

Examination of East Northamptonshire Rural North, Oundle and Thrapston Plan (DPD).

Hearing Agenda – Affordable Housing Policy and supporting evidence

Paragraphs 6.1-6.9, deletion of Policy 19 and replacement Policy 20

Proposed further changes IN006-014 inc.

The purpose of the supplementary hearings is to consider whether the further changes to the submitted DPD, as contained in the Council's Schedule of Proposed Changes dated 13 February 2009, would, if made, remedy an element of unsoundness identified during the earlier part of the examination in October 2008.

In the context of affordable housing policy the principal issue now is whether the revised approach to site size thresholds and the percentage of affordable housing to be sought on qualifying sites, as proposed to be set out in a revised Policy 20, represents the most appropriate way forward in the light of the viability assessment undertaken and the uncertainties caused by the present state of the housing market generally. In particular:-

- a) Is the 20% minimum provision on sites of "over 15 dwellings" justified? (*should this be 15 or over?*)
- b) Does the suggested approach comply with PPS3 guidance?
- c) If the suggested changes do not represent the most appropriate in all the circumstances, what changes should be made and why would that result in a sound DPD?

Underlying these considerations is a question as to whether the viability study undertaken by EDAW for the Council supports the policy proposed. An assessment of the study, and the comments on it by William Davis Ltd., prepared by Anthony Lee on my behalf has been circulated and I have asked for clarification and further explanation of a number of points.

At the present time it appears to me that discussion at the hearing might most usefully focus on the following aspects:-

1. Site selection

How valid and/or representative are the 9 sites chosen of all sites across the plan area?

2. Cashflow

Why has a discounted cashflow over time not been used?

3. Unit costs.

Would it be better to use a generic cost plan such as the use of BCIS figures to calculate unit costs? Is the build cost assumption for private housing unduly low? Is the current recession likely to have depressive effect on such costs?

4. Abnormals

If additional factors such as acquisition costs and stamp duty (are they abnormal?) are factored in should they be related to land acquisition costs not build costs?

Is it sound to apply the servicing costs for an urban extension on a pro-rat basis?

5. Land Costs

Is the use of land value as an input a valid approach for a viability assessment for a POLICY APPROACH as distinct from a calculation of residual value which might be used for the appraisal of the viability of individual schemes on identified sites?

What is the view on the assessor's comment that using historic land prices will automatically render any increased affordable housing target unviable?

6. Revenues

In view of the uncertainties involved would the model be more robust if a range of values was in put to test the possible outcomes?

7. Range of sensitivities

How sensitive are the outcomes of the model to changed assumptions about alternative tenure mixes, scheme densities, a range of profit levels and s106 requirements? Particularly with the latter is there scope for a "trade off" between affordable housing and other community benefits?

Should contingencies be expressed as a range of build costs?

8. Timing (assessor paragraph 2.1.5)

For a valid comparison, should it be assumed that all schemes will start at the same point in time and should it be assumed that the smaller schemes are completed more quickly?

9. Delay to development

Is there evidence to suggest that a policy of the kind now proposed would delay development through the need to assess viability on a site by site basis.

10. Policy target

If there was to be a "single, realistic" plan-wide affordable housing target what should it be?