



# Affordable Housing Statement

## Planning Application for Redevelopment of Former Shredded Wheat Site, Welwyn Garden City

Iceni Projects Limited on behalf of  
Plutus Estates (WGC) Ltd and  
Metropolitan Housing Trust (MHT)

ICENI PROJECTS LIMITED  
ON BEHALF OF PLUTUS  
ESTATES (WGC) LTD AND  
METROPOLITAN HOUSING  
TRUST (MHT)

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### **Iceni Projects**

London: Flitcroft House, 114-116 Charing Cross Road, London, WC2H 0JR  
Glasgow: 2/1 Mercantile Chambers, 53 Bothwell Street, Glasgow, G2 6TS

t: 020 3640 8508 | w: [iceniprojects.com](http://iceniprojects.com) | e: [mail@iceniprojects.com](mailto:mail@iceniprojects.com)  
linkedin: [linkedin.com/company/iceni-projects](https://www.linkedin.com/company/iceni-projects) | twitter: [iceniprojects](https://twitter.com/iceniprojects)

**Affordable Housing Statement**  
PLANNING APPLICATION FOR REDEVELOPMENT OF  
FORMER SHREDDED WHEAT SITE, WELWYN GARDEN  
CITY



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# 1. INTRODUCTION

1.1 This Affordable Housing Statement has been prepared by Icen Projects Ltd on behalf of the applicants, Plutus Estates (WGC) Ltd and Metropolitan Housing Trust (MHT), to accompany a planning application for the redevelopment of land at the former Shredded Wheat site on Bridge Road in Welwyn Garden City.

1.2 The applicant is proposing to redevelop the site for a housing-led mixed use scheme. As such, planning permission is sought for the following:

*Creation of a mixed-use quarter comprising the erection of up to 1,340 residential dwellings including 414 (31%) affordable dwellings (Use Class C3); 114 extra care homes (Use Class C2); the erection of a civic building comprising 494 sq.m of health (Use Class D1), 494 sq.m of community use (Use Class D1), 1,232 sq.m of office (Use Class B1) and 646 sq.m of retail (Class A1/A2/A3/A4/A5); alterations, additions and change of use of Grade II Listed Building and retained Silos to provide 5,096 sq.m of flexible business floorspace (Use Class B1), 265 sq.m Combined Heat and Power (Sui Generis), 2,494 sq.m International Art Centre (Use Class D1), 1,226 sq.m Gymnasium (Use Class D2), 1,576 sq.m of restaurant/coffee shop/bar (Use Class A1/A3/A4/A5), Creche/Day Nursery of 644 sq.m as well as a Network Rail TOC Building of 364 sq.m; plus associated car parking, access, landscaping, public art and other supporting infrastructure.*

1.3 The development site has an area of 22 acres (8.9 hectares) and was historically the former home of Shredded Wheat, but has been lying dormant since circa 2008.

1.4 The site is designated within the adopted Welwyn Hatfield District Plan as employment land under Policy EA1, but in addition to this, the site has also been designated for mixed use development under Policy EMP3, consisting primarily of employment, housing, leisure and rail-related uses. Policy EMP3 also stipulates that the development of the site shall be in accordance with a Development Brief which would be set out in a Supplementary Planning Document (SPD).

1.5 The Broadwater Road West SPD, which was produced in 2008 to support Policy EMP3 of the District Plan, identifies the site as an area of opportunity for mixed use development. It sets out a framework for the sustainable regeneration and redevelopment of the site. The Broadwater Road SPD establishes the broad amounts, type and mix of development that should be delivered on the site, as well as identifying design and layout constraints, and other requirements that need to be addressed as part of the redevelopment process.

1.6 The SPD sets out the Council's vision for Broadwater West as:

*“To deliver an energetic and pioneering scheme of development which integrates the spirit of the garden city with the very best of high quality 21st Century design, seizing the opportunity to enhance the local environment and create a sustainable, supported neighbourhood of an appropriate scale, which successfully integrates with the local community.”*

- 1.7 The draft Local Plan, which is currently being tested for soundness at Examination-in-Public, allocates the site for mixed use development. Policy SP17 of the emerging Local Plan identifies the site as being allocated for development to accommodate approximately 1,020 homes over the plan period.
- 1.8 Mixed use development on this site will comprise primarily employment, housing, leisure and rail-related uses.
- 1.9 A detailed description of the Site and its surroundings is contained within the Planning Application, with further information pertaining to the scheme provided in the Planning Statement and Design and Access Statement.
- 1.10 This Affordable Housing Statement is structured as follows:
- Section 2 provides a background to the scheme;
  - Section 3 introduces the joint applicant, Metropolitan Housing Trust (MHT), and their position as an affordable housing partner and registered provider;
  - Section 4 summarises the relevant planning policy guidance;
  - Section 5 provides an overview of the housing context;
  - Section 6 contains a comprehensive assessment of the proposed level and type of affordable housing within the proposed development and the limitations of the Council's affordable housing policy; and
  - Section 7 sets out our conclusions.

## 2. BACKGROUND

### Site Context and Description

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- 2.1 The subject site, which is located to the east of Welwyn Garden City town centre in the Peartree ward, currently comprises a former cereal production factory to the north of Hyde Way and (largely cleared) industrial and factory uses on the southern side of Hydeway.
- 2.2 The site forms part of the wider Broadwater Road West development site, an area allocated for mixed use development in the Welwyn Hatfield District Plan 2005 and emerging Welwyn Hatfield District Local Plan 2017 and is the subject of the Broadwater Road West Supplementary Planning Document (SPD) 2008. The development site is bounded on the eastern side by Broadwater Road (A1000), to the south by the Taylor Wimpey housing development and the Bio Park building, the Pall Mall distribution building and the East Coast Mainline to the west and Bridge Road/Hunters Bridge to the north. The application site is split in two by Hydeway which runs east-west across the site and provides a pedestrian and vehicular link to the train station over-bridge, and on to the town centre, for the eastern half of the town.
- 2.3 As shown in **Figures 2.1 – 2.4**, the site itself is largely cleared of structures with the exception of the former Shredded Wheat factory buildings, including the silos, to the north of Hydeway and the former Polycell building immediately to the south of Hydeway. The remaining buildings on site are vacant and in an increasing state of disrepair. It is noted that some of the Shredded Wheat factory buildings date back to 1925 and are Grade II listed.

**Figure 2.1 – Site looking south from Hyde Way**



**Figure 2.2 – Site looking east towards Broad Court**



**Figure 2.3 – Listed Factory facing railway**





**Figure 2.4 – Listed Silos from Hyde Way**



- 2.4 The surrounding area is mixed in character. Broadwater Road is largely in industrial/office use on the eastern side and to the north of the site but more mixed to the south, with residential development (Taylor Wimpey site) abutting the southern boundary and the large BioPark office and laboratory building to the south-west. Welwyn Garden City town centre is immediately west of the adjoining East Coast Mainline and an existing pedestrian route extends across the site via Hyde Way and a footbridge over the tracks. This footbridge provides access to the railway station and Howard Centre mall. The Pall Mall warehouse and distribution centre is also located to the south-west of the site. Access to this site is currently provided via the Network Rail access from Bridge Road.
- 2.5 In regard to accessibility, the site has strong connections to existing road, rail and public transport network. The site is highly accessible by a variety of modes of transport, and the A1(M), which connects to the M25, is within close proximity. Welwyn Garden City Station abuts the site and is on the mainline between London Kings Cross and Peterborough and Cambridge. This line links Welwyn Garden City to Kings Cross in 23 minutes. Furthermore, the site is served by the Network Rail access road, off Hunters Bridge, by Hyde Way and a number of access points, currently not in use, from Broadwater Road. The Transport Statement prepared by Entran in support of this application provides further information in respect of transport and access.
- 2.6 In terms of local facilities, the site benefits from its close proximity to Welwyn Garden City Town Centre which provides for most shopping and service needs including a department store, shopping mall, independent retail shops, supermarkets, doctors, dentist, chemists, cinema and a variety of pubs, restaurants and cafes. Within 2 km of the site are a variety of primary and secondary schools, the nearest school being Peartree Primary School on Peartree Lane. This is readily accessible to the development site via the public footpath that runs from Broadwater Road, just to the south of the site,



to Peartree Lane. Formal public sports facilities are available within 1km at Gosling Sports Centre, water sports within 2km at Stanborough and indoor swimming within 4km at the Hatfield Swim Centre.

## Planning History

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- 2.7 The site was historically the former home to Shredded Wheat, however the site has not been in use since 2008. As such, planning applications and consents prior to this date were all related to industrial uses.
- 2.8 Whilst two previous applications were submitted in 2010 (LPA refs. N6/2010/2055/MA and N6/2010/0260/LB) and were refused, this section focuses on the outline planning application that was submitted in respect of the development site in February 2015.
- 2.9 This 2015 application was submitted on behalf of Spen Hill Developments Ltd (LPA ref. N6/2015/0294/PP) for:

*"Part demolition, repair, restoration, extension and conversion of the former Shredded Wheat factory complex to include demolition of all buildings and structures except the original 1920's silos, production hall, grain store and boiler house. Refurbishment and change of use of the retained listed buildings to provide 2 Class C3 residential units, a Class C1 boutique/budget hotel, Class B1(a) offices, a Class A4 pub/bar, a Class D1 crèche and a Class D2 gym/dance/exercise studio. Erection of up to 850 Class C3 dwellings to potentially include up to 80 Class C2 (and/or C3 assisted living units), Class A1 retail, Class A3/A4 restaurants/café/bars/pubs, Class D1 community use and healthcare and Class D2 gym/dance/exercise studio floorspace. Provision of external space for leisure and recreation to include a linear park, external games/play area, allotments and a skate park. Creation of internal estate roads, paths, vehicle and cycle parking. Associated highway works comprising the widening of footways and the provision of cycle ways to Broadwater Road and Bridge Road, works to Hyde Way, junction remodelling works and the erection of a new footbridge from Bridge Road. Phase 1 (Blocks 2,3,4,5,6 & 7 on land to the north and west of Hyde Way and northern part of Block 1) – Includes Appearance, Means of Access, Landscaping, Layout and Scale in addition to all associated highway works. Phase 2 (Blocks 8,9,10,11 & 12 and southern part of Block 1 on land to the south of Hyde Way) – Includes Means of Access with Layout, Scale, Appearance and Landscaping reserved."*

- 2.10 In regard to affordable housing, the applicant was unable to deliver the 30% affordable housing required by planning policy, as well as the requested planning obligation payments.

- 2.11 In August 2015 the applicant submitted a Financial Viability Appraisal prepared by Savills. The Council appointed Colliers International to independently assess this appraisal, to subject it to sensitivity testing and to verify both the inputs and the outputs that were generated. The conclusions that had been reached by Savills were broadly supported by Colliers. The appraisal submitted at that time included no allowance for affordable housing and approximately £1.8m towards other planning obligations payments. Colliers found that the development was well short of achieving what is the accepted profit benchmark of 20% profit on cost.
- 2.12 As a means of improving the viability of the scheme, the applicant amended the proposal to provide 35 units of affordable housing, which equated to 10% of phase 1 and just over 4% of the whole scheme.
- 2.13 Colliers, acting on behalf of the Council, produced a follow-up 2017 report which highlighted that the scheme is only viable with 35 units on site and that, on this basis, the proposed provision of affordable housing is appropriate, if it is accompanied by a viability review mechanism to capture any potential increase in value in the future. In advance of the scheme being determined at planning committee, the applicant volunteered to raise the affordable housing provision to 50 dwellings, 6% of the total number of dwellings proposed.
- 2.14 This approach in respect of affordable housing was reluctantly considered acceptable by the Council, and the application, with an overall provision 50 units (6%) of affordable housing, was approved by Welwyn Hatfield Borough Council, subject to a number of planning conditions, on 18<sup>th</sup> August 2017.
- 2.15 Taking the Consented Scheme as a baseline position, this proposed development will deliver a significant uplift in terms of housing and affordable housing yield. Under the Consented Scheme, 770 Use Class C3 units were proposed, of which 50 would have been affordable housing units. Under the proposed scheme, an extra 570 Use Class C3 units will be provided, 30% of which will be for affordable housing. This equates to 171 extra units in addition to the 50 affordable housing units.
- 2.16 Whilst it is recognised that the scheme represents an uplift in terms of housing yield, it also represents a significant increase in the level of affordable housing. Of the 570 additional units now proposed, 221 of these will be for affordable housing, thus exceeding the local planning policy position in terms of the required level of affordable housing.

### **Proposed Development**

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- 2.17 The proposed redevelopment of the Shredded Wheat site has been the subject of an iterative design process since August 2017. During the period to end of December 2017, a number of meetings have been held with planning and design officers from Welwyn Hatfield Borough Council, Hertfordshire County Council and other important stakeholders. It was evident from these discussions that the

quantum of affordable housing was the only really disappointing element of the approved scheme and that greater levels of affordable housing would be welcomed.

2.18 As such, the development now proposed is as follows:

*Creation of a mixed-use quarter comprising the erection of up to 1,340 residential dwellings including 414 (31%) affordable dwellings (Use Class C3); 114 extra care homes (Use Class C2); the erection of a civic building comprising 494 sq.m of health (Use Class D1), 494 sq.m of community use (Use Class D1), 1,232 sq.m of office (Use Class B1) and 646 sq.m of retail (Class A1/A2/A3/A4/A5); alterations, additions and change of use of Grade II Listed Building and retained Silos to provide 5,096 sq.m of flexible business floorspace (Use Class B1), 265 sq.m Combined Heat and Power (Sui Generis), 2,494 sq.m International Art Centre (Use Class D1), 1,226 sq.m Gymnasium (Use Class D2), 1,576 sq.m of restaurant/coffee shop/bar (Use Class A1/A3/A4/A5), Creche/Day Nursery of 644 sq.m as well as a Network Rail TOC Building of 364 sq.m; plus associated car parking, access, landscaping, public art and other supporting infrastructure.*

2.19 The proposed development has been designed and configured in direct response to local policy objectives and an identified local need for affordable housing. The scheme provides the maximum viable and practical quantum of affordable housing and is consistent with the requirements of strategic local and area based policies in terms of numbers of dwellings. The significant level of affordable housing proposed is a considerable benefit weighing in favour of the scheme and constitutes a major uplift in affordable housing delivery from the consented scheme. Further details in respect of affordable housing are provided in the subsequent sections.

### **Provision of Affordable Housing**

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2.20 The proposed scheme contains a significant uplift in respect of affordable housing. Under the consented scheme, it was envisaged that of the proposed 850 residential units, only 50 would be affordable. This equates to an affordable housing provision of 6%. Under the proposed scheme, the development will provide 414 affordable housing units, which will equate to an on-site affordable housing provision of 31%. The social benefits of the proposed scheme are therefore considered to be far greater than the consented scheme.

2.21 The mix and tenure of affordable (and market) housing has been formulated to both respond to policy objectives in respect of providing mixed and balanced communities and respond to market demand and local need to facilitate a viable development that can quickly respond to overall housing delivery.

2.22 The quantum and tenure of affordable housing is set out in **Table 2.1**.

**Table 2.1 – Proposed quantum and mix of housing**

Type of Housing	Number of bedrooms				
	1	2	3	4+	Total
Proposed Market Housing	502	389	35	0	926
Proposed Affordable Rented Housing	32	52	22	0	106
Proposed Affordable Rent for Over-55's	14	25	11	0	50
Proposed Intermediate Housing	105	126	27	0	258
<b>Total</b>	<b>653</b>	<b>592</b>	<b>95</b>	<b>0</b>	<b>1,340</b>

- 2.23 The above table reveals that of the proposed 1,340 residential units, 414 will be affordable housing units.
- 2.24 Whilst it is recognised that the scheme represents an uplift in terms of housing yield, it also represents a significant increase in the level of affordable housing. The scheme is now proposed to deliver an additional 570 C3 Use Class units in comparison to the Consented Scheme. Of the 570 additional units now proposed, 221 of these will be for affordable housing, thus exceeding the local planning policy position in terms of the required level of affordable housing.
- 2.25 The significant increase in affordable housing has been achieved through a Joint Venture that brings in MHT as the registered provider, careful redesign to achieve a greater density of residential development across the site and bringing forward a level and mix of affordable housing that can attract Homes and Communities Agency (HCA) funding to secure a policy compliant quantum of affordable housing.

2.26 Further information detailing the level and type of affordable housing provided as part of this application is provided in the subsequent sections of this Statement.

### **Summary**

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2.27 The scheme will deliver the following:

- The redevelopment of a redundant, brownfield site in a strategic and sustainable location that seeks to positively contribute to the wider area and meet the principles of strategic planning policy;
- The delivery of 1,340 new homes, with a diverse mix of dwelling types and tenures;
- The delivery of affordable housing, which includes 31% provision;
- 114 extra care housing units, to respond to the local need for over-55 residential units;
- Affordable rented housing, including affordable rented specialist over 55 accommodation, to respond to local need;
- Shared ownership housing, to enable access onto the housing ladder for first-time buyers;
- The nature of the site and its characteristics lends itself to apartment living for young professionals and retired persons and this is reflected in the dwelling mix sought. Family housing is expected and planned for new garden suburbs on the settlement fringes, where new infrastructure can be provided to support family living.



### 3. REGISTERED PROVIDER PARTNER AND PROJECT DELIVERY

#### **Metropolitan Housing Trust (MHT)**

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##### About Metropolitan Housing Trust (MHT)

- 3.1 Plutus Estates (WGC) Ltd have partnered with Metropolitan Housing Trust (MHT) as their registered affordable housing provider for the delivery of the affordable housing at the Former Shredded Wheat Factory.
- 3.2 Established in the 1950s, MHT is a leading housing provider and owns and manages over 41,000 homes and provides services to over 71,000 customers across London, the Home Counties, East Midlands and East Anglia.
- 3.3 MHT provides housing in a wide mix of tenures and already has strong links with Welwyn Hatfield Borough Council and other partner agencies within the area.

##### Funding

- 3.4 MHT is funding this project through its internal cash facilities and a long-term loan arranged in 2016. Short term cash needs will be met through normal banking facilities coordinated by our Treasury department. Funding from the Homes and Communities Agency (HCA) is also set to be allocated for all affordable units within the Southern site, and this assumption has enabled the scheme to provide 31% affordable housing with phased delivery proposed to ensure its immediate delivery.
- 3.5 Securing funding through the HCA is therefore a principle objective to facilitate the delivery of the quantum of affordable housing sought.

##### Management

- 3.6 Welwyn Garden City forms part of MHT's East Anglia management team's operational area via their base just outside Cambridge. The local team provides the management services to the growing portfolio within Welwyn Garden City and the wider area.
- 3.7 These management and maintenance services include the following:
- Involvement - providing a range of options for residents to get involved so they can assist in deciding how and when to work with MHT to improve our services;

- Rent – notifying residents of any arrears within two weeks and working with organisations that can provide advice and support with debts;
- Service Charges – providing appropriate consultation with residents about services and costs;
- Repairs – carrying out repairs in line with the agreed and published repair standards and always aim to get things fixed first time;
- Making Appointments – when residents call to report a repair, MHT always give an appointment at that time for when the work will be done;
- Anti-Social Behaviour and Noise Nuisance – MHT respond to all reports of Anti-Social Behaviour (ASB) and provide residents with a plan of how they intend to manage this. MHT keep residents regularly updated on how they are tackling the problem;
- Complaints – MHT will respond to all complaints within 10 working days, aiming to do all they can to resolve the complaint to the resident's satisfaction;
- Estate Management – ensuring a high standard of estate management and maintenance is provided at all times to all residents. The most important aspect of the service is that it will be comprehensive and tenure blind.

#### Delivery of the Shredded Wheat Site

3.8 MHT will enter into a Design and Build Contract with a reputable Contractor to build circa 643 dwellings over a circa 4-year build programme. The initial tranches will contain a mix of affordable housing and private sale. Construction of the initial phase is programmed for autumn 2018, subject to an acceptable planning approval being obtained in time.

3.9 The mix of affordable housing is as follows:

Tenure	Dwelling Mix				
	1-bed	2-bed	3-bed	4-bed	Total
Shared Ownership	105	126	27	0	258

Affordable Rent	32	52	22		106
Over 55 Affordable Rent	14	25	11		50

3.10 Large tranches of the development will be delivered and occupied, providing much-needed affordable housing in area by the end of 2020, with development completed by 2022.

## 4. PLANNING POLICY AND GUIDANCE

- 4.1 This section sets out the relevant planning policy context in relation to the provision of affordable housing within the Borough of Welwyn Hatfield.

### National Planning Policy

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#### National Planning Policy Framework

- 4.2 There is no all-encompassing statutory definition of affordable housing in England. Indeed, there is a good deal of ambiguity in the way the term ‘affordable’ is used in relation to housing. Aside from covering housing provided with public subsidy, it is used in a general way to describe housing of any tenure that is judged to be affordable to a particular household or group by analysis of housing costs, income levels and other factors. Such is the lack of consensus over what affordability means in housing terms that, there have even been suggestions that the concept should be abandoned on the basis that it has become unhelpful when considering the difficulties faced by households in meeting their housing needs.
- 4.3 The current definition of affordable housing is found in Annex 2 to the National Planning Policy Framework (NPPF, 2012). The affordable housing definition detailed below incorporates social rented housing, housing let at affordable rents and low-cost home ownership products:

*“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

*Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).”*

*Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

*Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.*

- 4.4 In respect of affordable housing, paragraph 50 of the NPPF aims to significantly boost the supply of housing and states that where local planning authorities have identified that affordable housing is needed, they should set policies for meeting this need on-site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified. Such policies should be sufficiently flexible to take account of changing market conditions over time.
- 4.5 The NPPF recognises that development should not be subject to such a scale of obligation and policy burdens that its viability is threatened. This reinforces the need for viability testing in order to allow willing landowners and developers to receive competitive returns which in turn enable the delivery of development.
- 4.6 In regard to the NPPF, paragraphs 173 to 177 are considered to be of the utmost importance, as they are entitled ‘Ensuring Viability and Deliverability’. In particular, the second half of paragraph 173 stipulates the following:

*“To ensure viability, the costs of any requirements likely to be applied to development such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing development to ensure the development be deliverable.”*

- 4.7 In addition to this, the NPPF states at paragraph 204 that planning obligations should only be sought when they meet all of the following tests:
- Necessary to make the development acceptable in planning terms;
  - Directly related to the development; and
  - Fairly and reasonable related in scale and kind to the development



### National Planning Policy Guidance

- 4.8 The National Planning Policy Guidance (NPPG) was launched online by the 'Department for Communities and Local Government (DCLG) in March 2014, and was designed to accompany the NPPF. It is the Secretary of State's view on how the NPPF's policies should be used in practice and to provide further information. The NPPG is actively managed by the DCLG and is frequently updated.
- 4.9 The NPPG, in alignment with the NPPF, contains important guidance on development viability. The NPPG provides a general overview but focuses on viability in the context of both plan-making and individual application sites. The site-specific guidance covers a number of areas including different development types, brownfield sites, considering planning obligations in viability, values, costs and land value, but in particular expands upon paragraph 173 of the NPPF in regard to 'competitive returns to developers and landowners'. Indeed, paragraph 024 of the NPPG states:

*"A competitive return for the land owner is the price at which a reasonable land owner would be willing to sell their land for the development. The price will need to provide an incentive for the land owner to sell in comparison with the other options available. Those options may include the current use value of the land or its value for a realistic alternative use that complies with planning policy."*

- 4.10 With regard to the Council's consideration of the planning obligations in relation to viability – including the assessment of affordable housing provision, the PPG states:

*"In making decisions, the local planning authority will need to understand the impact of planning obligations on the proposal. Where an applicant is able to demonstrate to the satisfaction of the local planning authority that the planning obligation would cause the development to be unviable, the local planning authority should be flexible in seeking planning obligations."*

*This is particularly relevant for affordable housing contributions which are often the largest single item sought on housing developments. These contributions should not be sought without regard to individual scheme viability. The financial viability of the individual scheme should be carefully considered in line with the principles in this guidance."*

### Adopted Local Planning Policy

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#### Welwyn Hatfield District Plan (2005)

- 4.11 The Welwyn Hatfield District Plan was adopted in April 2005 and is part of the Development Plan for Welwyn Hatfield. The Plan sets out policies and specific proposals for the development and use of land to guide planning decisions.

- 4.12 The District Plan was automatically saved for three years after its adoption. Following this, a request was made to the Secretary of State to save some policies beyond this period. This request was agreed in April 2008 and the District Plan continues to be part of the Development Plan.
- 4.13 The 'saved' Welwyn Hatfield District Plan Policy H7 relates to affordable housing and stipulates the following:

*"Within the towns and specified settlements, the Council will expect all proposals for residential development on sites of 1ha or more, or with 25 units or more, to include the provision of affordable housing to meet the needs of local people who cannot afford to occupy dwellings generally available on the open market. The Council will therefore seek through negotiation a proportion of affordable housing, which as a minimum should comprise 30% subsidised housing, on each suitable site. The proportion, type and mix of affordable housing will be based on information in the latest housing needs survey and the criteria in Section 10 of Circular 6/98."*

- 4.14 Circular 06/98 was superseded by the NPPF in 2012, which reflects the age of the Local Plan policy and the material circumstances that have taken place since the policy was brought into effect.

### **Emerging Local Planning Policy**

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#### **Welwyn Hatfield Local Plan**

- 4.15 It is noted that the emerging Welwyn Hatfield Local Plan was submitted to the Planning Inspectorate in May 2017. The most recent Examination in Public Hearing took place in October 2017. Once the emerging Local Plan has been formally adopted, it will be the main planning document used by the Council when considering planning applications. It will cover the period to 2032 and includes the strategy, proposed level of development and a number of planning policies.
- 4.16 Given that the emerging Local Plan is at an advanced stage of the adoption process, and is anticipated to be formally adopted in 2018, it should be afforded a reasonable degree of weight in the Local Planning Authority's determination of any planning application.
- 4.17 The emerging Local Plan identifies land to deliver circa 12,000 new dwellings between 2013 and 2032. This target equates to an average of 637 dwellings a year between 2013 and 2032, although the target is staged at a rate of 498 dwellings per year between 2013/14 and 2021/22 (4,485 over 9 years) and 752 dwellings per year between 2022/23 and 2031/32 (7,515 over 10 years). It is noted the housing target outlined in the emerging Local Plan falls short of the full Objectively Assessed Need range of between 12,616 and 13,433.
- 4.18 This strategy has been underpinned by a District-wide Green Belt Review to identify sustainable locations to accommodate the District housing target on greenfield urban fringe sites, as the District

has insufficient brownfield land to meet the housing requirement. The draft Plan estimates that at the start of the plan period around 85% of the Borough's new homes will be built on previously-developed land. This is estimated to fall to around 60% between 2017/18 and 2021/22, and 25% between 2022/23 and 2031/32.

- 4.19 This strategy will lead to the majority of the District's homes being delivered as houses within planned new communities, with the potential to deliver the associated transport, education and green infrastructure to create high quality new communities to support the delivery of affordable family homes. The spatial strategy therefore has implications for affordable housing delivery, with the likelihood being a significant increase in affordable housing delivery and the majority of these affordable homes being delivered as houses within new garden suburbs on the edges of key growth settlements.
- 4.20 The draft Plan recognises that there is insufficient affordable housing in the Borough, and that there are currently around 1,150 households on the Borough's affordable housing waiting list with a recognised housing need.
- 4.21 Policy SP7 (Type and Mix of Housing) of the emerging Local Plan seeks to ensure that provision is made for a range of housing to support the needs and requirements of different households.
- 4.22 In regard to housing mix, this policy states that:

*"Proposals for 11 or more new dwellings should demonstrate how the mix of tenure, type and size of housing proposed on sites will reflect the council's latest evidence of housing need and market demand and contribute towards meeting the varied needs of different households including single person households, couples, families with children, older people, people with disabilities and people wishing to build their own homes. For larger sites, there should be a greater opportunity to deliver a broader mix."*

- 4.23 In terms of affordable housing, policy SP7 requires that for development sites of 11 new dwellings or 0.5ha or more, an on-site provision of 30% affordable housing will be required.
- 4.24 In order to contribute to the creation of mixed communities, the priority will be for affordable housing to be delivered on the main application site.
- 4.25 In respect of housing tenure, a key strategic objective of the emerging Local Plan is to "provide an adequate supply and mix of housing types and tenures".
- 4.26 The emerging Local Plan recognises that evidence indicates there will be a high need for affordable housing over the plan period and a range of affordable housing tenures, including social rent,

affordable rent (at varying levels) and intermediate housing options, such as shared ownership, will be required to help meet the need. The on-site delivery targets reflect evidence of varying degrees of viability across the Borough, although viability testing indicates that the delivery of social rented housing may prove challenging in some parts of the Borough. Account will be taken of market conditions, which are likely to vary over the plan period, and the precise mix, tenure and type of housing proposed on sites.

4.27 The draft Local Plan clearly identifies that a mix of housing type and tenure will be required over the plan period to reflect demographic trends and the needs of different groups in the community.

4.28 In terms of implementing this strategy, the Plan stipulates the following:

*“Applicants will need to demonstrate how they have taken into account the Council's latest evidence of need in terms of tenure, type and size of dwelling so that a range of housing is delivered to meet the needs of different groups in the community including families with children.”*

4.29 The Plan ultimately underlines the importance of providing mixed-tenure homes and housing types that deliver mixed, healthy communities.

## 5. HOUSING CONTEXT

- 5.1 This section provides a general overview of the wider factors that influence the amount and type of affordable housing to be delivered.

### Affordable Housing Supply

- 5.2 As detailed in the aforementioned section of this Statement, the emerging Local Plan identifies land to deliver circa 12,000 new dwellings between 2013 and 2032. This target equates to an average of 637 dwellings a year between 2013 and 2032, however the target is staged at a rate of 498 dwellings per year between 2013/14 and 2021/22 (4,485 over 9 years) and 752 dwellings per year between 2022/23 and 2031/32 (7,515 over 10 years).
- 5.3 The latest calculation in respect of affordable housing presented in the 2015 Strategic Housing Market Assessment (SHMA) Partial Update concluded that 755 affordable homes are needed annually in the borough to 2020, falling to 539 affordable homes per annum once the backlog is cleared after five years.
- 5.4 **Figure 4.1** provides an up-to-date assessment of affordable housing need in Welwyn Hatfield.

**Figure 4.1 – Calculation of Affordable Housing Need in Welwyn Hatfield**

Step	Source	Bedrooms				Total
		1	2	3	4+	
Current Housing Need (Gross Backlog) – Stages 1 – 3						
1.5 Total current housing need (gross)	Figure 6.1, 2015 SHMA Partial Update	1,203	347	279	50	1,879
2.5 Total affordable housing stock available	Figure 6.2, 2015 SHMA Partial Update	366	245	154	33	798
3.1 Shortfall in affordable housing to meet current backlog (annual)	(1.5 – 2.5) / 5	167	20	25	3	216
Calculating Annual Net New Need – Stages 4 – 6						
Annual Future Housing Need – Stage 4						
4.1 New household formation (annual)	Gross annual household formation – Edge Analytics, 2014-based SNHP	288	349	368	125	1,130
4.2 Newly forming households in need	Number of households unable to afford to privately rent in the open market	150	182	192	65	590
4.3 Existing households falling into need	Figure 6.5, 2015 SHMA Partial Update	131	85	76	6	297
4.4 Total newly arising need (gross annual)	4.2 + 4.3	281	267	268	71	886



Step	Source	Bedrooms				Total	
		1	2	3	4+		
Annual Affordable Housing Supply – Stage 5							
5.1	Annual supply of social re-lets (net annual)	Figure 6.6, 2015 SHMA Partial Update	125	83	62	3	271
5.2	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Figure 6.6, 2015 SHMA Partial Update	3	6	4	1	13
5.3	Annual supply of affordable housing	5.1 + 5.2	127	89	65	3	284
Annual Net New Need – Stage 6							
6.1	Annual net new need	4.4 – 5.3	154	178	202	68	602
Total Affordable Housing Need (Net Annual) – Stage 7							
7.1	Shortfall in affordable housing to meet current backlog (annual)	3.1	167	20	25	3	216
7.2	Annual net new need	6.1	154	178	202	68	602
7.3	Net annual affordable housing need (5 years)	3.1 + 6.1	321	198	227	71	818
	%		39%	24%	28%	9%	–

- 5.5 Integrating the latest projection of gross household formation elevates the implied need for affordable housing in Welwyn Hatfield. While the 2015 SHMA Partial Update suggested an annual need for 755 affordable homes over five years – falling to 539 thereafter – the updated calculation suggests that 818 affordable homes will be needed annually over the period to 2020, reducing to 602 affordable homes per annum thereafter. From the base date of the assessment to the end of the plan period (2015 – 2032), this suggests a total need for 11,314 affordable homes in Welwyn Hatfield. It should be noted therefore that the policy understanding of the need for affordable housing is for an amount that simply cannot be achieved within the Plan period under the Plan strategy. Delivery of 11,314 affordable homes would ultimately require the overall housing target to treble.
- 5.6 The latest fully assessed and fully evidenced position – as set out in **Figure 4.1** – suggests that there remains a sizeable need for affordable housing in Welwyn Hatfield. The PPG makes clear that this need should be “*considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments*”.
- 5.7 The pre-submission Draft Local Plan proposes that between 25 – 35% of homes delivered on sites providing 11 homes or more should be affordable housing, with the Council estimating that around 20% of all new homes built in the borough over the plan period will be affordable. On this numerical basis, and assuming that the Local Plan is the key intervention tool, meeting affordable housing needs in full on an annual basis would require the provision of some 4,090 homes per annum over five years, or 3,010 homes per annum once the backlog is cleared. This evidently far exceeds the level of housing growth needed to accommodate demographic growth in the population.

- 5.8 The assumption of 20% affordable housing delivery is a realistic estimate by the Council. It reflects the reality of development viability limitations and the likelihood of brownfield housing schemes failing to deliver policy compliant quantum of affordable housing. The proposed scheme aims to buck this trend.
- 5.9 Based on the above, and our understanding of expected levels of growth in Welwyn Hatfield, it is clear that there is a substantial need for affordable housing in Welwyn Hatfield, which would require a level of housing provision far in excess of that needed to accommodate demographic growth in the population and respond to worsening market signals if this need were to be met in full. Meeting newly arising need throughout the plan period would require the vast majority of all new housing delivered to be affordable, which is unlikely to be viable and will not happen. However, by partnering with MHT, the redevelopment of the Shredded Wheat site can achieve a policy compliant quantum of affordable housing, whilst still achieving comprehensive urban regeneration, at a level of affordable provision beyond what the Council would reasonably expect the site to deliver.

## **Housing Tenures**

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### **Social Rented Housing**

- 5.10 Social Rented Housing is defined within paragraph 56 of the NPPF as:

*“Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.”*

### **Affordable Rented Housing**

- 5.11 Affordable Rented Housing is defined within paragraph 56 of the NPPF as:

*“Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).”*

### **Intermediate Housing**

- 5.12 Intermediate Housing is defined within paragraph 56 of the NPPF as:

*“Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can*

*include shared equity (shared equity and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.”*

- 5.13 For the reasons outlined in Section 6, the scheme is considered to provide the right mix of affordable housing, the right quantum of affordable housing and the right tenures of affordable housing for the application site in order to deliver an achievable and viable planning permission that can be quickly delivered to facilitate holistic regeneration of an important gateway site. This does necessitate a deviation in tenure outlined in affordable housing policy, but delivers in excess of the affordable housing policy in terms of quantum.

## 6. AN APPROPRIATE MIX AND QUANTUM OF AFFORDABLE HOUSING FOR BROADWATER ROAD

### A significant uplift in affordable housing

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6.1 The application scheme provides a significant uplift in affordable housing:

Scheme	Total Homes	Affordable Homes	% of affordable
Consented	850	50	6%
New Proposed	1340	414	31%

6.2 It is evident from the above that there will be an additional 490 extra homes delivered over and above the application scheme dwelling yield and an additional 364 affordable homes over and above the amount provided in the applications scheme. Accordingly, of the additional 490 dwellings proposed through the new scheme, 74% (seventy four per cent) of the additional homes are proposed to be affordable.

6.3 To put the scale of additional affordable housing delivery into context, the Council's annual Monitoring Report 2015/16 reveals that in the first 3 years of the plan period, there was a total of just 200 affordable homes built in the District and just 14.5% of homes delivered in the District to date. This amounts to an average affordable housing delivery rate of just 67 affordable dwellings per annum. This level of affordable housing delivery is clearly insufficient and in need of an urgent boost.

6.4 Given the application scheme has a 4 year construction period, the scheme will bolster affordable housing delivery by an additional 104 dwellings per annum. Accordingly, the scheme has the potential to boost the District's affordable housing delivery by some 250% and this level of increase, in both market and affordable housing delivery, has the potential to correct a serious market and affordable housing delivery problem in the District and should be strongly welcomed.

6.5 It is worth noting that the S106 Agreement pertaining to the Consented Scheme provided a breakdown of the "agreed mix" in respect of affordable housing. This mix was as follows:

- i) *7 x 2-bed Shared Ownership Housing Units and 8 x 3-bed Shared Ownership Housing Units in Block 6a shown on the Phase 1 Affordable Housing Plan; and*

- ii) *11 x 1-bed Affordable Rented Housing Unit flats, 12 x 2-bed Affordable Rented Housing Unit flats, 8 x 3-bed Affordable Rented Housing Unit flats, 3 x 2-bed Affordable Rented Housing Unit duplex apartments and 1 x 3-bed Affordable Rented Housing Unit duplex apartments in Block 6b shown on the Phase 1 Affordable Housing Plan;*

6.6 It is clear from the above that no social rent was provided within the previous scheme. Only affordable rent and shared ownership.

6.7 In terms of dwelling mix, we are proposing the same now, however the only difference is that the proposal now contains a provision of affordable rent for over-55's.

### **The right mix of affordable housing for the application site**

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6.8 Welwyn Hatfield has an urgent need for 1-bed, 2-bed and 3-bed affordable housing units and whilst the application scheme provides 1, 2 and 3-bed affordable units, there is a higher concentration of 1 and 2-bed units, in both the market and affordable housing components.

6.9 This focus of 1 and 2-bed affordable units is considered to be wholly appropriate and befitting of the application site and its location. In this regard, the site is not well suited to family housing given the levels of education and recreation infrastructure in the locality. Furthermore, given the emerging Local Plan strategy of creating new garden communities on the edges of settlements in the District, including Welwyn Garden City, where neighbourhoods purposely designed to accommodate family housing are proposed, it makes strategic spatial sense to maximise the delivery of smaller flatted units at the application site.

6.10 The applicants expect the two main age occupancy groups for both the market and affordable housing to be young professionals that aspire to step onto the housing ladder, and downsizers. Accordingly, the affordable housing mix has focused on shared ownership, which provides the opportunity for first time buyers to enter the housing ladder, and affordable rent, including a specialist affordable rent tenure to respond to local need in the over 55s group.

### **Responding to local need**

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6.11 Having a current development within close proximity to the application site, MHT understand there to be strong demand for homes to be let at affordable rent levels. MHT has therefore underpinned its scheme with 156 affordable rent properties, of which 50 units will be provided as specialist affordable rent for the over 55s.

6.12 MHT propose that all allocations be made via Herts Choice Homes and MHT work closely with the lettings team to ensure that homes are allocated appropriately and that MHT builds a new strong and sustainable community that addresses local need in the Borough. MHT also has strong links with the

local police and other relevant authorities, including the local authority's safer communities team, and propose to work in partnership to ensure that community safety issues are managed robustly.

- 6.13 MHT has also underpinned its affordable housing provision with 258 shared ownership properties. The shared ownership model is a proven and successful affording housing product that enables prospective first time buyers with the opportunity to enter the housing ladder and to staircase up and potentially out of shared ownership housing as their circumstances change. The model is especially attractive to young professionals and key workers and it is imperative for the success of the regeneration scheme that future residents comprise a significant amount of younger adults to complement the significant amounts of homes that are expected to be occupied by the over 55s.
- 6.14 MHT's affordable housing provision does not comprise any conventional social rented housing. In this regard, MHT has experienced significant management problems when social rented is provided alongside affordable rent, due to the wildly differing rent levels paid by residents for what is essentially the same rental product. In addition, social rented housing would materially affect the viability and developability of the scheme and given the importance of immediate delivery of such an important site, MHT has made a conscious decision to not provide social rented housing.
- 6.15 Being active in Welwyn Hatfield and throughout Hertfordshire, MHT are fully aware of the local need for affordable housing and are satisfied that their affordable housing offer in respect of the Shredded Wheat proposal is the right one given the site characteristics and circumstances.

## 7. SUMMARY AND CONCLUSIONS

- 7.1 The proposed development comprises the redevelopment of the site at the Former Shredded Wheat Factory for a housing-led mixed use development, providing up to 1,340 new homes, of which 31% will be affordable housing units as part of a comprehensive regeneration scheme that, whilst housing-led, is mixed-use in character, type and emphasis.
- 7.2 The scheme provides a residential unit uplift of 490 homes over and above the amount consented previously. Of these new homes, 74% are proposed to be affordable, which is considered to be a very significant social and economic benefit weighing in favour of the scheme.
- 7.3 The provision of 1,340 high quality residential units will make a vital contribution towards acute local and strategic housing objectives. This is a significant benefit in the light of Welwyn Hatfield's pressing housing need and recent housing and affordable housing delivery problems.
- 7.4 The development maximises affordable housing provision through a policy compliant quantum of affordable housing. This is a significant local benefit supporting the development of affordable housing.
- 7.5 The mix and tenure of affordable (and market) housing has been selected to both respond to policy objectives in respect of providing mixed and balanced communities and ensuring overall housing delivery, holistic urban regeneration and a successful redevelopment of an important gateway site.
- 7.6 The scheme provides an important entry point to intermediate housing for local people in Welwyn Hatfield and makes a significant affordable housing contribution towards Welwyn Hatfield's housing targets.
- 7.7 The developer has selected a proven affordable housing partner, with a very successful track record of working in the local area. In addition, they both have experience of delivering developments in Welwyn Hatfield and will progress the scheme diligently and expeditiously. As a means of providing evidence of their history of delivering affordable housing, MHT would like to invite Planning Officers and Councillors to visit Times Square (formerly known as the Rank Xerox building). This visit will help to provide a greater understanding of how MHT operate and deliver affordable housing.
- 7.8 Whilst it is recognised that the scheme represents an uplift in terms of housing yield, it also represents a significant increase in the level of affordable housing. Of the 570 additional units now proposed in comparison to the Consented Scheme, 221 of these will be for affordable housing, thus exceeding the local planning policy position in terms of the required level of affordable housing.

- 7.9 It is also worth noting that the S106 Agreement pertaining to the Consented Scheme provided a breakdown of the “agreed mix” in respect of affordable housing. Details of this mix are provided in Section 6, however it is clear that no social rent was provided within the previous scheme. Only affordable rent and shared ownership. In terms of dwelling mix, we are proposing the same now, however the only difference is that the proposal now contains a provision of affordable rent for over-55’s.
- 7.10 For these reasons the overall proposed quantum and mix of affordable housing proposed at the application site is consistent with the objectives and requirements of policy and represents a significant local benefit.