



# **GREENING GOLDSWORTH ROAD**

**AFFORDABLE  
HOUSING  
STATEMENT**

**For Goldsworth Road  
Development LLP  
June 2020**

**By Quod**

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## Executive Summary

This Affordable Housing Statement ('AHS') has been prepared by Quod on behalf Goldsworth Road Development LLP in respect of an application for the demolition of the existing buildings and erection of a phased, mixed-use development comprising residential (Class C3), ground floor retail/commercial uses (Class A1-A4, B1, D1-D2), homeless shelter (sui generis) along with public realm and highways alterations to Goldsworth Road, associated car parking and landscaping at the western end of the town centre on Goldsworth Road.

The AHS details the proposed affordable housing, summarised as:

- **Amount:** 48 new affordable homes on site.
- **Tenure:** All affordable homes as intermediate tenure responding positively to local needs and reflecting the nature and location of the development. This is proposed as shared ownership but the section 106 agreement would include flexibility to allow for Discounted Sale and Intermediate rent provision if appropriate.
- **Unit sizes:** A mix of 1, 2 and 3 bed affordable units are proposed to meet a range of needs.
- **Affordability:** All of the homes will be genuinely affordable and the choice of unit types will ensure they are affordable to a range of households.
- **Delivery:** The affordable homes will be provided on site and be managed by a registered provider.

The AHS focuses only on the details of the proposed affordable housing. It should be read alongside the Financial Viability Statement and the Planning Statement.

The AHS demonstrates the proposed affordable housing accords with the adopted development plan and other material planning considerations and represents an opportunity for the scheme to contribute towards the identified housing need having regard to the viability of the proposals. In view of the challenges facing the scheme and having regard to the wider package of benefits it should be afforded significant positive weight in the determination of the planning application.

# 1 Introduction

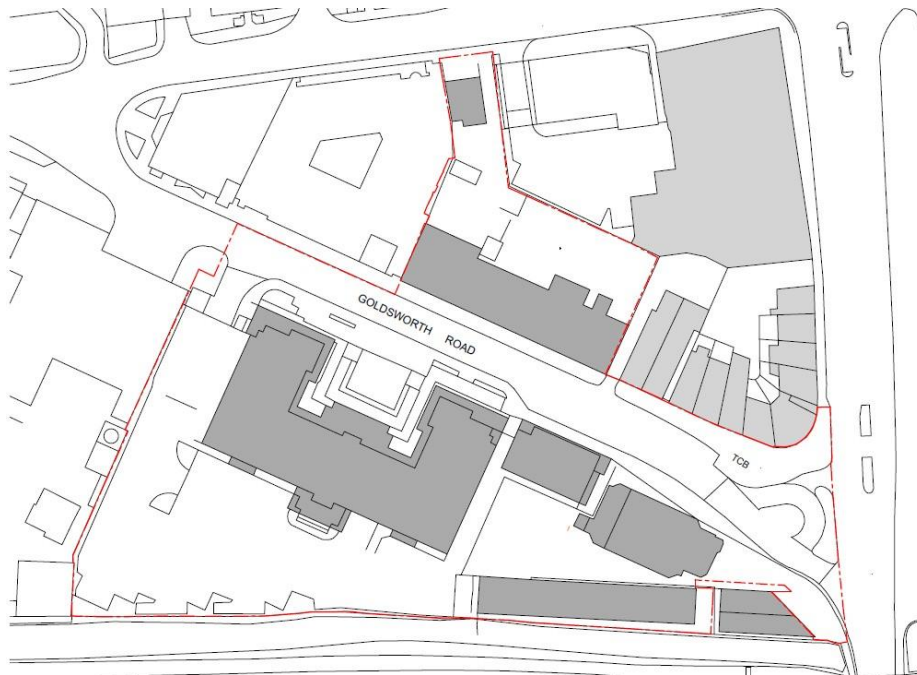
- 1.1 This Affordable Housing Statement ('AHS') has been prepared on behalf of Goldsworth Road Development LLP ('the Applicant') in support of the application the demolition of the existing buildings and erection of a phased, mixed-use development comprising residential (Class C3), ground floor retail/commercial uses (Class A1-A4, B1, D1-D2), homeless shelter (sui generis) along with public realm and highways alterations to Goldsworth Road, associated car parking and landscaping at the western end of Woking town centre on Goldsworth Road ('the Site'). The development is referred to as 'the Proposed Development'.
- 1.2 This AHS describes the affordable housing that is secured as part of the Proposed Development and demonstrates that the amount, type and mix of affordable housing proposed in the planning application accords with planning policy requirements having regard to the location and nature of the site, the project viability and the development proposals including the wider package of benefits.
- 1.3 This AHS is structured to provide: -
- An introduction to the planning application and description of the proposed affordable housing (Section 2);
  - An overview of relevant policy and guidance (Section 3);
  - An assessment of the housing proposals against policy guidance and the wider planning priorities and objectives for the site (Section 4); and
  - A summary of the overall conclusions (Section 5).
- 1.4 This AHS should be read in conjunction with the other planning application documents, importantly the Financial Viability Statement, the Planning Statement and the Design and Access Statement.

## 2 Application Overview

### Application Site

- 2.1 The Site is 1.15 ha of land located at the western edge of Woking town centre at the junction with Goldsworth Road and Victoria Way. The Site comprises of land both to the north and south of Goldsworth Road.
- 2.2 Nos. 15-29 Goldsworth Road and 8 Church Street West sit in the northern part of the Site whilst 20-32 Goldsworth Road sit in the southern part. Woking railway line bounds the site to the south. The Planning Statement describes the significant change that the town centre is going through and the wider initiatives that are in place that will continue to support the ongoing regeneration, for example the successful Housing and Infrastructure Funding (HIF) bid.
- 2.3 Woking Borough Council ('WBC') is the local authority for the purposes of the application. The figure 1 below shows the Site location and the red line for the purposes of the application.

Figure 1 – Site Location



- 2.4 The Site comprises eight existing properties and associated car parking spaces, details of which are summarised below to provide context but are described in detail in the Planning Statement:

To the south of Goldsworth Road:

- A working men's club and drinking establishment known as Woking Railway Athletic Club.
- A standalone vacant office building known as Systems House at 20 Goldsworth Road.
- A large vacant office premises at 32 Goldsworth Road
- A day centre for the homeless at 30 Goldsworth Road

To the north of Goldsworth Road:

- An office building at 15-25 Goldsworth Road
  - Premises at 27 & 29 Goldsworth Road comprising fast food premises and vacant cafe.
  - Offices known as Synergy House at 8 Church Street West.
- 2.5 The Site forms part of the Woking Town Centre area, in a prominent location, which is the preferred location for redevelopment opportunities which deliver town centre uses and high-density residential development. Details of recent planning approvals and proposals in the town centre are set out in the Planning Statement.
- 2.6 The Applicant is a project-specific subsidiary of the developer EcoWorld. Additional information on EcoWorld is set out in the Planning Statement. Critically EcoWorld is able to evidence a track record of delivering exemplary mixed use developments which include affordable housing. The Site has been assembled through a series of acquisitions to enable the Applicant to have control of the area outlined in the application and as part of this there are existing facilities which will be provided, for example the Woking Railway Athletic Club and the day centre for the homeless. There is no existing affordable housing on the Site.

## Proposed Development

- 2.7 Planning permission is sought for:

*“Demolition of the existing buildings and erection of a phased, mixed-use development comprising residential (Class C3), ground floor retail/commercial uses (Class A1-A4, B1, D1-D2), homeless shelter (sui generis) along with public realm and highways alterations to Goldsworth Road, associated car parking and landscaping.”*

- 2.8 Key elements of the proposals are summarised below:

- 965 residential units
- 2,710 m2 Commercial (A1-A4 B1a D2 Use class) GIA
- 1,895 m2 homeless shelter
- 366 m2 WRAC facility
- 263 residential car parking spaces (29 are designated disabled)
- 1,064 residential cycle parking spaces
- Open space provision including new public realm as a result of the pedestrianised Goldsworth Road.

- 2.9 The Proposed Development is organised into five buildings. These are known as Buildings T1, T2 and T3 located on land to the south of Goldsworth Road; Building BA to the north; and the homeless shelter (Building BB) on Church Street West in place of Synergy House. The public realm is the key design driver for the Proposed Development, facilitated by the land assembly exercise that EcoWorld has undertaken in recent years, and will deliver a pedestrian-led public spaces creating key connections through the town to include landscaping to a high standard.

- 2.10 The residential element of the scheme is contained within four buildings each with a podium level containing commercial and retail uses:

- Building T1 provides 183 residential apartments

- Building T2 provides 239 residential apartments
- Building T3 provides 331 residential apartments
- Building BA provides 212 residential apartments

2.11 Taken together the planning obligations, the Community Infrastructure Levy ("CIL") payment, the proposed contribution to the HIF highway works at Victoria Arch and wider benefits such as the extensive public realm improvements are very significant both in respect of their cost and the level of community benefit which they bring to the area. This should be weighed together in context of the affordable housing package and the scheme viability which supports it. A reduced HIF contribution would proportionately increase the level of affordable housing which can be viably supported. Seeking a balanced approach to how these various elements relate to policy targets and the viability submissions will be a key part of the decision making process of the application.

2.12 The next section sets out relevant extracts of national, regional and local policy and guidance (including the supporting evidence base) which have informed the proposed approach to affordable housing delivery.

## 3 Planning Policy and Guidance

- 3.1 National, regional and local policy explains the affordable housing requirements and the circumstances where viability evidence is to be provided in support of a planning application. This section is structured to provide an overview of the relevant policies that are adopted and emerging at the time of the application submission.

### Adopted Policy & Guidance

#### National Policy & Guidance

- 3.2 The National Planning Policy Framework (NPPF) provides the national context for planning in England, including Central Government's housing policy objectives.
- 3.3 The NPPF is an important material consideration in the determination of all planning applications. The NPPF establishes that plans and decision-taking should ensure delivery of a wide choice of high-quality homes for a range of needs for today and in the future (paragraph 8(b)). An aim of the NPPF is to reduce reliance on scheme-specific viability evidence, but it is recognised that there will be circumstances where this is necessary and that the decision maker should have regard to the circumstances in the case (paragraph 57).
- 3.4 The NPPF sets out that planning authorities may give weight to relevant policies in emerging plans according to the stage of preparation of the emerging plan, the extent to which there are unresolved objections to relevant policies and the degree of consistency between the relevant policies and the NPPF (paragraph 48).

#### Local Policy & Guidance

- 3.5 The site falls within the Woking town centre plan area set within Policy CS2 of the Council's Core Strategy 2012. This policy provides the direction that development within this location should comprise a range of town centre uses (as set out in the plan glossary) and high-density residential development. Development should be high quality make efficient use of land contribute to creating an attractive and competitive town centre.
- 3.6 Development is expected to enhance the vitality and viability of the town centre through intensification of uses with retail frontages, both primary and secondary, being a core focus. This intensification of existing uses, alongside new residential provision enhances project viability and increases the chance of site delivering the regeneration aspirations of policy. Policy CS2 sets out that site specific detail will come forward in the form of a Development Plan Document.
- 3.7 Policy CS12 identifies the affordable housing targets for the local plan. The target for sites above 15 units is 40% affordable housing by unit number, with a higher 50% target applying to all greenfield sites or those in public ownership.
- 3.8 The policy further identifies that the tenure mix of provision should meet the needs of local residents through having regard to the findings of the Strategic Housing Market Assessment. The policy is clear that the level of affordable housing provision sought on a site should consider the constraints on the development imposed by other planning objectives and the costs associated with the application site by regard, as appropriate, to an approved viability model.
- 3.9 The Development Management Policies DPD from 2016 cross references with the Core Strategy and the provisions of Policy CS12. It does not provide additional affordable housing guidance or policy.



- 3.10 Onsite affordable housing provision is the policy preference with alternatives such as provision on an alternative site or by way of financial contribution considered on a case by case basis. The policy notes that the broad provisions for the delivery of affordable housing will be set out in additional detail within an Affordable Housing Delivery SPD which will follow adoption of the Core Strategy.
- 3.11 The Core Strategy is supported by an Affordable Housing Delivery SPD (2014) intended to support the implementation of policy CS12. This predates the latest SHMA and the changes at national policy level so elements of it are now of limited weight.
- 3.12 The SPD sets out the Council's aspiration, based on need, for 70% of affordable provision to be rented social housing either as social rent or affordable rent with the remaining 30% as intermediate housing. Emphasis is placed on this remaining flexible to reflect viability considerations.
- 3.13 The SPD considers affordability of affordable housing coming forward by setting additional controls on affordable rented accommodation to cap the rents at levels lower than the maximum levels under national policy. Intermediate accommodation should target incomes below £60k per annum which is consistent with national guidance.

### Emerging Policy & Guidance

- 3.14 The Council has produced a draft Site Allocations DPD which is intended to provide additional context to the Core Strategy. This has been submitted to the Secretary of State and is undergoing examination. The public hearing concluded in December 2019.
- 3.15 The cluster of plan Policies UA11 – UA13 within the draft Site Allocations DPD incorporate the Site and are set out in detail in the Planning Statement. Specifically, draft allocation UA11 sets a 50% affordable housing target which is considered by the Applicant to represent an error as the Site is neither designated Green Belt land nor is it in public ownership. Irrespective of this issue there is flexibility for viability to be taken into consideration.
- 3.1 The Site Allocations DPD remains in draft form and is not therefore yet afforded full weight. However, it has progressed through a series of consultations and examination. The degree of weight to be afforded will depend on the stage of preparation of the DPD at the point of determination.

### Summary

The requirements and guidance set out above on affordable housing have informed the approach taken and the assumptions made in relation to the affordable housing in the Proposed Development.

## 4 Affordable Housing Proposals

4.1 The next section details the proposed package of affordable housing in the Proposed Development. This is consistent with the package modelled by the Financial Viability Statement. The proposals need to be considered in the context of the planning policy requirements and a persistent under delivery of affordable housing in Woking.

### Proposed Affordable Housing

4.2 The affordable housing proposals comprise the following elements;

1. 48 affordable homes equivalent to 5% of the total units in the Proposed Development.
2. The affordable homes are to be delivered on site.
3. All affordable homes are provided as intermediate housing tenure.
4. The products within this may comprise Intermediate Rent, Discounted Sale and shared ownership properties to a range of affordability criteria.
5. A mix of affordable unit sizes are proposed to enable the provision to meet a range of needs.

#### Quantum

4.3 The proposals include provision of 48 new affordable residential units. The Planning Statement details how overall the residential proposals (market and affordable) respond to the requirements of the Council's policy.

4.4 The proposed overall residential unit mix is summarised in table 1 below.

Table 1 – Overall Site unit mix summary

	Private	Affordable
	No. Units	No. Units
Studio	149	3
1-bed	419	7
2-bed (3 person)	82	30
2-bed (4 person)	251	
3-bed	16	8
<b>Total</b>	917	48
<b>% of Total</b>	95%	5%
<b>Location</b>	Buildings BA, T1, T2 and T3	Viability models these units within T1 but delivery can be flexible to T1 or BA

- 4.5 The quantum of affordable housing set out within this AHS is supported by the Financial Viability Statement submission which accompanies this application and evidences that the proposed amount of affordable housing above is the maximum the scheme can support.
- 4.6 The details of the project viability are considered in detail within that document as well as the wider package of planning obligations, contributions to the HIF highway works at Victoria Arch and CIL payments which the scheme is proposing to support.
- 4.7 The viability of the Proposed Development is evidenced to be challenging as it seeks to bring forward a complex town centre development in a challenging market, but the vision for the town centre cannot be realised without development risk being taken. The Applicant recognises this and has reflected this in the approach taken. The combination of build cost and outturn value coupled with the value of the existing Site provide headroom for the scheme to support the Council's CIL requirement, the S106 contribution, provision of the homeless shelter and a payment towards road improvements (via the HIF proposals), but there is insufficient subsidy in the current market to support an affordable housing package on top of those commitments.
- 4.8 The Financial Viability Statement details how the scheme viability may alter over the delivery period with different combinations of value and cost changes so the expectation is the scheme can deliver the identified commitments and make the target return (which is at a level that adheres to the national guidance). The approach taken has been to ensure that the affordable housing committed to is at a level that reflects the potential for cost efficiencies and value growth but which is not unrealistic and therefore presents a risk to overall delivery.
- 4.9 The proposed approach secures a quantum of affordable housing on the basis of the Applicant adopting a constructive and collaborative approach to the affordable provision acknowledging the priority of the Council for this type of provision and seeking to find a route to including a package without undermining the project viability.
- 4.10 Ensuring the scheme represents a deliverable proposal is absolutely key to maintaining the momentum on the wider town centre redevelopment. Delivering a consent which stalls quickly due to viability constraints will deliver none of the identified benefits of the Proposed Development.
- 4.11 The Applicant is therefore pursuing two parallel routes to facilitate a package of affordable housing on the Site.
- Firstly, a commitment to the delivery of 48 affordable intermediate tenure homes with the benefit of grant funding of c. £1.5m i.e. c. £30,000 per unit.
  - Secondly, redirecting the £1.93m contribution to the HIF highway works at Victoria Arch that the Council is requesting under its HIF recovery strategy to the delivery of affordable housing on the Site. This would enable additional affordable units for shared ownership to be delivered and can be further considered if this is a preference of the Council.
- 4.12 On the assumption that a contribution towards the HIF highway works is required, 5% affordable housing is committed to. Where a reduction is made to the contribution towards the HIF works, the Applicant can advise on the additional affordable homes this may enable. In addition, the Applicant is continuing to explore other alternative funding and delivery opportunities having regard to the Council's aspiration for 40% affordable housing for schemes in the town centre.

- 4.13 Having regard to the Proposed Development and the associated wider package of benefits, consideration should also be given to the opportunity cost associated with prioritising other critical investments to enable the wider vision to be realised. This includes providing a homeless shelter that will enable the York Road Project to consolidate its operations and vacate its other premises in Woking, large contributions to CIL and the significant public realm improvements. This impacts the overall scheme viability and the amount of affordable housing the scheme can support and should be taken into consideration in decision making. The Applicant can provide an indication of the equivalence where this is helpful to the Council in determining the application. The equivalence of the HIF payment has already been identified but together these considerations illustrate the planning balance which needs to be struck between the wider scheme benefits and the provision of affordable housing.
- 4.14 The Applicant remains committed to working collaboratively with the Council to optimise the level of affordable housing which can come forward through this route so that onsite affordable housing can be included as part of the proposals.

#### *Location*

- 4.15 The s106 agreement would ensure the affordable homes are delivered early in the scheme. The affordable housing units could be delivered in either in Building BA or Building T1. Where the affordable homes are provided in the lower floors of Building T1, this would offer the advantage of having a twin core access arrangement which offers some potential for arrangements to be tailored towards the AH provision within a given core.

#### *Tenure*

- 4.16 The 48 affordable homes are all intermediate tenure, assumed to be shared ownership for the purposes of the viability modelling. The s106 agreement would however, be sufficiently flexible for other intermediate tenures to be provided where affordability is at least equivalent, for example discounted market sale, intermediate rents and schemes which allow the potential to move from rented to for-sale.
- 4.17 The delivery of intermediate tenure provides a positive response to the specific circumstances of the Site, the location in the town centre and local needs. The scheme viability is challenging and the delivery of intermediate tenure enables a higher and more meaningful quantum of affordable housing to be committed to.

- 4.18 Delivery as intermediate tenure also better enables a mixed private and affordable building, integrating the provision within the apartment form of the proposals given affordable products such as shared ownership can more easily operate within the service charge and maintenance regime associated with market housing. This is particularly important where the proposals are high density apartments with provision over 10+ floors.
- 4.19 The intermediate provision delivers affordable housing as targeted by the local plan policies and managing rents and purchase prices will ensure these products are accessible to those in housing need. Intermediate housing is designed to meet the needs of households who are generally ineligible for social housing products or do not have sufficient priority to access it. However, these households are unable to afford a market home which meets their need. Any intermediate products coming forward within the scheme would deliver against the provisions of the local policy framework and provide affordable housing in accordance with the national guidance.
- 4.20 There are opportunities to target or prioritise this sort of intermediate product to particular groups of households who are in need. The applicant is open to discussions with the Council on this route for the affordable proposals and how particular key worker groups who represent a local priority may be targeted for the provision which can come forward.
- 4.21 The income range for typical shared ownership products allows the units currently proposed for the affordable housing to target a broad range of household incomes from c.£30,000 pa.

#### *Unit Size and Mix*

- 4.22 The mix of homes selected seeks to provide a balance of house types but with a majority within the two bed unit category. The unit mix need for intermediate housing is not specifically identified by the latest SHMA (2015) but the overall AH mix is identified for Woking as 50% one bedroom, 25% 2 bedroom, 22% 3 bedroom and 3% 4 bedroom and larger plus.
- 4.23 The document is careful to caveat this mix in respect of one bedroom need as this is often accentuated by the methodology and demand (as distinct from need) will typically be for larger two bedroom properties, particularly in respect of intermediate provision. These unit types offer greater flexibility for prospective households and form the majority of the proposed unit types for this reason. In addition this unit type offers intermediate accommodation without the greater challenges of managing affordability in higher value 3 bed and larger units. This shift of unit mix towards away from one bedroom provision types is supported by the Council's Affordable Housing SPD which seeks to promote the delivery of 'family' accommodation. The intermediate rent units modelled in the viability model currently include the following mix but this will be subject to variance to reflect the location of the units within the scheme – this would be addressed through the s106 agreement.

**Table 2 – Affordable Housing Mix**

Unit Type	Size sqm	Persons	Number
Studio	38	2	3
1 bed	54	2	7
2 Bed	76	3	30
3 Bed	86	5	8
		Total	48

4.24 This mix provides a balanced approach to provision for this project which broadly aligns with the available headline evidence of need. The unit design and layout in addition to the overall unit floor area will vary slightly by location within the building, and the overall unit mix may need to be varied to fit the final building location and to optimise the relationship of affordable housing with access cores. In all scenarios all units coming forward will adhere to the national minimum space standards.

### Affordability

4.25 The affordable homes are proposed to be delivered as shared ownership tenure. There is a degree of flexibility on affordability of this type of product given the scale of initial share can be varied between different buyers which in turn impacts the level of equity rent chargeable.

4.26 The current market modelling for the shared ownership provision in building T1 is based on a blended average sales value of c.£535psf. Whilst this will be variable depending on the market at point of delivery and the location of the property within the building (by orientation and storey height), table 3 below provides an indication of the product's target affordability. These include a service charge allowance to ensure this is factored into the overall affordability.

4.27 The Council's SPD identifies affordability controls across affordable housing provision. Intermediate provision is identified as needing to be;

- For eligible households with a maximum household income of £60,000, who cannot afford to purchase on the open market, and
- Significantly more affordable than existing similar second-hand market properties in the same area of the borough, and
- Affordable to the majority of applicants on the HomeBuy List who live or work in the Borough.

Table 3 – Indicative Affordability of shared ownership

Type	Value	Unsold Equity Sold	Initial Share %	Mortgage Amount	Mortgage cost pm	Total Housing Cost pm	Required Income (gross)
Studio	£ 220,000	£ 132,000	40%	£ 77,000	£365	£747	£32,006
1 bed	£ 310,000	£ 186,000	40%	£ 108,500	£515	£1,020	£43,712
2 bed	£ 440,000	£ 286,000	35%	£ 134,750	£639	£1,314	£56,314
3 bed	£ 495,000	£ 371,250	25%	£ 108,281	£513	£1,366	£58,547

4.28 The outputs in table 3 provide an indication of how the affordability of the shared ownership units will be distributed within the mix of accommodation currently proposed.

### Delivery

4.29 The current modelling assumes the provision of shared ownership as the delivery route for any affordable housing on the site. This assumes that the homes will be initially sold and then managed by a registered provider who will retain any unsold equity.

- 4.30 In a scenario where delivered affordable units come forward as products which do not require the management provisions of a registered provider then it is accepted that the s106 agreement will set out the detailed requirements for this delivery scenario and the role of the provider.
- 4.31 As identified the Applicant will undertake to bring forward affordable provision early in the project phasing. Buildings T1 and BA represent the initial development phase and the assumption is for the provision to be located in one or both of these buildings subject to further discussions with the Council.

## 5 Overall Conclusions

- 5.1 This Affordable Housing Statement has detailed the challenges associated with delivering affordable housing within this complex town centre location. The Site has involved a complex site assembly and its dense built form reflects the direction provided by the policy allocations.
- 5.2 The Site is key to the ongoing transformation of the town centre and whilst the provision of affordable housing remains a key priority for the Council it is important to balance this against the other planning aspirations set for the Site.
- 5.3 The current and emerging policy for affordable housing seeks 40% on sites above 15 units in the town centre with a higher target on greenfield sites and those in public ownership. The applicant has made representations that 40% is the policy across the relevant site allocations in the draft Site Allocations DPD which relate to the planning application.
- 5.4 The 40% target is subject to viability with a policy requirement that planning submissions which propose a lower level of affordable housing are supported by robust and credible viability evidence. The development proposals respond to the challenges of the site and the aspiration to provide the homeless shelter to a purpose built property, the extent and proposals for the public realm seek to make a significant enhancement to the town centre environment with these being supported by the proposed highway improvements funded through the HIF grant obtained by the Council.
- 5.5 The Applicant has responded positively to these requirements and proposes a significant package of measures to deliver on these aims. As identified in the Financial Viability Statement which supports the Application, the scheme viability is challenging and delivering on CIL, s106, HIF contribution and public realm is possible but needs to be balanced against the level of affordable housing which can be promoted and viably supported.
- 5.6 The viability evidence illustrates the level of risk that the Applicant is prepared to take over the delivery period to support the proposed package of benefits highlighted above. The Applicant is open to working with the Council to secure grant support to secure 48 units of intermediate housing and this is fully evidenced as being the maximum reasonable level of provision within the Financial Viability Statement. Beyond this the Applicant is committed to the scheme and will continue to explore other funding opportunities in close conjunction with the Council with the aim of seeking to optimise the package of affordable housing within the scheme whilst delivering on the range of other scheme benefits.