

**236. HOUSING VIABILITY ASSESSMENTS- RESPONSE TO SCRUTINY REVIEW**

The Committee considered the report on Housing Viability Assessments – response to the Scrutiny Review, as circulated in advance of the meeting. Emma Williamson, AD Planning, gave an introduction to the report, and outlined the recommendations of the Scrutiny review and the service response, as set out in the report.

The Committee discussed the report, and the following points were raised:

- In response to a question from the Committee, it was confirmed that the Council's Planning Obligations SPD, currently being prepared, would align with the Mayor of London's Affordable Housing and Viability SPG.
- The Committee asked whether the Council had in place a mechanism to ensure planning obligations for affordable housing are monitored, and it was confirmed that this was the case; a review was undertaken on an annual basis when returns were being prepared for submission to the London Development database and the housing team also monitor when they agree nominations. It was recognised, however, that there was scope to improve this process, and it was proposed that a new post would be created in order to monitor compliance on major applications for conditions and obligations (including affordable housing), enabling the Council to be more proactive in its approach.
- The Committee noted the recommendation around providing training for the Planning Committee, and sought clarification of the purpose of this training given that this is a specialist and expert area. Officers advised that this would largely be in order to increase Members' confidence in the viability assessment process and to equip them with the tools to analyse the information they were provided with, in order to be able to identify any anomalies. The AD Planning also advised that she would be happy to go through viability assessment data in detail with Members of the Committee where they felt that this would be useful, separate from the Planning Committee meetings.
- The Committee welcomed the report for its accessibility, and asked how public confidence in the housing viability assessment process could be increased. The AD Planning advised that the decision to make it the Council's default position that viability assessments should be published in full prior to the determination of the planning application was intended to increase confidence in the process. It was further noted that the Mayor of London's Affordable Housing and Viability SPG and the London-wide viability protocol had helped, as these facilitated a joined-up approach across London. It was suggested that ways of increasing public confidence in the viability assessment process was something to be covered in the Members' training programme.
- In response to a question from the Committee on how the Council negotiated with developers when they stated that it was not possible to provide social or affordable units as part of a development, the AD Planning advised that negotiations were based on factors including what had been previously agreed at the site and what had been agreed elsewhere, and that a maximum reasonable level of affordable housing provision was usually reached. The Council's viability consultant scrutinised the assessment provided to ensure

that issues such as build costs had not been overestimated, or sales estimates understated, and if the Council was not comfortable with what was being proposed then the profit margin on the development would be reduced. The Committee noted concerns that the figures developers provided to Local Authorities differed from those they provided to their lenders, and it was agreed that this was another aspect that could be covered in the Members' training programme.

- The Committee expressed concerns regarding the lack of provision of social rented housing in particular; it was noted that the Council was in a difficult position as the result of the Government's definition of 'affordable' housing, which enabled developers to offer provision other than social rented units and to still meet their obligations. It was noted that the Council had more control when developments were proposed on land owned by the Council, however, and it was also set out in the Housing Strategy that 3 bed- and above units should be provided at 50% target rent.

## **RESOLVED**

- i) That the Regulatory Committee note the Planning Service's response to the Scrutiny Panel report.
- ii) That the Regulatory Committee recommend to Cabinet that the response be approved.