3. Is the AAP consistent with the National Planning Policy Framework and the Planning Practice Guidance in its approach to affordable housing?

Relevant reps

Bhlps30 (IPIF) – Policy wording should give greater emphasis to the impact of viability on affordable housing provision, make greater allowances for off-site affordable housing provision, and flexibly apply deferred contributions to affordable housing.

Bhlps42 (Workspace) – It is not necessary for affordable housing policy to repeat higher level policy, and greater allowance should be made for use of off-site affordable housing provision.

Council response

3.1 The Council’s approach to affordable housing in the borough is largely set out in the Core Strategy (document ref: KE165) and Development Management Policies DPD (document ref: KE181), and the AAP provides signposting to these. Through these policies, the Council requires developers to provide 50% of new homes to be affordable, with a tenure split of 60% social/affordable rent, and 40% intermediate housing. Affordable housing should normally be provided on site, and be designed to be tenure blind.

3.2 Where affordable housing provision falls below policy requirements, viability assessments are required to justify the level proposed. If justified, the Council seeks deferred contributions through the use of viability re-appraisals.

3.3 This approach is consistent with the key messages from the NPPF (document ref: KE157) and Planning Practice Guidance that local authorities should:

- ‘use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing’ (paragraph 47 of the National Planning Policy Framework);

- ‘set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities.’ (paragraph 50 of the National Planning Policy Framework); and
- ensure that 'where affordable housing contributions are being sought, obligations should not prevent development from going forward’ (Planning Practice Guidance Reference ID: 23b-004-20140306).

3.4 Levels of affordable housing required from new developments in the borough are justified by the London Plan (document ref: KE90) requirements, and the findings of the Council’s Housing Needs Survey and Strategic Housing Market Assessment (document ref: KE118). The methodology used within this assessment is consistent with the requirements of the NPPF and national guidance.

3.5 Essentially Policy BHL5 in the AAP signposts to the relevant aspects of the adopted Core Strategy and Development Management Policies DPD in terms of the Council’s approach to affordable housing. The approach set out in these documents has been found sound and consistent with national policy through their respective examinations.

3.6 The Council acknowledges the government’s aspiration that planning policies do not unnecessarily duplicate each other; hence the use of signposting rather than duplication. The Council believes that this approach provides clarity to the plan reader, and helps reiterate the importance of maximising affordable housing provision in new developments.

3.7 In addition to signposting to relevant other aspects of the Local Plan, Policy BHL5 of the AAP clarifies that off-site affordable housing provision should only be considered in exceptional circumstance, which is consistent with steer provided by the NPPF and paragraph 3.74 of the London Plan. Paragraph 3.2.18 of the AAP explains that potential justification for off-site contributions could be where an oversupply of affordable housing products exists in the area.

3.8 In response to representations made that policy wording should be amended to offer greater flexibility for off-site contributions to affordable housing, the Council does not consider this to be a change necessary for soundness; or there to be any clear justification for doing so. Given the steer in higher level policy that exceptional circumstances for off-site provision for affordable housing should be in the interests of securing mixed and balanced communities, the Council does not believe that Policy BHL5 should signal that viability could be used as justification for off-site provision. As the expectation is that where off-site financial contributions are made, they are of a broadly equivalent value to on site provision (as set out in paragraph 3.2.19 of the AAP), it is also difficult to see how providing off-site could be justified on viability grounds.
3.9 The Council also believes that modifications to Policy BHL5 to place greater emphasis on viability when considering affordable housing requirements are not necessary to make the plan sound; since this is already embedded in the Local Plan, in accordance with national policy and guidance. Core Strategy Policy CS2, which AAP Policy BHL5 signposts to, states in part (b) that the number of quality affordable homes in the borough will be maximised by ‘aiming to provide at least 50% of homes as affordable over the plan period’ and that ‘developments proposing less than 50% will need to demonstrate a viability case, in the form of a viability assessment.’

3.10 In addition, the AAP already makes several references to the consideration of viability as schemes come forward:

- In introducing key policy areas and how they will be applied, paragraph 3.1.3 states: ‘Viability will be a key consideration as schemes come forward but must be balanced against social, economic and environmental goals. Where proposals do not strictly comply with policies for reasons of viability, very clear justification will be required.’

- Specifically in support of policy BHL5 on affordable housing, paragraph 3.2.16 states: ‘A headline target of 50%, subject to viability considerations, should be applied.’

- In introducing the opportunity sites, paragraph 4.15 refers to work undertaken on the cumulative impact of its Local Plan policies on development viability (Waltham Forest Local Plan Viability Assessment - document ref: KE156), and states: ‘as the Council has assessed the viability implications of its policies on development in the borough, proposals that depart from policy will also need to be supported by viability evidence to justify schemes that are not strictly policy compliant.’

3.11 Furthermore, the recently permitted schemes at phases (a) and (b) of Site BHL1: The Station Hub and Waterfront; both of which offer less than 50% affordable housing, demonstrates how the Council takes into account viability when schemes are determined.

3.12 Finally, representations have been made that deferred contributions to affordable housing provision should be applied flexibly in the AAP area; and that Policy BHL5 should reflect this. The Council applies deferred contributions to all schemes which offer lower affordable housing than policy requirements; as set out in Policy DM3 (Affordable Housing Provision) from the Development Management Policies DPD. This approach has been found sound through the examination and subsequent adoption of the Development Management Policies DPD, despite similar representations that the
approach should be applied flexibly. The Council is not aware of any clear justification for applying deferred contributions any more flexibly in the Blackhorse Lane area than other parts of the borough, and as such does not consider any modifications to Policy BHL5 necessary.

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