

# Council's Response to Inspector's Issues and Questions

## Issue 6

27 March 2018

### **Issue 6: Is the overall target for affordable housing and the type of tenure justified? Does the Local Plan make adequate provision for specialist housing?**

<b>i)</b>	<b>Has the need for affordable housing in the Strategic Housing Market Assessment (SD13) been calculated in accordance with paragraphs 022 to 028 of the PPG on Housing and economic needs assessments (ID02a)?</b>
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1. Yes. The approach adopted in the SHMA has followed that set out in the Planning Practice Guidance. The need has been assessed using secondary data sources consistent with the Guidance in with ID 2a-014-20140306. It has considered the current gross need and newly-arising need and compared this to supply from the existing stock, and arising through relets of properties.
2. This generated a need for 368 dpa (2013-30) if housing provision in the development pipeline is excluded. If affordable housing in the development pipeline is included, the need was 335 dpa (Table 33, 2014 SHMA, p109).

<b>ii)</b>	<b>In Policy HOU1 what is the justification for departing from national policy in the Written Ministerial Statement of November 2014 and referred to in the PPG on Planning Obligations (ID23b-031-20160519) regarding the site thresholds for affordable housing?</b>
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3. The Council recognises that the WMS of November 2014 states that the threshold for seeking affordable housing contributions is 11 dwellings or more. This position is re-affirmed in the PPG on Planning Obligations (ID23b-031-20161116). However, the Housing White Paper which postdates both the WMS and the PPG, sets out that 10% of all homes on individual sites of 10 units or more (or 0.5 ha) should provide affordable home ownership products (para 127). It states 'this aligns with the planning definition of major development for development management purposes'.
4. In addition, the recently produced draft revisions to the NPPF state 'provision of affordable housing should not be sought for development that are not on major sites' (paragraph 63). This clearly implies 10 units or more and seems to re-affirm the White Paper position. Although paragraph 6 of the draft NPPF also states that 'other statements of government policy may be material when preparing plans or deciding applications, such as relevant Written Ministerial Statements'.
5. The Council recognises that the draft NPPF carries little weight and that the Local Plan needs to be assessed against the requirements of the current NPPF and its supporting PPG. That said, the draft NPPF is the most recent publication from Government that covers this issue.

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6. It is clear from the above that there has been ambiguity regarding what site threshold should apply as the Local Plan has progressed. This ambiguity should be resolved by the revised NPPF when it is confirmed in due course. The Local Plan responds by proposing an approach which will deliver more affordable homes. It should be noted that the viability assessment demonstrates that a development of 10 dwellings is able to support affordable housing requirements in all three of the value areas in the Borough (SD09 case studies T6, H6 and R6; Para 5.11 and Figure 5-2).
7. Should the ten dwelling threshold not be supported, then the Council would request that the five site policies in the Local Plan (S32, S35, S51, S53, S56) which promote an indicative capacity of 10 dwellings are amended so that affordable housing provision remains part of the overall policy requirement. The viability study (SD09) shows that this is achievable and would be consistent with the SA (SD02) which concludes that the provision of affordable housing on these sites is a clear benefit.

iii)	<b>Are the percentages sought for the 3 different areas of the Borough for the total affordable housing requirement and the different types of tenure justified? Are the boundaries of the different areas properly defined?</b>
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8. The Council used the viability testing (SD09) to explore the ways in which planning obligations could deliver the housing objectives without jeopardising development. This took the required Starter Homes and then added other affordable tenures where viability allowed.
9. The viability studies (SD09) established that it is possible to support varying levels of affordable housing provision in different parts of the Borough. The viability studies noted that market values vary in different parts of the Borough while development costs remain the same (although land benchmarks will vary). The highest values are in the more rural parts of the Borough, while lower values are achievable in Ashford town and the values in the Ashford 'Hinterlands' sit between the two. Where values are highest, the viability is strongest and the amount of affordable housing that can be afforded is higher.
10. The work undertaken to establish the value areas and market house prices used Land Registry price paid data collated at ward level, and then grouped the wards into locations with similar values. Three value areas were used to strike a balance between responding to the differences in values without undue complexity. Two large wards (Weald South and Weald End) have been divided in two. This is in recognition that they cover areas close to Ashford where development would largely be considered to be the extension of the town and hence have lower Ashford Hinterland Values, yet also cover large areas of the borough which are rural in nature which would yield higher 'Rest of Borough' values. The Local Plan (SD01) map on page 338 and Figure 3-2 in the Viability Study (SD09) define the boundaries to be used.

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11. The 2016 viability testing included<sup>1</sup>:
  - 20% affordable housing in Ashford Town (made up of Starter Homes).
  - 30% affordable housing in Ashford Hinterlands (20% Starter homes plus 10% mix of affordable rent/shared ownership).
  - 40% affordable housing in Rest of Borough (20% Starter Homes plus 20% mix of affordable rent/shared ownership).
  
12. The 2017 testing amended the tenures to take account of the revised priorities in the draft Local Plan<sup>2</sup>:
  - 20% affordable housing in Ashford Town (made up of 10% Starter Homes and 10% shared ownership).
  - 30% affordable housing in Ashford Hinterlands (10% Starter homes plus 20% mix of affordable rent/shared ownership).
  - 40% affordable housing in Rest of Borough (10% Starter Homes plus 30% mix of affordable rent/shared ownership).
  
13. The 2017 testing also included a 30% affordable housing scenario for Rest of Borough, with 5% Starter Homes plus 25% mix of affordable rent/shared ownership).
  
14. The 2016 and 2017 viability testing showed that it was viable to deliver these proportions and tenures of affordable housing whilst meeting other policy requirements for most forms of development planned to come forward in the Borough, whilst still providing some 'headroom' for infrastructure contributions. For the 2017 scenario with 30% housing in Rest of Borough the potential for infrastructure contributions was notably greater, although 40% was viable and delivered more affordable housing overall. Hence, this option was selected for inclusion in the Local Plan.
  
15. Overall, the Council consider that the approach in the Local Plan is justified in terms of balancing meeting affordable housing needs, both in terms of the traditional requirements and the new requirements as stipulated by Government, set against the requirement to ensure that development is not rendered unviable.

<b>iv)</b>	<b>Does the Local Plan adequately address the needs for all types of housing (excluding affordable housing) and the needs of different groups in the community as set out in paragraph 159 of the NPPF?</b>
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16. Yes, the approach in the Local Plan meets the requirements of paragraph 159.
  
17. At the strategic level, the Local Plan is informed by an NPPF and PPG compliant SHMA which was first produced in 2014 and subsequently reviewed in 2014 and 2016. This provides the bases for understanding the scale and mix of housing and range of tenures needed to cater for the local populations needs.

<sup>1</sup> Annex 2 in the 2016 Viability Study SD09

<sup>2</sup> Annex 2 in the 2017 Viability Study SD09

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18. With regards C2 uses, the consultants who undertook the SHMA, GL Hearn, have applied the latest available data on need to the 2014-based household projections to assist in answering this question – please see table below.

Institutional population aged 75+ (2011)	499
Institutional population aged 75+ (2030)	882
Change in institutional population aged 75+	383
Per annum 'need' (2011-30)	20

19. As the above shows, an assumed C2 requirement of 20 units per year over the plan period can be identified. This is slightly less than the 23 unit per year requirement identified in the 2015 SHMA update (CD13). The difference reflects the fact that the table above applies the relevant data sets to the 2014-based household projections, rather than the 2012 based sub-national projections on which the 2015 SHMA was based.

20. The Council's monitoring data shows that since 2011, there have been 234 C2 unit completions. This exceeds the minimum 140 unit need, derived from extrapolating 20 units per year from 2011 to 2018. This evidence clearly shows that C2 delivery is on target and the Council assume this trend will continue over the plan period in order to meet the overall C2 requirement of 380 units.

21. With regards specific policies in the Local Plan which would cater for different groups in the community, the following are considered relevant:

- Policy HOU18: will ensure that a range and mix of dwelling types and sizes are delivered in the borough, according to an assessment of need,
- Policy HOU8 and HOU9: both policies positively promote appropriately scaled and designed residential annexes (both attached and standalone) which in large part are likely to be needed to cater for elderly relatives or people who are less mobile,
- Policy HOU14: requires that 100% of new dwellings are built in compliance with building regulations par M4 (2) as a minimum standard, ensuring flexibility within the new housing stock allowing to cater for a variety of needs. Policy will also ensure a proportion of wheelchair accessible homes are also delivered,
- Policy HOU6: stipulates that all qualifying sites within the borough will be required to supply a minimum of 5% dwellings plots for sale to self or custom builders.