

## **INSPECTOR'S NOTE – POLICY HC1 AND VACANT BUILDING CREDIT**

The examination has taken place over a period in which the Government's intention to limit the need for affordable housing contributions from small scale developments and residential conversions has been challenged in the Courts.

By November 2015 when Sefton Local Plan policy HC1 was discussed at a hearing, the Government had removed the 'Vacant Building Credit' exemption for residential conversions from the Planning Obligations section of Planning Practice Guidance. This was in response to a successful High Court challenge of 31 July 2015 by West Berkshire and Reading Councils.<sup>1</sup>

However, the Secretary of State appealed this judgement. In its hearing statement in response to Matter 6 (Question 6.5) the Council acknowledged that, if the Vacant Building Credit was reinstated

“the applicability of Policy HC1 to residential conversions would not, in its present form, be consistent with national planning policy and would need to be redrafted to reflect this in circumstances where vacant dwellings were to be converted.”

On 11 May 2016 the Court of Appeal upheld the Secretary of State's appeal.<sup>2</sup> Following the judgement the Vacant Building Credit exemption has been reinstated to the Planning Obligations section of Planning Practice Guidance (paragraphs 021-023).

The Council has responded by proposing further modifications to the Plan to bring it into line with current national policy. It proposes that a new part (4A) be added to policy HC1 at the start of the section relating to 'All Areas', and a new paragraph 8.13A be added after paragraph 8.13, as follows:

**4A. Vacant Building Credit - Proposals that involve the re-use of a vacant building or where it is demolished and replaced by a new building, will receive a financial credit equivalent to the existing gross floorspace (of relevant vacant buildings) when calculating any affordable housing contributions.**

**8.13A** The Vacant Building Credit is intended to offer an incentive to brownfield development, including the reuse or redevelopment of empty and redundant buildings. The existing floorspace of a vacant building will be credited against the floorspace of the new development. For example, where a building with a gross floorspace of 8,000 square metre building is demolished as part of a proposed development with a gross floorspace of 10,000 square metres, any affordable housing contribution should be a fifth of what would normally be sought.

When assessing Vacant Building Credits the Council will consider the following:

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

The Government's Planning Practice Guidance provides more detail on the operation of the Vacant Building Credit.

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<sup>1</sup> West Berkshire District Council and Reading Borough Council v Secretary of State for Communities and Local Government CO/76/2015 [2015] EWHC 2222 (Admin).

<sup>2</sup> Secretary of State for Communities and Local Government v West Berkshire District Council and Reading Borough Council C1/2015/2559; [2016] EWCA Civ 441.

Sefton Local Plan Examination

Representors who wish to comment on the proposed further modifications should submit their views (by email or in writing) to the Programme Officer by **Friday 21<sup>st</sup> October 2016**. If it should be necessary to discuss this matter at the reconvened hearings, it will be added to the Agenda for Wednesday 2 November.

Any questions on this Note should be addressed to the Programme Officer.

*Martin Pike*

INSPECTOR  
28 September 2016