
Dated: September 2018



Craven Local Plan Examination

Matters, Issues and Questions

Matter 3 – Affordable Housing Need (Policy H2)

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On behalf of

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1. Response to Matter 3

Issue 2 – Affordable Housing Need

Q3. Based on the requirements for qualifying developments to provide 30% affordable housing, how many affordable homes is the Local Plan expected to deliver?

- 1.1 The Council acknowledge at paragraph 5.36 of the Housing Growth Option Paper Addendum (November 2017) that supporting Housing Growth Option 'F', the provision of 230 dwellings / annum will result in approximately 66% of the 126 dwellings per annum identified affordable housing need in the housing market area being delivered, based on 30% affordable housing provision. The submission draft states that the Council is proactive in seeking to maximise affordable housing supply through its action plans and strategies and on all opportunity sites, but this does not constitute a strategy for delivering the unmet need. The NPPF is clear (paragraph 182) that a plan should be prepared based on a strategy which seeks to meet objectively assessed requirement including unmet requirements from neighbouring authorities where it is reasonable to do so. There is no evidence within the consultation document that Craven has an agreement in place with neighbouring authorities to deliver the unmet need.

Q4. How does this compare to the identified need?

- 1.2 The Council identify that 44% of the identified housing need will not be met as a result of the quantum of affordable housing that could be delivered on qualifying developments. In reality, it is expected the level of unmet need will be higher as not all sites will be able to deliver 30% affordable housing as a result of the low transfer prices resulting in the 30% provision being unviable.

Q6. The PPG states that an increase to the total housing figures should be considered where it would help deliver the required number of affordable homes. Has an uplift to the housing requirement for this reason been considered? If so, where is this set out?

- 1.3 The Council has taken the opposite approach. They clearly accept the affordable housing need cannot be met through affordable housing provision on qualifying sites but consider that a higher housing requirement is not achievable. For the reasons set out in our response to Matter 2, Issue 7 (Housing Requirement), Question 1, there are suitable and viable sites in Skipton (such as site SK119) which could support a higher requirement figure.

Issue 3 - Viability

Q3. How have infrastructure costs and other contributions been taken into account in the calculation of scheme viability?

- 1.4 Keyhaven Homes do not consider that all infrastructure and abnormal construction costs have been taken into account in the calculation of scheme viability in relation to development sites in Skipton. There are higher than

average build costs associated with building in Skipton as a result of its topography and it is maintained this issue has not adequately been taken into account. (See response to question 4 below).

Q4. Is the 30% affordable housing requirement viable for all types of housing, supported by viability evidence?

- 1.5 Keyhaven Homes' experience of developing sites in the Craven area identifies that 30% is not viable and will prevent sites from being brought forward for development.
- 1.6 This is because the transfer price of £1000 per sqm is insufficient to cover the higher than average building costs associated with developing in this area as a result of its topography, which also results in a higher number of lost work days due to bad weather and the distances sub-contractors have to travel to site. The transfer rate applied is considered to only be sufficient when applied to flat, greenfield sites in lower lying areas.
- 1.7 Paragraph 6.20 of the Draft Local Plan advised that the value of affordable housing will be determined by the Council's latest transfer prices, with a footnote highlighting that this is currently set at £1000 per sqm. This is a critical part of the policy in determining the level of affordable housing that is deliverable in Craven. It is essential that this forms part of the policy and is duly consulted upon. Based on Keyhaven Homes experience a transfer value of £1000 per sqm is insufficient to cover the higher than average building costs associated with developing in this area as a result of its topography, which also results in a higher number of lost work days due to bad weather and the distances sub-contractors have to travel to site. The transfer rate applied is considered to only be sufficient when applied to flat, greenfield sites in lower lying areas. On this basis, any affordable housing being provided at a loss and this directly impacts on viability.
- 1.8 By way of an example, a recent application by Persimmon Homes for 98 dwellings in Skipton (ref: 2018/19146/FUL) of which 20 are to be affordable (20%). The July committee report that application states at paragraph 6.3:-

The applicants have submitted a planning application for the development of 98 homes of which 20 are proposed as affordable. In December 2017 a report on the revised affordable housing policy H2 local plan alongside a Viability Assessment evidence base report was considered by Policy Committee. The Viability Assessment recommends that 30% affordable housing is comfortably viable on all types of greenfield sites that are likely to come forward in the plan area. The 20 units proposed on this scheme are acceptable, even though they provide less than the required 30% affordable housing. A viability appraisal has been submitted by the District Valuer providing evidence that 30% is not viable however 20 units was deemed to be feasible."(underlining my emphasis)

- 1.9 This example provides recent evidence that 30% is not viable in Skipton placing a further burden on developer's to provide viability evidence as part of planning application submissions. At 30% affordable housing provision, it is considered that viability will remain an issue on sites in Skipton due to the transfer prices not

covering the higher than average build costs associated with developing in this area.