

## Part B – Please use a separate sheet for each representation

Name or Organisation:

Robert Hitchins Ltd

3. To which part of the Local Plan does this representation relate?

Paragraph  Policy  Policies Map

4. Do you consider the Local Plan is :

4.(1) Legally compliant	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
4.(2) Sound	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
4 (3) Complies with the Duty to co-operate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Please tick as appropriate

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

**NB: To be read in conjunction with Attachment A (a review of the Local Plan Viability Assessment Working Draft May 2021)**

***Second sentence, the second paragraph, Core Policy 9:***

- 1.1 Much of Core Policy 9 remains as previously worded in the adopted Stroud District Local Plan. However, in this respect many of the existing concerns raised previously when the Stroud District Plan was prepared also apply to the proposed Stroud District Local Plan Review (“SDLPR”) Core Policy 9. In particular, concerns remain in respect of the second sentence within the second paragraph in Core Policy 9.
- 1.2 This suggests that affordable housing should be provided in a mix that ‘broadly’ reflects the ‘dwelling sizes’ in the proposed development. This implies that the Council may seek affordable housing in a ‘pro-rata’ mix of the market dwellings to be provided on the development.
- 1.3 This approach contradicts the initial half of the same sentence which suggests that affordable dwelling sizes and types should reflect ‘proven’ housing needs of people unable to resolve their housing requirements on the open market. Provision in a pro-rata mix may not align with provision to meet ‘proven’ affordable housing needs. Such a conflict in the wording will lead to uncertainty resulting in protracted negotiations between developers and the Council and the delivery of affordable housing that does not reflect the assessed need.
- 1.4 The approach taken in the second half of the second sentence in paragraph two of draft Core Policy CP9 fails to reflect that the dynamics of market housing differ to those of affordable housing.
- 1.5 The National Planning Policy Framework (updated in June 2019) states that:

*“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals...any needs that cannot be met*

*within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”*

(paragraph 60, page 17, NPPF)

Specifically in respect of housing mix (non-tenure specific) the NPPF goes on in the following paragraph to state that:

*“Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes).”*

(paragraph 61, page 17, NPPF – emphasis added)

As such, the NPPF does not encourage or suggest the imposition of blanket market housing mix policy requirements or of an affordable housing mix that is pro-rata that of market housing mix proposals, but instead sets out that housing mix, type and tenure etcetera should be identified for ‘different groups’ in the community and ‘reflected’ in policy.

1.6 This is to be read in conjunction with the approach specifically to affordable housing in paragraph 62 of the NPPF which states that ‘where a need for affordable housing is identified, planning policies should specify the type of Affordable Housing required’ and these should be in accordance with the affordable housing definitions in Annex 2 of the NPPF.

1.7 Within the ‘Housing and economic needs assessment’ section of the of national planning policy guidance (“NPPG”) published as part of the online guidance provided to accompany the NPPF the only reference to housing mix is as follows:

*“Strategic policy-making authorities will need to look at the current stock of houses of different sizes and assess whether these match current and future needs.”*

(Paragraph: 023 Reference ID: 2a-023-20190220, NPPG)

- 1.8 In July 2019 an additional section of the NPPG entitled ‘Housing needs of different groups’ was published (and this was updated in May 2021). However, whilst this provides broad advice on an assessment methodology for overall affordable housing need (in line with that provided previously within Government guidance) and vague commentary (albeit without a proposed methodology) on the assessment of overall need for private rented, self-build / custom build and student housing, it provides no guidance on the methodology or approach to the assessment of types and sizes of housing (market or affordable) other than a reference to identifying the ‘number and size’ of homes within the ‘committed supply of new net affordable homes’ (Paragraph: 007 Reference ID: 67-007-20190722).
- 1.9 Therefore, whilst affordable housing policies should specify the type of affordable housing needed in accordance with the NPPF, the lack of any direction to the contrary in national planning policy and guidance confirms that the approach to market mix should remain flexible when making Plan policies or development control decisions. The wording of Core Policy 9, requiring an affordable housing mix that is pro-rata that of the proposed market housing mix for the same development, does not reflect national planning policy as it may i) prevent affordable housing being provided in a mix that reflects the assessed need for it, and ii) result in the Council seeking to alter the market housing mix to align with the mix sought for Affordable Housing to ensure the two are ‘broadly’ reflective of one another.
- 1.10 The above interpretation of national policy and guidance is substantiated by the affordable housing definition within Annex 2 which requires such housing to be provided only to those households whose ‘needs’ are not met by the market. By necessity this will require that affordable dwellings are provided in sizes that reflect the assessed ‘need’ (as opposed to ‘demand’) for such housing. In contrast, market housing remains undefined in the NPPF, but it is clear that such housing is provided in an environment influenced by household choice and a household’s financial capacity to realise housing preferences as opposed to needs – market housing provided to reflect the minimum dwelling size requirements of households will prove undeliverable where this does not align with the choices households purchasing / renting on the open market will seek to make within the remit of the financial resources available to them.
- 1.11 A further point of concern is that the imposition of the First Homes requirement may result in a dampening appetite by First Time purchasers for 1, 2 and 3 bedroom open

market dwellings – the income caps specified in the First Homes National Guidance issued by the Government in May 2021 (£80,000 or £90,000 in Greater London - Paragraph: 007 Reference ID: 70-007-20210524) governing eligibility mean that some households with savings or family support who would have been able and opted to purchase a home on the open market will use the First Homes route instead. This is an impact absent from the Help to Buy Equity Loan scheme given that the relevant homes were purchased as open market (as opposed to Discount Market Sale Affordable Housing) units from developers.

- 1.12 In other words any inflexible requirements imposed on market housing mix where First Homes comes into operation will fetter developer’s abilities to adjust their open market housing mix to provide more larger homes (less likely to be impacted due to the First Homes price caps at £250,000 or £420,000 in Greater London - Paragraph: 002 Reference ID: 70-002-20210524) for which demand will remain strong.
- 1.13 First Homes could result in slow sales of similar open market units, increased sales risks and additional planning costs (due to a need to re-plan sites with an alternative mix focussed on large open market homes) to developers. These impacts are not tested within the May 2021 Local Plan Viability Assessment (“WDLPVA”) as a sensitivity.
- 1.14 Furthermore the summaries of the First Homes appraisal iterations set out in Appendix 12 to the WDLPVA only test First Homes in conjunction with Affordable Rent as opposed to with Social Rent – the First Homes National Planning Guidance suggests that LPAs may prioritise the provision of Social Rent on the remaining elements of Affordable Housing after the First Homes proportion has been deducted. The September 2020 Local Housing Needs Assessment suggests that Affordable Housing is required in a c.50% Social Rent, c.17% Affordable Rent and c.33% Affordable Home Ownership tenure split in Stroud and as the proposed Affordable Housing Policy CP9 does not specify otherwise the Council could seek to apply this and yet it is not tested – see Attachment A section 2.
- 1.15 As the SDLPR has reached publication stage (i.e. this is its Regulation 19 Consultation) ahead of the First Homes transitional date of 28<sup>th</sup> June 2021, if it is not submitted for Examination by the 28<sup>th</sup> of December 2021 then it could still be required to reflect the First Homes requirement (Paragraph: 018 Reference ID: 70-018-20210524) or even be

recommended by the Inspector for an early review to enable the requirement to be introduced in the Policy wording (Paragraph: 019 Reference ID: 70-019-20210524).

1.16 Where the Council seek to vigorously impose the wording the approach set out in the second sentence of paragraph two in Policy CP9 is likely to result in either an overprovision of larger affordable dwellings than is suggested through objective assessment to be required, or, could lead to the Council seeking the provision of a greater proportion of smaller market dwellings to enable a pro-rata affordable housing mix to be derived which more closely aligns with affordable housing needs.

1.17 There is no robust evidence to support that the likely market housing dwelling size demand within Stroud District aligns with affordable housing dwelling size requirements. Currently, the Council refers to the September 2020 Gloucestershire Local Housing Market Assessment (“LHNA20”) as forming part of the evidence base.

1.18 The LHNA20 projected affordable and market housing mix breakdown for Stroud can be compared as follows:

**Table 1 – Housing Mix Stroud – Figure 91 LHNA20**

	Affordable Housing	Market Housing Mix
<b>1 bedroom</b>	22.8%	2.5%
<b>2 bedrooms</b>	42.7%	14.3%
<b>3 bedrooms</b>	26.5%	54.4%
<b>4+ bedrooms</b>	8.0%	28.8%

1.19 The LHNA20 does not support that affordable housing should be provided in a mix that reflects the market housing mix of a proposed development, as it estimates that c.83% of market housing in the District is required as three bedroom or larger accommodation, compared to an estimated c.35% of affordable dwellings.

1.20 It is relevant to note that the LHNA20 modelling in terms of future dwelling size requirements for market and affordable housing are dependent upon the accuracy of household profile projections 20 years into the future, and upon the continuation of current trends in existing inefficiencies and occupation patterns.

1.21 In addition, the LHNA20 does not present any sensitivity testing to illustrate the impact where an increasing number of older person owner occupier households seek to remain

in their own homes for longer as a result of increased longevity and strategies to support people in their own homes (through adaptations and care packages). This would result in an increased requirement for larger market housing. The First Homes requirement, as explained above, may also result in an increased focus in the demand for larger open market housing – this is also not sensitivity tested in the LHNA20.

- 1.22 However, notwithstanding these points, the LHNA20 does not support the pro-rata policy approach retained within Core Policy CP9 and this wording should, therefore, be deleted as part of this review process.

***Third and Fourth Paragraph, Core Policy 9***

- 1.23 The first issue relates to the wording within Core Policy 9 seeking ‘at least’ 30% affordable housing. It is impossible to have an understanding of the economic viability or practical impacts of an open ended proposition such as ‘at least 30%’ affordable housing and this open ended requirement has not been proven to be economically viable. The wording results in a lack of certainty for those seeking to bring land forwards for development as a full understanding of likely policy cost burdens and masterplanning impacts will not be known. This issue is repeatedly left unchallenged despite the Examination in Public process being required to establish that Plan Policies meet the tests in paragraphs 16 and 35 of the NPPF and accord with the requirements of paragraph 34 in respect of Developer Contributions not undermining the deliverability of the Plan.

- 1.24 Related to this is the second issue: viability. Even if the wording is adjusted to remove the text ‘at least’ it is not robustly demonstrated in the WDLPVA that ‘30%’ let alone ‘at least’ 30% will be deliverable in the District alongside the other development cost burdens that will apply. The WDLPVA is reviewed in detail within Attachment A – this represents the first opportunity to comment in detail on this latest iteration of the Council’s viability evidence. This review is summarised below.

1.25

- 1.26 On the 29<sup>th</sup> of April 2021 Stroud District Council approved a Pre-Submission Draft Local Plan for publication. A fundamental part of the evidence base is a Local Plan Viability Study undertaken by HDH Planning and published initially in draft in June 2020 and more recently as a ‘Working Draft’ in April 2021 and then re-issued with further changes

in May 2021 (“WDLPVA”). PPS previously prepared and submitted a consultation response to the Council in respect of the June 2020 draft Local Plan Viability Study (see Appendix 1).

- 1.27 The WDLPVA (and prior draft LPVA) make various assumptions including of CIL contributions (on non-strategic site typologies) being inclusive of the education requirements of the County Council (see Paragraph 7.44 of the WDLPVA) and the sites put forward for allocation (and the generic sites) are tested against these assumptions. This issue is compounded by a lack of clarity in the wording of Core Policy 6 ‘Infrastructure and Developer Contributions’ of how educational infrastructure will be sought by the District Council.
- 1.28 In practice, the County Council have been requesting additional payments of up to c.£17k per unit across Gloucestershire, in addition to s106 for other forms of infrastructure (assumed in the WDLPVA at £5k per dwelling, which itself is insufficient even without the County education s106 cost) which together with the WDLPVA s106 costs exceed c.£20k per dwelling.
- 1.29 Consequently various interested parties have raised concerns on the basis that the evidential foundations of the Draft Local Plan Review are being undermined by the County Council, in terms of viability and deliverability (see paragraph 8.114 of the WDLPVA).
- 1.30 It is clear that, if the additional County education contributions are to be sought, the Draft Local Plan Review cannot continue without very significant modifications to the Plan. Stroud District Council’s position on this matter must be made absolutely clear as part of this consultation process and ahead of submission for Examination: it must be made explicit whether the Draft Local Plan Review policies will, or will not, be imposed in conjunction with a new County s106 education formula and what the resulting costs of this will mean for development.
- 1.31 The WDLPVA does not provide any certainty around the author’s discussions with the Council on this matter and, whilst an Interim Position Statement has been prepared by the Local Education Authority reducing pupil product ratios following the recent Coombe Hill s78 Planning Appeal reference 3257625, this is understood to remain subject to many of the same flaws as the formula referred to in the Appeal. Critically,



there is a lack of clarity in terms of how any County s106 education costs will impact on viability in Stroud.

1.32 If the Draft Local Plan Review policies are to be imposed in conjunction with a new County s106 education formula then it will be necessary to:

a) examine the evidential justification for any new formulaic approach (bearing in mind that an iteration of this formula was not supported during a recent s78 Planning Appeal reference 3257625)

b) examine its implications on relevant policies of the Development Plan (including on overall housing numbers), and,

c) examine the viability impacts on development

1.33 These are matters of critical importance given the likely negative impacts upon Housing Land Supply in the Stroud local authority area and should not be left for determination through a promised 'early review' of the Plan; in terms of the impacts within the Stroud local authority area these issues should be resolved through this Plan preparation process, or if this is impossible then the emerging Local Plan Review cannot reasonably be concluded to be sound.

1.34 The following analysis provides a response to the latest iteration of the Stroud District Local Plan Viability Assessment but, in essence, it is evident that the necessary evidence must be provided to resolve this County s106 issue prior to the Draft Local Plan progressing to the Examination stage.

**1.35** Even without having regard to concerns raised in this paper (and previously in response to the June 2020 iteration of the viability evidence) regarding overestimated sales values and underestimated costs (including County s106) the WDLPVA Tables 10.2a, 10.2b, 10.2c and 10.2d suggest that, against the WDLPVA author's own BLV, **the proposed policy and developer contribution requirements cannot be supported by c.73% of the combined non-strategic and 100% of the Strategic Sites tested - ALL of the strategic sites tested fail to achieve a RLV that exceeds the WDLPVA BLV.**

1.36 The WDLPVA presents appraisal summaries in its Appendix 13 which reflect the combined impact of 30% Affordable Housing, CIL, s106 at £20k per unit (which potentially reflects the County Education costs i.e. c.£22k per unit based on the £5k per

unit local authority s106 plus a potential c.£17k per unit County s106 cost – NB: updated costs are unclear in the Interim Position Statement) and the cumulative Draft Plan Policy costs. These confirm that once the combined cost of all these factors are taken into account, and the RLVs are compared to the BLVs set in the WDLPVA, **c.89% of the generic sites tested (56 out of 63) will be unviable.** Only 7 sites out of 63 of the generic sites continue to have RLVs above the WDLPVA BLVs – these are all in the Gloucester Fringe / Cotswolds sub-area and all of the other sub-areas contain nil such sites.

1.37 It is unclear from the information presented in the WDLPVA how / if the County s106 will apply to the Strategic Sites or whether such costs are already reflected in the modelled assumptions. This lack of clarity is further compounded by the IDP failing to set out transparently, on a site by site basis, how all the different infrastructure items required will be funded (i.e. including in respect of s106 and or CIL), the total costs of this, or the timing of these costs. The Infrastructure Funding Statement (which is not included in the evidence base) does not clarify these matters. However, the strategic sites are already suggested to be unviable in the baseline modelling.

**1.38** The adjustments to policies suggested in paragraphs 12.70 and 12.92 of the WDLPVA (which include moving the Affordable Housing tenure to a 50:50 rent / sale split) **will not be enough.**

1.39 It must also be noted that, the WDLPVA (and previously the draft LPVA) Greenfield Site BLV of £25k plus £350,000 per gross hectare appears to fail to reflect the WDLPVA author's own evidence of policy compliant land sales suggesting an average land sale value of £761k and a median value of £820k (presumably per gross hectare on the basis that the WDLPVA goes on to refer to a £800k per hectare residential land value in paragraph 6.28 ahead of establishing its per gross hectare BLVs) Gloucestershire wide. The BLVs are arbitrarily set and have no evidential basis – it is a circular argument to refer to BLVs set in a similarly arbitrarily way in Local Plan Viability Assessments elsewhere.

1.40 When land is being marketed on the basis of seeking offers for promotion agreements or options, it is usual that bidders will be required to specify and subsequently negotiate and agree a minimum financial return to the landowner, which, if not achieved, will not be sufficient to persuade the landowner to make the land available for development. The WDLPVA BLV of £25k plus £350,000 per gross hectare **does not** reflect the reality

of the landowner position and in fact, based on the experience of Robert Hitchins Ltd in Gloucestershire, minimum financial returns to landowners will range between £450k to £775k per gross hectare. This is direct and relevant evidence of the real-world BLVs.

- 1.41 Affordable housing is one of the largest cost burdens faced by development, and where other mitigating factors cannot be removed / reduced this is a requirement that will need to flex downwards. Most sites in the District will struggle to support 30% affordable housing under the current Plan policies, let alone under the emerging Plan policies, and none will be able to do so where significant additional County Council education s106 contributions are imposed and if realistic BLVs are applied.

***Fifth Paragraph, Core Policy 9***

- 1.42 This paragraph has not been amended and remains as drafted in the 2015 adopted Local Plan. However, whilst the paragraph references negotiation having regard to 'housing needs, site specifics and other factors' there is no specific reference to having regard to viability.

- 1.43 Given the above concerns regarding viability, the lack of reference within Core Policy CP9 to the negotiation of the proportion, type/mix and tenure of affordable housing to be provided having regard to viability is of significant concern and endangers the deliverability of the Plan (see the WDLPVA review summary set out above and the detailed commentary in Attachment A).

- 1.44 In addition to these viability concerns, there are also concerns regarding the underpinning LHNA20 Affordable Housing tenure split calculations – this is a matter that needs to be considered during the forthcoming Examination given that the Council will draw on the LHNA20 outputs in their negotiations.

Affordable Housing Tenure Split

- 1.45 Following the representations responses prepared by Pioneer Property Services Ltd in January 2020 on behalf of Robert Hitchins Ltd the Gloucestershire Local Housing Needs Assessment Final Report and Summary (September 2020) ("LHNA20") has been published. This represents the first opportunity to respond on this iteration of this document.

- 1.46 The LHNA20 suggests in figure 91 that c.26% of the overall planned housing supply 2021 – 2041 needs to be comprised of Affordable Housing (3,291 divided into 12,426) taking into account the Local Housing Need figure assessed for the District.
- 1.47 At paragraph 8.76 the LHNA20 suggests that across Gloucestershire the provision of 7,826 homes (2021-2041) for households aspiring to home ownership (on the basis that they could afford a home at 60% of open market value – “OMV”) alongside a further 11,210 homes for households unable to afford this to be appropriate. This translates as a 41% split between affordable home ownership and 59% other forms of affordable housing.
- 1.48 For Stroud District Figure 63 (page 92) and Figure 91 (page 156) of the LHNA20 suggest that, 2020 to 2041, 1,084 households aspiring to home ownership are in affordable housing need *and* can afford 60% of open market value. A further 2,207 are stated to be in affordable housing need and are excluded from aspiring to affordable home ownership apparently, according to paragraph 8.70 page 89, on the basis that they are currently unable to afford market rents. This translates as a c.33% affordable home ownership and 67% other forms of affordable housing tenure split.
- 1.49 However, there is no assessment of how many of the c.1,084 PRS households aspiring to own can afford up to 80% of open market values (despite that this level of discount also complies with the NPPF affordable housing definition and would enable the more efficient use of subsidy by Affordable Housing Providers).
- 1.50 Even more crucially; there is no assessment of how many of the 2,207 households unable to afford a market rent and in need of affordable housing could afford and aspire to affordable home ownership – a proportion of these (particularly those able to afford Affordable Rent without Housing Benefit – Figure 91 suggests 550 such households in Stroud) may also be able to afford Shared Ownership or other affordable home ownership products at varying discounts to OMV (particularly through the new Shared Ownership model introduced by the Government and coming into play as of the 28<sup>th</sup> of June 2021 which has initial shares being sold as low as 10% and with the potential for 1% incremental share purchases). This should be reflected in the Affordable Housing tenure split modelled in the LHNA20 and which will be sought by the Council.
- 1.51 Even if only two thirds of the 550 households (i.e. c.367) in Affordable Housing need suggested to be able to afford Affordable Rent without Housing Benefit / the Housing

element of Universal Credit aspire to Affordable Home Ownership but cannot afford it this, added to the c.1,084 households requiring Affordable Home Ownership, this suggests that 44% of the planned Affordable Housing should be provided for Affordable Home Ownership at minimum (i.e.  $1,084 + 367 = 1,451$  divided by 3,291 overall planned Affordable Housing requirement).

- 1.52 In addition to the above point, Figure 62 of the LHNA20 read in conjunction with paragraph 8.76 (page 90) suggests that other households unable to afford rented or sale market housing in the Stroud District local authority area but housed in the private rented sector (i.e. renting privately using Housing Benefit or able to afford to rent privately but aspiring to buy but with no realistic prospect of doing so even if an Affordable Home Ownership product at 60% discount to Open Market Value – “OMV” - is provided) are already adequately housed and does not recommend the inclusion of these households within the planned Affordable Housing requirement.
- 1.53 Indeed, it is generally the case that households adequately housed in Private Rented housing in receipt of Housing Benefit (1,639 in Stroud based on LHNA20 Figure 62, page 92) are not included as requiring additional Affordable Housing.
- 1.54 However, the 3,546 households (LHNA20 Figure 62, page 92) renting privately and aspiring to purchase in Stroud but unable to afford an Affordable Home Ownership product (at 60% discount to OMV due to lack of income and /or savings) remain eligible for Affordable Home Ownership housing under the current NPPF Affordable Housing definition and should be included in the Affordable Housing tenure split calculation in the LHNA20.
- 1.55 Whilst these 3,546 households aspiring to home ownership in Stroud are unable to afford it at 60% of open market values (due to insufficient income and/ or savings of less than £5k) a proportion of these households (and c.25,169 households at a county level) will be able to afford a 60% of open market home but have savings of less than £5k, whilst the others may have sufficient savings but earn too little to afford 60% of a market home. It is not stated in the LHNA20 at a local authority level, but at a County level Figure 60 (page 90) suggests that such households are split c.50:50 in this regard (12,680 with too little income and 12,488 with sufficient income but less than £5k savings).

- 1.56 A number of these 3,546 Stroud households could afford a Shared Ownership home with a 50% or 25% initial equity share but the LHNA20 does not analyse this. Even if only half can afford this (which is a reasonable minimum assumption as the deposit needed will be smaller and based on the Gloucestershire wide position in Figure 60 half of the 3,546 have household incomes enabling them to afford 60% of a market home just not savings of £5k or more), this is a further 1,773 households that could be assisted by the provision of affordable home ownership products such as Shared Ownership.
- 1.57 Added to the c.1,084 households already suggested in the LHNA20 to be able to afford a low cost home for sale at a discount to OMV this suggests c.2,857 households able to afford market rent but aspiring to buy and unable to afford to do so on the open market.
- 1.58 This can be compared to 2,207 households in the LHNA20 Figure 63 unable to afford market rent and in need of affordable housing in Stroud which results in a 44% split between affordable home ownership and 56% other forms of affordable housing (i.e.  $2,857 + 2,207 = 5,064$ ,  $2,857$  divided into  $5,064 = c.44\%$ ).
- 1.59 As stated above, some of the 550 households (included in the 2,207 total) able to afford Affordable Rent without Housing Benefit may also aspire to own and be able to afford Shared Ownership or other products at varying discounts to OMV. Even if only two thirds do (c.367) this pushes the tenure split even further to c.64% sale / 36% rent (i.e.  $2,857$  plus  $367 = 3,224$  divided into  $5,064$ ).

Summary

- 1.60 The LHNA20 position in Figure 91 is that c.26% of the planned supply in the Stroud Local Authority area is required as Affordable Housing and the data in Figure 91 suggests that only c.33% of this should be made available for Affordable Home Ownership.
- 1.61 This informed by the LHNA20 approach which assumes that additional Affordable Housing does not need to be planned for households renting in the private rented sector and in receipt of Housing Benefit or who aspire to purchase but cannot, based on LHNA20 calculations, afford to do so. However, this does not reflect the NPPF Affordable Housing definition in terms of household eligibility for Affordable Home Ownership housing.
- 1.62 If the NPPF Affordable Housing definition, in terms the eligibility for Affordable Housing of households aspiring to home ownership but unable to afford it, is taken into account

then the LHNA20 data suggests that c.44% to 64% of the Affordable Housing proposed over the Plan period should be for Affordable Home Ownership with the remainder for rent. This will also see an increase in the overall quantum of Affordable Housing need concluded in the LHNA20, but clearly on the basis that majority of Affordable Housing need is for Affordable Home Ownership and with the quantum sought through policy being demonstrated to be viable at the Plan making stage.

- 1.63 In terms of the form that the rented element of affordable housing need is to take the LHNA20 refers to 2,513 of the Gloucestershire wide 11,210 households in need unable to afford market rent being able to afford Affordable Rent and bases the Social Rent proportion on the remaining households (8,697) (paragraph 8.69, LHNA20).
- 1.64 However, just as households in the Social Rented sector require Housing Benefit / the housing element of universal credit to afford their rent so similarly households can be assisted in Affordable Rent. Whilst the recently published First Homes national planning guidance suggest LPAs may prioritise Social Rent proportions being maintained ahead of other Affordable Housing tenures after the deduction of the First Homes requirement, the NPPF (which remains the national planning policy document that underpins any supporting national guidance) does not include any objectives encouraging local authorities to reduce Housing Benefit claims through the provision of Social Rent or suggest in the Affordable Housing definition or glossary that where Affordable Rent requires Housing Benefit input then it is not an acceptable form of affordable housing. Many Registered Providers development business plans assume Affordable Rent and are likely to need to place an increased emphasis on this where Shared Ownership revenues are reduced within their Business Plans as a result of First Homes.
- 1.65 It is agreed that any future affordable housing provision should be arrived at through a process of negotiation. In particular, it would be inappropriate if the Council were to seek to impose requirements (including through supplementary planning documents) for affordable housing when assessing development proposals on the basis of evidence and conclusions which are not based on an accurate assessment of overall housing requirements, tenure split, mix and viability. In this regard it should be noted that the LHNA20 does not support the pro-rata policy approach retained within Core Policy CP9.

1.66 A lack of opportunity to negotiate the affordable housing proportion represents a problem, as, where there is no ceiling on the target the reader a) will be uncertain as to an appropriate maximum level of affordable housing that should be proposed, and b) will technically be unable by virtue of the wording from being able to enter into negotiation with the Council as to the proportion (which could exceed 30% under the current wording) to be provided.

(Continue on a separate sheet /expand box if necessary)

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.



- i) The latter half of the second sentence in the second paragraph of Core Policy CP9 should be amended as follows:

*“Affordable housing should broadly reflect the sizes, tenures and types that meet the proven needs of people whose needs are not met by the market ~~who are not able to compete in the general housing market as well as reflecting the dwelling sizes and design in the proposed development.~~”*

- ii) At minimum the words ‘at least’ should be deleted from paragraphs three and four, but the primary preference is that the affordable housing proportion itself should only be proposed once the Council are in a position to have reference to robust viability evidence taking all costs to development and realistic land value benchmarks into account prior to setting the affordable housing proportion sought.

- iii) The wording of the final paragraph in Core Policy CP9 should be amended as follows:

*“The Council will negotiate the proportion, tenure, size and type of affordable units on a site by site basis having regard to housing needs, viability, site specifics and other factors.”*

In negotiating the tenure split supporting text should reference that when all households eligible for Affordable Housing in line with the NPPF definition are taken into account a need for more than 33% Affordable Home Ownership is suggested (NB: the requirement for Affordable Home Ownership over a 20 year period based on analysis of data within the LHNA20 applied in the context of the NPPF Affordable Housing definition could be 44% to 64% of the overall Affordable Housing need).

- iv) The above suggested amendments should be considered in light of the conclusion of these representations that Policy CP9 is, as a whole, unsound as a result of the lack of viability evidence supporting the affordable housing proportion sought (particularly when all costs to development and realistic Benchmark Land Values are applied) and the issues with the wording around housing mix. However, the proposed amendments are intended to assist should the Council determine a deliverable affordable housing proportion for inclusion within a replacement affordable housing policy.

(Continue on a separate sheet /expand box if necessary)

**Please note** In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

**After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.**

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

**No**, I do not wish to participate in hearing session(s)

**Yes**, I wish to participate in hearing session(s)

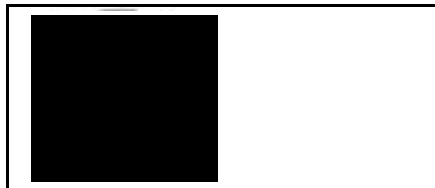
Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

To provide further explanation as necessary of the concerns raised above.

**Please note** the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.

9. Signature:



Date:

20.07.2021