

Vacant Building Credit guidance note



Cheshire West and Chester Council



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1 Introduction

1.1 Vacant Building Credit (VBC) was introduced by the Government via the revised National Planning Policy Framework (NPPF) in February 2019 and Planning Practice Guidance (PPG) concerning Planning Obligations in March 2019.

1.2 The aim of VBC is to incentivise housing delivery on previously developed sites (brownfield land) by reducing the number of affordable housing units the developer would normally be required to provide. It should be noted that not all existing buildings will qualify for VBC and applicants are encouraged to contact the Planning Team early in the application process to discuss any potential claim as it is a material planning consideration. Only Previously Developed Land (PDL) as defined in the Local Plan Part Two ([available here](#)) will be considered for VBC. This guidance aims to set out the Council's approach to assessing VBC claims and provide the methodology for applying VBC.

2 National Planning Policy

2.1 Section 5 of the NPPF in 'Delivering a sufficient supply of homes', sets out the government's policy in relation to VBC. It indicates that the purpose of government policy in this respect is to support the re-use of brownfield land. Specifically, paragraph 64 says that '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', defined in footnote 30 as being equivalent to the existing gross floorspace of the existing buildings.

3 National Planning Guidance

3.1 [Para 26 of the PPG \(Planning Obligations\)](#) reiterates that national policy provides an incentive for development on brownfield sites containing vacant buildings. Paragraph 26 continues: '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.'

3.2 Paragraph 27 of the PPG clarifies that VBC will only apply where the proposed development increases Gross Internal Area (GIA) overall. Where the Local Plan would require an affordable housing contribution the proposed development would benefit from a proportionate 'credit' against this requirement. The affordable housing credit is the equivalent of the GIA of any relevant vacant buildings being brought back into use or demolished as part of the scheme, being deducted from the overall affordable housing contribution calculation.

3.3 Paragraph 28 of the PPG emphasises that the policy is intended to incentivise brownfield development, including the reuse or redevelopment of empty and/or redundant buildings. However, it is important to note that VBC does not apply to buildings that have been abandoned. The Council will determine whether a building has been abandoned based on an assessment of:

- the condition of the property

- the period of non-use.
- whether there is an intervening use; and
- any evidence regarding the owner's intention

3.4 The intention of the policy is to incentivise development on brownfield land and the reuse or redevelopment of redundant buildings. The intention is not to incentivise the eviction of existing tenants/businesses or the blatant neglect of property which is currently in lawful use. With that in mind during the assessment of a claim for VBC the Council will need to consider whether the building:

- has been made vacant for the sole purposes of re-development
- is covered by an extant or recently expired planning permission for the same or substantially the same development.

3.5 A claim for VBC will only be considered if the building still exists on the relevant land on the day the application is submitted. If the building has been demolished prior to submission it cannot be included in a claim for VBC.

3.6 It should be noted that the national guidance does not define 'vacancy', nor does it refer to how a Local Authority should determine whether a building has been made vacant solely for the purpose of redevelopment. Claims for VBC are for Local Authorities to determine based on the evidence provided to them through the planning process.

4 Cheshire West and Chester's approach to VBC

4.1 When a planning application that includes a claim for VBC is received by the Council, the eligibility of the proposal for VBC and any potential benefit from a credit to offset an affordable housing contribution will be assessed.

4.2 In order to carry out this assessment applicants will be required to:

- demonstrate that the building(s) has been actively marketed via appropriate media at a realistic price for a period of at least 12 months and that there is insufficient demand for the building in its current state for its current lawful use. This will apply to all buildings that have become vacant within three years prior to the submission of the planning application. VBC will not be applied to buildings which are covered by an extant or recently expired planning permission for the same or substantially the same development that did not previously benefit from VBC.
- provide evidence that the building(s) still exists on site at the time of submitting the application.
- provide the existing GIA and the proposed GIA. GIA is the area of a building measured to the internal face of the perimeter walls at each floor level. For the purposes of assessing floorspace, the council will use the definition of gross internal area (GIA) used by the RICS in its Code of measuring practice.

4.3 This information should be provided within a VBC statement accompanying the planning application.

4.4 Please note:

- For wholly residential schemes the total GIA of all proposed dwellings will be used, for mixed-use schemes only the GIA of the proposed residential elements will be used in the VBC calculation
- All calculations will be rounded to the nearest whole m²
- Where a VBC calculation does not equate to whole number, for example if 2.55 affordable units are required, if the part contribution is equal to or greater than half a unit this will be rounded up to a whole unit (2.55 units would be rounded up to 3 units).
- Where the calculation is less than half a unit, for example 2.25 affordable units, it will be rounded down to the nearest whole unit (2.25 units would be rounded down to 2 units).
- Financial contributions in lieu of on-site provision of affordable units will only be considered in exceptional circumstances.

4.5 For outline planning applications that do not provide proposed floor plans the Council will confirm in principle whether the development would be entitled to VBC and would provide a confirmation of the existing building(s) to be used in the calculation upon the determination of the outline application. VBC will only be applied to a qualifying proposal (planning application) at the full or reserved matters stage of the planning application process. The Council will then provide confirmation of the number of affordable units required on site once VBC has been applied.

5 Example of Vacant Building Credit calculation

Proposal	Housing development of 15 houses Local Plan (Part One) policy SOC 2 affordable housing requirement: up to 30% Proposed GIA: 1,500m² Existing GIA: 1,500m²	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (30%) required by the council's local plan policy	Affordable Housing contribution 15 units x 30% = 4.5 units
Step 2	Calculate the amount of existing floorspace, if any, as a proportion of the floorspace provided by the development: E/P x 100 (where E = existing floorspace and P = proposed floorspace)	1,500m ² /1,500m ² x 100 = 100%
Step 3	Calculate the amount of credit to be applied by multiplying the affordable housing requirement the Proportion of existing floorspace: Step 1 multiplied by Step 2	4.5 units x 100% = 4.5 units

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Proposal	Housing development of 15 houses Local Plan (Part One) policy SOC 2 affordable housing requirement: up to 30% Proposed GIA: 1,500m ² Existing GIA: 1,500m ²	
Step 4	Deduct the affordable housing credit from the policy compliant affordable housing contribution: Step 1 minus Step 3	4.5 units – 4.5 units = 0 units (0 affordable housing units to be delivered on site)
Affordable housing requirement once VBC has been applied		0 affordable housing units

Proposal	Housing development of 15 houses Local Plan (Part One) policy SOC 2 affordable housing requirement: up to 30% Proposed GIA: 2,000m ² Existing GIA: 1,500m ²	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (30%) required by the council's local plan policy	Affordable Housing contribution 15 units x 30% = 4.5 units
Step 2	Calculate the amount of existing floorspace, if any, as a proportion of the floorspace provided by the development: E/P x 100 (where E = existing floorspace and P = proposed floorspace)	1,500m ² /2,000m ² x 100 = 75%
Step 3	Calculate the amount of credit to be applied by multiplying the affordable housing requirement the Proportion of existing floorspace: Step 1 multiplied by Step 2	4.5 units x 75% = 3.375 units
Step 4	Deduct the affordable housing credit from the policy compliant affordable housing contribution: Step 1 minus Step 3	4.5 units – 3.375 units = 1.125 units (1 affordable housing unit to be delivered on site)

Proposal	Housing development of 15 houses Local Plan (Part One) policy SOC 2 affordable housing requirement: up to 30% Proposed GIA: 2,000m² Existing GIA: 1,500m²	
Affordable housing requirement once VBC has been applied		1 affordable housing unit
Proposal	Mixed use development – 13 flats (1,000m²) and 900m² of retail. Local Plan (Part One) policy SOC 2 affordable housing requirement: up to 30% Proposed GIA: 1,900m² total Existing GIA: 250m²	
Step 1	Calculate the affordable housing contribution based on the total number of eligible dwellings and the affordable housing percentage (30%) required by the council's planning policy	Affordable Housing contribution 13 units x 30% = 3.9 units
Step 2	Calculate the amount of existing floorspace, if any, as a proportion of the floorspace provided by the development: $E/P \times 100$ (where E = existing floorspace and P = proposed floorspace)	$250m^2/1,000m^2 \times 100 = 25\%$
Step 3	Calculate the amount of credit to be applied by multiplying the affordable housing requirement the Proportion of existing floorspace: Step 1 multiplied by Step 2	$3.9 \text{ units} \times 25\% = 0.975 \text{ units}$
Step 4	Deduct the affordable housing credit from the policy compliant affordable housing contribution: Step 1 minus Step 3	$3.9 \text{ units} - 0.975 \text{ units} = 2.925 \text{ units}$ (3 affordable housing units to be delivered on site)
Affordable housing requirement once VBC has been applied		1 affordable housing unit

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যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

Pokud byste požadovali informace v jiném jazyce nebo formátu, kontaktujte nás

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ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਵੋ।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

Türkçe bilgi almak istiyorsanız, bize başvurabilirsiniz.

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