

Development Local Plan Examination: Hearing Statement

Our Ref: 2012-067-EIP/M12

Date: 26 April 2021

From: NJL Consulting (Consultee ID – 1232396) on behalf of Lavington Participation Corp. and Duncraig Investment Corp.

Matter 13 – Affordable Housing

Key Issue: Will the housing proposed meet the needs of those in the County who have special requirements? Are the assessments for specialist housing based on robust and credible evidence? Is it deliverable? Are the policies for affordable housing, annexe accommodation and for houses in multiple occupation clear, reasonable and appropriate?

- a) *Is the required level of affordable housing need based on robust evidence? Is the Local Housing Market Assessment (LHMA) sufficiently robust to inform the Plan's housing strategy?***

LPC agree with the robustness of the LHMA in determining affordable housing needs however the proposed housing requirement would only maintain a shortfall in affordable housing over the plan period rather than seeking to positively address this key requirement. LPC has significant concerns regarding the delivery of allocated sites as envisaged by the Council (see responses to Matters 3 and 7) and without these sites coming forward without any delay, the affordable housing requirement will not be met.

The Council have failed to account for the accrued shortfall of 2,012 homes which remained undelivered over the UDP plan period. LPC have made comments on how this should be accounted for within the LDP housing requirement as these needs remain within the Borough. Moreover, the Council's failure on housing delivery over the UDP will have inevitably resulted in suppressed household formation across the Borough, with fewer homes being built to accommodate new households. The identified housing need under the LHMA is therefore operating from a reduced baseline which will only result in downplaying the level of actual needs within the Borough.

Policy HSG10 of the Flintshire UDP explicitly states that the North East Wales Housing Market Assessment (2008) which underpinned the UDP evidence base, '*recommended that 480 new homes be built within Flintshire every year up to the year 2021*' with 38% of all new housing built in Flintshire dedicated to affordable provision. The Council took a more conservative position on policy requirements in order to reflect economic uncertainties and promote development within the Borough – arriving at a 30% requirement which would secure 1,000 affordable homes over the plan period.

The Council accepted that this figure '*is significantly less than the recommendations contained within the Housing Needs Survey undertaken in 2005*' (UDP para. 11.75) which were further reinforced by the conclusions of the 2008 assessment. Despite working towards a suppressed affordable housing target the Council failed to meet these needs over the UDP plan period and even to 3 years after the UDP expired (see Table 1 below¹)

¹ Figures based on Table 5.4 of Flintshire Local Housing Market Assessment Addendum (2020)

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Year	Affordable Housing Completions
2008-09	74
2009-10	24
2010-11	115
2011-12	71
2012-13	57
2013-14	138
2014-15	96
2015-16	43
2016-17	84
2017-18	249
Total	951
10 Year Average	95

Noting that the UDP set an affordable housing target of 30% provision across sites of 25+ dwellings (equating to 1,000 homes) it took until 2019, four years after the plan period, to meet this significantly reduced target. This emphasises the extent to which needs under the previous UDP have been unaccounted for in the LDP housing requirement.

The LHMA also wrongly concludes that Flintshire's housing market is self-contained, despite the Council's own evidence on commuter patterns falling below key thresholds which is emphasised under the most recent ONS data (see Matters 2 and 6). In adopting this position there is a risk that the overall housing requirement isn't robust enough in accounting for needs from neighbouring authorities. This would have further implications on whether the correct level of affordable housing need has been established.

b) Will the affordable housing target meet the local housing need? If not, what other mechanisms are available?

Based on the above LPC have concerns that the affordable housing target continues to be suppressed from the UDP period and from the Council's failure to not only deliver housing as expected but account for these unmet needs rolling forward to the LDP.

It is also unclear to what extent the methodology for calculating the housing requirement has fully considered the need for affordable housing within the County and the impact this could have upon housing requirement for the Plan Period.

The Local Housing Market Assessment found that there is an annual shortfall of 238 affordable dwellings across Flintshire. The Council have set an annual requirement of 530 dwellings, 238 as a percentage of this is 45%, therefore, if it was the case that the annual requirement of affordable homes was to be met each year, nearly half of the homes being built would need to be affordable.

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It cannot be disputed that this percentage of affordable homes will not be achieved based upon the current level of housing growth. Therefore, a more prudent approach to the delivery of affordable homes in the County would be to increase the overall housing requirement (which would also assist in addressing other concerns identified), which in turn would increase the provision of affordable homes as a proportion of schemes.

Taking the annual affordable housing need identified through the LHMA over the Plan Period would equate to 3,570 dwellings. The Council states however in Background Paper 7, that this would require an *'unsustainable level of housing growth to enable the development of enough affordable housing to meet the requirement within the LHMA'*². The Council have therefore already taken a position of accepting that the LDP will not be capable of meeting the identified housing needs for the Borough. That is despite being based upon a target that is already suppressed from previous lack of delivery. The proposed affordable housing target of 134 dwellings per annum only aspires to deliver 56% of the Borough's identified need. Noticeable the Council have not presented any evidence or alternative options to demonstrate how the LDP could deliver on these needs.

To disregard the need for affordable homes within the County, despite there being clear evidence of the number required is perverse and will only result in the Council needing to address a backlog in the future.

Alternative strategies such as directing a proportion of additional housing towards sustainable, higher order settlements will ensure the delivery of much needed affordable housing particularly in the early years of the Plan period. Moreover, the identification and development of smaller sites will help to ensure that affordable homes are delivered sooner in order to meet local needs.

The Council should therefore be seeking to allocate more sites for development, specifically those sites which would be seeking to deliver a minimum of 50% affordable housing provision. This approach is specifically aligned to the recent Ministerial Statement issued by the Welsh Housing and Local Government Minister, Julie James, on 9th July 2019.

In addition, PPW11 states that *'Planning authorities must make provision for affordable housing led housing sites in their development plans. Such sites will include at least 50% affordable housing based on criteria reflecting local circumstances which are set out in the development plan and relate to the creation of sustainable communities'*³.

It is therefore vital that the Council not only look for additional sites to boost open market and affordable housing provision, but more specifically affordable housing-led sites which can deliver a key contribution and support the Council to meeting identified housing needs under the LHMA.

LPC therefore propose a wording change to Policy HN4-D (affordable housing exceptions sites) as follows in order to provide additional flexibility in the LDP (NJL emphasis in bold):

² Background Paper 7 – Affordable Housing (2020) Page.3

³ Planning Policy Wales (2021) Para. 4.2.32

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*'Outside settlement boundaries for tier **1**, 2, 3 and 4 settlements, proposals to develop affordable housing will only be permitted, where:*

a. sites will make provision for at least 50% affordable housing based on criteria reflecting local circumstances;

- b. there is evidence of genuine local need for affordable housing;*
- c. there are no suitable alternative sites or properties within settlement boundaries to meet the need;*
- d. schemes abut settlement boundaries and form logical extensions to settlements, avoiding ribbon and fragmented development and incorporating suitable boundary treatment and landscaping measures;*
- e. the scale, design, and layout of the proposed development are sympathetic and appropriate to the size and character of the settlement and its landscape setting, and reflect the scale of need identified; and*
- f. houses will remain affordable in perpetuity for those in need, managed by a housing association, the County Council, a bone fide trust or similar management organisation.'*

c) Does the plan clearly identify all components of affordable housing supply?

The LDP sets out the definitions for social rented and intermediate tenures in line with that within TAN2. The LHMA has also now been updated to more clearly distinguish tenure types as part of the identified affordable needs. The tenure split required is 30% social rented, 30% intermediate rented and 40% low-cost home ownership.

While there are thresholds on affordable housing provision between housing market areas, based upon viability considerations, this does not confirm the tenure splits on a sub-market area specific basis.

d) Are the required affordable housing contributions and thresholds in Policy HN3 founded on a credible assessment of viability?

LPC have no comments in relation to this question.

e) Are the requirements of Policy HN3 clear, and consistent with national policy?

LPC accepts that a degree of flexibility has been incorporated into the policy which allows for affordable housing to be delivered off-site or as a commuted sum in lieu of on-site provision, albeit in exceptional circumstances

Affordable housing requirements should not be referred to as a starting point for negotiations as this provides no certainty to developers on the level of affordable housing required in a policy compliant position.

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The policy should be revised to state affordable housing percentages as a target, acknowledging there are instances where a lower affordable housing provision is entirely justified and reasonable.

It is important that the affordable housing policy HN3 acknowledges that viability can vary on a site-by-site basis, regardless of which sub-market area the development site is located within.

f) Is the spatial distribution of affordable housing sound and does it adequately reflect local needs?

The proposed affordable housing thresholds appear to reflect the spatial distribution of local needs, for example by directing a higher proportion of affordable provision to the Connah's Quay, Queensferry & Broughton sub-market area where there is an annual need of 186 dwellings per annum.

Table 6.5 of the LHMA more specifically identifies Tier 1 settlements as having the greatest levels of identified need across the Borough. A detailed response on this specific matter is set out in relation to question 13i) and the need for Policy HN4-D to include Tier 1 settlements.

g) How will off-site or commuted sum contributions for affordable housing be secured and managed? What mechanisms are in place to ensure that the level of contributions sought are appropriate?

The supporting text to Policy HN3 states that specific guidance on the scale, tenure and nature of affordable housing and what information which will be required to accompany viability assessments will be set out in any emerging affordable housing SPG, which to date has not been published. The policy text suggest this will follow post adoption of the plan and therefore it is unclear at this time what mechanisms are in place in relation to offsite or commuted sum contributions.

h) Do affordable housing exception sites have to be immediately adjoining settlement limits?

This approach to exception sites is supported and aligns to the principles of delivering sustainable development. Moreover, this is required under PPW11 which states that *'where such policies are considered appropriate it should be made clear that the release of housing sites within or adjoining existing settlements for the provision of affordable housing to meet local needs which would not otherwise be allocated in the development plan, is an exception to the policies for general housing provision'*⁴.

i) Why are exception sites not allowed adjoining Tier 1 settlements? How does this reflect the spatial distribution of need for affordable housing?

LPC strongly object to the exclusion of Tier 1 settlements such as Flint from the affordable housing exceptions sites Policy HN4-D.

⁴ Planning Policy Wales 11th Ed. (2021) Para. 4.2.34

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Tier 1 settlements are defined under the LDP as *'the main locations for new housing development which reinforces and contributes to sustainable settlements'*⁵. Further to being the most sustainable locations within the spatial strategy, Tier 1 settlements such as Flint represent the largest settlements within the Borough in terms of household numbers and population.

These areas by nature generate the highest level of needs as evidenced by the findings of the LHMA which identifies Tier 1 settlements (inc. Broughton) accounting for 207 of the 238 affordable dwellings required per annum across the Borough. This equates to 86% of the total identified affordable housing need.

Despite this, the level of anticipated affordable delivery in Tier 1 settlements through housing allocations is proposed to be at the same level as Tier 2 settlements (46%) where only more modest growth is supported by the LDP.

It is imperative that affordable housing needs continue to be met in Tier 1 settlements in order to align PPW11 which requires *'Planning authorities must make provision for affordable housing led housing sites in their development plans. Such sites will include at least 50% affordable housing based on criteria reflecting local circumstances which are set out in the development plan and relate to the creation of sustainable communities'*⁶.

LPC therefore propose a rewording to Policy HN4-D to include reference to Tier 1 settlements as follows:

'Outside settlement boundaries for tier 1, 2, 3 and 4 settlements proposals to develop affordable housing will only be permitted [...]'.

This approach will provide the Council with additional flexibility to ensure that these needs can be met in line with the LDP evidence base and spatial distribution.

j) What is the basis for restricting management of exceptions schemes in Policy HN4-D (e)? – Will this deliver smaller schemes in rural areas?

LPC have no significant comments in relation to this question but would highlight that for smaller residential schemes resulting in a lesser affordable provision (e.g. <5 dwellings), there may be less of a demand from registered providers, housing associations or equivalent management organisations.

k) Should the LDP specify the criteria that will be applied to determine who will qualify for an exception site?

LPC have no comments in relation to this question.

l) How will the affordable housing target be delivered and reviewed?

⁵ Flintshire LDP (2019) Policy STR2a

⁶ Planning Policy Wales 11th Ed. (2021) Para. 4.2.32

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The affordable housing target of 2008 dwellings over the LDP period is broken down as follows in the Background Paper 7 – Affordable Housing (BP7):

- Allocations – 902 dwellings
- Windfalls – 398 dwellings
- Committed Sites – 709 dwellings

It is however unclear how this target will be delivered and reviewed as it is absent from the current Housing Trajectory. PPW11⁷ explicitly requires that the trajectory sets out the anticipated delivery of affordable dwellings as well as open market housing. This is a key absence of evidence and does not enable the Council to review the deliverability of their affordable housing target over the LDP period.

Moreover, it is assumed that 100% of committed sites will be delivered, something which the DPM⁸ recognises as a 'high risk strategy'. The number of commitments set out under BP7 equates to a high proportion of the overall affordable target (35%) and thus it is important to have certainty on delivery in order to meet what is an already suppressed target (see response to Question 13a)).

m) Will the affordable housing policies ensure a balanced mix of house types, tenures and sizes, and is the required density level appropriate?

The LHMA sets out that analysis suggests a tenure split of 30% social and 30% intermediate rental and 40% affordable ownership. LPC considers that the Council should consider a more favourable split (i.e. 50/50), with flexibility applied on a site specific basis to reflect local housing needs and market requirement.

Policy HN3 states that detailed guidance on the scale, tenure and nature of affordable housing to be sought will be set out in the Affordable Housing SPG, however it is not clear how this will be delivered or when the SPG will be prepared. Imposing requirements particularly on the tenure of affordable housing can impact significantly on viability and LPC are concerned that if this comes forward through an SPG, the fully implications of the requirements may not be considered robustly and with appropriate evidence. This detail should be provided upfront and robustly assessed through the local plan process.

n) How will housing for people/groups with special needs, such as the elderly, be provided? Should there be a separate policy and/or allocations for such housing?

LPC have no comments in relation to this question.

o) Are criteria a), b) and c) of Policy HN4-B reasonable and necessary, taking account of the Plan's approach to employment provision and the costs associated with conversion?

LPC have no comments in relation to this question.

⁷ Planning Policy Wales 11th Ed. (2021) Para. 4.2.10

⁸ Development Plans Manual (2020) Table 18

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p) Is the restriction on infill development to meet a proven local housing need unduly onerous? To what extent will this contribute to the provision of affordable housing in the County? Annex Accommodation a) Are criteria i) and iii) of Policy HN6 necessary in order to prevent the creation of self-contained dwellings?

LPC have no comments in relation to this question.

HMOs

a) In Policy HN7, what is meant by 'over concentration'; can the policy be implemented without a definition of this term? Is it necessary to include the second part of the sentence in criterion e (... 'to the detriment of etc)?

LPC have no comments in relation to this question.