

Answer to Inspectors Q22

I would appreciate having the Council's observations on the comment from the HBF on page 6 of their representations that the Council has not given full consideration to the cumulative financial impact of its policies on the viability of development.

(Although this comment is made under the heading of a representation on policy H1, it appears to be a more general criticism. I am not, at this stage asking for a response to the particular criticism of policy H1, but rather, to the general point about viability).

Representation:

H1 - Affordable housing

The policy is not sound as it is unjustified and inconsistent with national policy. Whilst we appreciate that the Council were looking to test scenarios prior to setting policies, it would appear that full consideration has not been given to the cumulative financial impact of those policies as required by paragraph 173 of the NPPF. For example, the policies on electric vehicle charging and accessible homes have been considered separately and only with regard to a 50-unit mixed scheme. In addition, the requirements in policy H4 concerning the optional accessibility standards have not been tested. The nearest assumption is for 70% M4(2) and 5% M4(3). Significantly lower than the requirements of policy H4. Until further testing is carried out on the cumulative impact of the policies as set out in the Local Plan it is not possible for the Council to state that the Local Plan will not threaten the viability of development in the area. We consider that the wording of the policy is not consistent with the core planning principles set out in the NPPF and the requirement established in paragraph 17 for Local Plans to:

"... provide a practical framework within which decisions can be made with a high degree of predictability and efficiency". The policy states that the Council will require "a minimum of 25%" of all homes provided on appropriate sites to be affordable. This suggests that in some circumstances the Council will seek a high proportion of affordable housing provision and increases the uncertainty for the decision maker and applicant as to what the appropriate amount of affordable housing provision should be. This is of increasing concern to our members who, where affordable housing policies are set as minimums, are being asked to provide evidence to justify meeting the minimums. There is a real danger that such policies will generate additional and unnecessary justification for policy compliant schemes.

In order to make this policy consistent with national policy we would suggest that the word "minimum" is removed. This will provide the necessary certainty required of such a policy for both decision maker and applicant.

AVDC Response:

Dixon Searle were appointed to produce a viability assessment in order to test the ability of a range of development types across the district to viably meet planning policy requirements of the new local plan, including affordable housing and consider cumulative impacts of the council's requirements, in line with the NPPF paragraph 173 and the Local Housing Delivery Group guidance 'viability testing local plans: advice for housing practitioners, June 2012'.

The study used a residual valuation approach to test impact on viability of draft policies, assess affordable housing policy as the most significant requirement in terms of impact on development viability and assess a selection of major sites across the district to consider value areas. Notwithstanding this and based on advice from Dixon Searle, AVDC propose to remove references to category 3 of Approved Document M, Volume 1 within Policy H6. The reason behind this is based on the fact that a request cannot be made for 100% PartM4(2) and PartM4 (3) from the same scheme. AVDC consider that requiring Cat 2 (Accessible and Adaptable Dwellings) of Approved Document M, Volume 1 should be required as a minimum to future proof dwellings for future habitation.

Two paragraphs contained in the executive summary address the methodology and objectives of the Study:

“(xviii) Overall, consideration has been made that the scope of the study is to find the appropriate balance between affordable housing needs, other planning policy objectives and scheme viability. On an overview basis on viability, the policy set relating to the Council’s direction of travel that we have been working with does not appear too onerous. This is in accordance with our wide experience of successfully completed strategic level viability assessments, Local Plan and affordable housing related Development Plan Document (DPD) evidence and examination outcomes; and familiarity with the detail of affordable housing and other planning policies and viability factors in operation in practice.”

“(xix) The study, at a “Whole Plan” level, considers the range of development scenarios, likely range of location and site types supporting growth and policies likely to be contained within and supporting the VALP to have good prospects of delivery overall - i.e. to be capable of meeting the requirements of NPPF 173 / 174, the cumulative impact of these being unlikely to unduly undermine viability at the overall VALP delivery level.”

The study acknowledges that small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated – the indicative surpluses (or other outcomes) generated by the development appraisals for this review will not necessarily reflect site specific circumstances. Therefore, this assessment (as with similar studies of its type) is not intended to prescribe land values or other assumptions or otherwise substitute for the usual considerations and discussions that will continue to be needed as

particular developments with varying characteristics come forward. This is also true in respect of the long timescales in Local Plan development and implementation over which the economy and development climate (national and more local influences and impacts) are very likely to vary. Nevertheless, the assumptions used within this study reflect the policy requirements and strategy direction of the Council as known at the time of carrying out this review and therefore take into account the cumulative cost effects of policies where those are relevant.