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Our ref: MTS/MF/25864S-6

Date 11 July 2019

Contact Mr M T Sandelands

Direct Line [REDACTED]

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Dear Ms Truman

**Re: Allerdale Borough Council Local Plan Part 2 Examination – Affordable Housing Policy SA3 and Housing Standards Policy SA5
Representer ID – 515 on behalf of Mr R J Slack**

Thank you for your letter dated 27 June 2019. On behalf of Mr Slack I am instructed to comment in respect of the proposed policy modifications.

SA3 – Affordable Housing

The proposal to introduce a zonal approach to affordable housing is considered reasonable. However, in order to deliver viable affordable housing distributed across the borough an alternative zoning approach should be adopted.

The Council has used a very broad geographical zone which give a very generalised approach to affordable housing. It is considered more appropriate to zone on the basis of parish or wards in order to reflect local affordable housing needs and viability.

By way of illustration please find attached the Council's "Open Market Value Applied to Discounted Sale Properties". The information is based on 2015-2017 house prices and income data provided by the Cumbria Observatory. I have highlighted parishes in Zone 1 and Zone 2 which based on the percentage of open market value indicate equivalent or higher house prices to Cockermouth. It is reasonable to assume that in these parishes issues of affordability are consistent with or more acute than Cockermouth.

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It is accepted that many of the parishes are rural and would not be expected to accept major housing development of ten units or more. The list does include a Key Service Centre, Local Service Centres and Limited Growth Villages. Some of these settlements will in the lifetime of the Plan accept development of 10 or more units. Also, there are parishes within Zone 2 which are significantly more affordable than Zone 1. This is likely to result in affordability and viability issues if the geographical zoning is adopted.

Cockermouth

The requirement to provide 40% provision of affordable housing in all developments of ten or more dwellings in Cockermouth is unjustified. The Council has not properly assessed need and viability in relation to the 40% provision.

The 40% provision was incorporated without analysis or detailed consideration. This level of provision was first unilaterally offered by the Applicant in connection with Planning Application 2/2010/0542 for Land adjacent to Fitz Park, Cockermouth. Planning Permission was granted on appeal following Public Inquiry. There are a number of factors to take into consideration in relation to the level of provision offered in relation to Fitz Park, relative to size and timing of the proposal, including:

1. The Application was submitted in the context of the Council's then Interim Housing Policy (IHP). This IHP had imposed a moratorium on all new planning permissions for open market housing development in Cockermouth. This moratorium was in place for a number of years and resulted in a chronic under supply of both open market and affordable housing.
2. Due to lack of open market housing there was no developer lead delivery of affordable homes. At the date of the Appeal it was estimated that the waiting list for an affordable or social rented property within Cockermouth was 70 years. This historic shortfall has now been addressed.
3. The Applicant undertook a Viability Study in relation to the level of affordable housing which the Fitz Park scheme could sustain. This viability study made a number of assumptions including:
 - (a) That this site was likely to be the only large site approved within Cockermouth.
 - (b) The unmet housing need for open market and affordable housing which existed in 2010.
 - (c) The economies of scale which a prudent developer of a large site could reasonably rely upon.

The viability study concluded that for a site of in excess of two hundred dwellings the site would be viable for affordable housing provision in the region of 30%. The Applicant offered the higher level provision at Appeal in an effort to obtain planning permission and on the basis that as the sole large site within Cockermouth property values were likely to increase viability.

It is understood that due to the 40% provision and other developments being approved (notably Strawberry How) the developer has experienced viability issues. It is understood new building has ceased on the development.

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Table 3.1 of Briefing Note: Policy SA3 Affordable Housing (Cockermouth) - Planning consents in Cockermouth analyses planning permissions granted since 2009. The following information is relevant to Table 3.1:

The entry in relation to Planning Permission 2/2012/0745 former Highways Depot, Sullart Street, Cockermouth is incorrect. The percentage of affordable housing delivered was in fact 14.63% based 19 of 77 dwellings being affordable. As a former brownfield site it is highly unlikely that this site would have been viable at 40% provision.

Planning Permissions 2/14/0381 and 2/2018/011 for Land off Strawberry How Road, Cockermouth relate to a greenfield site for 310 dwellings. It is reasonable to assume that in terms of viability the assumptions in relation to Fitz Park apply. It is a greenfield site in excess of 200 dwellings with the appropriate economies of scale. In order to improve viability a lower level of affordable housing provision was approved at earlier stages of development. Application 2/2018/0155 has not been determined. This increases the total number of dwellings to 320 and over the two phases deliver 40% affordable housing. However, the levels of affordable housing in Phase 2 (2/2018/0155) is exceptionally high and similar to Fitz Park and may well prove unviable at the deliver stage.

2/2014/0880. This site is owned by Mr Slack. A material start has been made in relation to this site but the development of dwellings has not commenced. The site is currently considered to be unviable for the development of 16 units with 40% affordable provision. The site owner is currently considering various options relating to viability.

The Council accepted a reduction in the affordable housing provision from 40% to 20% in relation to Planning Application 2/2014/0610 Land southwest of Brigham Road, Cockermouth. This application was submitted with detailed information regarding site viability. This was a greenfield site with no substantial abnormal site costs. The Viability Assessment determined that the developer profit based on 40% provision would be 2.61%. Even the reduction to 20% provision still provided an estimated developer profit of 16.97% against the industry expected developer profit margin of 20%. This application highlights the fact that smaller sites within Cockermouth are unviable with a 40% housing provision.

Summary

The zonal approach is reasonable providing it is adopted on a parish or ward basis evidenced by affordability. It is only viable to incorporate Zone A - 10% of dwellings as affordable housing and Zone B - 20% of dwellings as affordable housing. The 10% provision accounts for the weak housing market in significant parts of the borough. The 20% represents a reasonable provision of affordable housing needs in the borough.

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There is no justification to incorporate Zone C providing 40% provision. It is unjustified in the context of Cockermouth and has only proved marginally viable in relation to sites in excess of 200 units. The 40% provision is punitive in relation to smaller sites and indeed 40% provision has never been delivered on a site below 200 dwellings. The 40% provision has only proved viable in the context of addressing the chronic under supply of both open market and affordable housing arising from IHP. The shortfall has been addressed and the 40% provision is obsolete.

Yours sincerely


M I Sanderson
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% of Open Market Value Applied to Discounted Sale Properties

July 2018

Parish	% OMV
Aikton	65
Allhallows	80
Allonby	70
Aspatria	80
Blennerhasset & Torpenhow	70
Boltons	70
Bothel & Threapland	70
Bowness	70
Bridekirk	75
Brigham	75
Bromfield	65
Broughton	75
Broughton Moor	80
Camerton	80
Cockermouth	70
Crosscanonby	80
Dean	65
Dearham	80
Dundraw	65
Gilcrux	70
Great Clifton	80
Greysouthen	65
Hayton & Mealo	65
Holme Abbey	70
Holme East Waver	65
Holme Low	70
Holme St Cuthbert	70
Ireby & Uldale	65
Kirkbampton	70
Kirkbride	70
Little Clifton	70
Maryport	80
Oughterside & Allerby	65
Papcastle	75
Plumbland	75
Seaton	75
Sebergham	65
Silloth	70
Thursby	65
Waverton	65
Westnewton	60
Westward	60
Wigton	75
Winscales	80
Woodside	65
Workington	80

Parish	% OMV
Above Derwent	45
Bassenthwaite	55
Bewaldeth & Snittlegarth	55
Blindbothel	50
Blindcrake	50
Borrowdale	45
Buttermere	50
Caldbeck	55
Embleton & District	50
Ireby & Uldale	55
Keswick	50
Lorton	50
Loweswater	50
St Johns	50
Underskiddaw	55

Values based on 2015- 2017 house price and income data provided by Cumbria Observatory