

Hearing Statement on behalf of Jelson Ltd

Harborough District Local Plan

Examination

Matter 4: Homes to meet the needs of all
the community

September 2018

4.1 Are the plan's policies sound and effective in delivering a wide variety of quality homes to provide for the needs of all the community? Relevant issues are:

- The plan's proposals in respect of a mix of sizes and types of home, including family homes and homes for older people.
- The delivery of affordable homes
- The provision of accessible homes
- The provision of specialist accommodation
- The provision of student accommodation
- Sites to meet the accommodation needs of Gypsies, Travellers and Travelling Showpeople
- Houses in multiple occupation
- Self-build and custom homes
- Rural exception sites.

1. Our comments in respect of Matter 4.1 relate to the delivery of affordable homes.
2. The HEDNA 2017 estimated an affordable housing 'net need' for Harborough of 206 dpa (Table 39) between 2011 and 2031. This is reiterated within paragraph 5.3.2 of the draft Local Plan.
3. However, within the overall OAN for the District, the HEDNA includes an upward adjustment (to the demographic need) of only 69 dpa to deal with the affordable housing requirement (a total of 532 dpa, Table 89). There is no evidence or analysis to justify the figure of 69 dpa (either within HEDNA or elsewhere) and, when compared with the actual level of affordable housing need (206 dpa), the adjustment is wholly inappropriate.
4. Whilst the Council has increased its housing requirement by 25 dpa (to 557 dpa), this is solely to take account of the employment growth expected at Magna Park. It does not deal with affordable housing need / requirements.
5. There is no evidence within the HEDNA to suggest that the OAN could not be increased beyond 532 dpa, or the housing requirement beyond 557 dpa, to deal with unmet affordable housing need. There is also no evidence to suggest that the development industry cannot deliver more than those figures.
6. Draft Policy H2 acts as the Council's mechanism to deliver affordable housing over the plan period. Regrettably, the Council does not seem to have produced an affordable housing trajectory, either within the Plan or its supporting documents. This is contrary to paragraph 47 of the NPPF, which requires local planning authorities to "*illustrate the expected rate of housing delivery through a housing trajectory for the plan period...*" for both market and affordable housing.
7. Moreover, the Council does not appear to have provided any evidence to demonstrate how many affordable homes it has delivered since 2011.

8. Jelson notes that the Council's development strategy relies on the allocated SDAs making a significant contribution to satisfying its affordable housing needs. Between them, the SDAs are expected to deliver something in the order of (at least) 980 affordable homes. However, we have very serious concerns about whether these sites will deliver an appropriate level of affordable housing.
9. The Council's own evidence casts doubts over whether the SDAs will be capable of delivering a policy compliant amount of affordable housing whilst remaining 'viable'. Moreover, our own research and analysis into the delivery of SDAs / SUEs in Leicestershire shows that none of the consented schemes have delivered anywhere close to 40% affordable housing.
10. Insofar as the Council's own evidence is concerned, it commissioned Aspinall Verdi to undertake an interim viability assessment on the Local Plan, the findings of which were published in April 2016. This report concluded that, based upon a 40% affordable housing provision at Scraftoft, and a 30% provision at Lutterworth, **both SDAs were unviable**.
11. It should be noted that the report showed that the SDA at Lutterworth only became viable when the level of affordable housing provision was reduced to 29%. However, this was predicated on the developer reducing its profit to 19%; or the local authority agreeing to an increase in the density of the proposed development (from 32 dwellings per hectare to 33 dph).
12. The conclusions in respect of the Scraftoft SDA suggest that this site would only become viable if the affordable housing requirement was reduced to 10%.
13. In the light of the above, the Authority made modifications to the supporting text of the affordable housing policy (H2) in its July 2017 'Proposed Submission' version of the draft Local Plan. It stated that:

"The affordable housing requirements set out in Policy H2 have been assessed in terms of their potential impact upon the viability of individual housing developments. The Economic Viability Assessment (2017) demonstrates that both the required percentage of affordable housing and the mix of tenures are viable across the range of housing developments in the District, subject to the receipt of grant funding at the East of Lutterworth and Scraftoft North Strategic Development Areas. In relation to the East of Lutterworth SDA, up to 25% of affordable housing may need to be funded through the Government's affordable housing programmes and / or the availability of other public housing subsidies and at the Scraftoft North SDA, up to 25% of affordable housing may need to be funded through these programmes (see Policies L1 and SC1). Subject to this, the affordable housing requirements should not therefore adversely affect the viability of housing schemes".

14. At this point in time, the Council clearly recognised that the SDAs were not capable of delivering 40% affordable housing and suggested that up to 25% of the overall affordable housing provision 'could' be met by Government funding.
15. In the light of the publication of the Housing White Paper and MCLG's review of CIL and new approach to developer contributions, the Council commissioned Aspinall Verdi to undertake a further assessment of viability of the Council's housing allocations and its affordable housing policy. This report was published in August 2017. It concluded that both SDAs were viable with an affordable housing contribution of 40%.
16. However, it assessed the viability of the SDAs on the basis that they would generate a 15% profit for the developer as opposed to the 20% return anticipated in the Interim Report (2016).
17. That said, the report does recommend that:

"the Council negotiates the economic viability of each SDA on a phase by phase basis having regard to the infrastructure and capital requirements of each phase"
(paragraph 7.5).
18. Taking all this into account, we still have serious concerns about whether there is sufficient evidence to demonstrate that both SDAs will deliver 40% affordable housing in accordance with draft Policy H2.
19. We now turn to our own research and analysis of similar developments which suggest that the SDAs are unlikely to provided 40% affordable housing.
20. The first example is the Market Harborough SDA which is located within this District. Policy CS1 of the Harborough Core Strategy (adopted 2011) provides that this site will deliver at least 1,000 dwellings. Core Strategy Policy CS3 prescribes that at least 30% of the total number of dwellings will be affordable.
21. A number of planning permissions (some in outline) have been secured for a total of 1,493 units in this location. On this basis, a policy compliant scheme(s) would have been expected to deliver 448 affordable houses as an absolute minimum. This has not been achieved.
22. The below table sets out details of the planning permissions that have been secured for this SDA, the expected number of affordable housing (assuming policy compliant contribution of 30%), and the actual number of affordable homes that the committed scheme will provide.

Application Ref.	Site	Total No. Units	No. of Expected Affordable housing at 30%	No. Affordable Homes Provided	Affordable Housing Actual %
12/00044/FUL	Land north of Lubenham Hill	119	25	0*	0%
13/01483/OUT	Land to the west of Leicester Road	450	135	65	14.45%
11/00112/OUT	Land at Airfield Farm	924	278	135**	14.6%
	Total	1,493	448	200	-

* £103,000 off-site affordable housing contribution

** Excluding 19 open market units that are 'affordable by design'.

23. The above table clearly demonstrates that Council has not been able to secure a policy compliant affordable housing contribution from this SDA. This casts further doubt as to whether the SDAs at Scraftoft and Lutterworth are capable of delivering an affordable housing contribution of 40%.

Summary

24. The inability of the SDA allocations to deliver an appropriate level of affordable housing begs the question whether the sites will be sustainable at all. They certainly will not contain a sustainable mix of housing that helps to build sustainable communities.
25. Moreover, because the plan strategy is so heavily reliant on the SDAs, if they fail to deliver affordable housing in the manner required, the plan strategy will fail.
26. As things stand, such a failure is not capable of being 'managed' by the development strategy.
27. Furthermore, making appropriate adjustments to the delivery of the SDAs (see our representations on Matter 2) will necessarily impact on the amount of housing that the Authority has assumed in its first five year supply calculations and also its overall estimates for affordable housing delivery through the plan period.