

Paul Clark  
Chief Planning Officer  
PO Box 2  
Town hall  
Ilford  
Essex  
IG1 1DD

7<sup>th</sup> April 2004

Dear Mr Clark,

### **Draft Supplementary Planning Guidance: Affordable Housing**

Thank you for giving the House Builders Federation (HBF) the opportunity to comment on your Draft Supplementary Planning Guidance for Affordable Housing within the London Borough of Redbridge. The HBF have considered the proposed document and have made the following observations:

#### **Funding for Affordable Housing**

HBF believe that funding should be negotiated with a developer on a site-by-site basis. Insistence on the proposals in the SPG may inhibit developments coming forward, as the proposals fail to take into account any levels of financial viability and site constraints. As a consequence, not all sites will be able to contribute and the SPG should be amended to reflect this, placing the emphasis on a negotiation process with developers and ensure that affordable housing levels are optimised.

#### **Preferred Suppliers of Affordable Housing**

The HBF objects to the inference in Section 7 that a developer should use a Registered Social Landlord (RSL) that is one of the Council's preferred RSL partners. Paragraph 17 of Circular 6/98 is quite clear that Local Authorities cannot seek to prescribe which RSL partners; developers should use to provide affordable housing. This should be deleted from the SPG.

#### **Off-Site Provision**

Para 8.2 states that if off-site provision is required – ***“The affordable housing should preferably be provided at the same time as the facilitating development and may require the use of a planning obligation. The Council will also need to***

***be satisfied that the alternative site is suitable, has planning permission and is therefore available for development within an appropriate timescale.”***

HBF feels this approach is unreasonable, and in many circumstances it will be infeasible. If the Council wishes to facilitate affordable housing provision, then it is unclear why they should present such rigorous criteria for would-be developers. It is unlikely, given high land prices, that developers will have alternative sites in the Borough, and even more unlikely that they will have planning permission. Additionally, given financial and resource constraints, it may not be possible for the affordable housing portion of a development to be provided in parallel with the market housing. HBF believes the Council should negotiate with developers on an individual development basis, and the text of the SPG should be altered to reflect this.

### **In-Lieu Payment**

HBF applauds that the Council states that cash-in-lieu payments for affordable housing will be ‘ring-fenced’ for the provision of affordable housing schemes via the Council’s Affordable Housing Fund.

### **Type and Residential Mix of Affordable Housing Provision**

With regards to Para 9.4 and the ‘pepper-potting’ of affordable housing within developments. An insistence of dispersal of affordable housing throughout a development is far too prescriptive and has no regard for reality. Due to site constraints, this may be physically unviable for developers or have adverse financial implications, which may endanger the development proposal.

Para 9.5 details the issue of appearance and differentiation between affordable and market housing on-site. Ironically enough this often occurs as a result of following Housing Corporation standards. The Council must be more flexible in its approach, as a result.

However, HBF are pleased to see in Para 9.4 that the Council are aware that RSLs often favour affordable homes to be provided in one location due to the practical and management difficulties of dealing with dwellings scattered throughout developments. It is essential that sufficient flexibility be provided within the SPG to assist such realities and that site-specific considerations are taken into account.

### **Legal Agreements and Affordable Housing Schemes**

The imposition of a Section 106 agreement, which restricts the occupancy of general market housing until an affordable housing element has been built and transferred to an RSL, could jeopardise the financial viability of a development. Notably that where there is an absence of public subsidy, the developer effectively cross-subsidises the affordable housing element through income generated from the general market housing. Insistence on such an agreement

could deter private lenders and stall the development process. It is important that the Council are flexible and negotiate with developers to ensure that financial viability is not undermined to the extent that it disrupts the advancement of affordable housing.

Thank you again for giving the HBF opportunity to comment on the Draft Supplementary Planning Guidance in Redbridge. I look forward to acknowledgement of this letter and further involvement in the plan preparation process.

**Yours sincerely,**

Jonathan Sheldon  
Assistant Planner