

Affordable Housing Statement

In respect of:

M Block, Former Gravesend & North Kent Hospital
Bath Street
Gravesend
Kent
DA11 0DG

Strawberry Star

July 2022

Version Control

Document owner		Lizzie Sears			
Project Ref:					
Date created		27 July 2022			
Next scheduled review		tbc			
Version number	Modified by	Modifications made	Date modified	Reviewed by	Date reviewed
0.1	Lizzie Sears		28/7/22	Lizzie Sears	28/7/22

Versioning guidelines:

0.1	<draft version>
1.0	<approved version>
1.1	<minor amendment>
2.0	<major revision>

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27 July 2022

Our Ref: 2022-067

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To whom it may concern

**Affordable Housing Statement in respect of:
M Block, Former Gravesend & North Kent Hospital, Bath Street, Gravesend, Kent, DA11 0DG**

Introduction

Newsteer has been instructed to prepare an Affordable Housing Statement in relation to a Section 73 Application at the above site on behalf of Strawberry Star (hereafter "the Applicant").

Planning permission has already been granted at the above site for:

"Conversion of existing building with an 11 storey side extension and a single storey roof extension, the construction of a new residential building ranging from 3-6 storeys to provide 115 residential units consisting of 47 one bed units, 59 two bed units and 9 three bed units, together with associated parking for 69 cars, 6 motorcycles and 212 cycles, amenity space, private gymnasium and waste and a B1, D1 and D2 flexi use space".

The Applicant is submitting a Section 73 application lodged with Gravesham Borough Council (hereafter "The Council") seeking approval to amend a Building Conversion comprised within the overall site and the proposals cover the following:

"Conversion of existing building with a side extension and a roof extension, the construction of a new residential building to provide residential units (class C3) consisting of one bed, two bed and three bed homes, together with associated car parking, motorcycle and cycles spaces alongside amenity space, private gymnasium and waste and space in Class E as flexi use space."

We have been advised that the purpose of the S73 proposal is to improve the deliverability of the scheme. In particular it proposes the loss of 2 private residential units contained within the conversion building; reducing the overall number of units on site from 115 units to 113.

As part of the S73 application we understand that the Council requires submission of a revised Affordable Housing Statement to assess the impact of the changes being made. This Affordable Housing Statement sets out the following:

Affordable Housing position

- To include a review of changes to the affordable housing position as a result of the S73 Application

Review of National Policy

- NPPF
- National Planning Guidance Updates

Review of Local Policy including:

- Gravesham Local Plan Core Strategy

Review of Affordable Housing Policy Requirements

- Conclusions as to whether the S73 proposals continue to meet these requirements.

Gravesham Borough Council

1 Affordable Housing Position

- 1.1 The Applicant has confirmed that the number of affordable housing units provided as part of the initial planning permission will be maintained.
- 1.2 As part of the S73 notice, the Applicant is not looking to amend the scheme overall and the loss of 2 private units equates to a slight increase in the percentage of affordable housing provided at the scheme on a unit basis – from 13.9% to 14.1%.
- 1.3 On review of the initial planning application the affordable housing provision was provided at a policy complaint level including an offset as the building being converted qualified for Vacant Building Credit.
- 1.4 The extant permission provides a total of 115 units, consisting of 99 market housing units, 11 social rented and 5 intermediate. The Committee Report from the extant Planning Application dated June 2020 clearly sets out that the affordable housing contribution for this application is only 16 units, falling below the 30% policy requirements due to the property qualifying for Vacant Building Credit.
- 1.5 The block which is the subject of the S73 Application is the conversion of the existing building eligible for vacant building credit. Therefore under the extant permission the building subject to the changes being made under this Application currently contains no affordable provision.
- 1.6 The subsequent loss of two private units within this building to improve deliverability of the scheme means there is to be no loss of affordable housing units on site.

2 Review of National Policy

NPPF

- 2.1 The revised National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied. The most recent update to the NPPF was published on 20 July 2021. It is important in setting out the role of affordable housing in the planning and decision-making process.
- 2.2 The NPPF sets out that the purpose of the planning system is to contribute to the achievement of sustainable development based around three primary objectives:
 - a) **an economic objective** – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;
 - b) **a social objective** – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering well-designed, beautiful and safe places, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
 - c) **an environmental objective** – to protect and enhance our natural, built and historic environment; including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.
- 2.3 **Paragraph 34, Section 3, in relation to Plan Making** of the NPPF sets out that plans should set out the contributions expected from development including setting out the levels and types of affordable housing provision required, however caveats that such policies should not undermine the deliverability of the plan.
- 2.4 **Section 5 in relation to Delivering a sufficient supply of homes** sets out that it is important a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.
- 2.5 **Paragraph 63, Section 5** states that to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.
- 2.6 **Paragraph 64, Section 5** sets out that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.
- 2.7 Affordable housing is defined by the NPPF as "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:
 - a) Affordable housing for rent

- b) Starter Homes
- c) Discounted market sales housing
- d) Other affordable routes to home ownership".

NPPG

- 2.8 The NPPG was first published online on 6 March 2014 and is subject to ongoing updates. It replaced the remainder of the planning guidance documents not already covered by the NPPF and provides further guidance on that document's application. In particular it provides guidance in relation to vacant building credit as follows:
- 2.9 **Paragraph: 027 Reference ID: 23b-027-20190315** sets out that where there is an overall increase in floorspace in the proposed development, the local planning authority should calculate the amount of affordable housing contributions required from the development as set out in their Local Plan. A 'credit' should then be applied which is the equivalent of the gross floorspace of any relevant vacant buildings being brought back into use or demolished as part of the scheme and deducted from the overall affordable housing contribution calculation. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided.
- 2.10 The existing floorspace of a vacant building should be credited against the floorspace of the new development. For example, where a building with a gross floorspace of 8,000 square metre building is demolished as part of a proposed development with a gross floorspace of 10,000 square metres, any affordable housing contribution should be a fifth of what would normally be sought.
- 2.11 **Paragraph: 026 Reference ID: 23b-026-20190315** provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought.
- 2.12 Affordable housing contributions may be required for any increase in floorspace.

3 Review of Local Policy

Local Plan Core Strategy

- 3.1 The Local Plan Core Strategy was adopted by Gravesham Borough Council in 2014 and covers the period to 2028, detailing how development will be guided across that period.
- 3.2 **Paragraph 2.5.1 of the Local Plan Core Strategy** details that the SHMA 2021 indicated a need for one, two and three bedroom affordable housing.
- 3.3 **Policy CS16** of the Local Plan sets out that the provision of affordable housing will be required on all new housing developments of: 15 dwellings or more or on sites of 0.5 hectares or more in the urban area.
- 3.4 The amount of affordable housing to be provided by private housing development sites above the threshold is set at 30% in the urban area and the Council will seek an affordable housing mix of 70% affordable rented and social rented accommodation and 30% intermediate housing.
- 3.5 Development will be subject to site viability and a tenure mix necessary to meet local needs and achieve a successful sustainable and socially inclusive development.
- 3.6 The quantity, tenure balance and type/size mix of the affordable housing will be agreed with the Council's Housing Strategy and Development Manager through the development management process. Where the developer has demonstrated the scheme to be unviable and this has been independently validated, the council may consider the use of alternative mechanisms to achieve the full affordable housing requirement.

Local Plan First Review

- 3.7 The Gravesham Local Plan First Review was adopted in 1994. It contained a number of policies to help us make decisions on planning applications. In 2007, the government allowed the Borough Council to save some of the adopted policies where they were relevant and up to date including Policy CS16 which sets out that:

"Affordable Housing required on all developments: urban area 15 dwellings or more or on 0.5 ha or more; rural area 3 units or more or on sites of 0.1 ha or more in the rural area. Threshold: urban area 30%; rural area 35%. AH mix 70% affordable rented and social rented, 30% intermediate. Development subject to viability and local needs tenure mix. In Green Belt, supports limited AH in sustainable location for proven, justified local need and occupied by people with local connection in perpetuity."

Review of Local Policy

- 3.8 Based on the above policy review, provision of affordable housing in Gravesham Borough Council is identified as a priority in the Gravesham Local Plan Core Strategy 2014 as well as the 2012 SHMA update, although this is subject to financial viability.

4 Review of Affordable Housing Requirements and S73 Impact

- 4.1 As set out in Section 1, the changes proposed as part of the S73 application do not include an increase in floorspace and will not impact the affordable housing units provided as part of the initial planning permission.
- 4.2 This is because the block which is the subject of the S73 Application is the conversion of an existing building and is eligible for vacant building credit; therefore it currently contains no affordable provision and the change in unit provision will be a loss of 2 private units.
- 4.3 The Applicant is not looking to amend the scheme overall and the loss of 2 private units within the conversion building equates to a slight overall increase in the percentage of affordable housing provided at the scheme – from 13.9% to 14.1% on a unit basis.
- 4.4 As set out in Section 3 the Local Plan Core Strategy Policy CS16 requires the provision of 30% affordable housing on qualifying sites within the urban area.
- 4.5 However the building which is the subject of the proposed changes in the S73 qualifies for vacant building credit. This is a financial equivalent applicable to a vacant building being brought back into any lawful use, or that is being demolished and replaced by a new building. It is calculated based on the difference in floorspace between the existing vacant building and the proposed replacement building.
- 4.6 This means that the extant permissions for a scheme deemed to be in accordance with the requirement for 30% affordable housing provision subject to Vacant Building Credit for the conversion building with an overall provision equating to 13.6% on a unit basis.
- 4.7 The extant planning permission provides 16 affordable housing units from 115 units (13.9%); whereas the new proposal seeks to provide 16 affordable dwellings from 113 units (representing 14.1%).
- 4.8 It is of note that in the previous Affordable Housing Statement and subsequent Committee Report dated June 2020 that due to the comparatively small number of affordable units to be provided, there could be limited interest from affordable housing providers for 16 units. As such it is proposed that a commuted sum is agreed to secure delivery of either additional affordable dwellings on another site or upgrading the existing council stock. The option will remain open to deliver the affordable housing on site if a suitable provider can be identified, but allowing for the provision of a commuted sum is no such provider can be identified.
- 4.9 This approach was agreed through the S.106 agreement for the previous outline approval and we consider that the market has not changed materially since permission has granted and that the option for a commuted sum payment should still be included.

5 Conclusions

- 5.1 We confirm that the Section 73 Application continues to deliver up to 16 affordable dwellings which would help to boost significantly the supply of affordable housing within Gravesham.
- 5.2 This proportion of affordable housing is in accordance with the application of the vacant building credit approach meets the requirements of Core Strategy Policy CS16 sought by the Council.
- 5.3 We confirm that the Section 73 Application does not materially impact upon the Affordable Housing provision; and increases the overall proportion of Affordable Housing at the scheme on a per unit basis from 13.9% to 14.1%.

6 Third Parties and Publications

- 6.1 This report contains commercially sensitive information and is private and confidential. Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement, nor published, reproduced or referred to any way without our prior written approval of the form and context in which it may appear.
- 6.2 This document is confidential to those to whom it is addressed. This document, in whole, or in part and any specific information contained within is not to be provided to or discussed with any third parties other than the Council and their independent financial advisor. Should the Council wish to provide any of the information contained within to a third party, the third party will be required to enter into a written agreement with Newsteer, prior to the issue or discussion about such information.
- 6.3 Where we have relied upon information provided by third parties the accuracy of the report will depend upon on the accuracy of the information supplied by them. Should the information provided be inaccurate or incomplete then we would reserve the right to amend our report accordingly.

Yours sincerely,



For and on Behalf of
Newsteer