

# **CRAWLEY BOROUGH LOCAL PLAN EXAMINATION**

Crawley Borough Council Response to Inspector's  
Matters, Issues and Questions

Matter 3: Housing  
Issue 4: Housing Mix

February 2015



*Issue 4: Whether the policies for the mix of dwellings, affordable housing, accommodation for travellers and houses in multiple occupation are sound and would contribute to the creation of inclusive and mixed communities.*

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## **CBC/006 Matter 3: Housing; Issue 4: Housing Mix Contents:**

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- 3.11 Does the evidence on viability justify the policy H4 baseline figure of 40% affordable housing? Does the viability evidence have sufficient regard to the impact of future mandatory requirements and the cumulative costs of other CBLP policies?
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*Issue 4: Whether the policies for the mix of dwellings, affordable housing, accommodation for travellers and houses in multiple occupation are sound and would contribute to the creation of inclusive and mixed communities.*

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**3.10 Why does policy H3 seek a mix of dwelling sizes for all housing (including market housing) which is based solely on the required mix for affordable housing? What evidence is there that the stated mix is relevant to market housing?**

3.10.1 Policy H3 requires all housing development to provide a mix of dwelling types and sizes to address the nature of local housing needs. Reference is made to the evidence provided in the 2014 focused update to the Strategic Housing Market Assessment (SHMA)<sup>1</sup>. The intention of this policy was not to dictate to the market the mix of housing specifically, but to ensure that the market housing provided related to the wider housing market needs as identified through the SHMA<sup>2</sup>.

3.10.2 It is accepted that the structure and wording of the Policy, as modified, has introduced an element of confusion, with the title of the focused update of the SHMA relating to Affordable Housing Needs, despite its coverage including market housing.

3.10.3 A further amendment to the Policy is, therefore, suggested to ensure there is a greater distinction between a specified mix of housing for the affordable element of a residential development, and the broader requirement for an appropriate mix of housing for market housing (which is primarily dictated by the market, but should continue to be complementary to market housing needs for Crawley as assessed in the SHMA)<sup>3</sup>. The proposed modified Policy and Reasoned Justification is provided in Appendix A. This policy and supporting Reasoned Justification is an amended version of the Submission Local Plan (September 2014).

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<sup>1</sup> LP082c: Northern West Sussex Strategic Housing Market Area: Affordable Housing Needs Model Update (2014) Chilmark Consulting

<sup>2</sup> LP082a: Northern West Sussex Strategic Housing Market Assessment (2009) GVA Grimley; LP082b: Northern West Sussex – Crawley: Strategic Housing Market Update (2012) GVA; LP082c: Northern West Sussex Strategic Housing Market Area: Affordable Housing Needs Model Update (2014) Chilmark Consulting

<sup>3</sup> LP001d: Schedule of Further Proposed Modifications to the Submission Local Plan (September 2014), MM090–MM092 (February 2015) CBC

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### **3.11 Does the evidence on viability justify the policy H4 baseline figure of 40% affordable housing? Does the viability evidence have sufficient regard to the impact of future mandatory requirements and the cumulative costs of other CBLP policies?**

3.11.1 The Viability Assessment<sup>4</sup> and its update February 2015<sup>5</sup> accompanying the CBLP assessed affordable housing delivery from 25-40% against the potential to yield CIL based on a tenure mix of 30% Intermediate and 70% Affordable Rent. In addition, 30% affordable housing and 10% low cost housing delivery was assessed (based on a 15% discount from open market value at initial sale)<sup>6</sup>. An affordable housing target of 40% was used to generate draft CIL rates and for the purposes of assessing the viability of the SHLAA sites.

3.11.2 In accordance with paragraphs 174 and 175 of the NPPF, the Viability Assessment took into account the policies of the emerging Local Plan as a whole and in particular included specific consideration of:

- External Housing Standards<sup>7</sup>
- Internal Housing Standards<sup>8</sup>
- Sustainability Standards<sup>9</sup>
- Planning obligations (not covered by CIL)<sup>10</sup>

3.11.3 An update to the Viability Assessment has been commissioned by the council to support the preparation of CIL. This has taken into account the changes to the Affordable Housing policy – in relation to a 40% affordable requirement alongside an element of Low Cost Housing, and the introduction of the ten dwelling threshold required by changes to national policy. It also takes into account the changes to the optional national standards for internal space standards and sustainability standards. This has confirmed that viability for development within the borough has increased.

3.11.4 The council has only had two viability challenges in recent years, and following detailed assessment by property and housing, affordable housing requirements were reduced in line with the Policy. Such detailed appraisals have been modelled on various permutations of tenure and quantum of affordable housing and have been assessed by the council's property surveyors and housing enabling team. In the

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<sup>4</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment (2013) Nationwide CIL Service

<sup>5</sup> LP008b: Updated Viability Assessment (2015) NCS

<sup>6</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment, para. 4.3, p23 (2013) NCS

<sup>7</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment, para. 4.6, p23 (2013) NCS

<sup>8</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment, para. 4.7, p24 (2013) NCS

<sup>9</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment, para. 4.13, p25; para. 4.17, p27; and para. 4.19, p28 (2013) NCS

<sup>10</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment, para. 4.18, p27 (2013) NCS

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main, the policy of 40% is being achieved; even the Forge Wood greenfield site, with its challenging infrastructure costs, is delivering 40% affordable housing. This Policy should serve to inform the negotiations with land vendors. During this time of market recovery, the provision of 40% affordable housing enables the developers to have some degree of confidence that 40% of the scheme will be sold off-plan with a guaranteed cash-flow, where build costs are usually covered and it is only the value of the land element that is being discounted. In such circumstances, affordable housing is, in fact, stimulating the market.

- 3.11.5 Using the requirement set out in the Policy as a starting point, the Affordable Housing Supplementary Planning Document (SPD) will show the range of options available to housing developers. These include: the council, or the HCA, making a capital contribution to the Affordable Housing Provider to assist to overcome the viability; adjustment of the tenure mix; adjustment of the overall percentage of affordable housing downwards from the 40% position. It may also provide some flexibility to developers in relation to contributing to the overall affordable housing requirement set by the Policy, and in the event of a detailed viability assessment, the provision of Low Cost Home Ownership could be the last of the cascaded options to be considered, beyond which would be zero contribution to offer housing 'assistance' in any form.

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### 3.12 Is policy H4 consistent with November 2014 revisions to the Planning Obligations section of National Planning Practice Guidance (NPPG) regarding the site-size thresholds for affordable housing?

- 3.12.1 The changes to the National Planning Practice Guidance took effect on 28 November 2014, two days after the submission of the CBLP for its examination. The Plan, therefore, had been prepared on the basis of its own evidence, including that relating to viability and affordable housing.
- 3.12.2 Crawley Borough Council (CBC) submitted detailed technical responses (set out, for information purposes only, in Appendix B) to the questions asked by the preceding national consultation (carried out between March and May 2014), these confirmed that the viability evidence to support the emerging CBLP had shown there was no justification to proceed with a threshold under which the affordable housing requirement was not triggered. This is set out in the viability modelling carried out on the sites within Crawley<sup>11</sup>, which clearly showed a higher level of viability for the smaller sites; this can be seen from the higher levels of CIL possible for the smaller schemes (see Table 3.1).

**Table 3.1: Residential Viability Appraisal Maximum CIL Rates by Development Size**

<b>Residential Viability Appraisal</b>					
<b>Maximum CIL Rates Per Sq Metre</b>					
<b>Affordable Housing Proportion</b>	<b>Mixed Residential Development</b>	<b>Medium Size Mixed Development</b>	<b>Intermediate Mixed Development</b>	<b>Small Housing Development</b>	<b>Town Centre Apartments</b>
<b>40% Affordable</b>					
Greenfield	£275	£298	£293	£367	£377
Brownfield	£110	£136	£125	£197	£271
<b>30% Affordable 10% Low Cost</b>					
Greenfield	£298	£323	£317	£392	£411
Brownfield	£122	£148	£137	£209	£288

**Source: LP008 Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment (2013) Nationwide CIL Service (page 3 and 36)**

- 3.12.3 However, it is accepted that changes to the national PPG have now taken effect and CBC, therefore, has to deliver policies in conformity with it. For this reason, a further modification is proposed for consideration as part of the Examination into the CBLP, amending Policy H4 to ensure conformity with the new national requirements<sup>12</sup>. This modification is set out in Appendix C to this Statement.

<sup>11</sup> LP008: Crawley Borough Council Community Infrastructure Levy and Affordable Housing Viability Assessment (2013) Nationwide CIL Service

<sup>12</sup> LP001d: Schedule of Further Proposed Modifications to the Submission Local Plan (September 2014), MM093 (February 2015) CBC

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**3.13 Is the requirement for low cost housing in policy H4 consistent with national policy, having regard to its lack of clarity and reliance on a forthcoming Supplementary Planning Document (which should contain advice, not policy)? Does the evidence on viability justify the provision of low cost housing, and how would “where viability allows” be assessed?**

3.13.1 The Viability Assessment tested the principle of ‘low cost housing’ in addition to affordable housing on the basis of a 15% discount from open market value at initial sale. This was considered as a 10% requirement on top of the 30% affordable requirement, to respond to a need identified through early engagement<sup>13</sup> and the SHMA<sup>14</sup> which highlighted the need to help a broader spectrum of housing needs than those who can afford to access market housing and those who qualify for housing support from the local authority. It was always intended to include a low cost element within the policy as an additional offer in the mix to meet local housing needs. Originally the viability study tested an expectation of 30% affordable policy requirement with an additional 10% low cost requirement; at the same time a 40% affordable housing requirement was also tested. As the Local Plan evolved, and in light of housing need in the borough, 40% affordable housing was included within the Policy with a more flexible requirement for low cost added in light of the more onerous requirement for affordable provision. This additional requirement has recently been tested as a nominal 10% in the Viability Update, which still demonstrates that sites are viable whilst addressing range of housing needs in the borough.

3.13.2 The NPPF is clear that Low Cost housing does not meet the definition of ‘affordable housing’<sup>15</sup>, therefore, it is considered important to include this requirement within the policy itself, to ensure adequate consideration is given to providing this offer within the overall mix of residential development schemes.

3.13.3 Paragraph 6.65 of the CBLP explains what Low Cost Housing is. The forthcoming Affordable Housing Supplementary Planning Document (SPD) will not contain policy but will expand upon this, including the following definition:

Housing not classed as affordable housing

Homes that do not meet the above definition of affordable housing, such as low cost market housing, may not be considered as affordable housing for planning purposes in accordance with the NPPF definition of affordable housing. However, the council does encourage developers to make some provision for low-cost entry-level housing to assist first time buyers onto the property ladder. Such provision would be in addition to the requirement for affordable housing.

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<sup>13</sup> LP026: Crawley 2029 Preferred Strategy Consultation Report, p16-17 (2013) CBC; and LP027: Crawley 2029 Issues and Options Consultation, p93-110

<sup>14</sup> LP082a: Northern West Sussex Strategic Housing Market Assessment, p181-183 (2009) GVA Grimley

<sup>15</sup> NPPF, Glossary, p50 (2012) DCLG

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- 3.13.4 The only reason Low Cost Market Housing does not qualify as affordable housing is that it is usually a windfall to the first buyer and there is no element of the benefit secured in perpetuity. It is encouraged in order to offer another tier of affordability to the property ladder. 'Marketing incentives' which are offered by developers could be construed as low cost market housing, and if these were offered to entry-level buyers in the first instance, then this would assist in meeting the council's objective with regards to Low Cost Housing Ownership.
- 3.13.5 Given the high numbers of people unable to afford open market housing in the borough<sup>16</sup>, the council takes very seriously the importance of providing affordable housing within the borough, and will ensure the balance of CIL and whole plan viability reflects this importance. The updated Viability Assessment<sup>17</sup> confirms that 40% affordable housing plus a nominal 10% Low Cost is viable for all assessed housing sites and allows for an element of CIL to be charged. Whilst the level of CIL contribution set is a matter for the CIL examination, the Local Plan policy does not specify a percentage of Low Cost expected from residential schemes, and instead leaves this up to evidence of viability of individual schemes.
- 3.13.6 The requirement for Low Cost housing is established in the Policy and supporting text paragraph 6.65, and the Supplementary Planning Document will only provide additional guidance, good practice and examples of how the requirement can be applied flexibly to enhance a scheme's offer without creating additional costs. "Where viability allows" will be assessed by the normal 'open book' approach taken by housing developers when applying the affordable housing requirement and mix.
- 3.13.7 In line with the changes to Policy H4 addressing the national introduction of the ten dwelling threshold, the requirement for low cost is proposed to match this as a main modification to simplify the policy<sup>18</sup> (see Appendix C).

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<sup>16</sup> LP082c: Northern West Sussex Housing Market Area: Affordable Housing Needs Model Update para.3.54, p40; Figure 8, p41; para. 4.17, p55; Table 14, p55; para.4.62, p66; Figure 19, p67 (2014) Chilmark Consulting; LP001a: Submission Modifications Draft Crawley Local Plan para. 6.15, p73; and para. 6.56, p82 (November 2014) Crawley Borough Council

<sup>17</sup> LP008b: Updated Viability Assessment (2015) NCS

<sup>18</sup> LP001d: Schedule of Further Proposed Modifications to the Submission Local Plan (September 2014), MM093 (February 2015) CBC

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### **3.14 Is the reserve gypsy and traveller sites at Broadfield Kennels suitable and available for the intended use? Is there sufficient evidence that the adverse impacts on matters such as landscape character, biodiversity and highway safety can be adequately mitigated?**

- 3.14.1 The Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment<sup>19</sup> explains the process for reserve site identification. This has dated back to 2004 with work building upon previous assessments at each stage, and included re-evaluation of sites as guidance and criteria changed. The site was assessed through the Sustainability Appraisal, at the Additional Sites Consultation stage<sup>20</sup> and for the final submission Sustainability Report<sup>21</sup>. This concluded that the site has some merit in terms of access to local facilities and is not constrained by either noise or flooding. However, mitigation measures are required to address the assessed potential negative impacts on SA Objectives: 6 Conserve/Enhance Biodiversity and Landscape; 7 Promote Sustainable Journeys; and 9 Promote Sustainable Communities. The site is, therefore, considered to be suitable.
- 3.14.2 The proposed reserve Gypsy and Traveller site at Broadfield Kennels is in council ownership. It is not currently in any use and the council is not actively marketing the site and is only considering short term and medium term uses with a break option. Part of the site was previously developed as a Kennels site, but it has been vacant for a number of years with all buildings removed, although the access and hard-standing remain. The Gypsy, Traveller and Travelling Showpeople Needs Assessment<sup>22</sup> concluded that there is not an immediate need for a traveller site to be provided within the borough, nor is there a known need for a site within the first five years of the Plan. It is considered that this site meets requirements as its delivery is within the control of CBC. The site is, therefore, considered to be available.
- 3.14.3 The site is acknowledged to have a number of constraints, including access, and the landscape and ecological impact in relation to its setting. However, following detailed assessments of the site, and discussions with West Sussex County Council (meeting of 20/11/13) and the High Weald AONB Unit, it is concluded that these can be overcome through careful design and highway improvements. This is supported by representations received from the county council<sup>23</sup> and the High Weald AONB Unit<sup>24</sup> on the CBLP at its submission publication consultation stage.

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<sup>19</sup> LP094: Crawley Borough Council Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment, p22–25 (2014) CBC

<sup>20</sup> LP029: Sustainability Appraisal of the Local Plan Preferred Strategy Additional Sites Consultation Document (2013) CBC

<sup>21</sup> LP003: Crawley Submission Local Plan Sustainability Appraisal, p282–283 (2014) CBC

<sup>22</sup> LP094: Crawley Borough Council Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment (2014) CBC

<sup>23</sup> REP/075: West Sussex County Council (2014)

<sup>24</sup> REP/032: High Weald AONB Unit (2014)

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### **3.15 Are the assessment criteria of policy H5 (gypsy and traveller sites) appropriate, particularly with regard to existing and possible future noise levels?**

- 3.15.1 The series of criteria set in Policy H5 for the consideration of Gypsy and Traveller site proposals which may come forward in the borough over the Plan period has been prepared based on national guidance and local environmental health standards<sup>25</sup>.
- 3.15.2 The noise criteria set out in the Policy is based on advice from Environmental Health Officers and reflects the particular vulnerability of caravans for exposure to noise and lower levels of opportunities for acoustic attenuation.
- 3.15.3 The policy takes into account the acoustic qualities of caravans compared to houses. Short term exposure to high noise will not have a detrimental effect on the Travellers' health. However, in the long term it will. Policy H5 reflects the cumulative effect that exposure to high levels of noise will have by restricting the noisiest sites to being only temporary.

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<sup>25</sup> Planning Policy for Traveller Sites (2012) DCLG; Designing Gypsy and Traveller Sites: Good Practice Guidance (2008) DCLG; and LP094: Crawley Borough Council Gypsy, Traveller and Travelling Showpeople Accommodation Needs Assessment, Appendix C Site Criteria for Identifying Traveller Sites, p38–41 (2014) CBC

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## APPENDIX A: PROPOSED POLICY H3: HOUSING MIX MAIN MODIFICATION

### LOCAL PLAN MARKED-UP MODIFICATIONS EXTRACT:

#### Future Housing Mix

6.50~~51~~ Different households require different types and sizes of housing. It is important that an appropriate choice and mix of housing is provided across the borough in order to create balanced and sustainable communities. Widening housing choice broadens the appeal of an area and assists in meeting the needs of existing residents as well as attracting new residents to the borough. ~~6.54~~The council's Strategic Housing Market Assessment and its (2012) updates, identifies that Crawley has the highest proportional requirements for ~~two and three-bedroom affordable~~ smaller properties, ~~for those households in greatest need ('reasonable preference'), comprising 43% two-bedrooms and 30% three-bedrooms. However, housing need across the whole Housing Register reveals that up to 45% require one-bedroom properties with 32% requiring 2-bedroomed accommodation.~~

#### Policy H3: Future Housing Mix

All housing development should provide a mix of dwelling types and sizes to address the nature of local housing needs, ~~as evidenced in the 2012 Strategic Housing Market Assessment and subsequent updates~~. The appropriate mix of house types and sizes for each site will depend upon the size and characteristics of the site and the viability of the scheme. However, consideration should be given to the evidence established in the Strategic Housing Market Assessment and its updates for the wider housing market needs in Crawley.

##### Affordable Housing

† In delivering the affordable housing element of residential schemes, in line with Policy H4, the need for one, two and three bedroom affordable dwellings in Crawley, as identified in the council's Strategic Housing Market Assessment and its updates (2012 update), should be addressed in meeting the housing needs of those considered to be in greatest need.

#### Reasoned Justification

6.52 *Ensuring that new housing takes account of local need to create neighbourhoods where there is genuine choice of the right housing in terms of size, type and tenure, both at neighbourhood and borough wide level, is essential. The council will therefore encourage a mix of housing that will be appropriate to the needs of the community taking account of the information within the SHMA and its updates, to provide a range of types, sizes and tenures including housing for the elderly, lifetime homes and other specialist housing needs.*

##### Affordable Housing

6.53 *The council will particularly seek to achieve a mix of dwelling sizes to meet local housing need ~~and demand~~. The Affordable Housing Needs Model (2014 SHMA Update) ~~Strategic Housing Market Assessment (September 2012)~~ has found that the demand for new homes for those ~~households~~ in local housing need falls predominantly towards the smaller one-bedroom and two-bedroom units, with the recommended mix*

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across all priority bandings and affordable tenures being ~~reasonable preference in the borough is:~~

- ~~18%~~ 25% 1 bedroom
- ~~43%~~ 50% 2 bedroom
- ~~30%~~ 20% 3 bedroom
- ~~9%~~ 5% 4+ bedroom

~~6.54 The SHMA has also identified the sizes of affordable housing required to meet the needs of those households considered to be in 'reasonable preference' (excluding transfers). This indicates that 18% of future affordable housing provision should be one-bedroom units with 43% two-bedroom and 30% three-bedroom units, and only 9% provision of four and five-bedroom units. This preferred mix has a natural bias towards meeting the needs of those in reasonable preference, and particularly for rental tenure, while the intermediate tenure and private market rental units may err towards the higher ratio of one and two-bedroom units.~~

6.5554 The council will expect new residential schemes to reflect the latest evidence of need, subject to density and character considerations. Town Centre mixed use developments will be expected to be built at higher densities, however, this may not necessarily be suitable for all sites. Policy CH5 identifies the required internal and external space standards for New Housing Development including Lifetime Homes.

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## **APPENDIX B: CRAWLEY BOROUGH COUNCIL SUBMITTED RESPONSE TO DEPARTMENT OF COMMUNITIES AND LOCAL GOVERNMENT CONSULTATION: PLANNING PERFORMANCE AND CONTRIBUTIONS QUESTIONS ON AMENDING S106 PLANNING OBLIGATIONS (1 MAY 2014)**

### **DCLG: Planning Performance & Planning Contributions Crawley Borough Council Response to Consultation**

#### **Amending section 106 planning obligations**

**Question 5: Is the Government's objective of aiding the delivery of small scale housing sites and expanding the self build housing market supported by:**

- **the introduction of a 10-unit and 1000 square metres gross floor space threshold for section 106 affordable housing contributions; and**

Crawley Borough Council currently operates an adopted Core Strategy policy requiring 40% affordable housing from residential developments of 15 dwellings or more, or on sites greater than half a hectare in size, unless evidence can be provided to show that the site cannot support such a requirement from a viability perspective and that the development clearly meets a demonstrable need.

Against this council's best efforts to deliver affordable housing through a range of means, including council own-build, the period between January 2013 and March 2014 shows a growing deficit of 383 affordable homes when assessed against the number of new applicants coming onto the Housing Register and the number of applicants housed. It remains incumbent on the council to seek affordable housing through every available opportunity in its obligation towards meeting housing need, and smaller windfall sites have the potential to provide a steady supply of affordable housing while also ensuring improved integration of tenures across the borough.

Based on an independent assessment of needs in the strategic housing market area, 59% of emerging households in Crawley are unable to afford to rent at market levels and 69% of emerging households in Crawley are unable to purchase market housing. As well as having a significant requirement for affordable rented accommodation, Crawley also has a large need for "intermediate" affordable housing, such as shared ownership/shared equity schemes and discount market renting.

In line with guidance set out in the National Planning Policy Framework (NPPF), paragraph 50, bullet 3, Crawley Borough Council's emerging Local Plan seeks to address the identified affordable housing need, and in line with the NPPF's paragraph 173, an independent Viability Assessment has been carried out to advise on whole-plan viability, affordable housing viability and Community Infrastructure Levy. The results from this have directly fed into the considerations for new Local Plan policies on affordable housing.

The Viability Assessment considered that all development remains viable across the borough with a 40% affordable housing provision at a nil threshold (viability is marginally improved with a 30% affordable housing requirement alongside a 10% low cost requirement). **It was not found that smaller developments had greater levels of viability constraints; and, contrary to this assumption, the smaller developments have, in fact, been shown to have greater levels viability.**

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### Maximum Residential CIL Rates per sqm

<b>40% Affordable Housing Requirement</b>					
Charging Zone/Base Land Value	Mixed Residential Development	Medium Sized Mixed Development	Intermediate Mixed Development	Small Housing Development	Town Centre Apartments
Greenfield	£275	£298	£293	£367	£377
Brownfield	£110	£136	£125	£197	£271
<b>30% Affordable Housing &amp; 10% Low Cost Housing Requirement</b>					
Greenfield	£298	£323	£317	£392	£411
Brownfield	£122	£148	£137	£209	£288

Crawley Borough Council Community Infrastructure Levy, SHLAA & Affordable Housing Viability Assessment (Nationwide CIL Service, October 2013)

In light of this, it was not considered possible to argue through Examination for the new Local Plan that an arbitrary threshold of continuing the 15 dwelling application from the current Core Strategy policy was justified or supported by evidence. Therefore, it would not be in conformity with the NPPF's requirement to meet both market and affordable housing needs as far as possible to do so.

Over the previous five years (2008 – 2013) a total of 74 houses has been delivered on sites of 10 dwellings or less (on 10 separate sites). Had affordable housing been required from these schemes the equivalent of 30 houses would have contributed to addressing Crawley's unmet affordable housing need.

In future it is anticipated that this situation will increase. This is because large sites within the borough boundary are finite and the land available for housing is limited. The Housing Trajectory for the Local Plan anticipates 47 dwellings per annum to come forward through windfalls in the first five years of the Plan period and, subsequently, as a conservative estimate, it is assumed that 20 dwellings per annum to come forward through windfalls in the later part of the Plan period. These will predominately be on smaller sites not possible to identify through our extensive urban capacity study or reflected in our Strategic Housing Land Availability Assessment.

The contribution these sites make to delivering the essential housing supply is increasingly critical, and without the proportionate contribution for affordable housing, where viability allows, the ability of the council to even partially address its unmet affordable housing need is limited further. The government's proposal would undermine this approach and restrict the delivery of affordable housing in the borough over the Plan period.

Crawley also has a very important role in the sub-regional economy, and has been identified as being well located to support the delivery of economic growth. Much of the workforce in the lower-paid, but essential, posts also reside within the borough. This forms a critical relationship with the housing stock. A reduction in the supply of affordable housing would exacerbate the current under supply and would provide a disincentive for business relocation to the area. This is recognised by the Coast to Capital Local Enterprise Partnership as a fundamental issue facing the region. Its Strategic Economic Plan recognises that there are currently 50,000 people on the waiting list for social housing, and identifies delivery of housing and infrastructure as a strategic priority: *"there cannot be sustainable economic growth without housing growth. If there are shortages of housing to rent or buy, at affordable*

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*prices, it is more difficult for employers to attract and retain workers that they need to grow their businesses and makes it hard for younger newly-qualified people to come to the area to live” (page 17).*

The consultation paper does not provide any evidence to support its assertion that affordable housing requirements on small sites prevent development. Clearly, in the case of Crawley, all evidence has shown that this is not the case. The proposed restriction on delivering schemes of less than 10 units therefore goes against the Viability work undertaken at a local level to support the council’s emerging Local Plan. It is considered that it is inappropriate to impose restrictions at a national level when local issues such as land values and development costs vary from site to site. These issues should be considered at a local level as part of negotiations with developers on planning obligations.

Having an affordable housing requirement on all residential developments, regardless of scale, also ensures parity in land values, rather than a situation where land vendors of smaller sites benefit from the absence of affordable housing. In addition, any commuted payments received from these smaller developments will assist in securing affordable housing on larger schemes that may experience viability constraints.

In the event that this proposed policy is adopted, it should clearly state that the threshold is met where there are 10 or more units **or** where the development comprises 1,000 square metres gross floor space or more. This would help prevent the threshold being deliberately evaded by building, for example, nine large executive homes or, conversely, building twenty one-bedroom flats at under 1,000 square metres (which could result in some very substandard housing units, e.g. 20 flats at under 50 sq. m.).

To prevent developers applying for permission to build out only part of a site under the threshold, and subsequently applying for permission to build out the rest of the site to avoid exceeding the threshold, the threshold needs to also include the size of the site (it is suggested that a threshold of one third of a hectare would be appropriate to reflect the threshold of 10 units) and measures to prevent single sites being artificially split.

If the intention of this exemption is to apply to self-build homes, then the definition of self-build needs to be tightly defined. Where one individual is building their own home such an exemption would be reasonable. However, custom build homes should be excluded to prevent developers avoiding Community Infrastructure Levy. Furthermore, consideration needs to be given to how the planning authority would determine whether the applicant was a self-builder.

- **the exclusion of domestic extensions and annexes from making section 106 affordable housing contributions?**

Affordable housing contributions are not currently required on domestic extensions and annexes in this borough. There is no objection to the exclusion of domestic extensions and annexes.

**Question 6: Should the proposed exemption apply beyond affordable housing to other tariff style contributions based on standard formulae?**

Planning obligations are designed to ensure that development mitigates against its impacts and that in this respect the development or previous use of a site is relevant to the impact of the development. Further restrictions would also have implications for delivering important

*Issue 4: Whether the policies for the mix of dwellings, affordable housing, accommodation for travellers and houses in multiple occupation are sound and would contribute to the creation of inclusive and mixed communities.*

infrastructure required to mitigate the impact of development and may have unintended consequences which may restrict rather than enable development.

This is particularly the case for Crawley where if, as anticipated, a substantial proportion of new residential development in the urban area, in the future, comes forward on small sites, the lack of contributions towards infrastructure will become increasingly noticeable. Existing residents and new residents of developments will have reducing quality of life, and developments may face refusals due to the infrastructure capacity constraints, and objectors to planning applications making use of such empirical facts can often carry significant weight leading up to a refusal of planning permission.

**Question 7: We would like your views on the impact of the Government's policy objectives to incentivise brownfield development through proposed national policy change. This would reduce the financial burden on developers by requiring that affordable housing contributions should not be sought where buildings are brought back into any use – other than proportionately for any increase in floor space.**

Currently, should the affordable housing requirement result in a brownfield site not being financially viable, this would be dealt with by an individual viability assessment which will take into account the particular factors and costs that affect the overall cost of the site.

*Issue 4: Whether the policies for the mix of dwellings, affordable housing, accommodation for travellers and houses in multiple occupation are sound and would contribute to the creation of inclusive and mixed communities.*

## **APPENDIX C: PROPOSED POLICY H4: AFFORDABLE HOUSING THRESHOLD MAIN MODIFICATION**

### **LOCAL PLAN MARKED-UP MODIFICATIONS EXTRACT:**

#### **Policy H4: Affordable and Low Cost Housing**

##### Affordable Housing

40% affordable housing will be required from all residential developments [of 11 dwellings or more, and/or which have a combined gross floorspace of over 1000sqm.](#)

The council will expect [a minimum of](#) 70% of the affordable housing to be Affordable/Social Rent and [up to](#) 30% Intermediate tenure.

~~For sites of 5 dwellings or less, or less than 0.2ha in size, a commuted sum towards off-site affordable housing provision will be sought.~~

##### Low Cost Housing

In addition to the provision of 40% affordable housing, where viability allows, low cost housing will also be sought on developments proposing ~~45~~ [11](#) dwellings or more.

##### Exceptions

These targets will apply to all residential developments [over the threshold](#) unless evidence can be provided to show that the site cannot support such a requirement from a viability perspective and that the development clearly meets a demonstrable need. ~~Except for sites of 5 dwellings or less, p~~ Payments in lieu will only be accepted in exceptional circumstances where it can be demonstrated that there are robust planning reasons for doing so and provided that the contribution is of equivalent financial value.