

Stevenage Borough Local Plan

# Public Examination

Matter 15 Statement

February 2017



## Stevenage Borough Local Plan 2011 – 2031 - Public Examination

### Statement by Stevenage Borough Council (SBC)

#### Matter 15 – The supply and delivery of housing land

**NB: SBC responses set out in blue font**

**1. The majority of the proposed housing will be provided on a small number of large sites. Does the Council have a contingency Plan should one or all of these sites not deliver as expected?**

- 1.1. The SBLP housing target is an ambitious one, which SBC is planning to meet. All suitable, available and achievable sites within the Borough have been allocated for development, where possible. Sites have only been excluded from the housing allocation where they are better placed to meet other development needs; are not recommended for release from the Green Belt; or where it was considered unlikely they could be delivered within the plan period (as demonstrated in the Housing Technical Paper ([ED123](#), p10-14)).
- 1.2. The housing allocations provide for a buffer of around 8% ([ED123](#), Table 14, p19), which offers some level of flexibility if any of the larger sites do not come forward.
- 1.3. There are, however, no other available sites that could be used on a contingency basis to replace any of the large allocations. Our only option would be to look to neighbouring authorities under the Duty to Co-operate to meet this need.
- 1.4. The Council's trajectory is regarded as being robust and it does not consider that the risk of under-delivery is such that it would justify the release of Green Belt sites in other districts to provide for additional flexibility. North Hertfordshire District Council (NHDC) is proposing to make provision for safeguarded land within its plan area which will be well located to meet any future unmet needs of the Borough, if they arise, but how they are best addressed is a matter which would be most appropriately dealt with by a review of the relevant plans.

**2. Policy HO1 of the Plan says that 2000 homes will be provided through allocated sites in the town centre. How has this figure been arrived at for these mixed used sites and how accurate is it?**

- 2.1. In view of the Council's ambitions to regenerate the town centre, consultants were bought in to investigate how this could be delivered. This resulted in the Stevenage Central Town Centre Framework ([ER2](#)) being published in 2015. The Framework identifies a number of Major Opportunity Areas (MOAs) (now reflected in the SBLP) and put forward recommendations on the level and type of development that could be delivered in these areas, in practical terms.
- 2.2. This suggested just over 3,000 homes could be delivered, along with a mix of other uses, within the Stevenage Central area.
- 2.3. Before simply transferring this into the SBLP, the 3,000 homes figure was sense-checked against the findings of the Strategic Housing Land Availability Assessment (SLAA) ([HP3](#)).
- 2.4. The 3,000 homes figure broadly aligns with the findings of the SLAA, which applied a density of 395dph<sup>1</sup> across the area in calculating the likely capacity of the broad location. As such it was considered that the 3,000 homes recommended within the Framework was appropriate as an overall capacity figure.
- 2.5. At the time of submission, commitments and completions within and around the town centre already accounted for around 950 new homes. As such, an allocation of 2,000 homes was included in the SBLP<sup>2</sup> as being a realistic level of development achievable within the plan period. The housing trajectory splits this into 3 phases:
  - Phase 1: Leisure Park – 1,000 homes
  - Phase 2: SG1 – 600 homes & Park Place – 64 homes (discounted from commitments, as explained in the Housing Technical Paper, [ED123](#), table on p9)
  - Phase 3: Remaining sites - 336
- 2.6. Exact housing numbers have deliberately not been allocated to each MOA, to allow for a flexible approach, but parameters to guide development are set out in Policies TC2 to TC7.

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<sup>1</sup> Based on the average density of schemes permitted in and around the area in recent years.

<sup>2</sup> Reduced from 2,050 to take into account the need for larger, aspirational flats, as explained in the Housing Technical Paper, [ED123](#), Table 7, p13)

- 2.7. With limited residential use already in existence within the town centre, the development of a new housing market is required, which justifies a cautious but realistic approach to delivery. Growth Deal funding has recently been secured to support some of the schemes proposed and recently completed/under construction office to residential conversions have kick-started the housing market in this area, and in fact the regeneration plans as a whole.
- 2.8. Based on the schemes being progressed currently, as detailed further in the Housing Implementation Strategy (Appendix 1), we feel confident that the numbers allocated in the SBLP can be delivered.
- 2.9. It is acknowledged that the town centre may be capable of achieving a higher number of units. However, it is unlikely provision over and above the allocated number of units will be delivered within the plan period. The nature of the regeneration required in this area means that generally sites are occupied and any redevelopment requires the decanting/realignment of existing uses, to free up suitable land parcels that are attractive to the market. As such, the regeneration will take time, and will require a phased approach. It would be unrealistic to assume that the whole of this area could be regenerated and redeveloped within the plan period.
- 2.10. Additional development would also be likely to require greater building heights and whilst the SBLP does not place any restriction on building heights within the town centre, in order to enable higher densities to be achieved, at present, house builders are telling us that higher densities are unviable. As the regeneration plans progress, viability is likely to improve and schemes may start to come forward at densities higher than we have previously estimated but it would not be reasonable to assume that this will occur other than later in the plan period, if at all.
- 2.11. Any such additional development would certainly not make any contribution to the 5yr housing land supply, and therefore it would not affect the need for the development of Greenfield and Green Belt land.

**3. Paragraph 47 (bullet point 4) of the National Planning Policy Framework says that Councils should illustrate the expected rate of market and affordable housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a 5 year supply of housing land to meet their housing target. Have the Council done this? Should a housing trajectory be included in the Plan itself?**

- 3.1. A revised housing trajectory has been produced (Appendix 1, p7-9) to illustrate the land supply for the plan period, once the plan is adopted (i.e. as if Green Belt has been released and using the Liverpool methodology to calculation). The trajectory in the Housing Technical Paper did not include the Green Belt release (as these sites cannot currently be considered 'deliverable' due to their Green Belt status). The revised trajectory demonstrates that we have a 5yr housing land supply.
- 3.2. **Note:** There is a small, and not significant, difference between this housing trajectory and the 5yr supply calculation contained within the Housing Technical Paper ([ED123](#)). In the original Technical Paper ([TP2](#)), the deficit was spread across the remaining '16 years' of the plan period. When the paper was updated, this should have been reduced to '15 years', but, in error, the reduction was not reflected. As such, the deficit equates to 77 homes per year, rather than the 72 homes figure used. This requires an extra 25 homes to be delivered within the 5yr period (increasing the requirement to 2,742). This means that instead of having a 5.1yr supply, our trajectory demonstrates we have a 5 year supply<sup>3</sup>.
- 3.3. The estimates in our trajectory are conservative, to avoid over-estimation and to ensure we are not placing too much of a reliance on any one site. Since the trajectory was produced, a number of Stevenage Central schemes have been progressing in advance of the timescales estimated, including a scheme for Park Place for 202 new homes (replacing the previous scheme of 64 dwellings – so an additional 138 homes) and a scheme at Six Hills House for 64 new homes. Consequently, we believe the 5yr supply situation has improved.
- 3.4. The 2016/17 AMR will be published as soon as data is available after 31 March 2017, which will provide an updated position on 5yr housing land supply in advance of the Inspector's report being received.
- 3.5. It is not considered appropriate to include the housing trajectory within the SBLP, as it will become out-of-date too quickly. An up-to-date housing trajectory is published within the AMR on an annual basis.

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<sup>3</sup> Rounded from 4.99 years

- 3.6. A trajectory showing the breakdown of market and affordable housing has also been produced and is available under Appendix 1 (p10).
- 3.7. At the time of submission, the Council had not produced a Housing Implementation Strategy, but the Housing Technical Paper provides detailed information in relation to how we have got to the numbers in the SBLP and the sites that we are relying upon (the housing trajectory in particular).
- 3.8. Notwithstanding this, we consider some further information relating to the delivery of sites, and how the estimates within the trajectory have been determined and that it would be helpful to combine all of this information. As such, a Housing Implementation Strategy has been produced to make this background information available (Appendix 1), along with the trajectories discussed in paragraphs 3.1 and 3.6 of this response.

**4. *What are the potential sources of supply for new housing? What are the assumptions about the scale and timing of supply and rates of delivery from these sources? Are these realistic and supported by evidence?***

- 4.1. Policy HO1 of the SBLP sets out the sites allocated for new housing. This includes the provision of three new neighbourhoods; North, West and South East Stevenage, large-scale development within the town centre and 18 smaller sites (the majority of which are owned by the Borough Council).
- 4.2. A 'brownfield first' approach has been taken to selecting sites for development, as demonstrated in the Housing Technical Paper ([ED123](#)).
- 4.3. All sites have been assessed through the SLAA process, in advance of their allocation, and were found to be suitable, available and achievable ([HP3](#)). The SLAA took a stringent approach to the demonstration of achievability, due to the lack of available sites and the lack of any fall-back options. As such, we are very confident all of the sites allocated can, and will, be delivered within the plan period.
- 4.4. The Housing Implementation Strategy (Appendix 1), including the revised housing trajectory, provides further details on the likely timescales of delivery and how these have been determined.

**5. The Council have adopted the 'Liverpool' method for dealing with their previous undersupply (spread over the Plan period, rather than the first 5 years). Is this the correct approach given the circumstances in Stevenage?**

- 5.1. The use of the Liverpool approach to dealing with previous undersupply of housing delivery is explained in the Housing Technical Paper ([ED123](#), para's 3.25 – 3.31).
- 5.2. Due to the combination of an ambitious housing target, the need to release land from the Green Belt, and the uncertainty in the market caused by not having an up-to-date Local Plan, the undersupply of new housing in Stevenage has been significant.
- 5.3. The SBLP's reliance on a number of large, strategic sites makes early delivery challenging, as schemes will take longer to be completed (due to the capacity of the developers involved). The SBLP makes every effort to achieve its housing target, with particular emphasis being placed on bringing forward these large sites within the initial 5 year period.
- 5.4. The Plan deliberately does not phase sites, to allow for early delivery, where possible. The Borough Council is also actively encouraging and enabling early delivery, through discussions with developers and work to promote its own sites.
- 5.5. Using the Sedgefield method would require delivery of over 700 homes every year for the first 5 years. This is significantly above anything that we have delivered since the start of the plan period and much higher than delivery rates have been over the last 10 years. We could not achieve a 5 year housing land supply using this method.
- 5.6. Spreading the deficit across the remainder of the plan period allows for a more realistic approach, and provides us with an achievable target in the first five years. Stepping the housing target would be the only alternative to this.



- 6. What are the implications of stepped delivery of housing (i.e. delivery of many of the planned new homes towards the end of the Plan period) on the supply and delivery of housing in the early years of the Plan?**
- 7. What impact will this have on the 5 year supply of deliverable housing land and the delivery of affordable housing?**

7.1. The SBLP is not proposing a stepped housing target.

**8. Would the Plan realistically provide for a five year supply on adoption (with the 20% buffer)? Will a five year supply be maintained?**

- 8.1. The Housing Technical Paper ([ED123](#), p21-23) (see also note in para 3.2 of Q3), and the Housing Implementation Strategy (Appendix 1) demonstrate the housing allocations within the SBLP are sufficient to enable a five year supply of housing, including a 20% buffer to take into account persistent under-supply in accordance with the NPPF.
- 8.2. The Housing Trajectory within the Technical Paper (p16-17) illustrates the expected delivery timescales for the remaining plan period.
- 8.3. The trajectory takes a conservative approach in its estimates of the 5yr housing land supply to avoid over-estimations. This allows for the non-implementation of some sites and spreads delivery estimates through a range of years (based on the circumstances of that site) if a more specific timescale is unknown.
- 8.4. Although we are encouraging the early delivery of sites, many of the allocations are large-scale schemes, which are likely to carry on being built out up to the end of the plan period. As such, the SBLP should effectively provide for a 5 year supply of housing throughout the plan period. The Borough Council is the landowner of many of the allocated sites, as such, the opportunity exists to control the phasing of sites in this way and to delay the delivery of our own sites, if required.

**9. How has flexibility been provided in terms of the potential supply of housing land? Is this sufficient?**

**10. Is there sufficient variety in terms of the location and type of site allocated?**

- 10.1. The SBLP allocates a range of housing sites, which will provide for an appropriate mix of housing types and tenures across the Borough. Flats will be provided within the Stevenage Central area, and houses will primarily be provided within the new neighbourhoods, with a specific emphasis on meeting the demand for larger, aspirational homes. The smaller sites will offer a mix of housing types and sizes.
- 10.2. New neighbourhoods located to the north, the west and the south east of the town, along with the Stevenage Central allocation, offer a spread of sites across the Borough.
- 10.3. Policy HO9 seeks to further ensure an appropriate mix of house types and sizes is provided in line with the requirements of the SHMA ([HP2](#))

**11. In overall terms would the Plan realistically deliver the number of dwellings required over the plan period?**

- 11.1. Yes. The sites allocated under Policy HO1 provide sufficient homes to meet, and exceed, the SBLP target of 7,600 homes within the plan period.
- 11.2. All sites have been comprehensively assessed within the Strategic Land Availability Assessment (SLAA) ([HP3](#)), particularly in terms of their achievability, and we are confident they will be delivered within the plan period.

**12. Are the allocations based on a robust assessment of infrastructure requirements and their deliverability, including expected sources of funding?**

- 12.1. The SLAA ([HP3](#)) assessed all sites in terms of their achievability for development.
- 12.2. As well as a desk-based assessment, landowners (or potential developers) of these sites were required to submit information to demonstrate that the sites were viable for development and that there

were no constraints that would prevent them from coming forward within the plan period. Where information was not submitted, sites were excluded at this stage in the process.

- 12.3. The Council has worked closely with infrastructure providers to understand and assess infrastructure requirements. This work has informed the Local Plan and the Infrastructure Delivery Plan (TI1) which have been developed in conjunction with one another.
- 12.4. The Stevenage Borough Infrastructure Funding Strategy (TI2) reviewed the Infrastructure Delivery Plan, the various funding sources and level of funding available to deliver infrastructure, and provided analysis of funding scenarios and their ability to meet the total cost of infrastructure delivery. The report found that funding available for all scenarios is sufficient to cover the cost of delivering critical and essential infrastructure items (para 4.6.1).
- 12.5. The Viability Study (TI3) considered the ability to bear developer contributions, relative to the ability to deliver affordable housing. The advice and subsequent decision to reduce the affordable housing targets was, in part, informed by the need for developer contributions (s106 or CIL) to help fund the infrastructure required to support new development.

**13. *Is the delivery of housing likely to be affected by delays in delivery of any infrastructure projects?***

- 13.1. The Council is not aware of delays in any infrastructure projects which are likely to affect the delivery of housing.
- 13.2. In relation to water supply and waste water, the Council is in regular contact with Anglian Water and Thames Water and is satisfied that all housing allocations in the Plan are deliverable.
- 13.3. There are a number of delivery routes for the provision of drainage infrastructure to support housing delivery, e.g., sewer requisition, agent agreement, commercial agreement, exercising the right to connect under Section 106 of the Water Industry Act 1991. The delivery of the drainage infrastructure and the contribution between the developer and the relevant water company will vary depending on the drainage infrastructure delivery route.

- 13.4. Generally, foul network improvements/infrastructure are funded/part funded through developer contribution via the relevant sections of the Water Industry Act 1991. The cost and extent of the required network improvements/infrastructure are investigated and determined when the relevant water company is approached by a developer and an appraisal is carried out.
- 13.5. Anglian and Thames Water are committed to continued early and proactive engagement with councils, land owners and developers to discuss their development plans and the different routes of delivering drainage infrastructure and agree with the developer a drainage strategy ahead of a planning application being submitted.
- 13.6. Anglian Water has confirmed that they do not have any planned investment within the foul sewerage network as part of the current asset management plan (AMP) period.
- 13.7. Thames Water will deliver infrastructure where there is the greatest certainty of development coming forward. Their business plan will include an allowance for the delivery of strategic infrastructure to support growth but within any regulatory period (AMP) funding approved for growth will not be allocated to the delivery of specific projects.

**14. *Is it assumed that all sites, both commitments and allocations, will be developed during the Plan period? Are all these sites likely to be developed?***

- 14.1. All sites allocated within the SBLP have been comprehensively assessed within the Strategic Land Availability Assessment (SLAA) ([HP3](#)) and we are confident they will be delivered within the plan period.
- 14.2. The Housing Trajectory contained within the Housing Technical Paper ([ED123](#), p16-17) makes allowances for any housing commitments that we do not consider likely to come forward within the plan period. The sites excluded are detailed in the table on p9 of the Technical Paper, along with the reasons for their exclusion. This includes sites that we believe are unlikely to be delivered, sites subject to multiple planning applications, sites that have now been considered through the local plan process (to avoid double counting), and a non-implementation rate of 50% applied to some of the smaller sites to avoid over-estimation.

**15. What account is taken of windfalls? What rate of windfall development is anticipated over the Plan period? Why has this rate been chosen?**

- 15.1. Windfalls are included for the last 10 years of the plan period (and not counted within the 5yr housing land supply). An allowance of 20 homes per year (200 homes in total) is taken into account within the SBLP.
- 15.2. The level of windfall allowance used within the SBLP has been based on past delivery rates since the start of the plan period (2011), as set out below.

<b>Year</b>	<b>No. of windfall completions</b>
2011/12	28
2012/13	19
2013/14	18
2014/15	17
<b>Average</b>	<b>20.5</b>

**16. What are the implications of the low rate of house building in recent years? Are there any signs that this will change? Is the housing trajectory realistic?**

- 16.1. The Borough Council recognises that the SBLP presents a step change in terms of delivery rates proposed over the plan period.
- 16.2. As illustrated by the housing trajectory (Appendix 1: Housing Implementation Strategy, p7-9), annual completions have totalled under 200 homes every year, since the start of the plan period (2011).
- 16.3. However, change is already starting to be achieved, as can be seen by the estimate of over 500 dwelling completions for monitoring year ending 2017 (Appendix 1, p7-9). This is largely due to a number of office to residential PD schemes within the town centre, which are all under construction and due to be completed in the near future (with some now fully complete).

- 16.4. This, combined with the promotion of regeneration plans for the town centre, has successfully opened up a new housing market within the town centre, with further schemes being proposed as part of the town centre allocation.
- 16.5. The SBLP promotes an ambitious vision for the town, aligned with the Borough Council's pro-growth attitude to development. The regeneration plans for the town centre offer huge opportunities in terms of increasing house-building within Stevenage. This work is being led by the Stevenage First Partnership, which has already benefitted from significant Growth Bid funding awarded to the Herts LEP for this use (£12m previously, with a further £19.4m recently announced by the LEP). The first phase of this regeneration (known as SG1) is already scoped and ready to take to the market as early as April 2017.
- 16.6. The adoption of the SBLP will also provide increased certainty to developers of the larger, strategic sites, and the release of Green Belt land required to enable development to come forward within the Borough.
- 16.7. The Housing Implementation Strategy (Appendix 1) provides detailed information relating to the delivery of sites and demonstrates that the trajectory is realistic and achievable.

***17. If sites are deleted from the Plan will others have to be found? If so is the Council putting forward any additional sites?***

- 17.1. In order to meet the housing target and to retain an appropriate buffer, the SBLP cannot afford to lose any sites. The Borough Council is not putting forward any additional sites. No alternative sites are available within the Borough. We are already asking our neighbours to provide employment land to meet our needs, due to a lack of available land for development. As such, if any housing sites were to be deleted, the only option would be to ask authorities within the Housing Market Area (HMA), or beyond if necessary, to make provision for the Borough under the Duty to Co-operate.

**18. What are the main findings of the Viability Study? Has this work indicated that some types of site or uses are likely to be unviable? What are the implications? Is more work necessary?**

- 18.1. The *Whole Plan Viability Study including CIL (HDH, September 2015)* (document T13) considered the cumulative impact of the policies in the Plan – as required by paragraphs 173 and 174 of the NNPF. The work was carried out in accordance with the PPG and in line with the Harman Guidance and RICS Guidance. The preparation of the Viability Study was informed by a consultation process with members of the development industry (Appendix 1 of T13 lists the consultees).
- 18.2. The core output of the Viability Study was to consider the impact on developer contributions and affordable housing on viability and how they relate. This analysis is set out in Chapter 10 of the study. Chapter 12 includes the findings in relation to the Local Plan and Chapter 13 recommends rates of CIL. In terms of the delivery of the local plan the principal findings and recommendations in relation to residential development are as follows (with the relevant paragraph numbers shown in brackets):
- a. At modest levels of affordable housing in the range of 20% to 25%, development on brownfield sites would be able to contribute towards infrastructure at rates of up to £7,500/unit or so, but at higher rates of affordable housing there would be little scope to contribute towards infrastructure and site mitigation (12.6b).
  - b. The flatted development in the town centre is unable to bear affordable housing and is unlikely to be able to bear developer contributions in the current market. An increase of around 20% in house prices is required (12.6c).
  - c. On large strategic greenfield sites, there is scope to have a higher level of affordable housing and to bear the infrastructure costs. At 35% or 40% there would only be limited scope to request infrastructure payments through CIL over and above the s106 costs incorporated into the modelling (12.6e).
  - d. The remaining greenfield sites are able to bear the Council's current affordable housing target of 40% and to bear an element of developer contributions, however, if the amount of affordable housing was reduced to say 30% the ability to bear developer contributions is improved notably (12.6f).

- 18.3. The test set out in the NPPF is whether the cumulative impact of the policies in the Plan puts the Development Plan at serious risk. It is not a requirement that each policy can be delivered in full on all sites. Most sites must be able to bear the Council's policy burden so that site by site viability testing at the development management stage is the exception rather than the rule.
- 18.4. At the time of the Viability Study a 40% affordable housing target was being sought. The study identified that 40% affordable housing and the site specific s106 costs (excluding further infrastructure contributions), was not viable and recommended that the affordable housing target be revisited (12.13).
- 18.5. Bearing in mind the levels of infrastructure funding required, the study recommends that the Council moves to a two-tiered affordable housing policy with a 25% requirement on brownfield sites (including the Town Centre Regeneration Area) and 30% on the remaining areas (including strategic sites). Whilst there is scope to have higher targets than these, there would only be limited scope to introduce CIL in addition (12.17). Based on these revised affordable housing targets the report went on to recommend (at table 13.8) a rate of CIL of £40/m<sup>2</sup> on sites outside the Stevenage Urban Area and £0/m<sup>2</sup> on sites within it.
- 18.6. The implication of the recommended change is a reduced affordable housing target – albeit in the context of the fact that the 40% target was rarely achieved. The proposed affordable housing targets will be generally achievable and will avoid site by site viability testing. The delivery of the new Plan will require further infrastructure. If the 40% affordable housing target was maintained there would be limited scope to request developer contributions (either under s106 or CIL) giving rise to difficulties around delivery of the Plan.
- 18.7. The question asks is more work is needed. Both house prices and build costs have changed since the date of the study. The following tables show the most recent data (at the time of this response) from the Land Registry and BCIS.



<b>Change in Average House Prices as recorded by the Land Registry</b>					
Stevenage	All	Detached	Semi Detached	Terraced	Flats
2015-07	£226,773	£429,982	£272,288	£216,558	£148,001
2016-10	£270,778	£528,461	£329,546	£256,134	£175,983
	<b>£44,005</b>	<b>£98,479</b>	<b>£57,258</b>	<b>£39,576</b>	<b>£27,982</b>
	<b>19.40%</b>	<b>22.90%</b>	<b>21.03%</b>	<b>18.28%</b>	<b>18.91%</b>

Source: Land Registry 15<sup>th</sup> January 2017

<b>Change in Average Construction Costs as recorded by BCIS (£/m<sup>2</sup>)</b>				
	07-Mar-15	07-Jan-17	Change	
<b>Estate Housing Generally (15)</b>	<b>£955</b>	<b>£1,102</b>	<b>£147</b>	<b>15.39%</b>
Single storey (15)	£1,050	£1,220	£170	16.19%
2-storey (15)	£938	£1,077	£139	14.82%
3-storey (15)	£925	£1,051	£126	13.62%
4-storey or above (25)	£1,265	£1,422	£157	12.41%
Estate housing detached (15)	£1,080	£1,279	£199	18.43%
Estate housing semi detached				
Generally (15)	£956	£1,111	£155	16.21%
Single storey (15)	£1,115	£1,311	£196	17.58%
2-storey (15)	£943	£1,077	£134	14.21%
3-storey (15)	£899	£1,020	£121	13.46%
Estate housing terraced				
Generally (15)	£960	£1,103	£143	14.90%
Single storey (15)	£982	£1,148	£166	16.90%
2-storey (15)	£957	£1,103	£146	15.26%
3-storey (15)	£924	£1,046	£122	13.20%
Flats (apartments)				
Generally (15)	£1,126	£1,292	£166	14.74%
1-2 storey (15)	£1,077	£1,239	£162	15.04%
3-5 storey (15)	£1,124	£1,286	£162	14.41%
6+ storey (15)	£1,440	£1,668	£228	15.83%

Source: BCIS, Rate per m2 gross internal floor area for the building. Cost including prelims. Rebased for Stevenage. 15<sup>th</sup> January 2017.

18.8. Over the period from March 2015 to January 2017 build costs in Stevenage have increased (15.39%) which is less than average house price increase over the period from July 2015 to October 2016 (19.4%).

Viability will therefore have improved since the Viability Study was undertaken, this would suggest that the work can still be relied on.

18.9. When considering the above it is important to note the time periods do not quite align – with the build costs being a longer period.

18.10. In this context, it is necessary to give the town centre area particular mention as there has been a notable change in prices in this area. Paragraphs 10.32 to 10.38 of the Viability Study (T13) considered the town centre area specifically and the impact of changes in prices.

18.11. The following table shows a recent review of the prices of flats in the central area.

<b>Analysis of Land Registry Price Paid Data and EPC Data of Flat Sales in Central Stevenage from 1<sup>st</sup> January 2016 to 31<sup>st</sup> December 2016</b>		
Count	68	68
Minimum	£2,926	£96,950
Mean	£3,326	£166,651
Median	£3,313	£156,645
Maximum	£4,111	£231,950

Source: Land registry and EPC Register (January 2017)

18.12. The data shows the price (£/m<sup>2</sup>) of the 68 flats sold (as recorded by the Land Registry) in the central area during 2016. These range from £2,926/m<sup>2</sup> to £4,111/m<sup>2</sup> and average £3,326/m<sup>2</sup> (median £3,313/m<sup>2</sup>). As set out in Table 4.11 of the Viability Study (T13) the price assumption for flats in the central area in July 2015 was £2,500/m<sup>2</sup>. Prices achieved over 2016 were therefore about 33% greater than those used in the modelling.

- a. There are several schemes of flats being marketed (January 2017) that support this trend:
- b. Six Hills House – Current asking prices of 2 bedroom flats being advertised from £225,000 and 3 bedroom flats being advertised from £245,000. (<http://www.sixhillshouse.co.uk>)
- c. Vista Tower – Current asking prices of Plot 51 (2 beds – 59m<sup>2</sup>) available at £220,000 = £3,729/m<sup>2</sup>. (<http://www.lanesnewhomes.co.uk/property/4005937#.WHtx84XXKUm>)
- d. Park Place, Stevenage - Current asking prices for 1 bed from £195,000 to £215,000 and 2 bed from £220,000 to £379,000 (<http://www.goandco.co.uk/properties-for-sale/properties-for-sale-in-stevenage>)

18.13. It is notable that these asking prices are well above the average (and median) of sales in 2016 and close to or well in excess of the maximum prices achieved last year so, even having allowed for the prices paid to be less than the prices achieved there is an indication of the Stevenage market continuing to move forward.

18.14. It is not considered that further work is necessary to inform the Local Plan.

18.15. In relation to CIL, the Council will progress this following the Local Plan examination and will update viability information to inform a future CIL examination.

**19. *How have site densities been determined? How rigid are these figures?***

19.1. The 2015 SLAA ([HP3](#)) took a stringent approach to demonstrating achievability. Landowners/developers were required to submit detailed information about their sites, which generally included the number of homes the site might realistically deliver. These estimates replaced the broader estimates previously used, which were based on sample schemes delivered within the Borough, or sketch schemes, where appropriate.

19.2. The only exception to this is in and around the town centre. The figure here has been taken from the Stevenage Central Town Centre Framework ([ER2](#)) produced in 2015.

19.3. As discussed in the SBC response to Q2 of this Matter Statement, this was sense-checked against the overall figure for this area taken from the SLAA to ensure it was an appropriate estimate.

19.4. Policy HO1 requires that sites are developed at a capacity that generally accords with the capacity given in this policy. The supporting text (para 9.5) clarifies that schemes should aim to achieve the highest possible net density appropriate to the character of the area, accessibility and other plan policies. The Borough Council has a corporate commitment to deliver new homes (SBLP, para's. 3.29 – 3.30), and will actively encourage higher densities, where appropriate.

**20. At what stage is an allocation considered to be implemented? Given this should any of the site allocations be taken out of the Plan?**

- 20.1. Prior to submission of the SBLP, sites that had gained planning permission were removed from the SLAA process and, instead, taken into account as committed development sites. Thus, they were not included in the Local Plan.
- 20.2. Since the plan was submitted, a couple of sites within, or around, the town centre area have been granted planning permission/resolutions to permit, subject to S106 agreement; Park Place (202 dwellings) and Six Hills House (64 dwellings). These would form part of the 2,000 new homes allocated for the Town Centre under Policy HO1.
- 20.3. For simplicity, we propose to retain the 2,000 homes figure for the town centre within the plan, and to pick up the homes delivered through the monitoring process. A monitoring report is produced annually, which identifies the number of homes completed each year, and compares this against the Local Plan allocations to monitor whether the plan is delivering its objectives.

**21. What is the threshold for the inclusion of sites? Is it based on the area of the site**

- 21.1. A minimum site threshold of 5 or more dwellings was used when producing the SLAA, which has directly informed the SBLP. Once densities had been determined, sites were excluded if they were likely to achieve fewer than 5 dwellings.
- 21.2. It was considered that sites smaller than this are more difficult to identify, and the inclusion of these could lead to too many sites being put forward for assessment. For the same reasons, the SLAA also excludes sites which are currently in residential use. This does not necessarily mean that these sites do not have development potential. Sites not allocated within the SBLP can still come forward as windfall sites, and an allowance is made for these, based on past delivery rates, within the plan.

**22. What are the targets for the provision of affordable? What has been achieved in recent years?**

22.1. Affordable housing targets are set out in Policy HO7. This sets a requirement for 25% on previously developed sites and 30% elsewhere. This is in line with the Whole Plan Viability Study (TI3), which shows they are the maximum that is likely to be achieved when balanced with the need for infrastructure funding (via developer contributions) to meet other policy objectives (Para. 12.6, p128)

22.2. Previous delivery of affordable housing has been recorded via our monitoring report on an annual basis. The number of homes delivered since the start of the plan period is identified below. Since this time, we have provided an average of 20% affordable housing, well below the previous overall target of 35%<sup>4</sup>, largely due to not having the legal framework (including no adopted Local Plan) in place to require this from developers.

<b>Monitoring year</b>	<b>No. of affordable homes delivered</b>	<b>Affordable as % of all completions</b>
2011/12	44	22%
2012/13	6	7%
2013/14	91	51%
2014/15	23	15%
2015/16	5	3%
<b>Average</b>		<b>20%</b>

**23. Is the type and size of housing provided/planned meeting/likely to meet the needs of the area?**

23.1. Yes. As discussed in the response to questions 9 & 10 of this Matter, the SBLP allocates a range of housing sites, which will provide for an appropriate mix of housing types and tenures across the Borough.

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<sup>4</sup> Based on a tiered approach set out in the, now revoked, Interim Planning Policy Statement (IPPS), which was a material consideration when assessing planning applications.

- 23.2. Policy HO9 seeks to further ensure an appropriate mix of house types and sizes is provided in line with the requirements of our evidence: SHMA ([HP2](#)) and Aspirational Housing Research ([HP7](#)).
- 23.3. The SHMA provides an up-to-date assessment of needs within the area, for both market and affordable housing.