
**CAIRNGORMS NATIONAL PARK DEPOSIT
LOCAL PLAN AS MODIFIED
LOCAL PLAN INQUIRY**

**EXPANDED WRITTEN SUBMISSIONS
STATEMENT
POLICY 21: CONTRIBUTIONS TO
AFFORDABLE HOUSING**

Objection Ref: 456g

April 2009

On behalf of Reidhaven Estates



HALLIDAY | FRASER | MUNRO
PLANNING

1. INTRODUCTION

This statement has been prepared by Halliday Fraser Munro, on behalf of Reidhaven Estates. It sets out our expanded written submissions representation in respect of Policy 21: Contributions to Affordable Housing and follows on from discussions with Cairngorms National Park Authority (CNPA) Officers in January 2009.

2. SUMMARY OF REPRESENTATION AND POSITION

DEPOSIT LOCAL PLAN (Core Document 6.11)

The CNPA Deposit Local Plan was published in July 2007 (Core Document 6.11). Policy 24 set out the guidance for delivery of affordable housing and the basis for contributions from development proposals. The policy wording within the Deposit Plan set a threshold of two or more units and where public subsidy is available, a contribution of 50% and where there is a shortfall the 50% target be made up by the developer. Where no public subsidy is available the developer would be required to provide affordable housing on site to a target of 30%.

Whilst our client supports the principle of a policy on affordable housing a representation was made to the Deposit Local Plan in respect of this policy on a number of grounds:

- The policy is unworkable and overly onerous;
- The threshold of only two houses is excessive and would impact on the viability of development proposals;
- In operational terms it would be difficult to see how this policy might operate. RSLs may find it difficult to manage very small numbers of units in various locations;
- The 50% requirement is too high and contrary to national guidance in PAN74 (Core Document 4.20) without any sufficient justification;
- The requirement for single open market houses to make a contribution towards affordable housing is also considered to be unduly onerous and will likely discourage development. It should include an exception (e.g. for housing in remote areas) for where there is no household in need in the immediate area.

The CNPA in response to our client's representation outlined that the findings of the work undertaken by the 3Dragons will influence the affordable housing policy and ensure appropriate statistical support for the approach

DEPOSIT LOCAL PLAN – FIRST MODIFICATIONS (Core Document 6.12)

In June 2008, the CNPA produced the Deposit Local Plan – First Modifications (Core Document 6.12). The policy was revised to increase the threshold from two to three or more dwellings. The percentage requirement where public subsidy is available was decreased from 50% to 40% and from 30% to 25% where only partial public funding is available. The policy revision also included the option for off site contributions in some circumstances.

Whilst these amendments went part of the way to addressing some of the points raised in our original representation, it is our view that they fell somewhat short of producing a workable and deliverable affordable housing policy. On behalf of our client we therefore maintained our objection to the policy.

DEPOSIT LOCAL PLAN – SECOND MODIFICATIONS (Core Document 6.13)

Policy 21: Contributions to Affordable Housing was further amended in the Second Modifications to the Deposit Local Plan (**Core Document 6.13**) to:

- Reference included to outline that development solely for affordable housing would be favourably considered;
- Revise the policy in respect of where public subsidy is available, the contribution be between 25% and 40%;
- Revised the policy in respect of where less than one third of the total development cost is available through public funding to a contribution of 25% of on-site provision – removing reference to a target of.

No further representations were made in respect of the second modifications as these amendments did not sufficiently address the points raised in our original objection.

OFFICER PROPOSED POST INQUIRY MODIFICATIONS (Core Document 7.28)

It is noted that the officer proposed post inquiry modifications proposes further significant revisions to this policy. As these modifications have only recently been published and have not gone out to formal consultation or been approved by the CNPA Board we have not yet had an opportunity to formally comment on this document. The main revisions to the policy include:

- A further increase in the threshold from three to four dwellings;

- Removal of reference to public subsidy to outline that the proportion of units will be between 25% and 40% depending on the types of affordable housing required and the development's economic viability. It is understood that this revision is to ensure that the policy fits with the proposed economic appraisal;
- A contribution of less than 25% may be accepted where it is demonstrated that a contribution of 25% or more would adversely affect the economic viability of the development.

The further increase in the threshold is welcomed by our client but is still not sufficient to address the concerns as outlined in our original objection, and remains contribution to national guidance as set out in PAN 74 (**Core Document 4.20**). This revised policy wording does provide a more flexible approach, particularly in relation to taking into account other site development costs and subsequently economic viability. Following our discussions with CNPA Officers we do however have some concern about the operational impacts and integrity of the proposed economic appraisal through the affordable housing model.

3. ASSESSMENT

PROPOSED THRESHOLDS

It is our view that the proposed threshold of four units as suggested in the officer post inquiry proposed modifications remains unworkable and could result in a number of smaller proposals becoming unviable. Paragraph 37 of PAN74 (**Core Document 4.20**) outlines in urban areas that a threshold of around 20 units, however recognises that in rural areas a lower figure may be appropriate. It is our view that a threshold of 10 would be a suitable figure.

The revisions as outlined in the officer proposed post inquiry modifications do provide a more flexible approach however four units is still too low. This provision on site may be difficult to achieve in management terms as Housing Associations with the Park indicate a preference for blocks of units as these are easier to manage. More rural locations may also be unsuitable as affordable housing would generally require good access to services and public transport infrastructure therefore the larger settlements would be more appropriate. In these circumstance a commuted payment for off-site contribution could provide a more appropriate solution.

ECONOMIC APPRAISAL

We have a number of concerns with the proposed economic appraisal as outlined in the Implementation and Monitoring section of the officer proposed post inquiry modification and as outlined in discussions with CNPA officers in January 2009. It is our view that this approach is overly complex and does not provide any certainty to developers at the outset. It could also be a lengthy process subject to some discussion about the results, resulting in a delay to applications.

The CNPA have outlined that the proposed economic appraisal (affordable housing model) will require various information. This will include information such as residual land values. An accurate figure for land values is however difficult to obtain. The residual land value would be calculated taking into account all abnormal costs, including affordable housing requirement. Without information on the affordable housing requirement an accurate value cannot be obtained to feed into the economic appraisal.

4. PROPOSED AMENDMENTS TO POLICY WORDING

There are a number of proposed amendments required to this policy in order to address our concerns.

We welcome the changes proposed as outlined in the officer proposed post inquiry modification as this provides a much more flexible approach to the policy than previous wording.

We do however have some concerns in relation to the proposed economic appraisal approach and lack of certainty for developers about the requirements.

We would therefore suggest that a 25% requirement, in line with PAN 74 would be appropriate and provide this increased certainty. The Planning for Affordable Housing in the Cairngorms National Park 2008 Report (Core Document 7.9) outlines that: *"Analysis of development viability shows that a policy of seeking a 25 per cent affordable housing quota would appear the most realistic"*.

The threshold for which a development should incorporate affordable housing should be increased from four to ten units.