

WOKING CORE STRATEGY

WRITTEN STATEMENT: MATTER 4

Housing

1. *Is the evidence base in support of the housing policies robust and credible? How does this relate to the PPS3 and its associated guidance? To what extent is the content of PPS1 and PPS3 particularly satisfied by the Core Strategy? How has the CS has been informed by, and is consistent with, the Council's Housing Strategy?*

I refer to my original representations and my comments in relation to Matter 1. It is hard to see how conformity with the SEP is still an appropriate basis on which to set a future housing requirement owing to the imminent demise of the SEP, and, importantly, the decisions by other local authorities not only adjoining the borough but also further afield across the South East who are reducing their housing requirements from the levels specified in the SEP. The decision by Guildford, for example, not to set a housing requirement, will cause planning uncertainty and this will rebound upon Woking. Under-provision across Surrey on the levels set out in SEP will have adverse consequences for affordability.

The CS proposed to provide only 4,964 homes yet the SHMA indicates that 10,098 are required. To ignore the evidence from the SHMA would be contrary to PPS3 and the draft NPPF. Paragraph 28 of the draft NPPF requires the Council to prepare a SHMA to assess their full housing requirements that is likely to be required over the plan period including meeting the household and population projections, taking account of migration and demographic change. In the light of the evidence from the SHMA and of the household projections (7,000 new households over the plan period) it is not clear why the Council has chosen to ignore these and favour the SEP target.

4. *Does the Council have a demonstrable housing land supply consistent with PPS3?*

No. The CS has only identified land for 1,500 homes in Woking Town Centre. It needs to find sites for a further 1,000. The Green Belt Review has not yet commenced and so it is unknown which site within the Green Belt will be earmarked to provide the 550 homes needed by the Council to enable it to meet its housing requirement. As a consequence there must be doubts about whether the Council can deliver its requirement. PPS3 advises that for years 11-15 broad locations for growth should be indicated if specific sites cannot be identified. As the Green Belt Review has not commenced, and sites for 1,000 homes have not been identified in WTC, the Council is not able to indicate these broad locations, let alone specific sites.

11. *Where is the evidence that the town centre can support 200dph to meet the target of 2,300 dwellings?*

Policy CS2 states that 2,500 dwellings will be provided in WTC. This appears to be at variance to policy CS10.

Much of the supply in WTC is predicated on development occurring at densities in excess of 200dph. We doubt very much that there is the appetite within the market for such high density development and what this means in terms of dwelling type – block of flats at several storeys high (once you take into account the net developable area by providing for access roads, plant and play and open space). The Council is being unrealistic about the ability of the market to build this product.

12. *Is there sufficient flexibility within Policy CS10? Particularly in relation to potential non-implementation? Should a non-implementation figure of 10% be applied?*

There is insufficient flexibility. As we have commented in relation to CS2: Woking Town Centre we support a non-implementation allowance of 20%. This would ensure that the plan is in conformity with the draft NPPF. Paragraph 109 of the draft NPPF advises that local authorities should provide for an additional allowance of 20% of specific and deliverable sites to ensure choice and competition in the market for land.

CS12: Affordable Housing

20. *Are issues of development viability recognised adequately?*

We refer to our original representations. Firstly, the justification for 40% affordable housing is unproven. It relies on assuming a return to 2007 market levels (paragraph 17). The EVA report concludes in paragraph 3.2.9 that:

“there is no doubt that current conditions add up to a negative financial viability impact when compared with how schemes are viewed and pursued in a more stable, confident market.”

However, it is unclear how far the new economic conditions are the new norm. Moreover it suggests that the Council is relying on unsustainably high house price inflation to return in order to finance its regeneration ambitions.

Predicating the deliverability of a plan on a return to 2007 levels would be an unwise basis for planning at the best of times as it would mean that the plan would not be deliverable at the time of adoption when depressed conditions still pertain. More pertinently such an approach is now clearly contrary to the *Planning for Growth* Ministerial Statement and the draft NPPF, paragraph 43, which requires plans to be based upon a realistic appraisal of current market values. Paragraph 43 states that local authorities need to “understand district-wide development costs at the time Local Plans are drawn up”).

Secondly, even on the Council's own terms, the viability modelling hardly provides a resounding case in support of the policy target of 40% affordable housing. Table 10b shows that at the policy compliant level of 40% affordable housing, combined with a policy compliant 70/30 social/intermediate tenure split, plus the cost of Code 5 factored in (the Part L element constitutes 80% of the cost of the Code) and assuming a modest planning gain package of only £5,000 per unit, then Residual Land Values (RLVs) are very low. It is troubling to note that they are negative in the lower value points for all types of scheme, but markedly so for those schemes involving flats. The lower value points will approximate more closely to values in Woking Town Centre. Figure 5 on page 34 of the EVA report shows that dwellings in Woking Town Centre record the lowest average values in the district. We cite WTC as this is where the majority of the housing supply is earmarked to come forward. It is critical, therefore, that the affordable housing target does not impede delivery in WTC. If it does then the Local Plan will be unsound.

Moreover, where positive RLVs register, these are not especially strong. Figure 5 on page 34 shows that the average sales price of a 2 bed flat in WTC is £220k. If we multiply this by 100 to illustrate the total gross development value (GDV) of the 100 unit example in table 10b, then this would potentially yield a total development value of £22m. The table registers only a RLV of £83k at the higher value point of 5. No land owner would sell his land for such a derisory sum. He would want a much larger piece of the action.

The RLV at value point 6 is £4.5m. This represents 20% of the GDV. This is a more attractive sum, and may be sufficient to incentivise some owners to sell, but many would expect RLVs nearer 50% as they will have to pay tax on their sales receipt and cover their own administrative and promotion costs. More importantly, flats are very unlikely to sell at values approximating value point 6. Such values are only likely to pertain in the more exclusive areas of the borough and for detached homes. The Council should explain what sort of prices it is assuming that flats will sell for in WTC.

Furthermore is it right for the Council to keep on assuming much higher prices when the aim should be to reduce housing costs for all? Is the pursuit of value capture distorting the purpose of the planning system to the detriment of providing homes that people can afford? Could one outcome of this pursuit of value capture in order to secure funds for regeneration be that it provides flats for more affluent outsiders but only at the expense of housing affordability in its general sense for current residents?

22. Is 'affordable' adequately defined and consistent with PPS3?

No. The CS does not account for Affordable Rent. Since Affordable Rent is a flexible form of tenure (it can start out as Affordable Rent but on review convert to social rent and vice-versa) the Council should not attempt to delineate between the three types of tenure that now constitute the definition of 'affordable housing'. Fixing proportions will be too inflexible. Since the Council has no means of predicting and controlling tenure within the affordable housing stock over the plan period it should not attempt to fix this in the CS.

The policy requirement cannot be controlled and consequently it is ineffective.

23. How will the off-site provision for affordable housing be managed? Is the intended approach justified?

24. What is the evidence in support of enabling the payment of commuted sums for alternative provision elsewhere?

We object to the payment of commuted sums. The purpose of providing affordable housing is to create mixed and balanced communities. Off-site provision would not achieve this.

Unlike other planning obligations, providing an element of affordable housing is not mitigation of impact (after all, provision of more housing generally reduces the need for affordable housing, it does not create the need for more), it is a policy aim to provide for mixed and balanced communities. If a scheme cannot afford to provide the desired amount of affordable housing necessary to create a mixed and balanced community then the Council will need to decide whether the scheme has other merits that would justify the affordable housing component to be waived or reduced.

Off-site provision must be robustly justified and only if it achieves mixed and balanced communities elsewhere (PPS3). We have been unable to detect any analysis that spells out where this off-site affordable housing would be directed to address imbalances of social mix elsewhere in the district for example by providing AH in higher values areas where owner occupation predominates, and not, as tends to happen, for more affordable housing to be piled into places where social housing already predominates.

It would appear that the motivation of the Council is, therefore one of value capture not the creation of mixed and balanced communities. As such it is contrary to Circular 05/2005.