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Stevenage Borough Local Plan Examination

Hearing Statement – Matter 7 (Affordable Housing)

Iceni Projects Limited on behalf of
Bragbury End Sports LLP

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ON BEHALF OF BRAGBURY
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**Stevenage Borough Local Plan
Examination
HEARING STATEMENT – MATTER 7 (AFFORDABLE
HOUSING)**

CONTENTS

1. INTRODUCTION..... 1

2. MATTER 7 – AFFORDABLE HOUSING..... 2

1. INTRODUCTION

- 1.1 This Statement has been prepared by Icen Projects Ltd on behalf of Bragbury End Sports LLP in response to Matter 7 of the Inspector's Matters, Issues & Questions (Stage 2) for the Stevenage Local Plan Examination. In particular, this Hearing Statement provides our client's response to Question 7 of Matter 7, which states:

7. Policies SP7 and HO7 seek affordable housing as part of all residential development. The Court of Appeal judgement of 11 May 2016 (SS v W Berks DC and Reading BC) concerned national policy on thresholds for planning obligations for affordable housing and tariff style contributions. The effect of the judgement is that the policies in the Written Ministerial Statement of 28 Nov 2014 are once again national policy. The WMS states that affordable housing and tariff style contributions should not be sought for sites of 10 units or less (or 5 in designated rural areas). I note from the Council's response to my initial questions that they are seeking to retain this policy despite its divergence from national planning policy. Since this approach is a departure from national planning policy the Council will need to demonstrate the exceptional circumstances that exist in Stevenage to warrant this. This could be a combination of factors, but they must be clearly set out and evidenced for me to be able to take them into account when deciding whether the Council's approach to affordable housing represents a soundness issue.

- 1.2 The below comments build upon our previous representations on this issue and provide further explanation of how and why we consider Policy HO7 will need to be amended to make it sound in this regard.

2. MATTER 7 – AFFORDABLE HOUSING

Question 7

- 2.1 Notwithstanding the indication within paragraph 9.57 of the Publication Draft of the Local Plan (Document LP1) that should national thresholds for affordable housing be adopted then “these will apply”, we note the Council’s current intention to require all sites to include an element of affordable housing in accordance with Policy HO7 (as explained in ED111).
- 2.2 Whilst the Whole Plan Viability Study (T13) suggests that the Local Plan is viable based on the requirement for all sites to provide an element of affordable housing, it is important to note that the Written Ministerial Statement of 28 November 2014 was not intended to simply exempt small sites from such contributions solely on the basis of viability considerations. Clearly, local development plan policies would be expected to make such provision for a lower/ nil provision of affordable housing where this would not be possible in pure viability terms, and as such it would not have been necessary for the Written Ministerial Statement (WMS) to introduce a 10 unit threshold if this were the Government’s intention.
- 2.3 The WMS explains that the intention of the policy is to boost the development of housing on smaller sites by “lowering the construction cost of small-scale new build housing” and thus reduce “the disproportionate burden of developer contributions on small scale developers”. The stated justification for the 10 unit threshold in the WMS thus does not explicitly indicate a desire to ensure that it would be viable to develop small sites, but rather to make the development of such sites more commercially attractive, particularly to small developers, who may be disproportionately affected by such contributions.
- 2.4 Consequently the fact that it could be viable (subject to considerations affecting individual sites) to deliver affordable housing on small sites in the Borough is not in our view a relevant consideration which would justify a departure from this national planning policy.
- 2.5 Furthermore, we note that neither the WMS nor paragraph 31¹ of the National Planning Practice Guidance (NPPG) relating to planning obligations provide any flexibility with regard to the application of this national planning policy, and as such there would not appear to be any scope for a Local Planning Authority to justify a departure from this policy within its Local Plan.

¹ Reference ID: 23b-031-20160519

- 2.6 Whilst Stevenage Borough Council has suggested in ED111 that many of the Town Centre sites will be unable to meet affordable housing requirements due to viability issues, we note that there are a number of larger sites allocated within the Plan which could potentially provide a welcome contribution towards the affordable housing supply in Stevenage (subject to detailed viability testing at the appropriate stage). Clearly, the most effective means of improving affordability is to increase the supply of all forms of housing, and we are concerned that the removal of the incentive set out in the WMS to develop small sites could counter-productively result in fewer new homes being delivered, which would have a negative impact on affordability across the Borough.
- 2.7 Having regard to the above, we consider that the absence of a 10 unit threshold in Policy HO7 (and the Council's intention to not include one following the Court of Appeal judgement of 11 May 2016) is inconsistent with national planning policy and must therefore be regarded as unsound, having regard to paragraph 182 of the National Planning Policy Framework (NPPF).
- 2.8 In addition, and notwithstanding the above, we are concerned that the proposed wording of Policy HO7 and its supporting text as amended by Proposed Modifications HOC9 and HOC10 continue to refer to the provision of a financial appraisal to justify "[m]ajor residential or mixed use schemes" (emphasis added) that are not compliant with the relevant affordable housing target of 25% or 30%. Should the Council continue to seek to require affordable housing provision on all sites, this specific reference to major development proposals introduces an element of ambiguity as to whether development proposals for 9 residential dwellings or fewer which did not meet the relevant target would also be permitted should a financial viability appraisal demonstrate that it would not be viable to provide this level of affordable housing. Any such exclusion from this provision would clearly contradict point 'a' of Policy HO7 and would result in an undue burden on developers, contrary to paragraph 173 of the NPPF. As such, we encourage the Council to clarify the wording of the policy and its supporting text as necessary in this regard to ensure it is sound.

Summary and Proposed Amendments

- 2.9 Having regard to the above, we consider that the following parts of the Local Plan are currently unsound, based on the latest wording of Policy HO7 and its supporting text as modified by Proposed Modifications HOC9 and HOC10:
- The absence of a 10 unit threshold below which affordable housing will not be sought, as required by the Written Ministerial Statement of 28 November 2014.
 - The references to a financial appraisal being provided only to justify *major* residential or mixed use schemes where the development proposals fail to meet the 25% or 30% targets set out in Policy HO7, should these targets remain applicable to small sites and notwithstanding the above point.

2.10 We regard these aspects to be unsound, as the failure to incorporate the provisions of the WMS in the proposed affordable housing policy would clearly be inconsistent with national planning policy. The effectiveness of the Plan may also be undermined by the introduction of an additional, disproportionate burden on developers of small sites, which may reduce the delivery of such sites. Meanwhile the ambiguity introduced by the latest wording of Policy HO7 and its supporting text at paragraph 9.53 makes it unclear how a decision maker should react if the targets were to remain applicable to all sites, contrary to paragraph 154 of the NPPF.

2.11 We consider that the Local Plan can be made sound by:

- (i) Amending the wording of Policy HO7 to state that in accordance with the WMS, affordable housing will not be sought for developments of 10 units or fewer.
- (ii) Should the small site exemption referred to above not apply, amending the wording of Policy HO7 and paragraph 9.53 of the supporting text to clarify that the provision for proposals to not meet the relevant targets should this be justified by a financial viability appraisal will be applicable to all sites, not just proposals for major development.