

Chelmsford Local Plan Examination

Matter 6(d) Affordable Housing

Prepared by Sellwood Planning

on behalf of

Crest Strategic Projects Ltd

November 2018

1.0 Introduction

- 1.1 This statement relating to Matter 6(d) (Affordable Housing) is prepared by Sellwood Planning on behalf of Crest Strategic Projects Ltd (Crest). Crest controls the site at West Chelmsford (Policy SGS2) which is proposed to be allocated for around 800 homes, a 2 Form Entry Primary School, Local Centre, 5 Travelling Showpersons plots and open space.
- 1.2 Crest is actively promoting this site and has prepared a master plan in accordance with the City Council's masterplanning protocol. This has been the subject of public consultation which started in early November 2018 and an exhibition on the 13th November. The masterplan is likely to be adopted in early 2019. Crest is currently preparing a planning application to be submitted in late February 2019.

2.0 Affordable Housing : The Guidance

- 2.1 NPPF Paragraph 35(b) states that Local Plan policies should be justified taking into account reasonable alternatives and based on proportionate evidence. This is clearly logical since the whole Local Plan process needs to be evidence based to give it legitimacy. Paragraph 60 of the NPPF then proceeds to advise that one of the primary elements in the evidence base for housing is a housing needs assessment. This is usually in the form of a joint Strategic Market Housing Assessment (SHMA).
- 2.2 Paragraph 35(d) also advises that the fourth test of soundness is that the plan and its policies need to be '**consistent with national policy**'. So if a plan is not rooted in what emerges from its evidence base, it is contrary to the NPPF and cannot be found sound.

3.0 (Q 66(a)) “Are the requirements for affordable housing set out in Policy HO2(a) justified, effective and consistent with national policy. In particular :

(a) Does the evidence support a requirement for 35% affordable housing for all new residential development that meets the criteria in the policy? On what basis has the figure of 35% been chosen and does the evidence support a lower figure of 23% or 30%?”

3.1 The evidence in the Joint SHMA does not support an affordable housing figure of 35%, it is therefore unsound. A lower figure should be adopted which reflects the evidence.

3.2 The latest SHMA for the Chelmsford Area is Strategic Housing Market Update (December 2015) prepared on behalf of Chelmsford, Braintree, Colchester and Tendring Councils (EB047). This is the document referred to in paragraph 8.10 of the submitted Local Plan where the Council states :

“This document identified a total affordable housing need in Chelmsford of 179 dwellings per annum”.

3.3 The Local Plan proposes a housing provision of 980 homes per year, so the delivery of 179 homes per year equates to 18.3% and not 35%. Rather oddly, paragraph 8.11 of the submitted Local Plan appears to further undermine the 35% figure by stating :

“The evidence in the SHMA supports a target of around 30% although acknowledges that in setting the policy requirement consideration needs to be given to the fact that some sites may not deliver affordable housing”.

3.4 It is accepted that some sites may be too small to provide affordable housing and some others may not provide it due to viability issues. However, to counter balance this, there are likely to be sites provided by Registered Providers, rural exception sites and Community Land Trust proposals where a high percentage of affordable housing is achieved.

3.5 Paragraph 8.12 of the submitted Local Plan refers to the SHMA concluding that there is a requirement to deliver 23.1% affordable housing. However, this figure needs to be treated with caution since reference to paragraph 7.8 of the SHMA Update discloses that this figure was based on the then current Edge Analytics projection of housing need of 758 households per year. The figure to focus on is the actual number of affordable homes required which is either 179 dpa (8.10 of the Local Plan) or 175 (para 7.8 of the SHMA update).

3.6 The reference to the 30% figure in paragraph 8.11 of the submitted Local Plan comes from paragraph 7.9 of the SHMA Update which states :

“Furthermore, the evidence in this report would suggest that the Council should pursue an overall affordable housing target of 30% or so, when negotiating section 106 sites with housing developers, although other evidence such as the Council’s viability assessment will also need to be considered and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds)”.

3.7 This suggested 30% figure also needs to be treated with caution since the consultants were basing this on 758 households per year (775 dwellings per year (SHMA Update para 7.11)) whereas the submitted Local Plan is proposing 980 homes per year. The difference in the yield of affordable homes can be simply summarised as follows :

Affordable Housing Need	175 -179 dpa
30% of 780	233 dpa
30% of 980	294 dpa
35% of 980	343 dpa

3.8 The critical figure is the need for 175 to 179 affordable homes per year. At the time of the SHMA Update, 30% seemed a reasonable approach based on 780 dpa, which would have produced 233 affordable homes per year. When sites not delivering affordable housing are stripped out, it is likely that the 233 would have dropped closer to the 175 – 179 dpa.

- 3.9 Now that the submitted Local Plan is proposing 980 dwelling per year, the 30% would produce 294 affordable homes, almost 120 more than the need. Even when sites delivering no affordable housing are stripped out, it is likely that 175 to 179 affordable homes would be completed.
- 3.10 However, what the submitted Local Plan has done is to increase the housing provision to 980 dpa whilst at the same time increasing the affordable percentage to 35%. Not only was this figure never proposed in the SHMA Update, but the higher housing target means that 35% would produce 343 affordable homes, almost double the level of assessed need of 175 to 179 dpa.
- 3.11 It is clear that the 35% affordable housing provision in Policy HO2 does not reflect the evidence base in terms of both overall housing need and affordable housing needs. As a consequence, it is unsound.

4.0 What is the Remedy to Make the Policy Sound?

- 4.1 The percentage of affordable housing in Policy HO2 should be modified so that it can deliver 175 to 179 affordable homes from qualifying sites. Assuming that the housing provision remains at 980 dpa, the percentage of affordable housing should be reduced to at least 30%. This should deliver 175 – 179 affordable homes once sites producing no affordable housing are stripped out.