

# LB Waltham Forest Development Management Policies Local Plan Document

Session; Affordable Housing matters

21 May 2013

45 - 60 minutes

## Agenda

**Participants;** Inspector, Council, London and Quadrant, Industrial Property Investment Fund and the Islington and Shoreditch Housing Association.

- 1) Council's overall view of, and response to, representations and Inspector's questions. Presentation of proposed amendments.
- 2) Affordable housing policy DM3

The **Industrial Property Investment Fund** (representation dmpps 136) observes that the consideration of viability is not stressed enough in the current drafting of affordable housing policy DM3 and that this risks sufficient development coming forward to meet identified need. Ensuring viability is a theme that underpins the NPPF. Paragraphs 160 and 173 are quoted.

IPIF considers that the need for deferred contributions should be applied with flexibility, having regard to other key priorities, such as attracting investment in order to deliver regeneration objectives and promote growth in key areas such as Blackhorse Lane.

Furthermore, to conform with the NPPF and London Plan, the policy wording should take account of the change in definition of affordable housing to include the affordable rent product in order to maximise the amount of affordable housing that can be viably delivered. The Mayor has published an early minor alteration to the London Plan to update the position on affordable housing and address the introduction of affordable rent, with further guidance set out in a draft Affordable Rent SPG. Through the provision of affordable rent housing as part of development proposals, there is an opportunity to increase the viability of schemes and to therefore maximise the overall delivery of affordable housing provision.

It is noted in the supporting justification text to this policy that the affordable rent product is considered, and we support the position that applications will be 'determined on a site by site basis with regards to a site's location and with reference to viability'. However, by not referring to the affordable rent product within the policy wording, Policy DM3 will not

be effective and will not comply with national and regional planning policy, insofar as it will fail to secure the maximum delivery of affordable housing.

On the basis of the above, IPIF suggests the following re-wording:

"In accordance with policy CS2, the Council aims to provide 50% of new housing to be affordable, where viable, by:

A. seeking the provision of affordable housing within all residential developments in the borough. The Council will firstly seek this to be on site and secondly on a nearby site. Where this cannot practicably be achieved, the Council may accept an off site payment-in-lieu;

B. applying deferred contributions to housing sites capable of providing 10 or more homes which propose less than 50% affordable housing where appropriate. The need for deferred contributions will be applied flexibly in key regeneration areas;

C. seeking a tenure split of 60% social/affordable rented units and 40% intermediate housing units;

D. seeking the use of legal agreements in phased residential development to ensure that all parts or phases make appropriate provision of affordable housing; ~~and~~

E. seeking affordable housing schemes to be 'tenure blind' to ensure homes across tenures are indistinguishable from one another; and

F. The proportion of social rented homes that are delivered as the 'affordable rent' product will be determined on a site by site basis with regards to a site's location and with reference to viability."

**The Council** responds; Noted - Wording suggestion is rejected. The principle of deferred contributions is set in the Core Strategy. Deferred contributions will only be applied sites which offer less than policy requirements and sites over 10 units. Paragraph 4.23 sets out what it considered when assessing the nature of affordable housing (including the level of affordable rent product) on a site by site basis. The policy does reference affordable rent, however the Council will amend paragraph 4.21 to include affordable rent.

**London and Quadrant** (representation dmpps 59) comment; L&Q seek consistency with the Core Strategy in respect of 'deferred' affordable housing contributions. Core Strategy Policy CS2 (Improving Housing Quality & Choice) treats deferred contributions for affordable housing as a potential financial payment should viability allow. The policy states that: 'The Council will [then] require a subsequent viability assessment to be undertaken when the scheme is completed and largely occupied and should viability have improved, the Council will seek a further payment up to a maximum of the deferred sum (our emphasis). By contrast, the

supporting text to Policy DM3 (Affordable Housing Provision) seems to suggest that this must be in kind provision. Paragraph 4.7 states that, 'The Council will [then] require a subsequent viability assessment to be undertaken when the scheme is completed, or nearing completion and largely occupied and should viability have improved, the Council will seek further affordable housing provision up to a maximum of the policy shortfall (our emphasis). The Core Strategy and the proposed DM DPD are therefore inconsistent and contradictory. The DM DPD makes no reference to the use of the dynamic viability model, which the Local Plan does. The Local Plan and the proposed DM DPD are again inconsistent in this regard. L&Q suggest that the DM DPD should include reference to the publication of further guidance on the Dynamic Viability model and how it will be applied. This guidance should be more explicit about the cut-off point for deferred contributions, the level of flexibility that can be applied and the possible approaches to agreeing where such flexibility must be applied. L&Q would suggest that this guidance be issued alongside the DM DPD, with it then being subject to a full consultation.

To ensure consistency with the Core Strategy, the third sentence of paragraph 4.7 could be amended to read: 'The Council will then require a subsequent viability assessment to be undertaken when the scheme is completed, or nearing completion and largely occupied and should viability have improved, the Council will seek ~~further affordable housing provision~~ a further payment up to a maximum of the ~~policy shortfall~~ deferred sum.' The following text is suggested for inclusion at the end of paragraph 4.7: 'The dynamic viability model will be used to assess potential viability and the level of affordable housing that can be provided. Further guidance on the application of this model will be provided.'

**The Council** responds; Noted - It should be noted that Dynamic Viability and Deferred Contributions are separate mechanisms. A reference to Dynamic Viability is not necessary as this should only be considered when assessing the level of affordable housing each application should provide. Policy CS2 covers the level of affordable housing contribution. It is considered that paragraphs 4.7 - 4.12 provide additional guidance on how the Council will use deferred contributions. No additional guidance on Dynamic Viability (or deferred contributions) is considered to be unnecessary as part of the DMP DPD. The proposed text is not considered to be appropriate as this is clearly set out in the Core Strategy. Inconsistency issues??

**The North East London NHS Foundation Trust** ( representation dmpps73) is not appearing but made a similar representation.

**My Q24** comments; 24) It's not clear to me that part B of the policy takes us much beyond policy CS2 B (ii). If anything it is stated in less detail. Paragraphs 4.7 to 4.12 give detail to the policy and an explanation of process and so perhaps are the policy. They do not appear to contain any justification for their provisions.

**The Council** has responded to this by proposing to delete paragraph 4.7 and removing paragraphs 4.8-4.12 to the Implementation section before

pargarph 4.26. It points out that deferred contributions are justified, in principle, in the Core Strategy. Nevertheless, like other representations made above, a discussion of the justification for the particular mechanisms proposed is called for.

Is there any further evidence which would contribute to this discussion?