Matter Number: 12/Summertree Estates Ltd
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WEALDEN DISTRICT COUNCIL
CORE STRATEGY EXAMINATION

Matter 12: Affordable Housing
02 February 2012 - PM

Written Statement on behalf of
Summertree Estates Ltd

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Planning · Design · Delivery

a) Have the requirements in terms of thresholds and percentage for affordable housing been justified by the evidence base?

1.1 We consider that the provision of 35% Affordable Housing is appropriate and has been justified by the evidence base (as set out in the viability evidence base I6 and I7). We consider this strikes the correct balance between delivering Affordable Housing, without undermining other spatial objectives that this plan seeks to provide for including delivery of housing, high quality development and provision of infrastructure and community benefits.

1.2 We note the Inspectors concerns in his letter dated 31 October 2011 referring to the issue of viability and that recent Case Law (Blythe Valley) suggests that further clarity and consistency are required to the Policy and that reference to viability should be made. We concur with the Inspector on this point and do not consider WDC's response of 02 December 2011 (ref. Y10) necessarily adequately addresses this issue. This is a fundamental soundness issue and could potentially leave WDC open to legal challenge especially in the light of the recent case law.

1.3 In order to address the above issues and our concerns as set out below, we propose an amended wording to Policy WCS8 in section d) below.

b) Is the possibility of different affordable housing targets on some allocated sites justified by the evidence base?

1.4 No. The evidence base seeks to apply a long term trend based approach to the delivery of Affordable Housing. For instance, the September 2010 Supplementary Report (ref I7 p4) identifies that '*the long term trend for over 30 years has been upwards. It is therefore unlikely that that prices will remain indefinitely at current levels*.' Furthermore, the report considers that values will be at their March 2008 level by 2012/13. We consider this to be a wholly unrealistic attitude towards values and one that is not justified by the evidence base.

1.5 We recognise that exceptional economic conditions should not be used as an excuse to delay plans (as identified on p5 of I7), but given the Core Strategy is seeking that some of the strategic development areas are to be delivered from 2015/16 onwards (and therefore applications will be required to be submitted in the near future to allow the necessary lead-in times), we do not consider that a Affordable Housing Level of up to 50% in some areas (ref A18, BP2: Managing the delivery of housing para 9.11) could be justified or viable in today's market conditions. This is especially relevant given that applications will need to be

determined in the near future if WDC wish to see allocated sites being delivered in 2015/16. The knock-on effect of this approach will result in the lack of delivery of allocated sites and thereby further worsen the 5-year housing land supply position and exacerbating the current deficit in Affordable Housing provision. This is set out in our Regulation 27 Representations.

1.6 We do not consider I7 has appropriately justified the higher levels of Affordable Housing especially in relation to large scale strategic sites above 10 dwellings. It is evident WDC is reliant on document I6 (i.e. the Aug 2009 Viability Report) to conclude that an increase of up to potentially 50% is appropriate. We therefore consider that WDC is reliant upon doc I6 to justify its higher Affordable Housing levels and yet this evidence base assesses permissions which gained consent at the peak of the market in March 2007 (see para 5.3 p 35 of I6). We therefore consider the evidence base is out of date and cannot be robustly relied upon to justify WDCs aspiration to increase Affordable Housing levels on Strategic Sites.

1.7 Indeed, if the higher level of Affordable Housing over 35% was justified by the evidence base, we question;

- Why this approach has not been reflected in the Core Strategy and that a range in the Affordable Housing requirements for different sub markets has not been referenced in Policy WCS8?
- Why does WDC seek to wait for a subsequent DPD to justify this approach? And,
- Why only attach this higher requirement to allocated sites and not all sites that trigger the threshold?

This is considered an unreasonable approach and not one that has been justified by the evidence base. This point is also made in our Regulation 27 Representations.

1.8 Furthermore, the evidence base (I6) for the justification for an increased Affordable Housing requirement on allocated sites precedes not only the SHLAA but also the submitted Core Strategy. As such, the viability evidence that has been relied upon, applies a generic approach to Affordable Housing for the District. This is why an appropriate 35% figure has been reached.

1.9 However, in seeking to now allocate strategic development areas in the Core Strategy that would be subject to a higher AH requirement, it is considered that WDC must justify this specific part of Policy WCS8. It is our view that because these areas are now known, and the sites within them are also known, the evidence base (i.e. the viability studies) needs to demonstrate that these sites have been assessed and justify WDC's approach. Currently, the evidence base (I6 and I7) are 'assuming' that land values will rise and have applied a simplistic approach to the increase in Affordable Housing without fully having regarding to

other objectives of the plan. This is an approach that is not based on a robust and credible evidence base.

c) Has the effect of the affordable housing provision on the overall viability of development been appropriately considered?

1.10 No. It is evident that WDC is seeking to rectify its deficit of Affordable Housing by seeking to increase the requirements on allocated sites. However, WDC has not demonstrated in the evidence base the potential impact of that approach and how this responds to other spatial objectives of the plan and other material considerations when determining planning applications. It is therefore not justified.

1.11 We consider that an Affordable Housing requirement of up to 50% in some areas will result in the opposite effect of what WDC is seeking to achieve which is to increase the supply of Affordable Housing. We consider this approach would actually result in a significant drop in the delivery of Affordable Housing as we would anticipate sites that are subjected to this increased requirement would not all come forward. This could lead to increased and protracted negotiations relating to planning applications and an increase in the number of Section 78 planning appeals. We request WDC demonstrate where in the District a level of 50% Affordable Housing has been achieved on large scale strategic sites that are not rural expectation sites?

1.12 In reviewing the latest Annual Monitoring Report 2011 (approved by WDC Cabinet on 14 December 2011), it is evident in para 7.4.2 that of the 709 dwellings completed in the District in 2010/11, 228 were Affordable representing a 32% target achieved. This is an increase from 2009/10 where 337 overall dwellings were completed of which only 80 were Affordable dwellings (achievement of 24%). However, this monitoring demonstrates that the proposed Core Strategy target of 35% is a more realistic Affordable Housing requirement. It should be noted that para 6.4 of the AMR 2011 states *'This high level of annual completions is projected to continue over the next few years as sites with outstanding planning consent (and resolutions to approve) are built out. These sites include many of those allocated in the Non-Statutory Local Plan'*. This identifies that even once allocated in a Development Plan, existing sites in the District cannot deliver an increase in the level of Affordable Housing over and above 35%.

1.13 Furthermore, it could also undermine other spatial objectives which are being sought in the Core Strategy, as particular areas in the District already require significant infrastructure upgrading, provision of SANGs, high levels of sustainable construction, e.t.c, which all have

an impact on the overall viability of sites. We also consider that South Wealden has the greatest Affordable Housing need, however, this is not where the proposed higher Affordable Housing requirements are being sought. The strategy does not therefore fit the evidence base.

1.14 If sites are required to provide for onerously high levels of Affordable Housing, the viability is questioned and as such, so is deliverability. In this respect, Policy WCS8 could be considered to result in preventing development which is at odds with the Planning for Growth Ministerial Statement of 23 March 2011.

d) Has the presumption that 80% of the total number of affordable homes should be social rented been justified by the evidence base?

1.15 We consider that the tenure split for Affordable Housing should not be prescribed in Policy WCS8 and should remain as flexible as possible. It is apparent that the delivery of Affordable Housing is dependent on a number of factors, which vary on a regular basis in order to accommodate the current market demands and financing. To this end, the 'product' which is offered and delivered by RP's/RSL's requires the tenure split to be flexible to respond to what is appropriate at that time.

1.16 Therefore, in order for Policy WCS8 and thus the Core Strategy to be 'effective' it needs to ensure that a rigid prescription of a tenure split is avoided and we recommend the Policy is reworded to accommodate this increased flexibility.

1.17 In addition to our proposed changes to the Affordable Housing Policy as set out in our Regulation 27 Representations, we now propose the following amendment which incorporates the Inspector's concerns regarding viability (as set out above) and addresses the effectiveness of the tenure split. Please note ~~strikethrough~~ text indicates deleted policy and <u>underline</u> indicates additional wording.

WCS8 Affordable Housing

New Housing development will be expected to provide for a mix of dwelling size, type and tenure that meet the identified housing needs of the community.

The council will require affordable housing on sites of 5 or more dwellings (net) or on sites of 0.2 hectares ort more. Affordable housing will be required at a level of 35% of the number of dwellings

in any scheme. ~~Where sites are allocated in a site allocations Development Plan Document, that document may specify a different, and potentially higher, housing target having regards to the finding of the Wealden Viability Assessment and any site specific considerations.~~

Affordable housing provision should incorporate a mix of tenures. The council will negotiate the exact tenure split on each site, ~~However, the presumption is that around 80% of the total number of affordable homes provided will be for social rented accommodation with the remainder being for intermediate accommodation.~~ having regard to evidence of the need for affordable housing, issues of economic viability, the achievement of other planning objectives, the availability of public funding at the time of each planning application and the need to ensure mixed and sustainable communities can be developed.

The affordable housing will be integrated into the development and be indistinguishable in design terms from the market housing on site

Affordable housing should be delivered on site, however, in exceptional circumstances, Wealden District Council will accept a commuted sum or free serviced land in lieu of onsite provision. These circumstances may include provision where a Registered Provider finds it uneconomic or impracticable to provide the units in the scale or form agreed. Any financial contributions will be pooled and used to enable affordable housing provision with Wealden District.

e) Does the change to the definition of affordable housing in Annex B of PPS3 to include affordable rented housing have any implications for the Core Strategy.

1.18 Yes, but as set out above, we consider the re-worded policy would address any changes to the definition of Affordable Housing.