AFFORDABLE HOUSING STATEMENT

APPLICATION BY AITCHISON RAFFETY PROPOSED MIXED USE DEVELOPMENT OF THE FORMER KINGSPAN WORKS CHARLESTOWN ROAD GLOSSOP

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Statement on behalf of
The applicant

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1. INTRODUCTION

1.1 This report addresses the issue of affordable housing provision which is proposed as part of the redevelopment proposals for the site. In order to consider this matter, attention has been paid to the Council's document "Housing Needs in High Peak – Supplementary Planning Document – Adopted November 2007". The proposals which are presented seek to address the needs identified in a sustainable manner which acknowledges the costs and issues relating to the development as a whole and the need for the scheme to deliver on a number of matters. This report sets out how the proposals respond to the site specific matters affecting the application site and identifies the level of provision which is being offered, the tenure mix and a detailed financial breakdown which provides clear details on the development costs which must all be weighed in the balance when deciding what the development can reasonably support.

2. AFFORDABLE HOUSING POLICY BACKGROUND AND PROPOSALS

2.1 The SPG on Housing Needs in High Peak identifies the area as suffering from an historic undersupply of affordable housing with the 2006 survey showing an annual undersupply of 317 affordable units. The gap between earnings and house prices has been widening in the High Peak area although there has been no specific assessment to see whether this gap has narrowed. However, there is a historic housing need across the area and planning policies have been developed in order to seek to address this.

2.2 The Housing Needs SPG identifies the forms of affordable housing that will be sought as follows:-

1) On site provision of housing for rent

2) On site provision of intermediate housing combined with housing to rent

3) On site provision of intermediate housing

4) Contribution (financial and/or in kind) to the provision of intermediate housing combined with housing to rent on an alternative site in the locality

5) Contribution to purchase of existing market housing and its conversion to housing for rent

2.3 The delivery of affordable housing is given a policy basis in Policy H9 of the Local Plan. This seeks a level of affordable housing to be negotiated on a site by site basis for developments of 15 units or more. There is an indicative level of 30% which will be sought, however, this is not within the main policy but comes under the supporting text.

2.4 The emerging policy which was set out in the Draft Joint Core Strategy sought to formalise these arrangements. Policy CS14 of this document set a requirement of 30% affordable housing provision on developments over 25 units. This approach is identified in order to address the ongoing shortage in affordable housing provision in the High Peak area.

2.5 The emerging policy also recognises the issue of viability, particularly within certain locations. The Affordably Housing Viability Assessment indicates that in Glossopdale land values and house prices are insufficient to deliver affordable housing as part of new developments. The application site falls within this area and it has indeed proved difficult to produce a scheme with sufficient financial returns to deliver 30% of the properties as affordable.

2.6 The application site includes a number of constraints which will need to be addressed as part of the development and each of these have a significant cost implication. There is a need to address the issue of contamination found in the ground, opening up of the Long Clough Brook to aid drainage and improve biodiversity. In addition, the development works themselves also include additional works such as the improvements to Charlestown Road and most significantly the creation of open space in the area of the former millpond. These aspects of the scheme will involve substantial costs in excess of what would normally be experienced in a development. The financial appraisal which accompanies the application sets out the estimated costs for the development at the current time.

2.7 There are a number of competing issues for the development of the site, all of which require financing. There will be a requirement for additional contributions for infrastructure improvements which could include education, leisure facilities, public transport enhancement and so on. Whilst the scale of these is currently unclear there will inevitably be a requirement for a level of contributions to these matters.

2.8 There is only a finite level of development value which can be secured from the site. The scheme which has been developed will create a high quality redevelopment which seeks to maximise the re-use of previously developed land in this sustainable urban location. It is a balancing exercise in developing a scheme with these elements which have competing financial requirements. For example, the open space area is substantial for a development of this size and will be costly to deliver. However, it is considered to represent an opportunity to regenerate this area and provide wider footpath links to the benefit of the population. It is, consequently, considered to be an important aspect of the scheme.

2.9 Given the financial realities, the scheme proposes a total of 21 affordable dwellings which equates to 20% of the total number of residential units across the site. This falls short of the 30% indicative figure which is contained in the Local Plan. However, it is important that the emerging policy in the Draft Core Strategy recognises the problems associated with viability for urban sites in Glossopdale in particular. This is confirmed by

the calculations that have been carried out in order to assess the economics of the development. Although below the 30% target, it is clearly necessary to consider the financial realities of the development and, in particular, the specific costs associated with the redevelopment of a site such as the Kingspan Works.

2.10 The reality of the situation is that any increase in affordable housing provision would have to see an associated reduction in some other part of the development. This could mean lower contributions to highway improvements, education enhancements or far less works in terms of providing the open space. Clearly, costs such as decontamination and water course enhancements cannot be reduced and there is a limited degree of flexibility available. The proposal for 21 affordable units is considered to be fair and reasonable based on the specific costs associated with the redevelopment of the site.

2.11 The delivery of 21 affordable units will play an important role in assisting in addressing the ongoing shortage in the District. The proposals will provide a split in tenure between 75% rental and 25% shared ownership. This is very close to the split which is sought by the Council and is based on an ability to deliver the units in a sustainable manner as part of the overall development.

2.12 In terms of the size of the units, the results of the Housing Needs SPG point to a significant need for principally two and three bedroom units. It is envisaged that 14 of the affordable units would be two bedroom properties. Although in outline, these are currently anticipated to be provided in the former office building fronting onto Charlestown Road. The remaining 7 units would be three bedroom houses, distributed across the site.

2.13 The use of the existing building to provide the two bedroom units represents a departure from normal practice. However, it does give significant benefits in terms of providing an easily managed scheme for an RSL, with significant benefits to their ongoing costs. It also provides an opportunity for affordable accommodation in a high quality building with commanding views out of the town to the countryside beyond. Flats are not a viable option for the open market and yet the building lends itself to conversion for residential use. Therefore, its use for accommodating a number of the affordable units represents an appropriate use of the building and will provide high quality apartments in a manner not normally reserved for affordable housing. It is considered, therefore, that there is a justification for this approach in terms of delivering both a sustainable use for the building and also a cost effective long term solution for the RSL in a manner which does not compromise the quality of accommodation for future residents.

2.14 The mix of size of units responds directly to the areas where there is greatest need. The development has, therefore, responded specifically to the key needs of the area as identified in the Housing Needs SPG. The applicant is of course willing to enter into a Legal Agreement in order to ensure the delivery of the affordable housing.

3. CONCLUSIONS

3.1 The application scheme seeks to respond to the recognised housing needs in the area. The provision of 21 affordable units split between rental and shared ownership properties follows the approach which is sought by the Council. Financial calculations have shown that it is simply not possible to deliver 30% of the dwellings as affordable units. This situation has been anticipated by the Council and is set out in the Draft Core Strategy which found that developments are unlikely to be able to provide affordable housing within Glossopdale. The combination of the remediation works, enhancement works to the Long Clough Brook and the former millpond area, together with anticipated other S106 contributions means that 20% affordable hosing provision is all that can be provided if the development is to remain financially viable.

3.2 The provision of 21 affordable units will assist in addressing the shortfall in affordable housing across the High Peak area. The type of units proposed respond directly to the areas of greatest need as set out in the Housing Needs SPG. The redevelopment of the Kingspan Works will deliver much needed high quality affordable housing as part of a sustainable development of the land.