



Strategic Planning & Research Unit

For and on behalf of
JVH Planning for Redrow Homes

Response to the Matter 1.1 Additional Briefing Note
Affordable Housing Supply 2011 - 31

on behalf of
JVH planning / Redrow Homes

Prepared by
**Strategic Planning Research Unit
DLP Planning Limited**

Date: February 2017

Prepared by: Roland Bolton

Approved by: Roland Bolton

Date:

Strategic Planning & Research Unit

4 Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

Tel: 01234 832740
Fax: 01234 831 266

V1 Velocity Building
Ground Floor
Tenter Street
Sheffield
S1 4BY

Tel: 01142 289190
Fax: 01142 721947

DLP Consulting Group disclaims any responsibility to the client and others in respect of matters outside the scope of this report. This report has been prepared with reasonable skill, care and diligence. This report is confidential to the client and DLP Planning Limited accepts no responsibility of whatsoever nature to third parties to whom this report or any part thereof is made known. Any such party relies upon the report at their own risk.

1.0 AFFORDABLE HOUSING SUPPLY

Introduction

- 1.1 This is a response to the additional Paper K13 submitted to the Telford and Wrekin Local Plan Examination in February 2017.

The calculation of affordable housing need

- 1.2 During the examination, it was highlighted that there are serious issues regarding the calculation of the affordable housing need. Most notably the calculation appears to suggest that the number of properties being made available though relets 536 (Line 3.6 Table D1 T&W SHMA 2016) is higher than the newly emerging need 442 households (Line 2.4 Table D1 T&W SHMA 2016). This would suggest that the level of provision would slowly reduce the backlog of need.
- 1.3 This calculation however is based upon relets over a three-year period during which the level of affordable housing completions was at its highest for the nine years. No justification is provided for the choice of using just 3 years' worth of evidence to determine the rate of relets. The Council have argued strongly that longer term trends should be taken into account but appear to step away from this approach when it suits them.
- 1.4 It is entirely possible that the level of relets is influenced by existing households moving into more appropriate housing provided by this higher rate of provision
- 1.5 This higher rate of provision is a result of short term additional funding from the Government which has now come to an end so the continuation of the trend is unlikely.
- 1.6 It is not considered that the future level of relets that has been assumed to come forward to meet demand is sound and further analysis is required to justify the use of these three years to demonstrate that they are likely to be typical of the situation going forward.

The justification for not increasing the level of housing to deliver the fully affordable housing requirement

- 1.7 The Additional Briefing Note sets out in paragraph 9, three reasons as to why the level of housing in the local plan should be set so as to deliver the full assessed affordable housing need. These are summarised as follows:
- a. Two thirds of the total requirement is a significant contribution
 - b. The other sources of supply mean that there is no need to allocate further market housing
 - c. The levels required poses a serious risk of oversupplying the need for market housing and could result in setting unrealistic and unachievable delivery rates.
- 1.8 The additional paper provides no evidence as to why the requirement of 15,555 dwellings is to be preferred compared to other higher levels of housing that have previously considered or indeed those being promoted by SPRU and Barton Wilmore.

The negative implications of allocating sufficient housing to deliver the required level of affordable housing

Meeting two thirds of the total affordable housing requirement is a significant contribution

- 1.9 This approach means that there would still be an unmet level of need of almost 2,000 households at the end of the plan period. For some of these 2,000 households this could represent considerable waiting period of time for their housing needs to be met.

- 1.10 In terms of the level of provision that would be need to deliver the full affordable housing need then the evidence given verbally at the examination by Mr Bolton was that taking into account the preferred split between Telford and the rest of the area (86% to 14%) then this would require an annual rate of provision of 1,010 dwellings a year. The calculation is set out below in table 1.

Table 1 **Calculation of housing requirement to deliver the affordable housing need using policy distribution and appropriate policy requirement**

	Proposed Policy distribution	Distribution of affordable dwellings	Proposed Policy requirement	Total annual level of provision to meet affordable housing requirement
Telford	86%	226.18	25%	905
Newport and rural areas	14%	36.82	35%	105
Total	263	263	263	1,010

- 1.11 Table 2 illustrates the levels required if just one of the policy requirements is used to meet the unmet affordable housing need identified by K13:

Table 2 **Calculation of housing requirement to deliver the affordable housing need using either 25% or 35% policy requirement**

	Dwellings			
Total supply	3,334			
Need	5,280			
Outstanding requirement	1,946			
	Percentage affordable housing	Additional Dwellings required to deliver total AH	Total required to deliver total AH	Annual Average
Telford	25%	7,784	23,339	1,167
Newport and rural areas	35%	5,560	21,115	1,056

- 1.12 Table 3 illustrates the levels required if the proposed distribution and associated policy requirements are used to meet the unmet affordable housing need identified by K13:

Table 3 Calculation of housing requirement to deliver the unmet level of affordable housing need calculated by K13 and using policy distribution and appropriate policy requirement

Table	Proposed Policy distribution	total additional affordable dwellings	Policy Requirement	Total level of additional dwellings to meet affordable housing needs in full	Total level of provision to meet affordable housing requirement	Total annual level of provision to meet affordable housing requirement
Telford	86%	1,674	25%	6,694	20,072	1,004
Newport and rural areas	14%	272	35%	778	2,956	148
	15,555	1,946			23,028	1,151

- 1.13 The evidence before the examination, and indeed previous levels of housing provision considered by the council suggest that there are no barriers to prevent planning for the level of housing that could be meet the affordable housing need in full. Recent evidence of demand clearly demonstrates that higher levels of housing development can take place and as such the argument for not meeting the affordable housing requirement in full is extremely weak.
- 1.14 Perhaps more importantly none of the evidence actually supports the proposed housing requirement of 15,555 dwellings. This appears simply to be a figure arrived at by adding up the exiting commitments plus those additional allocations that have political support.

The other sources of supply mean that there is no need to allocate further market housing

- 1.15 The council suggest there are other sources of affordable housing that are likely to come forward which are not to be delivered by section 106. The evidence below suggest that if this continues at the same rates as over the last 3 years then no additional housing is required above the PBA OAN figure. This is because over the last 3 years the evidence is that almost the whole of the requirement (some 218 dwellings per year) have been delivered without the use of section 106.

Table 5 Housing required to deliver affordable needs taking into account past rates of affordable housing provision without the section 106

	Proposed Policy distribution		Proposed Policy requirement	Total annual level of provision to meet affordable housing requirement
Telford	86%	39	25%	156
Newport and rural areas	14%	6	35%	18
Total	45	45	45	174
Total Affordable housing requirement	263			
Ave Non 106 Affordable housing 2014/15 to 2016/17	218			

- 1.16 This evidence produced by the council provides no support for the overall housing requirement in the submitted plan. Indeed it actually throws further doubt onto the calculation of affordable housing need and supply both of which appear to have fluctuated substantially during the local plan process but have not impacted on the requirement in any meaningful way.
- 1.17 The councils own calculation of the likely level of affordable housing delivery from the proposed allocations and commitments do not suggest that this pasty rate of delivery of affordable housing will continue.

The levels required poses a serious risk of oversupplying the need for market housing and could result in setting unrealistic and unachievable delivery rates.

- 1.18 Recent levels of completions have run at 900 a year (G17 paragraph 3.2.5) and this has an upward trajectory. This rate of delivery reflects current market demand and levels of affordable housing provision.
- 1.19 There is no evidence before the examination that the delivery of 900 dwellings a year over the last five years (this is 80% more than the PBA claimed OAN) has led to any negative impact in terms of;
- a. increased out commuting
 - b. increased levels of vacant dwellings
 - c. lower house prices (if indeed this is a negative impact)
- 1.20 Past levels of completions are an indicator of effective levels of market demand therefore it is not convincing for the council to argue against their own evidence that the market cannot support a higher level of completions.
- 1.21 The councils own evidence before the examination is that some 4,177 dwellings will be delivered in the net 5 years this is equivalent to 835 dpa (G17 table 8). Again here is no suggestion anywhere in the evidence submitted by the council that this rate of provision is:
- a. Unachievable
 - b. Is not meeting the demand for housing
 - c. Will give rise to increased out commuting

- 1.22 The councils evidence is that taking into account past completions and future their own estimates of future completions then the first 10 years of the plan period housing will be delivered at a rate of 878 dpa.
- 1.23 The PBA OAN Report March 2015 in paragraph 6.10 states that the policy considerations to provide for higher levels of affordable housing must not lead the Council to oversupply housing land over and above achievable and viable levels of future demand. The report at no point identifies that the figure of 750 dpa (or indeed a higher level) would have the negative impacts described in section 6.
- 1.24 Of course, if PBA are incorrect in their reliance on the outputs of the Experian model as representing the most likely outcome and in fact rather than commuting, people actually move into the area then higher rates of demand are likely to be achieved without this negative impact. This of course is a clear and reasonable conclusion to be drawn from what has actually been recorded as happening in the period 2011 to 2016.
- 1.25 In addition, if the character of the migration is more reflective of the ONS projections or that modelled by SPRU and Barton Wilmore then again there would be a greater market demand for dwellings in the last five years than that predicted by PBA. The projected level of demand from the SPRU and BW work is much closer to that which actually occurred during this period than PBA predicted.
- 1.26 The fact that the negative impacts identified by PBA have not occurred in the first five years of the plan were provision was averaging 900 dpa, would suggest that the PBA approach might not be the most appropriate in modelling the reality of the housing market in Telford and Wrekin and that other models such as the SPRU and Barton Wilmore produce results that better reflect the known reality of the first five years of the plan.
- 1.27 This is a strong indicator that higher levels of market demand exist than those being predicted by the PBA work and that increasing the housing requirement to meet the affordable housing need in full would not result in the negative impacts identified in the PBA report.
- 1.28 The ARC4 SHMA report considers the period up to 2015 and neither section 4 (Telford and Wrekin Housing Market review) nor section 5 (Market Signals review) suggest that the higher rates of delivery being experienced in the most recent years have had a negative impact on the housing market.
- 1.29 In the absence of any credible evidence that the continuation of the average build rate for the last 5 years is either not possible in market delivery terms or would lead to undesirable consequences, then increasing the requirement to at least this average past level of provision to secure additional affordable housing provision would represent the most appropriate strategy on the available evidence.
- 1.30 Of course, there is supporting evidence for this general level of housing in the BW and SPRU work which, based upon different assumptions than the PBA work, including the ability for people to move to take up jobs (rather than just commute in) suggest that a provision of this magnitude would be required to fulfil the authorities growth agenda.
- 1.31 Such a level of provision would also be meeting the authority's objective of retaining more of its own workers rather than these employees travelling in from Shropshire.
- 1.32 It is noted that the council have quoted from the Stroud Local Plan Inspectors report, an examination which SPRU gave evidence. We would suggest the situation is very different. In this case Telford and Wrekin has a track record over the last five years of

actually delivering a much higher rate of completions above the claimed OAN of PBA. In addition there is competing evidence on the OAN which also support a much higher level of dwelling provision which is commensurate with the recorded rates of actual delivery.

- 1.33 In conclusion Paper K15 provides no further clarification as to why the level of 15,55 dwellings has been set as a housing requirement. It does in fact provide further evidence as to why a higher rate of housing provision could and indeed should be made so as to deliver all of the affordable housing need.

BEDFORD - BRISTOL - CARDIFF - LEEDS - LONDON - MILTON KEYNES - NOTTINGHAM - RUGBY - SHEFFIELD

BEDFORD

4 Abbey Court
Fraser Road
Priory Business Park
Bedford
MK44 3WH

Tel: 01234 832 740
Fax: 01234 831 266
bedford@dlpconsultants.co.uk

BRISTOL

Broad Quay House (5th floor)
Prince Street
Bristol
BS1 4DJ

Tel: 0117 905 8850
bristol@dlpconsultants.co.uk

CARDIFF

Sophia House
28 Cathedral Road
Cardiff
CF11 9LJ

Tel: 029 2064 6810
cardiff@dlpconsultants.co.uk

LEEDS

Princes Exchange
Princes Square
Leeds
LS1 4HY

Tel: 0113 280 5808
leeds@dlpconsultants.co.uk

LONDON

The Green House
41-42 Clerkenwell Green
London
EC1R 0DU

Tel: 020 3761 5390
london@dlpconsultants.co.uk

MILTON KEYNES

Midsummer Court
314 Midsummer Boulevard
Milton Keynes
MK9 2UB

Tel: 01908 440 015
Fax: 01908 357 750
miltonkeynes@dlpconsultants.co.uk

NOTTINGHAM

1 East Circus Street
Nottingham
NG1 5AF

Tel: 01158 966 620
nottingham@dlpconsultants.co.uk

RUGBY

18 Regent Place
Rugby
Warwickshire
CV21 2PN

Tel: 01788 562 233
rugby.enquiries@dlpconsultants.co.uk

SHEFFIELD / SPRU

Ground Floor
V1 Velocity Village
Tenter Street
Sheffield
S1 4BY

Tel: 0114 228 9190
Fax: 0114 272 1947
sheffield@dlpconsultants.co.uk