

Examination of Draft Revised Lambeth Local Plan 2020-2035

Inspector's Matters Issues and Questions: Statement on behalf of Grainger Plc (R068)

Matter 3 - Housing

3.2 Delivering Affordable Housing

- i) *is policy H2 (delivering affordable housing) justified and effective?*
- iv) *Parts (c) and (d) from the earlier version of Policy H2 have been deleted, which has been interpreted by some parties that there is no longer a requirement for the Council to take into account the circumstances of individual sites, including viability, nor for a financial appraisal to be provided where lower levels of AH are proposed. In the light of these considerations is the amended H2 justified and in accordance with national policy?*

Grainger considers that Policy H2 is not justified, particularly in respect of the deletion of parts (c) and (d) of the earlier version, which removes the requirement for the Council to take into account the circumstances of individual sites, including viability.

The justification that Lambeth Council provides in its response to the Inspector's MIQ is that viability is built into the threshold approach contained within the London Plan and the Council therefore suggests there is no need to repeat the London Plan Policy. Whilst Grainger agrees with the need to avoid unnecessary repetition, draft Lambeth Policy H2 does not simply seek to follow the London Plan Policy but introduces a number of differences. Therefore it cannot be left to those seeking to interpret Lambeth Policy H2 in the future to make assumptions as to which bits of the London Plan Policy are being followed and which are not.

As drafted currently, proposed Policy H2 only refers in parts (ii) and (iv) to 'Schemes of more than 25 units (gross) that propose off-site affordable housing or a payment in lieu' and 'sites providing fewer than 10 units (gross)' where a financial contribution is sought, as those which should follow the Viability Tested Route.

The London Plan 2016 is clear in Policy 3.12B that the individual circumstances of a site, including development viability should be taken into account. The Intent to Publish London Plan Policy H5F is clear that where an application does not meet the requirements set out for the Fast Track Route, it must follow the Viability Tested Route. The explanatory text to the Intent to Publish London Plan explains in paragraph 4.4.3 that schemes that do not meet the threshold for the Fast Track Route will be required to submit detailed viability information. Paragraph 4.4.4 goes on to explain that only where it is fully justified through detailed viability evidence, should a lower level of affordable housing be considered.

Draft Lambeth Policy H2 makes no such provisions, except when the affordable housing being offered is provided off-site or there is a payment in lieu. The Council provides no justification for its approach.

With the more straightforward sites within Lambeth having already been developed, the majority of proposals involve the redevelopment of existing properties which have established existing use values, that must be taken into account. If redevelopment and regeneration are to be

encouraged, Policy H2 should be explicit that viability and other circumstances will be taken into account.

Not only is the amended draft Policy H2 not being justified, in response to the second part of the Inspector's question, it is also not in accordance with national policy.

Paragraph 57 in the NPPF specifically refers to viability in setting out the Government's policy on planning obligations, stating that "It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage."

The NPPF goes on in paragraph 67 to state that when identifying a sufficient supply and mix of housing sites, a range of factors should be taken into account, including economic viability. As Lambeth is allowing for a substantial number of homes to be delivered through unallocated sites, it is all the more important that Policy H2 explicitly allows for viability to be taken into account, as the Council clearly will not have assessed the viability of sites it has not identified, but which nonetheless could make a worthwhile contribution to delivering new homes and improving the housing stock within the Borough.

In order for draft Policy H2 to be sound in this respect, origin parts (c) and (d) should be reinstated.