



Stevenage Borough Local Plan Examination

Hearing Statement – Matter 7 (Affordable Housing)

Iceni Projects Limited on behalf of
RPF Developments

January 2017

Iceni Projects

London: Flitcroft House, 114-116 Charing Cross Road, London, WC2H 0JR
Glasgow: Suite 2/1, The Mercantile Chambers, 53 Bothwell Street, Glasgow, G2 6TS
Manchester: That Space, 31-33 Princess Street, Manchester, M2 4EW

t: 020 3640 8508 | w: iceniprojects.com | e: mail@iceniprojects.com
linkedin: [linkedin.com/company/iceni-projects](https://www.linkedin.com/company/iceni-projects) | twitter: @iceniprojects

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 RPF Developments 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 4 of Matter 7, which states:

4. There appears to be a discrepancy between the affordable housing targets in Policies SP7 and HO7, with SP7 seeking 40% affordable housing, but Policy HO7 applying targets of 25% and 30% (depending on whether the site is previously developed). Can the Council please advise how this will be remedied.

- 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 4

- 2.1 There would appear to be a gap between the “aspiration to deliver up to 40% affordable housing where viability permits” in Policy SP7 and the “target levels of affordable housing provision” of 25% and 30% set out within Policy HO7. We assume that the figures set out in part ‘f’ of Policy SP7 are broad, Borough-wide strategic objectives/ aspirations rather than specific development management requirements against which planning applications should be assessed. Whilst on this basis we would not necessarily object to the inclusion of such figures within Policy SP7, we are concerned that the requirement in Policy HO7 (as set out in the Publication Draft of the Local Plan – Document LP1) to “maximise affordable housing provision based on agreed values and viability at the time of the application” may be indicative of an intention to require development proposals to provide a level of affordable housing in excess of the 25% and 30% requirements, thereby undermining these specific targets and seeking to achieve the 40% aspiration identified in Policy SP7.
- 2.2 As explained within our previous representations, any such requirement for development proposals to include as much affordable housing as would be viable to be delivered would in our assessment contradict the 25% and 30% targets and would be unsound as it would be contrary to paragraphs 154 and 173 of the National Planning Policy Framework (NPPF). We therefore encourage the Council to clarify the nature of the 40% target referred to in Policy SP7 and its relationship to the 25% and 30% targets in Policy HO7, as there is a risk given the current ambiguity that the 40% target could be referred to when determining a planning application to require a level of affordable housing in excess of the 25% and 30% requirements. In our opinion this would be unsound for the reasons set out in our previous representations.
- 2.3 We welcome the fact that Proposed Modifications HOC9 and HOC10 to the wording of Policy HO7 and its supporting text as set out in Document ED113 clarify that the 25% and 30% targets for affordable housing will be applied, and that the requirement for proposals meeting these targets to be accompanied by a financial appraisal has been removed, as we consider this provides additional certainty for developers as to how planning applications should be determined, in accordance with paragraph 154 of the NPPF. However, we object to the proposed additional wording which suggests that “[w]here an appraisal shows that affordable housing provision in excess of the relevant target level can be supported, a higher standard will be encouraged.” It is unclear from this wording whether “higher standard” relates to the quantum of affordable housing that is to be delivered, or whether this refers to some other standard, such as design standards set out elsewhere in the Plan. On the assumption that the “higher standard” relates to the quantum of affordable housing to be delivered, the implication would be that where a financial viability appraisal is carried out which indicates that it would be viable to deliver in excess of the 25% or 30% target, a higher quantum of affordable housing

would be sought, presumably to assist in achieving the 40% Borough-wide aspiration. It is unclear whether the use of the word “encouraged” in the amended text indicates that this would be a preference rather than a firm policy requirement, however we would object to any such requirement on the basis that it would undermine the 25% and 30% targets and would not give a clear indication as to how a decision maker should react to a development proposal. We also note that it would be unlikely for such an appraisal to indicate that it would be viable to deliver in excess of the relevant 25% or 30% target, seeing as such appraisals would only be required to support applications for development which were not proposing to meet these targets on the basis of viability.

- 2.4 Furthermore, we object to the reference within Proposed Modifications HOC9 and HOC10 to financial appraisals being required where proposals “fail to meet other Local Plan policies”. In our opinion this reference is too vague, as it does not specify which policies this would apply to, and thus the policy would be inconsistent with paragraph 154 of the NPPF and would consequently be unsound. Meanwhile there is no justification as to why proposals which failed to meet the requirements of one or more other policies within the Plan should provide a level of affordable housing in excess of the targets within Policy HO7. In addition, clearly the development plan should be read as a whole, and there may be relevant material considerations as to why planning permission should be granted despite development proposals failing to comply with a particular policy. In such circumstances, we consider that it would be unjustifiable to require the proposals to provide a level of affordable housing in excess of the stated targets within Policy HO7. We therefore object to this aspect of the policy wording as in our opinion it is unjustified, and is thus unsound, having regard to paragraph 182 of the NPPF.

Summary and Proposed Amendments

- 2.5 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 encouragement/ requirement for proposals to deliver a higher level of affordable housing than the 25% or 30% target where a financial appraisal demonstrates that this would be viable.
- The requirement for a financial viability appraisal to be undertaken where development proposals fail to meet other unspecified Local Plan policies.

- 2.6 We regard these requirements as unsound, as the policy would not provide a clear indication of how a decision maker should react to a development proposal as required by paragraph 154 of the NPPF, in terms of whether a higher level of affordable housing should be required to assist with meeting the 40% aspiration set out in Policy SP7, as well as which Local Plan policies a proposal would need to

be contrary to in order to trigger the requirement for a financial viability appraisal. Furthermore, a requirement for a level of affordable housing in excess of the 25% and 30% targets may place an undue financial burden on developers and thus discourage development, contrary to paragraph 173 of the NPPF. As such, we consider the current wording of Policy HO7 to be inconsistent with national policy. Meanwhile the requirement for proposals failing to comply with other Local Plan policies to be supported by a financial appraisal would not be justified.

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

- (i) Amending the wording of Policy HO7 to clarify that specific development proposals will be assessed against the 25% and 30% targets rather than the overall 40% Borough-wide aspiration identified in Policy SP7, and that whilst provision in excess of these targets may be encouraged in order to seek to achieve the 40% aspiration, it will not be required.
- (ii) Removing the reference within Policy SP7 and its supporting text to a requirement for a financial viability appraisal where other Local Plan policies are not met, and clarifying that an appraisal will only be required where the 25% or 30% target is not achieved, so as to ensure that the maximum viable level of affordable housing is being provided, should this viable level be below the 25% or 30% threshold.