

Housing – Final Position Statement (11/11/2022)

Background and Purpose of this Note

On behalf of Taylor Wimpey UK Limited as applicant, the purpose of this Final Housing Position Statement to confirm the proposals for Affordable Housing provision and related matters as part of the above planning application.

This Position Statement was initially drafted by Savills on behalf of Briggens Estate 1 Ltd, as applicant at that time, on an interim basis in advance of the Housing Topic Meeting on Thursday 21 May 2019 concerning outline planning application proposals for development of Village 7 (“V7”) of the Gilston Area (application reference 3/19/2124/OUT) and in response to the comments upon the application by the Housing Development & Strategy (Housing Services) department of 14 January 2020.

This statement was then updated to account for officer feedback provided further to the above meeting and to confirm the heads of terms for the applicant’s proposed housing obligations, ahead of the drafting of Section 106 Agreement Schedules and Planning Conditions.

A further update was made to this Statement in March 2022 on behalf of Taylor Wimpey UK Limited., as the new applicant for this application as of 24 June 2021 in order to include proposals for the inclusion of 20 Units for Independent / Assisted Living (C3 Use Class) as part of the units that are proposed as Affordable Rent tenure.

This Statement has been updated once more in November 2022, on behalf of Taylor Wimpey UK Limited to reflect a revised Affordable Housing provision. The Applicant remains committed to the funding and delivery of critical on-site infrastructure alongside Section 106 financial contributions where CIL Regulation 122 compliant. However, in order for a development to come forward it needs to remain financially viable and where a significant increase in costs arises this needs to be taken into account.

Since the preparation and submission of the original planning application, there have been a number of events that have resulted in notable changes in the market and are continuing to affect the national (and global) economy. Most significantly for the proposed development, this has resulted in a significant increase in development-related costs associated with construction of new homes together with the expanded infrastructure package required to support the Gilston Area.

In light of the above, the Applicant has taken the prudent step of running up to date infrastructure and delivery costs through a viability testing exercise. In viability terms, this has identified that the previous aspiration to deliver 40% affordable housing on-site is no longer viable and a lower percentage of on-site affordable housing provision is required if the development, as allocated, is to be delivered.

Taylor Wimpey UK Limited Response

In accordance with Local Plan Policy HOU3 (III), a Financial Viability Assessment (“FVA”) has been prepared taking into account current site and scheme circumstances. Whilst it is understood that the Housing officer preferred tenure allocation comprises 75% affordable rent tenure and 25% intermediate tenure allocations, such a tenure split would not enable the development to viably deliver 40% affordable housing provision. The FVA identifies that in order to improve the overall proportion of affordable housing it is necessary to adjust the tenure split towards a more equal balance between affordable rent tenure and intermediate tenure, as set out further below.

The submitted FVA (prepared by CBRE as the Applicant’s appointed viability consultants) identifies that the proposed development could support 21.65% (equating to 325 units) affordable housing provision overall as a percentage of the total number of V7 new homes. The affordable housing tenure mix comprises affordable rent tenure (60% of total number of V7 homes) and intermediate tenure (40% of total number of V7 homes), as the default position. This affordable housing tenure allocation aligns with meeting the current shortage and forecasted affordable housing needs and demands across the district and at Gilston more specifically.

It is also considered that a 50% affordable rent tenure and 50% intermediate tenure could be justified in terms of affordable housing needs (against the guidelines set out in the outdated West Essex and East Hertfordshire SHMA (2015 plus 2017 update)). The FVA demonstrates that this would result in a further increase in affordable housing provision to approximately 23.50% (equating to 353 units). Whilst a 50% / 50% tenure split (respectively) has been demonstrated to be capable of supporting the delivery of a higher number of affordable units it is understood that Housing officers would initially look to resist this in favour of a tenure split closer to their preferred affordable tenure allocation mix (ie. 75% affordable rent tenure / 25% intermediate tenure). Therefore, this tenure split has not been examined in any further detail within the submitted FVA. However, Taylor Wimpey UK Limited would welcome further discussions with officers on this and further information can be provided on request should it be helpful to support considerations on the balance of affordable housing tenure mix.

In the case of Affordable Rent, this will be defined in line with prevailing Government planning policy at the time. In line with the current such definition contained within the NPPF (2021), affordable rent would be capped at 20% below market rents as a minimum. In the case of Intermediate tenure, this could include the Council’s preferred Intermediate tenure, which is shared ownership, but also other intermediate tenures as defined by prevailing Government planning policy at the time. Intermediate tenure types falling within the current Government definition (as per the NPPF 2021) also includes, but is not limited to: starter homes, discounted market sale, intermediate rent and other intermediate products.

As noted above, 20 of the 195 units proposed as Affordable Rent tenure will be for Independent / Assisted Living (C3 Use Class) in satisfaction of the requirements of Policies GA1, HOU3 and HOU6 of the East Herts Local Plan 2018. In light of this update to the Village 7 Affordable Housing proposal, the following table identifies total units by affordable housing tenure, inclusive of 20 Affordable Rent Units for Independent / Assisted Living (C3 Use Class).

Table 1 – Total Units by Affordable Housing Tenure

Indicative Affordable Tenure Mix (21.65%)		
Affordable Tenure	Total no. of homes	%
Affordable Rent	175	53.8%
Intermediate	130	40%
Independent / Assisted Living (Affordable Rent) (Use Class C3)	20	6.2%
Total no. of homes	325	100%

The following table provides a further breakdown of total units by affordable housing tenure and unit type.

Table 2 – Total Units by Affordable Housing Tenure and Unit Type

Unit Type	Affordable Rent (60%)	Intermediate (40%)	Affordable Total
1 Bed Apartment	28	26	54
2 Bed Apartment	13	15	28
3 Bed Apartment	-	-	-
Cottage / Bungalow	-	-	-
2 Bed House	56	37	93
3 Bed House	61	41	102
4 Bed House	17	11	28
5 Bed House	-	-	-
2 Bed House (Self-Build)	-	-	-
3 Bed House (Self-Build)	-	-	-
4 Bed House (Self-Build)	-	-	-
5 Bed House (Self-Build)	-	-	-
Independent / Assisted Living 1 Bed	10	-	10
Independent / Assisted Living 2 Bed	10	-	10
Total	195	130	325

As part of this proposal, an Affordable Housing Statement would be submitted as part of each Reserved Matters application to confirm the affordable mix and tenures of housing comprised in each Reserved Matters Application, based on prevailing affordable housing need and policy to be agreed in writing with the Council, including details of any required variation of the 60/40 tenure allocation.

This approach should therefore be considered to adhere to the current and forecasted affordable housing needs, whilst ensuring that the exact affordable housing needs and demands will be met at each phase of development given the build out programme where such needs may change.

In terms of ensuring for accessible and adaptable dwellings in accordance with Policy HOU7 of the Local Plan, all units (apart from upper floor apartments) will meet M4 (2) Category 2: Accessible and Adaptable Dwellings standard and 10% of all market properties and 15% of all affordable units across the site will meet M4 (3) Category 3: Wheelchair User Dwellings standard.

In terms of internal space standards, these will accord with National Internal Space Standards, or any equivalent succeeding standards.

Draft Proposed S106 Heads of Terms and Planning Conditions

In light of the above, the following draft S106 HoTs and Planning Conditions are proposed. Savills (Planning) with Taylor Wimpy Limited have also commented on the V7 Affordable Housing s106 Schedule which will be submitted to EHDC/ Weightmans shortly for consideration and which sets out provisions also as outlined below.

Draft Legal Agreement

1. Affordable Housing Provision

- 1.1 Not less than 21.65% of the total number of Dwellings to be constructed on the Land shall be Affordable Housing unless otherwise agreed (and subject to viability).
- 1.2 Not to Commence development in a Phase until the Affordable Housing Scheme for that Phase has been approved.
- 1.3 Not to permit more than [90%] of the Market Housing in any Phase to be Occupied unless and until all of the Affordable Housing in that Phase has been Substantially Completed and the Affordable Housing Provider has entered into a nominations agreement.
- 1.4 The Owner will secure that the Affordable Housing is, as far as possible, designed to be tenure blind.
- 1.5 It is agreed that at the Reserved Matters stage, the developer (s) will submit an Affordable Housing Statement identifying final affordable housing mix and tenure mix per Phase. This Statement will provide justification for any deviation, as required, from the default position of 60% Affordable Rent tenure and 40% as Intermediate tenure.
- 1.6 Twenty of the Affordable Rent tenure units shall be provided as Independent / Assisted Living (C3 Use Class) units.

2. Self Build / Custom Build

- 2.1 Not less than 1% of the total number of plots for Dwellings shall be made available for sale to Build and Custom Build Register (Policy HOU8) (Self-Builders).
- 2.2 It is agreed that the plots set aside for Self Builders shall be released and made available for Dwellings where they have been advertised for sale for Self Builders for 24 months or more.

3. Internal Space Standards

- 3.1 Internal space standards will accord with National Internal Space Standards, or any equivalent succeeding standards.

4. Accessible Dwellings

Planning Condition

All units (apart from upper floor apartments) will meet M4 (2) Category 2: Accessible and Adaptable Dwellings standard; 10% of market properties and 15% of all affordable units across the site will meet M4 (3) Category 3: Wheelchair User Dwellings standard.

Reason: To ensure for compliance with Policy HOU7 of the East Hertfordshire Local Plan 2018.