

Forge Mill, Chinley



Forge Mill, Forge Road  
Chinley

## Affordable Housing and Viability Statement

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**Appendix 1 – Update Report to Development Control Committee dated 13<sup>th</sup>  
February 2012**

## 1. Introduction

The "Forge Mill" is a strategic site with significant importance to the Council and the local community.

### 1.01 Planning History

The site was subject to a previous outline planning application in December 2011. During the consultation period for the application the Applicant had several meetings with the Council's Affordable Housing Officer and also identified a Registered Provider with whom it wishes to deliver the affordable housing with. The culmination of those negotiations resulted in an agreed provision of affordable housing and tenure ratio confirmed in the update report to the Development Control Committee dated 13<sup>th</sup> February 2012 a copy of which is included in appendix 1.

### 1.02 Proposed Scheme

The illustrative masterplan demonstrates how the site could deliver much needed open market housing, affordable housing, light industrial space and a children's crèche.

An indicative accommodation schedule accompanied the masterplan:

- 24 one and two bedroom apartments
- 44 two bedroom terraced or semi detached houses
- 57 three bedroom terraced or semi detached houses
- 25 three bedroom detached houses
- 32 four bedroom detached houses
- 18,000 sq.ft of light industrial space, and
- Childrens Crèche

This particular site presents a range of challenges and high abnormal costs (site topography, ground conditions, contamination and access) and the over-riding pre-requisite to deliver a viable scheme and one that is completed comprehensively – reflecting the over-riding desire of High Peak Borough Council, does mean that a pragmatic approach has to be taken in terms of the delivery and tenure of the on-site affordable housing provision.

### 1.03 Housing Needs Surveys

The site straddles the boundary of Chinley and Chapel-en-le-Frith. Housing Needs Surveys were completed in 2008 for Chinley and 2009 for Chapel and established an unmet housing need of 21 properties in Chinley and 49 properties in Chapel. The recommendation in the Chinley HNS was that new affordable provision should focus on 2 bedroom houses and the recommendation for the Chapel HNS indicated that there was a clear requirement for 1 bedroom bungalows and 2 bed houses, with a lesser need for 1 bed flats and 3 bed houses.

## 2. Economic Viability

### 2.01 Planning Policy

The Council's objective is to achieve a *provision* of affordable housing under saved policy H9 of the High Peak Borough Local Plan. Also material to the determination of the application is the Council's adopted Supplementary Planning Document (SPD) *Housing Needs in the High Peak* (November 2007) which seeks 30% on-site affordable housing provision. Section 20 of this SPD indicates the basis on which the Council will negotiate for an appropriate provision of affordable housing with developers. The Council's preferred tenure ratio is 80% Social Rent and 20% Intermediate of Shared Ownership.

The on-site affordable housing provision will comprise of 30% of the open market units and will be delivered on a mixed tenure (60% of the affordable homes to be Social Rent and 40% of the affordable homes to be Shared Ownership) in partnership with one of the Council's Strategic Housing Partners (ensuring that the delivery of the affordable housing remains "in perpetuity").

In order to justify the tenure ratio in the number of affordable housing units, the Applicant has undertaken a transparent "Open Book" approach to the assessment of the proposed development's viability – this is a normal process in such circumstances.

## 3. Definition of Affordable Housing

### 3.01 NPPF

The National Planning Policy Framework (NPPF) sets out the broad parameters upon which the type, tenure and percentage of affordable units that Local Authority's should seek to secure. In Section 6 of the NPPF it advocates that Local Authority's must use their evidence base to substantiate their policies on affordable housing and to ensure that affordable housing needs are met.

NPPF Paragraph 50

*'plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);'*

### 3.02 Affordable Housing Tenure

There are essentially three forms of affordable housing:

**Social Rent Housing:** which is rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and

provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation (now HCA) as a condition of grant. **Affordable Rented Housing** is: Rented housing provided by registered providers of social housing, that has the same characteristics as social rented housing except that it is outside the national rent regime, but is subject to other rent controls that require it to be offered to eligible households at a rent of up to 80 per cent of local market rents. **Intermediate Housing**: which is housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (eg HomeBuy), or other low cost homes for sale and intermediate rent.

High Peak Borough Council has adopted these definitions.

## 4. Delivery of the On-Site Affordable Housing

### 4.01 Registered Provider

The mixed tenure affordable housing will be delivered in partnership with one of the Council's Registered Provider (Housing Association) partners. The affordable homes will form an early phase of the residential development to ensure that the delivery of these homes is not further hampered by market conditions.

### 4.02 Design and Phasing

The homes will be "tenure blind" in terms of the physical and architectural appearance, they will not be visually distinguishable from the market housing through design, materials or size.

Due to the site's physical challenges (which have already been expressed elsewhere in this document) and together with the infrastructure requirements of phasing the construction of the whole development, the affordable homes will, at this stage, sit in one part of the development directly adjacent to the open market housing.

The proposal for the delivery of the on-site affordable homes will be beneficial to the Council and its Registered Provider partner in that it will facilitate the delivery of the affordable housing in one or two phases, which is preferable to the receiving Registered Provider in terms of programme and budgeting and will be more efficient for the Registered Provider to manage – this has been confirmed by the Registered Provider with whom the Applicant will partner in the delivery of the affordable homes.

The affordable homes will be constructed to achieve Code for Sustainable Homes Level 3 – this is a benchmark which in effect reduces the Carbon "footprint" during the construction of the homes and during the life of the property, as a result of reducing running costs (utility costs).

## 5. Summary

The Affordable Housing and Economic Viability Statement has provided the background and the reasoning to the proposed development, set the proposals within the local policy context as well as explaining the different definitions of affordable housing. The Statement has also provided further clarification on the viability of the development, how the development will provide quality affordable housing and how the affordable housing will be delivered.

As previously indicated the Applicant can deliver the full 30% affordable housing provision on a mixed tenure basis (60% Social rent and 40% Shared Ownership) with one of the Councils partner Registered Providers (thereby ensuring affordable housing in perpetuity).

This is a unique, challenging development on a derelict site that has been on the market for several years and one that a number of developers have considered previously but have failed to produce a viable development. Whilst the Applicant recognises the site's constraints (topography, contamination and site access etc) it acknowledges its obligation to deliver on-site affordable housing.

## Appendix 1

## Update Sheet

HPK/2011/0683 Forge Works Chinley

Affordable Housing

The applicants, via email dated 7 February 2011, stated that whilst they disagreed with some of the points raised by the Council's consultants on the affordable housing appraisal, on this occasion are able to increase the proportion of affordable housing on the site to 30% from the previously proposed 20%. In terms of tenure split it is proposed that 60% of the affordable housing be rented and 40% shared ownership.

Officer Comment:

The provisions of Policy H8 of the High Peak Local Plan requires provision of 30% affordable housing on developments of 15 units or more. The increased provision proposed by the applicant now meets this requirement and for that reason it is recommended that reason 3 in the reasons for refusal should be removed.

Highways Issues

Revised comments have been received from the Highway Authority, dated 10 February 2011 on the basis of additional information (technical note dated 6 February 2012 sent to the Highway Authority) and discussion that the Highway Authority has had with the applicant.

Despite a previous recommendation to refuse the application, the Highway Authority now state:

' it is unlikely that the Highway Authority would be in a position to sustain a position of refusal purely on highway grounds alone. The Highway Authority is therefore prepared to remove its objection and would look to providing a list of conditions and section 106 obligations to secure the above and previous issues highlighted by the Highway Authority'

The Authority still supports the view that the overall daily level of traffic would likely to be increased as a result of the proposed development- potentially of the order of 10% over the whole day. However, the Highway Authority has considered what essential mitigation measures can be achieved to minimise the impact of the development. Such measures include improvements to the environment around Green Lane, including measures to reduce vehicle speeds, increase lighting etc which they consider could be included in a planning condition, an alternative new pedestrian link from north of the site directly to Buxton Road funded by the developer, such a link to be hard surfaced and lit ; provision of a car park within the site to enable parents to park within the site and walk to the schools; provision of a bus route through the site or a turning area for buses and provision, through a contribution of



£150000, towards future monitoring of traffic on the wider highway network and necessary improvement measures such as public transport enhancements, further traffic calming and junction improvements on the wider network.

**Officer Comment:**

Officers are very concerned at the lateness and detail of the information received and has the following concerns about the matter:

- the proposed highway mitigation works are not specific and both applicant and Highway Authority agree that it is not possible to formally agree such details the within an appropriate timescale. Given that mitigation works are essential to counteract the increase in traffic movements associated with the development, and that the applicants are specifically seeking approval for access, it is not considered that it would be appropriate to recommend approval on the basis of the general level of detail submitted nor that it would be appropriate to control the matter by means of planning condition
- the suggestion of a public footpath to Buxton Road does not form part of the application proposal, would be outside the application site boundary and includes land outside the applicants ownership. Sited within the green belt, the suggestion would also raise fundamental green belt issues for consideration. At this stage, without further consideration, it cannot be concluded the suggested path in itself will mitigate against the substandard highway and pedestrian facilities around the site access
- highway mitigation measures and the suggested public footpath and a public car park within the site are not part of the original application proposal and have not been the subject of public consultation
- the Highway Authorities suggested contribution of £150000 has not been agreed with the applicants, does not form part of the heads of terms for the 106 agreement and is not included in the draft agreement.

The applicant has been pressing for matters to be resolved, however, in view of the lateness of the revised highway comments, the lack of opportunity for public consultation and the lack of clarity in the measures proposed, this has not been possible and the recommendation to refuse the application on highway grounds stands.

**HPK/2011/0679 Ashes Farm**

Policy GD5 – Amenity has been omitted in error from the list of relevant policies in the original committee report although it is referred to in the analysis.

One further letter from an adjoining occupier adding to comments made in his original objection. In addition expressed concerns that the impacts of the development had not been properly quantified.

**4.2**