

BRIGHTON MARINA REGENERATION PROJECT

proof of evidence
David Bean

**PROOF OF EVIDENCE ON BEHALF OF
EXPLORE LIVING PLC/X-LEISURE**

**BRIGHTON MARINA
REGENERATION PROJECT**

**APPEAL REF.
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Explore Living Plc
Bridge Place
Anchor Boulevard
Admirals Park
Crossways
Dartford
Kent
DA2 6SN

Tel 01322 317540

dbean@exploreliving.co.uk

www.exploreliving.co.uk

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1.0 WITNESS'S EXPERIENCE

- 1.1 My name is David William Bean. I am the Affordable Housing Manager for Explore Living Plc, a subsidiary of Laing O'Rourke, a post which I have held for the past three years. My role in the company is to liaise with Registered Social Landlords and local authorities to deliver the affordable housing element of developments being undertaken by the group to which the company belongs.
- 1.2 My role is to provide specialist advice and guidance in the respect of affordable housing incomes, section 106 obligations, financial impact and viabilities, affordable housing provision within developments, specification details, Homes and Communities Agency requirements and standards, building and land contract preparation and site supervision from inception through to practical completion.
- 1.3 I previously worked at a senior level within the Development Departments of the Places for People Group and Orbit Housing Association, both Registered Social Landlords, having started my housing career at 1066 Housing Association some fifteen years ago.

2.0 SCOPE OF EVIDENCE

Introduction

- 2.1 I have been involved with the Brighton Marina project since May 2006 when the appellant commenced preparation of the scheme design and embarked on the initial stage of consultation. I am familiar with the appeal site and provided the appellant with affordable housing advice in connection with the submitted planning application (LPA Ref: BH/2007/03454) for the redevelopment of Brighton Marina.

The development

- 2.2 The planning application was formally submitted to Brighton & Hove City Council on 14th September 2007. It sought planning permission for a mixed-used development. A detailed description of the proposed development is provided in the Statement of Common Ground.

Reasons for refusal

2.3 My evidence is in response to the third reason for refusal in the Council's decision notice dated 19th December 2008 (Ref: CD3/2), which states *"The applicant has failed to demonstrate that the proposed scheme reflects and respond to the current housing need in the City, in particular the provision of the appropriate housing unit mix and size. The proposal is therefore contrary to policy HO3 of the Brighton and Hove Local Plan"*. My evidence takes into account the Council's subsequent clarification and amplification in relation to the reasons for refusal 2 and 3 upon which it resolved on 2nd September 2009 (Ref: CD3/3.2):

"2. The proposed dwellings within the Cliff Building would not provide good quality accommodation by reason of a preponderance of single aspect dwellings and shaded courtyards, the size of units, couple with their poor relationship to the cliff, ramps and access road, giving rise to cramped and unsatisfactory living conditions, contrary to policies QD1, QD3, QD27 and HO4 of the Brighton and Hove Local Plan and PPS 1 and PPS 3.

3. The proposed development with its preponderance of one and two bed units and its affordable housing tenure mix, fails to respond adequately to identified housing needs within the City contrary to policies HO2, HO3 and QD3 of the Brighton and Hove Local Plan. Furthermore, the disposition of affordable units within the proposed development would not counter social exclusion or foster the creation of cohesive sustainable communities contrary to PPS 3, in particular paras 9, 10 and 12 and PAN 04 in particular paras 3.2, 13.3 and 16.0, of the Brighton Marina Masterplan."

The scope of this evidence

- 2.4 My evidence now considers and deals with the specific issues relating to the size of the affordable housing units proposed, commencing in section 5.0 below; and the affordable tenure mix and disposition of the affordable units within the proposed development. I shall demonstrate that the proposed development provides an appropriate level of affordable housing in terms of unit mix, size and disposition of affordable units throughout the application site, thus creating a cohesive sustainable community.
- 2.5 My evidence should be read in conjunction with that of the other witnesses appearing on behalf of the appellant, in particular that of:
- **Matthew Spry** of Nathaniel Lichfield and Partners, who addresses housing need and matters relating to the mix of accommodation proposed, in particular the housing market issues and, more generally, the allegation of an inappropriate preponderance of one and two bed units in reason for refusal 3; along with the references made to policies QD3, PAN04 (Brighton Marina Masterplan) in particular paragraphs 3.2 (objectives) 13.3 (residential uses) and 16.0 (housing and social infrastructure), PPS3 (notably paragraphs 9, 10 and 12) which are addressed within his proof at sections 4.0 and 5.0;
 - **David Gavin** of Nathaniel Lichfield and Partners, who addresses planning matters generally and specifically reasons for refusal 4 and 5, and specifically assesses the proposed development having regard to the development plan and other key policy tests, including those relating to housing need and mix; and
 - **Bob Allies** of Allies and Morrison Architects, who presents evidence on urban design and architecture and addresses reasons for refusal 1, 2, and 4, and provides an architectural and urban planning context which explains and supports the amount, range and disposition of the proposed housing development.

3.0 PLANNING BENEFITS

3.1 The appeal scheme will generate a number of important benefits as follows:

- (a) The scheme will make an important contribution to the supply of affordable housing in Brighton with the delivery of 520 affordable dwellings available to key workers, first-time buyers and those in housing need. The need for affordable housing is large and pressing in the City of Brighton. If it is not effectively addressed through major development opportunities such as the present, the level of homelessness in the city will increase, causing greater hardship. Average income and possibly higher income earners will be unable to access suitable housing of their choice. More people will live in poverty to the detriment of their health and well being and will suffer social exclusion. The retaining and recruiting of valued and experienced workers will be increasingly difficult. The proposed development will greatly assist the endeavour of meeting the challenge which those issues present.
- (b) All of the affordable dwellings will exceed the Homes and Communities Agency Design and Quality Standards (D&QS) (Ref: CD5/7) and the National Affordable Homes Agency Housing Quality Indicators (HQI's) (Ref: CD5/8).
- (c) All the new dwellings will meet Lifetime Homes standards (Ref: CD12/4) and 5% of the overall development (including 10% of the affordable units) will meet the Wheelchair Accessible standards in accordance with policy HO13 (CD8/11).
- (d) All dwellings will achieve Level 4 Code for Sustainable Homes (Ref: CD12/7), which, given a well integrated mix of homes proposed, the accessibility of the development by public transport, job opportunities, services and other facilities, would help to create a sustainable development.

4.0 RELEVANT POLICY

4.1 This section summarises the relevant policies relating to the provision of affordable housing. Section 5.0 of David Gavin's evidence specifically deals with the relevant policies against which the proposed development should be assessed.

4.2 The policies of specific relevance to my evidence are as follows:

National policy

- **Planning Policy Statement 1 (PPS1): Delivering Sustainable Development (2005)** (Ref: CD4/1.1) - sets out the Government's overarching planning policies on the delivery of sustainable development through the planning system.
- **Planning Policy Statement 3 (PPS3): Housing (Nov 2006)** (Ref: CD4/2) - underpins the delivery of the Government's strategic housing policy objectives to ensure that everyone has the opportunity to live in a decent home, which they can afford in a community where they want to live. Paragraph 9 indicates the Strategic Housing Policy Objectives the Government is seeking to achieve:
 - a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community;
 - to widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need;
 - improvements to affordability across the housing market, including by increasing the supply of housing; and
 - to create sustainable, inclusive, mixed communities in all areas, both urban and rural.

- **Delivering Affordable Housing (Nov 2006)** (Ref: CD4/2.1) - supports the Government's belief that everyone should have the opportunity of a decent home, which they can afford, within a sustainable mixed community, including affordable housing, both social rented and intermediate and provides information on how existing delivery mechanisms will help with delivery. This document should be read in conjunction with Planning Policy Statement 3 (PPS3) Housing.

The South East Plan (May 2009) (Ref: CD7/1)

The South East Plan was published in May 2009 and is therefore an element of the development plan that was not in place at the time that the local planning authority determined the planning application that is the subject of this appeal. The core and sub-regional housing policies are indicated below:

Core regional policies

- **Policy H1: Regional Housing Provision 2006 - 2026** - establishes the requirement for 2006-2026 of 11,400 new homes (570 per annum) in Brighton and Hove.
- **Policy H3: Affordable Housing** - defines the requirement, region-wide, for 25% of all new homes to be social rented and 10% intermediate tenure, and outlines a range of considerations to be adopted by local planning authorities including the setting of local targets based, inter alia, on needs and viability, and drawing on the evidence base of Strategic Housing Market Assessments (SHMAs).
- **Policy H4: Type and Size of New Housing** - seeks to ensure that local planning authorities identify a full range of existing housing needs requirements, and then identify an appropriate range and mix of housing opportunities to match housing needs.

Sub-regional policies

- **Policy SCT5: Affordable Distribution** - complements Policy H1 by setting the targets for net additional housing in Brighton (570 per annum).
- **Policy SCT6: Affordable Housing** - sets the 40% guideline for affordable housing in the Sussex Coastal area, whilst ensuring that the particular development is viable.

The Brighton and Hove Local Plan

The Brighton and Hove Local Plan (Ref: CD8/1) was adopted in 2005.

- **Policy HO2: Affordable Housing ‘Windfall’ Sites** - sets out the facts to be considered in assessing the affordable housing provision within proposals, including:
 - local need;
 - accessibility;
 - the costs of development;
 - other planning objectives; and
 - the need to achieve a successful housing development.
- **Policy HO3: Dwelling Type and Size** - requires that a range of dwelling types and sizes be provided within new development, to reflect and respond to the Housing Needs Survey.
- **Policy HO4: Dwelling Densities** - requires the full and effective use of land and sets out the circumstances whereby residential development will be permitted at higher densities.
- **Policy HO13: Accessible Housing and Lifetime Homes** - requires Lifetime Home and wheelchair accessibility standards.
- **Policy QD3: Design - Efficient and Effective Use of Sites** - requires the effective and efficient use of sites, with higher densities deemed appropriate in certain locations.

The Regional Economic Strategy 2006-2016 (RES) (South East)

- **Target 9: Physical Development** - seeks to provide a range of accommodation unit size of which 40% will be affordable housing.

Non-statutory policy documents

- **PAN04: Brighton Marina Masterplan (March 2008)** (Ref: CD8/12) - provides a range of site specific guidance to help shape the development of proposals in the Marina. It refers to the objective of creating sustainable communities and aiming for a mix of homes and range of types of resident household.

Relevant evidence base

- **Housing Needs Survey (HNS) (2005)** (Ref: CD9/2) - sets out estimates of housing needs, based principally on a household survey. It pre-dates recent changes in the housing market, and is not in accordance with Government Best Practice Guidance (2007) on Housing Market Assessments and has been superseded by the Strategic Housing Market Assessment (April 2008).
- **Demand for Different Sizes of Properties in Brighton and Hove over three years 2005-2008** (Ref: CD9/3) - is a supplementary paper to the Housing Needs Survey, which applied the household survey to estimates of housing size for a three year period.
- **Strategic Housing Market Assessment (SHMA) (April 2009)** (Ref: CD9/5) - sets out a review of the housing market trends across the City, and makes estimates of housing need, based on secondary data and stakeholder engagement.

5.0 AFFORDABLE HOUSING

5.1 Paragraph 29 of PPS 3 Housing, states that local planning authorities' targets should *“reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured. Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.”*

5.2 Policy HO2 Affordable Housing “windfall” sites states that when assessing the appropriate level and type of provision, consideration will be given to:

- the particular cost associated with the development of the site
- the extent to which the provision of affordable housing would prejudice the realisation of other planning objectives; and
- the need to achieve a successful housing development.

Paragraph 4.31 states *“A target proportion of 40% affordable housing will be sought on all residential development proposals of 10 or more dwelling units. These thresholds are supported by independent research on development viability. Negotiations will take place on each site and developers will be asked to justify any proposals which do not meet the policy requirements.”*

5.3 Brighton and Hove Local Plan Policy HO3 (Dwelling type and size) states *“The planning authority will seek to ensure that proposals for new residential development and residential conversions (including changes of use) incorporate a mix of dwelling types and sizes that reflects and responds to Brighton and Hove’s housing needs,”* subject to an exception where a specific mix would be inappropriate *“due to the location of the site or limitations of the site itself”*. In terms of tenure, there is no policy requirement which sets out the exact split between social rented and shared ownership.

5.4 Paragraph 11.40 of the Brighton and Hove Strategic Housing Market Assessment states: *“The split between social rented and intermediate tenures can also provide flexibility in negotiations with developers to address viability issues. Policies included in new local development documents are likely to be set for at least the next 5 years. It is highly likely that in this period there will be some volatility in the housing market. It is important, therefore, that policies on affordable housing have the flexibility to cope with changing development economics and that they do not just reflect what is achievable in a robust market”*.

5.5 Under Policy SCT6: Affordable Housing of the South East Plan and in line with Policy H3 local planning authorities should establish appropriate policies and local targets for the provision of affordable housing in their area. Such policies and targets should comply with the following:

- the appropriate proportion of affordable housing sought should be the maximum that the viability of particular developments can support, bearing in mind the likely contributions towards the provision of infrastructure required under Policy CC7 and the Implementation Plan;
- as a general guide, 40% of new housing development should be affordable housing;
- the type, size and nature of affordable housing sought should recognise the distinct needs of different sections of the community, including the elderly, other specialist groups in need of supported housing and key workers.

The size of units

- 5.6 The minimum unit sizes specified by BHCC's Housing officer's within the Council's specific site brief (Appendix A) as attached to the Housing Statement (Ref: CD2/12) are aspirations and not supported by policy contained within either the adopted Local Plan or the South East Plan. The concept of size referred to in Policies HO3 and HO4 relates to the number of bed spaces and not floor space. Policies at national, strategic and local level do, however, encourage flexibility, rather than restraining residential development and the individual circumstances of the site. As noted below all of the proposed affordable housing units exceed the Home and Communities Agency requirements and space standards.
- 5.7 As is stated in the officers' report to BHCC's Planning Committee (Ref: CD3/1.1) for its meeting on 12th December 2008 (page 77, in the fourth paragraph), the Council's Housing Strategy Team is concerned that ***"a significant number (212 out of 520 i.e. 41%) of the new affordable homes fall below our minimum unit size requirements required to achieve homes of a good standard, flexible and adaptable and fit for purpose"***. At paragraph 4.19 of the planning committee minutes (Ref: CD3/1.2) the Council's Housing Development Manager states ***"that some of the units would be smaller than the Council's or social housing recommended standards."*** However, it has been confirmed by BHCC's Disability Access officer in his letter dated 26th June 2008 (Appendix 1) that all the layouts of the proposed residential units satisfy local plan policy HO13 (Ref: CD8/11) regarding Lifetime Homes standards. Given, that these standards were developed by a group convened by the Joseph Rowntree Foundation to help house builders produce new homes ***"flexible"*** enough to deal with changes in life situations of occupants (including caring for young children, temporary injuries, declining mobility with age), all of the proposed dwellings are designed to a very high standard and will be flexible and adaptable for future occupants.
- 5.8 As is noted on page 8 of the Housing Statement (Ref: CD/2/12) (in the third and fourth paragraphs), the unnecessary 5m² increase in the 1-bed units from 46m² to 51m² (given that all the units exceed the Home and Communities Agency standards) would result in an extra build cost of about £2.3 million, which would not be recoverable from the purchasing Housing Association. This was acknowledged and accepted by BHCC's

housing and planning officers as asserted (on page 99, third paragraph of the Planning Committee report of 12th December 2008) (Ref: CD3/1.1) which stated *“The applicants have acknowledged that of the 520 units being proposed 204 of the one bed units (39%) could be increased by an additional 5m² to meet the City standards. However the cost of increasing each unit would be in the region of £11,500, which equates to approximately £2.3 million and as such a change, has a significant impact on costs and therefore viability. This is accepted by Housing Strategy”*. An unnecessary increase in floor space would have been at the cost of unit numbers, resulting in a reduction in the 40% provision which Council officer’s wanted to maintain.

- 5.9 In addition to the extra build cost noted above, the appellant would need to lose about 980 m² of private sale, which equates to about £4.75 million in revenue, none of which has been factored into the District Valuer’s viability assessment.
- 5.10 It was also accepted (on page 99, fourth paragraph of the Planning Committee report): *“Similarly, increasing the unit sizes to meet the council’s local standards would have serious implications for the viability of the scheme. It should be noted that the unit sizes would meet the minimum size under the Housing Corporation Standards and as such would secure funding. These matters have to be weighed up against the overall positive benefits of the scheme to the marina and city as a whole, in providing much needed housing and the regeneration of the marina. Therefore, on balance, the affordable housing element of the scheme is considered acceptable.”*
- 5.11 All grant aided affordable homes are expected to meet “The National Affordable Homes Agency” Housing Quality Indicators (HQI’s), version 4, updated April 2008, (Ref: CD5/8) which indicates at page 27, the minimum criteria being 45m² for a 2 bedspace (1-bed) unit, 57m² for a 3 bedspace (2-bed) unit, 67m² for a 4 bedspace (2-bed) unit and 75m² for a 5 bedspace (3-bed) unit and in meeting these sizes the development will satisfy the HQI’s internal environment core standards, and in doing so will produce high quality affordable housing. Table 1 below clearly demonstrates that all of the proposed affordable housing dwellings exceed the Homes and Communities Agency HQI standards.

Unit Type	Proposed Unit Sizes (m ²)	No. of Social Rented	No. of Shared Ownership	HCA Minimum HQI Standards April 2008 (m ²)	Unit Sizes Requested by BHCC (m ²)
1 Bed 2p	46	37	156	45	51
	49	4			
	50	3	2		
	52	4			
	54	2			
2 Bed 3p	61	14		57	Not specified
	63	1			
	64	3			
2 Bed 3p Wch	67	5	24	Not specified	Not specified
2 Bed 3p Wch	70	8			
2 Bed 4p	67	17	99	67	66
	68	7	39		
	69	10	9		
	70		8		
	72	2			
	74	2			
2 bed 4p Wch	87	8	1	Not specified	71
3 Bed 5p	76	13		75	76
	77	25			
	80	9			
	96	2			
3 Bed 5p Wch	105	6		Not specified	Not specified
	Totals	182	338		

Table 1 - Proposed Affordable Housing Unit Sizes

- 5.12 The Homes and Communities Agency have assessed a number of “standard” house and flat layouts against the HQI standards. As stated on their web-site “**Plan compliance fits with our vision of bringing developers & housebuilders, system suppliers and housing associations closer together. There is potential for mutual benefit to housing associations and housebuilders in negotiating Section 106 agreements on a common basis.**” Examples of “plan compliant” are attached at Appendix 2, which demonstrates that 1-bed units at 45m² meet the standards.
- 5.13 The Homes and Communities Agency (formerly known as the Housing Corporation) published the Design and Quality Standards (D&QS) April 2007 (Ref: CD5/7), which sets out the requirements and recommendations for all new affordable homes which receive Social Housing Grant (SHG). Any funded affordable housing scheme is expected to achieve specified HQI aspects and stipulated minimum scores (as is confirmed on page 4 of the document) being “unit size” at 41%, “unit layout” at 32% and “unit

services” at 22%. In addition all schemes are expected to achieve Level 3, Code for Sustainable Homes.

5.14 In October 2007 an independent Housing Quality Indicators (HQI) assessment (Ref: CD12/2) was undertaken by Churchill Hui on behalf of the appellant. The HQI assessment is a measurement and assessment tool designed to evaluate a scheme on the basis of quality. The scores are produced as percentages and for Unit Size the requirement was exceeded by 2% for both affordable tenures. In terms of Unit Layout and Unit Design the HQI requirement is 32%. The proposed affordable units were assessed at 51%, exceeding the standard by 19%.

5.15 All of the proposed affordable housing units exceed these standards including the proposed Shared Ownership units. It is not mandatory for Shared Ownership units being 65% of the proposed affordable housing provision or Low Cost Home Ownership units to meet the above requirements including unit size (m²) as specified on page 8 of the Design and Quality Standards (D&QS) April 2007 (Ref: CD5/7).

5.16 The appellant’s proposed unit sizes exceed those approved at the following schemes, for example:

(a) Grand Ocean Hotel, Saltdean, Brighton

As can be seen from the Affordable Housing Schedule attached at Appendix 3, the 1-bed units start at 42m² and the 2-bed units at 61m². HydeMartlet Housing Association received grant funding for the Social Rented and Shared Ownership units from the Homes and Communities Agency. Both the sub-committee planning report and minutes dated 29th June 2005; make no reference to undersized units. The planning sub-committee report states: *“Housing Strategy: Support the proposal. In this particular case 37% affordable housing provision (102 units) is considered to comply with policy HO2 which seeks a target of 40%. The reduced figure is acceptable on the basis that the application has submitted supporting information regarding the costs of the development which indicates*

that 40% provision would be unviable.” An extract of the planning committee report is attached at Appendix 11 (a).

(b) City Point, Block E-F, New England Quarter, Brighton

The attached accommodation schedule at Appendix 4 clearly shows that both the 1-bed social rented and shared ownership units have been designed at 45.7m² and the 2-bed units sized at 62.9m². Planning permission was granted on 21st February 2007 for a mixed use development comprising 172 residential units of which 30% would be affordable. An allocation of grant was made to Moat Housing Group for both affordable tenures. No reference is made to undersized affordable housing units within the sub-committee planning report dated 21st February 2007. Paragraph 156.12 states: *“The affordable housing provision had been negotiated satisfactorily with the assistance of the District Valuer and represents an acceptable level of provision in accordance with policy.”* An extract of the sub-committee report is attached at Appendix 11 (b).

(c) Victoria Road, Ashford, Kent

Attached at Appendix 5 is an extract from a recently signed Legal Agreement dated 16th April 2008, completed by English Partnerships and SEEDA. Page 48 shows that the 1-bed units have been designed at 46m² and the 2-bed units at 61m². Bellway Homes the developer has received grant funding directly from the Homes and Communities Agency to fund the affordable housing element.

(d) Wallis Yard, Hart Street, Maidstone, Kent

This scheme is currently being developed by Bellwinch Homes. Attached at Appendix 6 is a copy of the accommodation schedule and proposed layout plans. The social rented 1-bed units range from 45.15m². The housing association Places for People is delivering the affordable housing element with grant funding. Planning permission was granted on 3rd November 2006.

5.17 All of the residential dwellings in the proposed development will be designed and constructed to a very high standard in accordance with the requirements of the NHBC and Building Regulation requirements. In addition to this all units will achieve Level 4 Code for Sustainable Homes and Lifetime Homes standards (Ref: CD12/4) . As can be seen from the attached drawings at Appendices 3, 4, 5, 6, 8 & 9, high density developments of this nature in urban areas tend to include single aspect dwellings. In the proposed development the inclusion of single aspect dwellings will not give rise to cramped and unsatisfactory living conditions. The evidence of Bob Allies discusses the architectural and design merits of the proposed development. The appeal scheme will create a sustainable community with high quality accommodation and well designed spaces for future residents (see sections 6 - 8) of his proof of evidence. Reference to Richard Coleman's evidence should also be made, particularly where he deals with design quality (see sections 8 and 9).

Housing tenure mix

5.18 At the request of BHCC's Housing Strategy Team the project was tendered in July 2006 to its list of preferred Registered Social Landlords, requesting detailed management and financial proposals to be returned by the 29th August 2006, based upon the affordable housing mix and unit sizes specified within the Council's Housing brief for the Marina. Two of these partners were subsequently short-listed and invited to interview. Their figures were fed into the appellant's initial financial feasibility study which produced a tenure mix of 40% social rent and 60% shared ownership, assuming a 40% affordable housing provision. Detailed discussions continued with both potential partners until the first RSL reported that it could not proceed with the scheme due to its financial commitment to another scheme in Brighton and the second RSL subsequently withdrew its offer as it was being placed under supervision by the Housing Corporation and would not be able to obtain grant funding.

5.19 The appellant then approached Affinity Sutton in February 2007, one of the original bidders from the approved list and a non-partner known to the appellant. Affinity Sutton's offer originally yielded a housing tenure mix of 35% social rent and 65% shared ownership compared to 50% social rent and 50% shared ownership offered by the non-partner Registered Social Landlord. However, Council officers of the Housing

Strategy Team stated that they would not be prepared to support a non-partner, although it was registered with the Housing Corporation for grant funding and operating within the neighbouring boroughs. This is recorded on page 3, fifth paragraph of the Housing Statement. The appellant therefore continued to negotiate and progress the project with the Council's preferred partner, which was able to match the non-partner tenure split and offer. This information was sent to the District Valuer on 15th February 2008 for inclusion within the valuation appraisal.

- 5.20 On the 9th January 2008 BHCC's officers instructed District Valuer Services to provide a financial assessment and advise on a number of specific points, including alternative provisions of affordable housing and the effect of pepper-potting the affordable housing across the development. As the assessment progressed with the inclusion of increased levels of section 106 contributions, build cost inflation and additional costs associated with Code for Sustainable Homes Level 4 (Ref: CD12/7) and BREEAM Excellent, the District Valuer supported his tested 35% social rent and 65% shared ownership housing mix along with the proposed integration of the affordable housing throughout the development to ensure that the project remained viable and deliverable.
- 5.21 As identified within the Brighton Marina specific site brief (Appendix A), attached to the Housing Statement, headed "Delivery of Affordable Housing" and as recorded on the fourth and fifth paragraphs of the page headed "Housing Statement", the Council requested an initial housing tenure split of 60% Social Rent and 40% Shared/Equity subject to scheme viability. On page 98 of the Planning Committee report dated 12th December 2008 it is noted that: *"Although Housing Strategy's preference would be for a 50:50 split; the District Valuer's report confirms that the viability of the scheme has been affected by the current economic climate and that the split now proposed is required if it is to be viable. Therefore, in these circumstances and given that there is no policy requirement which sets out the exact split of social rented and shared ownership and the fact that the scheme is still providing 40% affordable housing, the split is considered acceptable."*

- 5.22 It is asserted on page 80 of the Planning Committee report of 12th December 2008 (in the third paragraph), that: ***“The current proposal represents a departure from the aspirations of Policy HO3 but it is very similar to the tenure splits achieved by the approved Brighton Marina Outer Marina (Brunswick Developments) scheme at 62% shared ownership and 38% social rent.”*** Tables 3 and 4 below refer to similar approved schemes including the King Alfred Waterfront which has an affordable housing tenure split of 73% Shared/Equity and 27% Social Rent with an approved provision of 37%.
- 5.23 The District Valuer’s viability assessment supports a tenure split of 35% social rent:65% shared ownership, which would be a sustainable and important contribution to affordable housing in Brighton. This supported tenure split is required in order to deliver the scheme given the Council’s requirement to maintain the 40% affordable housing provision. Therefore, in the language of Policy HO3, to insist on a 55:45 split in line with the Housing Needs Survey would be ***“inappropriate”***. The reality of this situation is underscored by the pragmatic approach of the 2008 SHMA, which states at paragraph 11.40 that ***“the split between social rented and intermediate tenures can also provide flexibility in negotiations with developers to address viability issues. Policies included in new local development documents are likely to be set for at least the next 5 years. It is highly likely that in this period there will be some volatility in the housing market. It is important, therefore, that policies on affordable housing have the flexibility to cope with changing development economics and that they do not just reflect what is achievable in a robust market”***.

Housing mix

This part of my evidence is to be read in conjunction with the proof of evidence prepared by Matthew Spry of Nathaniel Lichfield and Partners, who is addressing housing needs matters at Section 5.0, relating to the mix of accommodation proposed, in particular the housing market.

- 5.24 The proposed affordable housing mix originally matched the Specific Affordable Housing Site Brief, issued by BHCC’s Housing Strategy Department in May 2006, which requested 40% 1-bed, 50% 2-bed and 10% 3-bed. A copy of the site brief is appended to the Housing Statement at Appendix A; the third paragraph of the Housing Statement refers to the meeting.
- 5.25 At a scheme review meeting held by BHCC in December 2007, Ms Rogers, an officer of BHCC, noted that the proposed amount of larger family housing did not accord with the Council’s 2005 Housing Needs Survey. The number of 3-bed units was subsequently increased after the meeting to 55 units, as indicated below at Table 2 - Housing Provision, whilst working within the proposed footprint of the buildings and maintaining the Council’s requirements to deliver the 40% affordable housing provision. However, following a further review meeting on the 11th January 2008, Ms Brewster the Housing Strategy Officer confirmed that the 10% 3-bed provision was sufficient. This was recorded in a set of minutes of the same date attached at Appendix C to the submitted Housing Statement.

Unit Size	1-Bed	1-Bed %	2-Bed	2-Bed %	3-Bed	3-Bed %	4-Bed+	4-Bed+ %
Housing mix as requested by BHCC	208	40%	260	50%	52	10%	0	0%
Proposed Planning Mix	208	40%	257	49%	55	11%	0	0%
Mix if Based Upon HNS 2005	156	30%	208	40%	114	22%	42	8%
Mix if Based Upon SHMA 2008	328	63%	125	24%	57	11%	10	2%

Table 2 - Housing Provision

- 5.26 I understand that the officer’s concerns related to the Housing Needs Survey 2005, which indicated a need for 30% 1-bed, 40% 2-bed, 22% 3-bed and 8% 4-bed+. However, this request contrasted sharply with DTZ’s published Brighton and Hove Strategic Housing Market Assessment 2008, which identified an estimated housing need of 63% 1-bed, 23% 2-bed, 11% 3-bed and 1% 4-bed+. The Housing Needs Survey 2005 suggests 70% family housing units (2-bed and above) compared to 37% as identified by DTZ as indicated at Table 2 above. The appellant proposes 60% family affordable housing of 2-bed and above which compares favourably against 31% for the approved King Alfred

development and 58% for the implemented Outer Harbour scheme. In terms of 3-bed affordable units, Explore Living is yielding 11% compared to 4% King Alfred and 2% Outer Marina as indicated below at Table 3 - Tenure Comparison (Inner Harbour, King Alfred and Outer Harbour).

Unit Size	Inner Harbour (Explore Living)			King Alfred Waterfront			Outer Harbour (Brunswick)		
	Social	Shared	Totals	Social	Shared	Totals	Social	Shared	Totals
1-Bed	50	158	40%	29	162	69%	71	72	42%
2-Bed	77	180	49%	36	38	27%	57	133	56%
3-Bed	55	0	11%	11	0	4%	0	8	2%
Total	182	338	520	76	200	276	128	213	341
Tenure %	35%	65%		27%	73%		37%	63%	
Scheme %	14%	26%		10%	27%		15%	25%	
Total %	40%			37%			40%		

Table 3 - Tenure Comparisons (Inner Harbour, King Alfred and Outer Harbour)

5.26 The appellant's proposed housing provision also compares favourably against the approved City Point and Grand Ocean Hotel developments which respectively yield 45% and 48% family housing. In terms of 3-bed units for social rent City Point yields 8% and Grand Ocean Hotel 0% as indicated below at Table 4 - Tenure Comparison (Inner Harbour, City Point and Grand Ocean Hotel).

Unit Size	Inner Harbour (Explore Living)			City Point, New England Quarter (Blocks E-F)			Grand Ocean Hotel		
	Social	Shared	Totals	Social	Shared	Totals	Social	Shared	Totals
1-Bed	50	158	40%	14	14	55%	31	22	52%
2-Bed	77	180	49%	6	13	37%	17	20	36%
3-Bed	55	0	11%	4	0	8%	0	12	12%
Total	182	338	520	24	27	51	48	54	102
Tenure %	35%	65%		47%	53%		47%	53%	
Scheme %	14%	26%		14%	16%		15%	25%	
Total %	40%			30%			37%		

Table 4 - Tenure Comparisons (Inner Harbour, City Point and Grand Ocean Hotel)

- 5.27 Policy HO3 does not require a particular mix; as with the tenure split it contains a more general requirement that the mix ***“reflects and responds to Brighton & Hove’s housing needs”*** subject to an exception where such a mix ***“would be inappropriate due to the location of the site or limitations of the site itself”***.
- 5.28 The minutes of BHCC’s Planning Committee meeting on 12 December 2008 suggest that, insofar as members were specifically concerned about mix, their concern was that there were *too many* 1-bed units and not enough 2/3 bedroom units as stated at paragraph 4.68 ***“She concurred with other Members that the number of 2/3 bedroom units were too few and that the site would be dominated by very small one bed roomed units”***. In fact the provision of 3+ bed units is broadly in line with the identified need in the 2008 SHMA (10.6% as against 13%), whereas the provision of 1-bed units is *below* the identified need in the SHMA (40% against 63%). At paragraph 4.19 of the minutes the Housing Development Manager is recorded as having dealt with the matter in this way: ***“In answer to further questions relative to the mix of 1/2 bedroom units it was explained that these had been provided based on the levels of need indicated by the Council’s own research”***.
- 5.29 At paragraph 4.62 the Housing Development Manager is recorded as having stated that ***“62% of households on the Council’s Housing Register needed 1 or 2 bedroom properties so were highest numerically but there was also a very significant pressure on larger family homes and this was being addresses across the City. The proposals in respect of this development, 10% 3 bedroom considered commensurate with the site location”***. The proposed affordable housing mix broadly matches that originally requested by the Housing Strategy Team.

Distribution of affordable housing in the proposed development

- 5.30 Although the Cliff site will contain the entire affordable housing provision of the development, it also contains a sustainable market housing element of 259 market units as opposed to 520 affordable. 338 of the affordable housing element would be sold as shared ownership. After 12 months from the purchase date these owner occupiers are entitled to increase the proportion of how much they own within the property until they own the property outright, social rented occupiers also have the “right to acquire”.
- 5.31 The appellant submitted plans (Appendix 7), illustrating the distribution of the affordable housing tenures. These plans clearly demonstrate the integration of the affordable housing throughout the Cliff site. The proposed affordable housing is “tenure blind” in appearance with no individual block exclusively market sale. The distribution of the tenures by each residential floor level is indicated below at Table 4:

Level	Units	Social Rent	Intermediate	Market Sale
2	39	28%	41%	31%
3	103	30%	35%	35%
4	131	30%	40%	30%
5	146	23%	50%	27%
6	149	25%	49%	26%
7	121	15%	47%	38%
8	63	9%	48%	43%
9	27	22%	0%	78%

Table 4 - Tenure Distribution

- 5.32 The distribution and integration of the affordable housing throughout the Cliff site is necessary to protect the overall viability of the project. The affordable housing components make a significant contribution to the overall financial viability of the scheme by keeping peak debt at manageable levels. Having been instructed to do so by the Council the District Valuer tested the theory of distribution and concluded that this would affect the viability of the proposals (see page 99, third paragraph of the Planning Committee report of 12th December 2008), which states “*In conclusion, it is*

accepted that in this instance the applicants are unable to distribute the affordable housing more evenly through the site, in order to protect the overall financial viability of the project. This is supported by the District Valuer's report".

5.33 In addition to the above the Housing Development Manager states at paragraph 4.19 of the planning committee minutes of 12th December 2008 that ***"and while it was accepted that the affordable homes were all located on the cliff site they would be evenly distributed across the cliff site. Windows would be located at a distance of between 20/40m from the cliff face"***.

5.34 It is also important to note that the distribution of the affordable housing on the Cliff site is considerable better than those previously approved at the following schemes for example:

(a) King Alfred Waterfront, Brighton

Planning permission was issued on 12th July 2007 for the construction of a new sports centre and 751 residential units. The scheme includes eight building and two tall towers. As can be seen from the attached drawings and Planning Statement extracts, pages 6, 7 and 8 (Appendix 8), the affordable housing element is located within individual blocks, in particular the social rented element is segregated and confined to Building 5 with the shared ownership element being located within Buildings 3, 4 and 6. Nearly all of the affordable dwellings are single aspect, none of which are integrated within the private element including the two main towers.

(b) Outer Harbour (Brunswick), Brighton

Permission was granted on 4th July 2006 for the construction of 853 residential units throughout eleven buildings ranging from 6 to 40 storeys above a structural deck including commercial uses. The attached drawings (Appendix 9),

demonstrates that the social rented element is mainly single aspect and has been segregated and confined to two individual blocks.

(c) Grand Ocean Hotel, Saltdean, Brighton

Permission to redevelop this site was granted on 13th April 2006 to provide 279 residential units of which 37% would be affordable. The material attached at Appendix 3 demonstrates that the social rented element of the development has been confined to an individual block (Building 5) and consists of 31 no. 1-bed and 17 no. 2-bed units. As can be seen from the drawings, nearly all of the accommodation is single aspect.

(d) City Point, New England Quarter, Brighton

The Council resolved to grant full planning permission for Blocks E-F, subject to completion of a S106 agreement dated 21st February 2007 for the construction of 172 residential units of which only 30% would be affordable. The affordable housing element consists of 14 no. 1-bed, 6 no. 2-bed and 4 no. 3-bed for social rent and 14 no. 1 bed and 13 no. 2-bed for shared ownership. The attached drawings and accommodation schedule at Appendix 4 show that the affordable housing element has been confined to Block F of the development. As can be seen from the drawings, nearly all of the apartments are single aspect.

- 5.35 Attached at Appendix 10 is a letter from Affinity Sutton dated 1st February 2008, which states: *"It is acknowledged that the proposal is for the affordable housing units be clustered in the "cliff" area of the development and that all units will achieve GIA's in excess of current minimum Housing Corporation HQL's. Provided that an appropriate, sustainable tenure mix is achieved on site, ensuring that the affordable units enjoy the amenity and quality of environment offered throughout the scheme, and provided too that the Local Authority sanction GIA's which would otherwise not achieve local policy requirements, the Association would accept these proposals as offered."*

- 5.36 The grouping of affordable housing units will also minimize management issues and reduce maintenance and whole life costs for the Registered Social Landlord. I reject the suggestion made within the clarification of reason for refusal 3 that the disposition of the affordable housing within the proposed development would not counter social exclusion or foster the creation of cohesive sustainable communities. The affordable housing element of the development does not distinguish between the affordable tenures or the market sale unit with all units having access to shared communal areas, stairwells, on-site facilities and amenities.
- 5.37 The proposed development will foster the creation of cohesive sustainable communities by creating a mixed and inclusive community by providing places for people to live in an environmentally friendly way with all units being designed to achieve Level 4 Code for Sustainable Homes and Lifetime Homes Standards, thus ensuring new communities meet the needs of current and future residents. The development will assist in meeting the aim that all members of society to have the same opportunities and experiences and benefit from the provision of good transport and communications linking people to jobs, health and other services. The proposed affordable housing mix provides a range of apartment types including 1, 2 and 3 bedroom apartments suitable for a mix of households such as single person, couples, families with children, older and disabled people. The above is to be read in conjunction with Matthew Spry's proof of evidence, section 5.0; commencing at page 24, paragraph 5.31, headed c. Housing need and mixed communities and Does the mix of housing represent a mixed sustainable community?, starting at page 30, paragraph 5.50.
- 5.38 It is asserted on page 80, second paragraph of the Planning Committee report of 12th December 2008, by planning officer's that: ***"In terms of the residential element of the scheme, a total of 1301 residential units are proposed, of which 40% would be affordable. The scheme complies fully with policy HO2 and would make an important contribution to the city's affordable target and to the wider objective of creating mixed and balanced communities"***. The paragraph then goes on to state that: ***"Nevertheless, whilst pepper-potting the affordable housing units across***

the whole site is desirable, it is not a requirement of policy HO2 and therefore cannot be insisted upon”.

- 5.39 This principle is further supported by a delegated report to the Development Control Manager dated November 2008 on the Grand Ocean Hotel, Saltdean which stated on page 7, in paragraph 7.3 that *“Housing policies in the local Plan do not make reference to the distribution of affordable housing throughout any one development and therefore the proposal to consolidate the shared ownership into buildings 3, 4 and 6 is not considered to be a departure from Local Plan policies”*. An extract of this report is attached at Appendix 2.

6.0 SUMMARY, KEY BENEFITS AND CONCLUSION

Summary

- 6.1 My evidence has considered the proposed development against the specific issues relating to the size of the affordable housing, the affordable tenure mix and disposition of the affordable units throughout the proposed development. It should be read in conjunction with that of Matthew Spry, in particular (who considers housing need), alongside the evidence of David Gavin and Bob Allies.
- 6.2 In summary, my evidence assesses the proposed development against the reasons for refusals as “amplified and clarified” by the local planning authority on 2nd September 2009. Based on my consideration of the issues, my evidence has identified the following:
- (a) Although published since the refusal of planning permission, the South East Plan adds further weight to the consideration for the urgent need of providing affordable housing.
 - (b) In terms of the residential element of the scheme a total of 1301 residential units are proposed, of which 40% (520 units) would be affordable. The scheme complies fully with policy HO2 Affordable Housing and would make an important contribution to meeting the city’s affordable target and to the wider objective of creating mixed and balanced communities.
 - (c) Although the current proposal represents a departure from the aspirations of Policy HO3 Dwelling type and size it is very similar to the tenure splits achieved on similar approved developments within the City of Brighton. The scheme will deliver 55 3-bed units for social rent as requested by BHCC’s Housing officers. This accords with paragraph 4.34 of the policy which states: *“the greatest category of need will be for smaller sized affordable accommodation (one and two bedrooms). However, analysis of housing needs demonstrates a significant ‘mismatch’ in the demand and supply of affordable larger family accommodation (three and four plus bedrooms) that has emerged in recent years. Therefore, it is particularly important, that wherever possible, three and ‘four plus’ bedroom dwellings form an element of the affordable mix”*.
 - (d) The application scheme achieves full and effective use of the development site in accordance with policy HO4. The policy recognises the benefits of higher density housing in suitable locations, thus reducing pressure for the release of land for housing, such as on Greenfield sites. The proximity of the site to public transport, local facilities together with the range of community and amenity facilities proposed within the development lend support for a high density scheme. The proposed mix of units and the high quality scheme design demonstrate that the scale of development proposed will provide a good living environment.

- (e) All of the affordable dwellings will exceed the Homes and Communities Agency standards, including the Housing Quality Indicators (HQI's) minimum quality scores, thus providing accommodation of a high quality and design.
- (f) All of the units will meet Lifetime Home standards and 5% of the overall development (including 10% of the affordable units) will meet the Wheelchair Accessible standards in accordance with policy HO13;
- (g) Policies at national, strategic and local level do encourage Council's to use a flexible approach, rather than restrain residential development. When individual site circumstances arise these should be taken into account. As in this case a robust viability assessment has been prepared by the District Valuer on behalf of the Council. The proposed tenure mix and distribution of the affordable housing has been independently tested and supported to protect the overall financial viability of the project.

Key benefits

6.2 The development will deliver a number of key benefits, including the following:

- the provision of 520 new high quality affordable homes, in a mixture of unit sizes and tenures, in an accessible location;
- the provision of 55 high quality 3 bed family homes for social rent that would house 275 people in urgent need of housing;
- the location, layout and mix of the housing proposed, including the affordable housing, all of which will facilitate access to jobs, shops, services and other facilities and will make a significant contribution towards achieving a mixed and sustainable community in this part of the city;
- the reduction in the level of homelessness in the city and an increase in the number of homes available to first time buyers and keyworkers.

Conclusion

6.3 It is my conclusion that the proposal for 1301 residential dwellings of which 40% is to be affordable accords fully with local, regional and national planning policy and should be welcomed as an extremely important boost to the provision of affordable housing in the City of Brighton. All of the affordable housing in the proposed development will exceed the space standards and requirements set by the Homes and Communities Agency, thus providing homes of a high quality and design. It is clear that the proposal put forward by the appellant is going to make a significant contribution to housing need in terms of mix, tenure and size within the City. The scheme will help to address the large and pressing need for affordable housing in the City of Brighton.

7.0 LIST OF APPENDICES

- Appendix 1: Letter from Brighton & Hove's Disability Access Officer.
- Appendix 2: Plan Compliant Drawings
- Appendix 3: Grand Ocean Hotel - Affordable Housing Schedule, Typical Floor Plans and Report to Development Control Manager.
- Appendix 4: New England Quarter - Accommodation Schedule and Typical Floor Plans.
- Appendix 5: Victoria Road, Ashford - Extract from Legal Agreement and Proposed Typical Layout Plan.
- Appendix 6: Wallis Yard, Maidstone - Accommodation Schedule and Typical Floor Plans.
- Appendix 7: Proposed Inner Marina - Plans indication the Distribution of the Affordable Housing within the Cliff Site.
- Appendix 8: King Alfred - Extracts from Planning Statement and Typical Floor Plans.
- Appendix 9: Outer Harbour (Brunswick) - Typical Floor Plans.
- Appendix 10: Letter from Downland Housing Association.
- Appendix 11: Others