on-site affordable housing provision.

MV: Market Value of application development affordable requirement
ATV: Transfer Value of affordable housing requirement, with no public subsidy

Formula A: Commuted sum = MV – ATV

Valuations obtained at the applicant's expense from a suitably qualified (e.g. RICS) surveyor will be required for MV. The LPA may either provide the ATV based on existing data or may decide to accept an ATV provided by the surveyor.

Commuted sum payments are required for sites of 5-14 dwellings as defined in Policy H10. This is calculated as set out in Table 5.

Table 5: Policy H10 Calculation of a commuted sum for affordable housing

Sites of 5-14 dwellings with a commuted sum requirement

On sites of 5-14 homes an off-site financial contribution (OSFC) is required in accordance with the approved formula:

OSFC per dwelling =

[Average York Property Price] - [Average York RP Price] x 10%

Average York RP (Registered Provider) Price represented the typical affordable housing transfer value in York.

For further information please contact:

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Annex A: Vacant Building Credit

Introduction

This section provides guidance on the Council's approach in applying the vacant building credit, to supplement Paragraph 5.72, Policy H10 of the Council's Local Plan.

Application of the vacant building credit (VBC)

The VBC was introduced by the government with the aim of stimulating the development of vacant buildings on brownfield sites. A financial credit, equivalent to the existing gross floorspace of any vacant buildings within the redline boundary of the application site brought back into any lawful use or demolished for re-development, will be deducted from the calculation of any affordable housing contributions sought from relevant development schemes where the VBC applies. This will not however apply to vacant buildings which have been abandoned.

In order to apply for the VBC seeking reduced affordable housing contribution, a VBC Statement must be submitted alongside a planning application. The following information will need to be included in the Statement:

- Evidence that any referenced building is a 'vacant building'. A building is not considered as 'vacant' if the building has been in continuous use for a period of six months during the last three years up to the date that the planning application is submitted. The whole building must be vacant to apply for the VBC.
- A viability appraisal or other evidence which demonstrates that the VBC is necessary in order for development to be brought forward (Local Plan Policy H10).VBC will not be applied for buildings that have been made vacant in order to deliver viable developments.
- Evidence that any referenced building is not an 'abandoned building' or vacated solely for the purpose of redevelopment. The obligation will be on the applicant to demonstrate this. The factors the Council will take into account include:
  a) the physical condition of the building;
  b) the length of time that the building had not been used;

c) whether it had been used for any other purposes; and
d) the owner's intentions

- Information on the existing Gross Internal Floor Area(GIFA) and the proposed GIFA. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level. The Royal Institution of Chartered Surveyors (RICS) definition of GIFA will be used for the purposes of assessing VBC.

The LPA will determine on a case by case basis whether a building is vacant or abandoned. VBC will not be applied where it is not necessary to incentivise the scheme, in line with Policy H10.

At outline planning application stage it may not be clear what the actual number of dwellings, or the size of those dwellings, may be. Therefore, it will be difficult to quantify what VBC will be applicable. Where the LPA agrees that the VBC may be applicable, the applicant will be expected to enter into a S.106 Agreement at the outline stage to enable the matter to be deferred to a later stage when the relevant details of the scheme have been finalized. If the VBC is applicable to the proposed site, the information on floor space will inform the level of affordable housing contributions.

Formula for calculating Vacant Building Credit

P = Proposed Gross Internal Floor Area
E = Existing Gross Internal Floor Area
A = Affordable Housing due under the policy prior to any VBC application
C = Proportion of "credit" applied under VBC, as a percentage
H = Affordable Housing due net of the VBC

$C = E / P \times 100$
$H = A \times (100 - C)\%$

Rounding: for on site provision the number of AH units will be rounded up to the nearest whole number.

Tenure: where the adjusted AH contribution is below the social rented tenure requirement level for the scheme, the adjusted AH contribution will be required entirely in the high needs rented/social rented tenure.

Where the adjusted AH contribution is greater than social rented tenure requirement for the scheme, the full requirement for this tenure will be provided with any remainder in intermediate tenure.

Examples of Vacant Building Credit calculation

Example 1	**Housing development on a brownfield site: Affordable Housing requirement 20%** 50 dwellings The **Proposed** Gross Internal Floor Area(GIFA): **6,000 sq m** [P] The **Existing** Gross Internal Floor Area(GIFA): **1,500 sq m** [E]	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (20%) required by the Council's planning policy [A]	Affordable housing contribution [A] 50 units x 20% = **10 units**
Step 2	Calculate the credit to apply: i.e. amount of existing floorspace as a proportion of the floorspace provided by the development: C = E / P x 100	1,500 sq m / 6,000 sq m x100 = **25%** [C]
Step 3	Calculate the number of affordable housing units to be provided net of VBC [H] H = A x (100 – C)%	10 units x (100% - 25%) = 10 units x 75% = **7.5 units** [H]

		8 social rented units to be delivered on site

Example 2	**Mixed use development on a brownfield site: Affordable Housing requirement 20%)** 80 Flats (5,000 sqm) and Office space (2,500 sqm) The **Proposed** Gross Internal Floor Area(GIFA): **7,500 sq m** [P] The **Existing** Gross Internal Floor Area(GIFA): **2,000 sq m** [E]	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (20%) required by the Council's planning policy [A]	Affordable housing contribution [A] 80 units x 20% = **16 units**
Step 2	Calculate the credit to apply: i.e. amount of existing floorspace as a proportion of the floorspace provided by the development: C = E / P x 100	2,000 sq m / 7,500 sq m x100 = **26.67%** [C]
Step 3	Calculate the number of affordable housing units to be provided net of VBC [H] H = A x (100 – C)%	16 units x (100% - 26.67%) = 16 units x 73.33% = **11.73 units** [H] **12 social rented units to be delivered on site**

Example 3: Off-site commuted	**Smaller brownfield site: commuted sum affordable sum only** 11 flats (850 sqm)

sum provision	The **Proposed** Gross Internal Floor Area(GIFA): **850 sq m** [P] The **Existing** Gross Internal Floor Area(GIFA): **400 sq m** [E]	
Step 1	Calculate the affordable housing contribution calculated as per policy provision as set out in Section 1 [A]	Affordable housing contribution [A] calculated as per Section 1: e.g. **£230,000**
Step 2	Calculate the credit to apply: i.e. amount of existing floorspace as a proportion of the floorspace provided by the development: C = E / P x 100	400 sq m / 850 sq m x100 = **47.06%** [C]
Step 3	Calculate the commuted sum to be provided net of VBC [H] H = A x (100 – C)%	£230,000 units x (100% - 47.06%) = £230,000 units x 52.94% = **£121,764.71** [H] **£121,764.71 to be paid as a commuted sum in lieu of affordable housing**