



Examination of the Chelmsford Draft Local Plan

Hearing Statement

on behalf of the

North East Chelmsford Garden Village Consortium

Matter 6d – Housing Provision – Affordable Housing

Responses to Questions 66a and 66d

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Matter 6d - Housing Provision - Affordable housing

Main issue – *Whether the approach towards the provision of affordable housing is sound*

Q66a 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%?

1. The Consortium made representation to the Regulation 19 consultation that questioned the justification for the required provision of 35% of the total number of residential units to be provided within all new residential development sites comprising 11 or more residential units. The evidence base, and in particular the Strategic Housing Market Assessment (SHMA), indicated an affordable housing requirement for 23.1% of the overall housing need. This is set out in paragraph 8.12 of the Submitted Plan Reasoned Justification, as follows: *“There is a requirement to provide 23.1% of the overall housing need as either social or affordable rented accommodation in the SHMA.”*
2. Paragraph 8.11 of the Reasoned Justification to Policy HO2 – Affordable Housing and Rural Exception Sites states: *“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 some sites may not deliver affordable housing.”*
3. There is no evidence that explains or justifies the jump from 23.1% to 30%. However, the Consortium accepts that not all new sites, and certainly those of less than 11 units, may deliver affordable housing.
4. As stated in our Regulation 19 representations, a policy requirement of 25% could deliver 4,166 affordable homes, which is above the SHMA assessment requirement, and at the SHMA’s recommended 30% target, 4,620 could be delivered.
5. Consequently, the Consortium considers that the published evidence does not support a requirement of 35% affordable housing for all new residential development. It is a matter for the Council to demonstrate how this percentage was calculated and justified, rather than aiming for what appears to be a target aspiration.



- Q66d** Has the impact of affordable housing on the viability of schemes been assessed? Is there sufficient flexibility in circumstances where there may be a lack of viability to deliver all the affordable housing within a scheme?
6. Paragraph 173 of the Framework 2012 provides guidance on ensuring viability and deliverability in plan-making and decision-taking. It states:
- “Plans should be deliverable. Therefore, the sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirement likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and a willing developer to enable development to be deliverable.”*
7. Paragraph 8.15 of the Reasoned Justification to Policy HO2 states that the Local Plan Viability Study including the CIL Viability Review demonstrates that the threshold and types of affordable housing contributions identified in the Local Plan are deliverable and the cumulative impact of policies in the Local Plan will not put development at serious risk.
8. The Consortium do not disagree that the Council’s Viability Study and CIL Viability Review demonstrate that the Council’s requirement is achievable based on the assumptions taken into account and at the time when this work was undertaken. Indeed a report prepared by Turner Morum LLP, specialist development consultants, for the Consortium entitled ‘Viability & Delivery Analysis’ to consider the viability and deliverability of the new Garden Community, confirms this position. (This report will be appended to the hearing statement in relation to Matter 6b). However, circumstances change over time, for example: the estimated costs of various items of infrastructure once detailed design work is undertaken; unexpected difficulties relating to site conditions etc; funding costs may increase due to increases in interest rates or anticipated receipts from public sector funding bids are reduced or are unsuccessful; changes in market conditions; or there may be unexpected technical or site difficulties. Such changes could be critical to the delivery of larger Strategic Growth Areas, especially North East Chelmsford.



9. For the latter reasons, the Consortium considers that Policy HO2 should be revised to allow for sufficient flexibility in circumstances where there may be a lack of viability to deliver the policy requirement. It is suggested that the following words should be inserted into Policy HO2 after point ii) under A and before the sentence starting “*in considering the suitability...*”: i.e. add:

“Except where it can be demonstrated that the level of affordable housing sought would make a development unviable in light of changing market conditions, individual site circumstance and development costs. In which case a revised mix of affordable house types and tenures and then a lower level of affordable housing provision may be negotiated.”