# Evidence Relating to the Application of the Affordable Housing Threshold in Core Strategy Policy CP4: Affordable Housing

#### **Background**

- In November 2014, the Minister of State for Housing and Planning issued a Written Ministerial Statement (WMS) setting out changes to national planning policy. The WMS stated that financial contributions towards affordable housing should no longer be sought on sites of 10 units or less and which have a maximum combined gross floor area of 1,000sqm. National Planning Practice Guidance (NPPG) was amended to reflect this. However, on 31st July 2015 the High Court held (West Berkshire Council v SSCLG [2015]) that the policy expressed through the WMS was unlawful and the NPPG was changed to reflect this. On 11th May 2016 the Court of Appeal reversed the High Court decision. The NPPG was subsequently amended to reflect the WMS on 19th May 2016.
- 1.2 In light of the above developments, between November 2014 and August 2015 and May 2016 and 1st September 2017 the Council gave greater weight to the WMS policy and associated NPPG guidance in it than to adopted Policy CP4 of its Core Strategy in respect of development proposals for 10 dwellings or less and which had a maximum combined gross floor area of 1000 sq metres. However, having undertaken an analysis of up-to-date evidence of housing needs (**The Needs Analysis**), officers advised in 2017 that when considering the weight to be given to the WMS in the context of breaches of the adopted development plan policy, the local evidence of housing need contained in the Needs Analysis should generally be given greater weight. On 1st September 2017 the Council resolved to have regard to the Needs Analysis as a consideration of significant weight when considering the relationship between Policy CP4 and the WMS for the purposes of Section 70(2) Town and Country Planning Act 1990 and Section 38(6) Planning and Compulsory Purchase Act 2004 in respect of development proposals of 10 dwellings or less.
- 1.3 On 24<sup>th</sup> July 2018 a new version of the National Planning Policy Framework¹ (the Framework) was published with immediate effect for development management purposes. Paragraph 65 of the Framework advises that "Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)." Annex 2 of the NPPF defines "major development" as "for housing, development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more."
- 1.4 The Council's current affordable housing policy is set out in Policy CP4 of the Core Strategy (adopted in October 2011) and establishes that:
  - a) "...All new development resulting in a net gain of one or more dwellings will be expected to contribute to the provision of affordable housing."

<sup>&</sup>lt;sup>1</sup> The National Planning Policy Framework was updated in February 2019, July 2021, December 2023 and December 2024 and retains the policies as stated in Paragraph 1.3 of this document.

- e) "In most cases require affordable housing provision to be made on site, but in relation to small sites delivering between one and nine dwellings, consider the use of commuted payments towards provision off site. Such payments will be broadly equivalent in value to on-site provision but may vary depending on site circumstances and viability."
- 1.5 The supporting text to Policy CP4 summarises the justification for it:
  - Average house prices in Three Rivers are some of the highest in the country outside of London. As a result, many local people have difficulty accessing housing on the open market.
  - A Housing Needs Study estimated that 429 affordable dwellings would be needed each year to satisfy need. Such provision would exceed the total number of all housing types provided in the District in any year.
  - The 2010 Strategic Market Housing Assessment (SMHA) found that the requirement for affordable housing in and around the Three Rivers area remains exceptionally high.
  - In order to completely satisfy affordable housing requirements, <u>all</u> future housing in the district to 2021 would need to be affordable.
- 1.6 This policy remains the legal starting point for the consideration of planning applications under Section 38(6) PCPA 2004, which requires that the Council determines applications in accordance with the adopted development plan unless material considerations indicate otherwise. Paragraph 65 of the NPPF is a material consideration. The weight to be given to it is a matter for the decision maker when determining each planning application. This note explains the advice from the Head of Planning Policy & Conservation and Head of Regulatory Services on the weight that they recommend should be given to NPPF Paragraph 65 for these purposes in light of the Needs Analysis.
- 1.7 Since the adoption of its Core Strategy in 2011 and as of 31 December 2024, Three Rivers has received small site affordable housing contributions amounting to over £3.9 million. £2.9 million of those monies has funded the delivery of 55 units of additional affordable housing to date and a new development scheme which will deliver a further 8 units utilising the current balance is currently being progressed. The Council is also presently working with local Registered Providers to enable the delivery of a further 12 additional affordable housing units by way of loans/grants in return for 100% nomination rights. It is clear that Three Rivers' policy has already delivered a significant contribution towards the delivery of much needed affordable housing in the district and continues to be an important development tool for meeting a pressing need
- 1.8 In addition to the £3.9 million already received, small scale (1-9 unit) schemes have secured to date a further £1.5million (plus indexation)<sup>2</sup> of affordable housing contributions in respect of unimplemented but current planning permissions. All of

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<sup>&</sup>lt;sup>2</sup> The sums payable secured by Sec 106 will be subject to indexation, in most cases from June 2011 which will not be calculable until the date of payment. The quoted upper limit includes projected contributions in respect of two alternative planning permissions and an outline PP with all matters reserved. Data is as of May 2025.

those schemes were agreed to be viable with those sums secured. The Council will continue to utilise these monies, as they are received, to deliver further affordable housing in Three Rivers.

- 1.9 Policy CP4 makes it clear that a requirement for a scheme to contribute towards the provision of affordable housing is subject to viability considerations and is therefore consistent with paragraph 129 of the Framework. The application of CP4, which includes this in-built viability allowance, cannot properly be said to be a barrier to delivery. Indeed between 1 October 2011 and 31 March 2024, 288 planning permissions were granted for minor residential developments which contribute a net dwelling gain. Of those only 19 have been permitted to lapse which is only 6.6% of all such schemes<sup>3</sup>.
- 1.10 Current evidence of housing need in the District is noted below at paragraphs 2.4 to 2.16. It confirms that the needs underlying the adopted development plan policy remain pressing.

#### Importance of Small Sites to Three Rivers

- 1.11 It is important to acknowledge the percentage of residential development schemes which tend to come forward in the District which propose the delivery of less than 10 dwellings: from 1 April 2017 to 31 March 2024, 327 planning applications for residential development involving a net gain of dwellings were determined by the Council. Of these, 292 applications (89%) were for schemes which proposed a net gain of 1-9 units. Having a large number of small sites is an inevitable consequence of the District being contained within the Metropolitan Green Belt. The contribution to both market housing supply and affordable housing supply are therefore both material to the overall identified needs and adopted development plan objectives. This is dealt with in more detail below.
- 1.12 If the weight to be given to the Framework is greater than the adopted development plan, this large proportion of Three Rivers' expected new housing delivery will contribute nothing towards affordable housing. This would compromise Three Rivers' ability to deliver its objectively assessed need for affordable housing.

#### 2 Development Plan Policies and the WMS

2.1 The content of the Framework is a material consideration in any planning decision, and one which the decision-making authority must weigh against the development plan as the starting point under section 38(6) of the 2004 Planning and Compulsory Purchase Act. The correct approach is to:

<sup>&</sup>lt;sup>3</sup> The Needs Analyses (December 2019 and December 2020) referred to a lapse rate of 9% for minor developments; manual analysis has since demonstrated that a number of sites included in the 9% lapse figure have been subject to subsequent planning applications which were granted approval. Such sites have therefore still come forward for development despite earlier permissions lapsing. The lapse percentage in this Needs Analysis (May 2025) has therefore been revised to exclude application sites which are subject to later approvals which are either outstanding, under construction or complete.

<sup>&</sup>lt;sup>4</sup> Includes refused and approved applications. Excludes prior approval developments.

- Consider the starting point under the development plan policies
- Have regard to the Framework and its objectives if those development plan
  policies would be breached it is officers' view that the Framework should be
  given considerable weight as a statement of national policy post-dating the
  Core Strategy
- Consider up to date evidence on housing needs
- Consider whether the Framework should outweigh the weight to be given to the local evidence of affordable housing need and the breach of the adopted development plan policy.
- 2.2 This approach reflects the Court of Appeal's judgment in West Berkshire, which held that whilst the government, whether central or local, could state policy "rules" absolutely, decision makers must consider them without treating them as absolute: their discretion to weigh material considerations in the balance and do something different cannot be fettered by policy:
  - "the exercise of public discretionary power requires the decision maker to bring his mind to bear on every case; they cannot blindly follow a pre-existing policy without considering anything said to persuade him that the case in hand is an exception".
- 2.3 At paragraph 26 of the judgment, the court cited statements made to the High Court on behalf of the Secretary of State, describing those as being "no more than a conventional description of the law's treatment of the Secretary of State's policy in the decision making process":
  - "As a matter of law the new national policy is only one of the matters which has to be considered under sec 70(2) and sec 38(6) when determining planning applications... in the determination of planning applications the effect of the new national policy is that although it would normally be inappropriate to require any affordable housing or social infrastructure contributions on sites below the threshold stated, local circumstances may justify lower (or no) thresholds as an exception to the national policy. It would then be a matter for the decision maker to decide how much weight to give to lower thresholds justified by local circumstances as compared with the new national policy".

As confirmed by the Court of Appeal decision in the West Berkshire case, whilst the WMS, and now the Framework, is clear with regard to the Government's intentions on planning obligations in relation to small sites, the weight to attach to a development plan policy is a matter of discretion for the decision taker. Policies should not be applied rigidly or exclusively when material considerations may indicate an exception may be necessary.

In determining an appeal in Elmbridge, Surrey in August 2016 (appeal reference: APP/K3605/W/16/3146699) the Inspector found that "whilst the WMS carries considerable weight, I do not consider it outweighs the development plan in this instance given the acute and substantial need for affordable housing in the Borough and the importance of delivering through small sites towards this." The existence of

- evidence of housing need is important in this context. That general principle has not been changed by the Revised NPPF.
- 2.4 Officers advise that whilst the Framework is a material consideration, breaches of Policy CP4 should not, in light of ongoing evidence of housing need in the Needs Analysis, be treated as outweighed by the Framework. This conclusion has been reached having had regard to the following relevant factors:
  - General House Price Affordability in Three Rivers
  - Affordable Housing Supply Requirements in Three Rivers
  - Affordable Housing Provision in Three Rivers
  - Extent of residential development schemes proposed which are for sites delivering net gain of less than 10 dwellings
  - The contribution towards the provision of affordable housing Policy CP4(e) has historically made in respect of small sites
  - Relevant Appeal Decisions
  - The fact that the adopted development plan policy does not impose burdens where they would render schemes unviable.

#### **General House Price Affordability in Three Rivers**

2.5 Due to the District's close proximity to London, Three Rivers has traditionally been situated within a high house price area. According to data published by the Office of National Statistics (ONS) in the third quarter of 2016<sup>5</sup>, the lowest quartile house price in Three Rivers in 2016, representing the cheapest properties in the District was £325,000.00, making it the **fifth**<sup>6</sup> most expensive local authority area in England and Wales (excluding London), as seen in table 1 below.

Number	Local Authority Name	Lowest Quartile House		
		Prices (2016)		
1	Elmbridge	£375,000.00		
2	St Albans	£355,000.00		
3	Windsor and Maidenhead	£340,000.00		
4	Hertsmere	£330,000.00		
5	Three Rivers	£325,000.00		

Table 1.

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<sup>&</sup>lt;sup>5</sup> ONS (2025) *Dataset: House price to residence-based earnings ratio Table 6a* https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningsl owerquartileandmedian

<sup>&</sup>lt;sup>6</sup> Note that prior to the formation of the Buckinghamshire Council (now a unitary authority), Three Rivers was the seventh most expensive local authority area as two local authorities in Buckinghamshire ranked higher in lower quartile house price than Three Rivers in 2016 (South Bucks - £370,000.00; Chiltern - £335,000.00).

2.6 Since the publication of the above ONS data in 2016, the general house price affordability position has grown worse. According to data published by the Office of National Statistics (ONS), the lowest quartile house price in Three Rivers in September 2024 was £404,500<sup>7</sup>. The lowest quartile house price of £404,500 places Three Rivers as the **third** most expensive local authority area in England and Wales (excluding London), out of a total of 285 local authority areas (excluding London) as seen in table 2 below. Three Rivers' position has worsened and the lowest quartile house price has risen by £79,500 from 2016 to 2024, demonstrating an ongoing worsening affordability position.

Number	Local Authority Name	Lowest Quartile house		
		Prices (2024)		
1	Elmbridge	£445,000.00		
2	St Albans	£440,000.00		
3	Three Rivers	£404,500.00		
4	Epping Forest	£390,000.00		
5	Hertsmere	£387,500.00		
6	Epsom and Ewell	£385,000.00		
7	Windsor and Maidenhead	£385,000.00		

Table 2.

- 2.7 Lowest quartile earnings in Three Rivers in 2016 were £24,518.00. In 2024, this figure was £33,056.008, 12.24 times below the lowest quartile house prices (ratio of lower quartile house prices to lower quartile gross annual, residence based earnings9). In a mortgage market where lenders are traditionally willing to lend 3-4 times a person's income, clearly a lending requirement of 12+ times such an income means that most first time buyers are simply unable to purchase a dwelling in the District. Such a lending ratio would have required a first-time buyer in 2024 to have a deposit of £272k £305k or (with a 5% deposit of £20,000) to earn £96,000.00- £128,000.00 per annum to get onto the lowest/cheapest rung of the property ladder. An additional Stamp Duty payment would also be payable.
- 2.8 In 2024, the median quartile house affordability ratio in Three Rivers was 11.57<sup>10</sup> (see Table 3). Three Rivers has the eighth worst affordability ratio in England and Wales (excluding London) out of a total of 285 local authority areas (excluding London). Whilst this has improved from the 2016 figure of 13.77, Three Rivers' 5-year average is a ratio of 13.24, this being the fourth worst 5-year average affordability ratio in England and Wales (excluding London).

<sup>&</sup>lt;sup>7</sup> Office for National Statistics (2025) *Dataset: House price to residence-based earnings ratio Table 6a* https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningsl owerquartileandmedian

<sup>&</sup>lt;sup>8</sup> Office for National Statistics (2025) *Dataset: House price to residence-based earnings ratio Table 6b* https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningsl owerquartileandmedian

<sup>&</sup>lt;sup>9</sup> Office for National Statistics (2025) *Dataset: House price to residence-based earnings ratio Table 6c* https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningsl owerquartileandmedian

<sup>&</sup>lt;sup>10</sup> Office for National Statistics (2025) *Dataset: House price to residence-based earnings ratio Table 5c* https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningsl owerquartileandmedian

Number	Local Authority Name	Median quartile house price affordability ratio (2024)
1	Elmbridge	12.94
2	Epsom and Ewell	12.32
3	Hertsmere	12.24
4	Mole Valley	12.08
5	Tandridge	12.06
6	Chichester	11.81
7	St Albans	11.60
8	Three Rivers	11.57

Table 3.

2.9 Looking at the ratio of lower quartile house prices to lower quartile to gross annual, residence based earnings, in 2024 the ratio for Three Rivers was 12.24<sup>11</sup>, with Three Rivers having the seventh worst affordability ratio in England and Wales (excluding London). Three Rivers' 5-year average is a ratio of 13.57, this being the fifth worst 5-year average affordability ratio in England and Wales (excluding London).

#### Affordable Housing Requirements in Three Rivers

2.10 The Local Housing Needs Assessment (LNHA) (March 2024) is the most recent update to the South-West Hertfordshire Strategic Housing Market Assessment January 2016 (SHMA) and estimates the need for affordable housing across the South-West Herts authorities. The LNHA splits its analysis between affordable housing to rent and affordable housing to buy.

#### Affordable Housing Need - To Rent

- 2.11 The South-West Hertfordshire Local Housing Needs Assessment (LHNA) (March 2024) found there were approximately 1,614 households within Three Rivers that were in need of affordable housing. This was based on a number of factors such as assessing the number of homeless households in temporary accommodation, households in overcrowded housing, concealed households and existing affordable housing tenants in need. When excluding households already in existing housing, this figure fell to 1,064 households, leaving an annualised current affordable housing need figure of approximately 53 over the 20-year period of 2021-2041.
- 2.12 In addition to needs arising from those in unsuitable housing, the LNHA also analyses affordable need to rent arising from newly-forming households within the District. The

<sup>&</sup>lt;sup>11</sup> Office for National Statistics (2025) Dataset: House price to residence-based earnings ratio Table 6c https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebas edearningslowerquartileandmedian

LNHA estimates 724 new households forming per annum in Three Rivers over the period 2021 to 2041. 48% of these newly-forming households are estimated to be unable to afford market housing (to rent) resulting in 350 new households with a need for affordable housing to rent each year over the period 2021 to 2041.

- 2.13 The LNHA also considers newly arising need for affordable rent from existing households (i.e. households residing in market accommodation now requiring affordable housing). The LNHA estimates an additional 48 existing households falling into need for affordable rent per year over the period 2021 to 2041.
- 2.14 Taking into account the figures of need noted above and other factors set out in the study, such as existing housing stock, the LNHA calculates the annual affordable housing need to rent over the period 2021 to 2041 as 364 in Three Rivers (totalling 7,280 units over a 20-year period). This need involves households who cannot afford anything in the market without subsidy and is equivalent to 44% of the District's total local housing need requirement calculated by the standard methodology. This indicates the substantial scale of need for this type of affordable housing.

Affordable Housing Need - To Buy

2.15 In addition to the need for rented affordable housing, the LNHA estimates a need of 163 units for affordable home ownership per annum (totalling 3,620 units over a 20-year period).

Total Affordable Housing Need

2.16 Combining the need for affordable housing to rent and affordable housing to buy results in the calculation of 527 affordable units per year (totalling 10,540 units over a 20-year period), equating to approximately 63% of Three Rivers' total local housing need requirement (as calculated by the standard method)

#### Affordable Housing Provision in Three Rivers

- 2.17 Core Strategy CP4 requires around 45% of all new housing in the District to be affordable. As stated previously, prior to the WMS, all new developments that had a net gain of one or more dwellings would, subject to viability, be expected to contribute towards this.
- 2.18 Since the start of the plan period from 1 April 2001 to 31st March 2024 (the latest date where the most recent completion figures are available) 5,664 gross dwellings were completed. From this, 1,226 were secured as affordable housing, a total of 21.6%. This percentage is significantly below the Core Strategy target of 45% which means there was a shortfall of a further 1,323 or 23.4% affordable dwellings in order to fulfil the 45% affordable housing requirement up to 31 March 2024. This shortfall only exacerbates the already pressing need for small sites to contribute towards the provision of affordable housing.

- 2.19 In the latest monitoring period of 2023/24 (financial year), 17 sites<sup>12</sup> delivered a net gain of one or more dwellings and would therefore be required to contribute to affordable housing under Policy CP4 (either through an on-site or off-site contribution). 7 of the 17 schemes contributed to affordable housing provision whilst 10 of the 17 schemes did not contribute:
  - 1 of the 17 sites delivering a net gain in housing in 2023/24 was exempt from affordable housing contributions due to planning permission being granted prior to the Council's first Needs Analysis being undertaken and when the Council was dealing with applications on the basis that the WMS should be given overriding effect regardless of the viability position on specific schemes.
  - A further 9 of the 10 delivered sites which did not contribute to affordable housing during the 2023/24 period was the result of viability evidence being submitted during the course of the application which sufficiently evidenced that an affordable housing contribution would render the schemes unviable. These applications were therefore approved in accordance with Policy CP4, making clear that the requirement for affordable housing contributions is subject to viability considerations
  - Of the 7 completed schemes which did contribute, 5 sites made contributions by way of a commuted sum, secured through Section 106 Agreements/Unilateral Undertakings and 2 provided on-site affordable housing units.
- 2.20 In addition to the 17 sites referenced above, there were a further 3 sites where the overall development resulted in a net gain of one or more dwellings. These sites were granted permission through the prior approval application route, through which affordable housing provision cannot be required.

# Extent of residential development schemes proposed which are for sites delivering a net gain of less than 10 dwellings

2.21 It is clear from table 4 below that small site schemes make up the overwhelming percentage of planning applications made to the Council each year for residential (net gain of dwelling(s)) development:

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<sup>&</sup>lt;sup>12</sup> Sites with completions in the monitoring year 2023/24

Financial Year	Total number of planning applications for net gain residential schemes	for small site	Percentage that were for small site schemes
2017/18	67	57	85%
2018/19	50	46	92%
2019/20	60	55	92%
2020/21	38	33	87%
2021/22	39	36	92%
2022/23	34	29	89%
2023/24	39	36	92%

Table 4.

2.22 Table 5 below sets out the amount of small site schemes submitted for approval to the LPA resulting in a net gain of 1, 2 and 3 dwellings from 2017/2018 (financial year) to 2023/2024 (financial year). The table highlights that a high proportion of these small site schemes are for 1, 2 and 3 dwellings (net gain), with 1 dwelling schemes being the most common by a significant amount. It is clear that the benefits of allowing applications which propose a low number of dwellings in breach of Policy CP4 would be significantly and demonstrably outweighed by the consequential loss of the development plan policy tool provided by Policy CP4 which enables the Council to provide for the mitigation of the continued and pressing need for affordable housing in the District in a proven sustainable way in accordance with the purpose of the planning system to contribute to the achievement of sustainable development including the provision of homes (NPPF, para 7).

Year	No. of 1 dwelling schemes	No. of 2 dwelling schemes	No. of 3 dwelling schemes	Total number of applications (for net gain) determined that year	% of total applications determined (for net gain) being 1-3 dwelling schemes that year
2017/2018	35	10	3	67	72%
2018/2019	27	4	4	50	70%
2019/2020	27	8	6	60	68%
2020/2021	24	3	2	38	76%
2021/2022	24	3	2	39	74%
2022/2023	17	4	2	34	68%
2023/2024	21	6	1	39	72%

Table 5.

2.23 In terms of numbers of completed dwellings proposed by small site schemes, between 2011-2024 (financial years) some 498 net dwellings were completed which equates to approximately 38 net dwellings per annum and to 21.6% over the 2011-2024 period. 21.6% is a significant proportion of the overall supply. Whilst such numbers are significant, it is acknowledged that major developments, whilst far less frequent, provided significantly greater quantities of housing. However CP4(e) does not generally require small site schemes to provide on-site affordable housing (small-scale piecemeal development is unattractive to RP's). Instead commuted sums in lieu of onsite provision are required and thus it is the sums of money secured and the contribution those make towards the provision of additional much needed affordable housing in the District which the policy should be tested against. This has been acknowledged by Planning Inspectors on appeal, as referred to at paragraph 2.21 below:

APP/P1940/W/19/3230999, 27 Gable Close, Abbots Langley: "It also identifies the importance of small sites in providing affordable housing with contributions from small sites amounting to over £2.1 million since 2011 being spent towards the delivery of 38 affordable dwellings."

# Contributions towards the provision of affordable housing Policy CP4(e) has made in respect of small sites

- 2.24 As set out at paragraphs 1.7 and 1.8 above, the Council has received approximately £3.9 million in commuted payments to date, with a further £1.5million secured. £2.9million of those monies have been spent enabling the delivery of 55 affordable housing units: an important contribution towards the identified affordable housing shortfall in the district. The Council is currently preparing a proposed scheme utilising the monies received which will deliver an additional 8 affordable housing units and it is also in discussions with partner Registered Providers to deliver a further 12 housing units by way of loans/grants in return for 100% nomination rights. The Council will continue to work with Registered Providers to deliver further affordable housing in the District in the medium term future, utilising those additional affordable housing contributions as and when they are received.
- 2.25 It is clear therefore that CP4(e) has made and will continue to make a significant contribution towards the provision of much needed affordable housing in the District in the future.

## Adopted development plan policy does not impose burdens where they would render schemes unviable

2.26 As set out at paragraph 1.9 above, Policy CP4 makes it clear that a requirement for a scheme to contribute towards the provision of affordable housing is subject to viability considerations and is therefore consistent with paragraph 129 of the Framework. The application of CP4, which includes this in-built viability allowance, cannot properly be said to be a barrier to delivery. The Council accepts that if, properly tested, viability

cannot be established on current day costs and values then a scheme should not currently be required to provide or contribute to affordable housing delivery. Between 1 October 2011 and 31 March 2024 there were 288 planning permissions granted for minor (net gain) residential developments in the District. Of those only 19 have lapsed  $(6.6\%)^{13}$ . This demonstrates that the application of CP4 has not acted as a brake on small scale residential developments.

#### **Relevant Appeal Decisions**

- 2.27 There have been a number of appeal decisions since the WMS was upheld by the High Court in May 2016. As an example, the Planning Inspectorate has dismissed appeals that were submitted against the decisions made by Elmbridge Borough Council (appeal no: 3146699), Reading Borough Council (appeal ref: 315661), South Cambridgeshire District Council (appeal ref: 3142834) and Islington Borough Council (3154751, 3164313, 3174582, 3177927 and 3182729). These were for small scale housing schemes where those Councils had attached greater weight to their affordable housing policy than to the WMS as a consequence of local evidence of substantial affordable housing need. Copies of these three appeals are attached to Appendix 1. The Council considers these appeal decisions to be of continuing relevance post the new Framework.
- 2.28 The Inspectors appointed to determine these appeals stated that the WMS needed to be addressed alongside existing Local Plan policy. Within each case, the Inspectors found that there was substantial evidence of a pressing need for affordable housing within these three local authority areas. On this basis, it was considered that local policy had significant weight and there was strong evidence to suggest that these issues would outweigh the WMS within these three cases.
- 2.29 In March 2017 the Planning Inspectorate issued a response to a letter from Richmond and Wandsworth Councils regarding the perceived inconsistency of approach by the inspectorate in relation to a further five appeal decisions made in 2016, regarding the weight that was made to the WMS. A copy of this letter is attached to Appendix 2.
- 2.30 Out of these five decisions, the Planning Inspectorate considered that three appeal decisions were reasonable, and fairly reflected the Court of Appeal's decision that although great weight should be attached to the WMS as a material circumstance; planning applications must be decided in accordance with the development plan, unless material considerations indicate otherwise.
- 2.31 However, the Planning Inspectorate considered that the decision taken on the two remaining appeals which stated that lesser weight was afforded to local policies because they were now, in part, inconsistent with national policy, was not appropriate. The seventh paragraph in the response from the Inspectorate, summarised the approach that the Inspectorate acknowledges should be taken:

<sup>&</sup>lt;sup>13</sup> See footnote 3.

"...an Inspector to start with the development plan and any evidence presented by the LPA supporting the need for an affordable housing contribution, establish whether the proposal is in conflict with those policies if no contribution is provided for, and, if there is conflict, only then go on to address the weight to be attached to the WMS as a national policy that post-dates the development plan policies." 14

- 2.32 It is clear therefore that the Planning Inspectorate considered that although the WMS (and now the Framework) was a material consideration, this should be balanced against the policies within a plan along with any further evidence that supports a Local Planning Authority's application of the policy.
- 2.33 The Council's stance has been tested on appeal on numerous occasions and the Planning Inspectorate have repeatedly concluded in over 40 appeal decisions to date that whilst the NPPF carries considerable weight, it does not outweigh CP4 of the Councils development plan given the acute and substantial need for affordable housing in the District and the important contribution small sites make towards addressing this shortfall. Below are extracts from a few of those decisions:

#### APP/P1940/W/19/3230911, 67 & 69 St Georges Drive, Carpenders Park, Decision date 22<sup>nd</sup> October 2019:

"The Council has undertaken several needs analyses, the latest being July 2018, to demonstrate the acute shortage of affordable housing in the District, especially in light of high house prices and that much of the District is also constrained by the Metropolitan Green Belt. It further highlights the importance small sites make to the contribution to the overall provision of affordable housing. Up until the end of March 2017 there has only been 22.6% of affordable housing provision which falls short of the policy requirement of 45% The shortfall demonstrates that the provision of affordable housing is still very much needed, such that Policy CP4 should continue to apply to small sites, despite the Framework and the WMS. In light of the Council's body of evidence that demonstrates the particular housing circumstances and needs of the District, I attach substantial weight to this local evidence and consider that the national policy position does not outweigh the development plan and Policy CP4 in this instance."

### APP/P1940/W/19/3230458, 19 Lynwood Heights, Rickmansworth, Decision date 11<sup>th</sup> October 2019:

"The Council states that its Strategic Housing Market Assessment (2010) has demonstrated that there is a significant affordable housing need locally due to very high house prices and rents and a constricted supply of suitable housing sites. Further, the South West Hertfordshire Strategic Housing Market Assessment (2016) estimated a net affordable housing need of 14,191 in the District between 2013-36 and there is also a worsening situation with regards to affordability. Based on the Councils evidence the District is the 7<sup>th</sup> most expensive local authority area in England and Wales in 2016 and demonstrates that its application of Policy CP4 has delivered a significant contribution of over £2.1 million towards the delivery of affordable housing without disrupting the

<sup>&</sup>lt;sup>14</sup> Paragraph 7, Planning Inspectorate Letter, March 2017.

supply of small residential sites. Decisions should be made in accordance with the development plan unless material considerations indicate otherwise. The robust evidence referred to in footnote 1 and the clear need to deliver affordable housing in the District underpins the Council's approach in Policy CP4 as an exception to national policy and therefore in this case, the Framework's threshold would not outweigh the conflict with the development plan. I therefore attach considerable weight to Policy CP4. I am also referred to a number of recent appeal decisions in the District which support this approach and are therefore relevant to the scheme before me and as such carry considerable weight."

# APP/P1940/W/18/3213370: No.9 Lapwing Way, Abbots Langley. Decision Date 22<sup>nd</sup> May 2019:

"In considering whether provision should be made for affordable housing, there are two matters that need to be addressed. Firstly, whether in principle the provisions of Policy CP4 are outweighed by more recent Government policy. Secondly, if not, whether for reasons of financial viability a contribution is not required... There is no evidence before me that the application of Policy CP4 has put a brake on small windfall sites coming forward. Indeed, such sites have contributed over £2m to the affordable housing pot since 2011... Decisions should be made in accordance with the development plan unless material considerations indicate otherwise. There are very important factors in support of the continued application of Policy CP4. These factors are not unique to Three Rivers. Government policy does not suggest that areas where affordability is a particular issue should be treated differently. Nonetheless, although a weighty matter, the national policy threshold is not a material consideration which outweighs the conflict with the development plan in this case. In making this policy judgment I have given considerable but not full weight to Policy CP4. I have also had regard to the other appeal decisions in the south-east referred to by the Council where Inspectors considered development plan policies seeking affordable housing against national policy. My approach is consistent with these decisions."

#### APP/P1940/W/19/3229038: 124 Greenfield Avenue Decision Date 10<sup>th</sup> December 2019

"Furthermore, windfall sites make up the majority of the proposals in a District which is constrained by the Green Belt and so delivery of affordable housing from these sites is crucial. The submitted evidence supports the proportion of housing proposals which have been on small sites in the last few years. There is no evidence before me that seeking affordable housing on small sites has precluded small windfall sites coming forward — indeed such sites have contributed a significant amount to the affordable housing pot since 2011... Overall, there is substantial evidence of considerable affordable housing need in the District and it has been demonstrated that small sites make an important contribution to affordable housing delivery in the Borough. I attach very significant weight to this consideration. Whilst the Framework is a material consideration of very considerable weight, based on the local circumstances of this case, in this instance the Framework does not outweigh the relevant development plan policy."

### APP/P1940/W/19/3238285: Bell Public House, 117 Primrose Hill, Kings Langley Decision Date 9<sup>th</sup> March 2020

"Even taking the appellants figures that 22.8% of affordable units have arisen from non major sites, I consider this to be an important and meaningful contribution...even taking the appellant's figures my conclusion remains unaltered."

## APP/P1940/W/19/3229189: Glenwood, Harthall Lane, Kings Langley Decision Date 7<sup>th</sup> May 2020

"The Council's evidence sets out the acute need for affordable housing in the area and the importance of small sites in contributing to the provision of such housing. They also highlighted a large number of recent appeal decisions for small residential schemes where it has been considered that the exceptional local need should outweigh government policy, as set out in the Framework... Despite the appellant's evidence, which included reference to a Local Plan Consultation Document (October 2018) and an analysis undertaken by them based on the Council's Housing Land Supply Update (December 2018), it was clear to me, in the light of all the evidence before me, that a pressing need for affordable housing in the area remains. It was also clear that small sites play a key role in ensuring this provision. As such, in this case, I am satisfied that although considerable weight should be given to the Framework, it does not outweigh the development plan policy."

# • APP/P1940/W/20/3249107: 2 Church Cottages, Old Uxbridge Road, West Hyde Decision Date: 21st October 2020

"The Framework at paragraph 63 sets out that the provision of affordable housing should not be sought for residential developments that are not major developments other than in designated rural areas where policies may set out a lower threshold of 5 units or fewer. That said, there is clear evidence to suggest that there is an acute need for affordable housing in the Three Rivers District and there have been several appeal decisions which supported this view... I agree that there are special circumstances which justify the provision of affordable housing below the Framework's suggested threshold... As a result, the proposal would be contrary to Policy CP4 of the CS which amongst other matters seeks to increase the provision of affordable homes including by means of a commuted sum payment for sites of between one and nine dwellings... I have also had regard to the obvious benefits in relation to the provision of a much-needed new dwelling. However, the benefits of this are outweighed by the lack of provision for affordable housing"

## APP/P1940/W/20/3259397 24 Wyatts Road Decision Date 8<sup>th</sup> February 2021

"...I consider that the specific circumstances within this district together with the updated evidence to support Policy CP4 are sufficient, in this case, to outweigh the guidance of the Framework."

### APP/P1940/W/20/3260602: 8-10 Claremont Crescent, Croxley Green Decision Date 18<sup>th</sup> February 2021

"The Council's case is that Policy CP4 should continue to apply to all housing developments, notwithstanding its lack of consistency with the more recent Framework. In justifying this position, it has provided robust evidence of a high

affordable housing need in the district as well as an independent viability assessment in relation to this appeal. Furthermore, a number of similar appeal decisions, cited by the Council, show that Inspectors have considered development plan policies with lower affordable housing thresholds to outweigh national policy given the local evidence of substantial affordable housing need. Whilst the Framework is a material consideration of very considerable weight, based on the local circumstances of this case, in this instance it does not outweigh the relevant development plan policy. In making this judgement, I have given considerable but not full weight to Policy CP4."

#### APP/P1940/W/20/3244533 2 Canterbury Way Decision Date 4<sup>th</sup> March 2021

"Over the plan period there have been times when the Council have applied Policy CP4 of the CS and times when they have not. I accept that this may have implications for the delivery of non-major sites, perhaps encouraging whether or not developers will bring forward proposals. However, it cannot be the only factor which influences whether or not such sites are brought forward. Furthermore, there is no substantive evidence to suggest that if Policy CP4 of the CS was not applied it would significantly increase the supply of housing in the district. Moreover, Policy CP4 of the CS was subject to an assessment of viability alongside all other requirements through the Local Plan process... Overall, on the basis of the evidence before me I am not convinced that the Council's application of Policy CP4 of the CS is directly discouraging developers from bringing forward small sites due to the need to provide or contribute towards affordable housing or demonstrate that it viably cannot... housing affordability in the district is acute such that, based on the specific circumstances of this case and the evidence presented, I find on balance the proposal should make appropriate provision for affordable housing."

#### APP/P1940/W/20/3260554: Land adjacent to 2 Coles Farm Decision Date 15<sup>th</sup> June 2021

"The appellant's comments regarding the importance of small sites is noted as is the Council's lack of a five-year housing land supply. Despite this, the proposal is required to secure a contribution towards the provision of affordable housing, however, at the point of determination no executable undertaking is before me... The proposal would be contrary to CS Policy CP4 and the Affordable Housing Supplementary Planning Document 2011 which require all new development resulting in a net gain of one or more dwellings to contribute to the provision of affordable housing."

## APP/P1940/W/21/3276715: Land adjacent to 62-84 & 99-121 Sycamore Road, Croxley Green Decision Date: 10<sup>th</sup> March 2022

"Small housing sites have an important role in helping to deliver new housing in the district, including meeting a pressing need for affordable housing. For small housing sites of one to nine dwellings, paragraph e) of Policy CP4 of the CS allows for the possibility of commuted payments towards provision of offsite affordable housing. The Council indicates the indexation of such sums from a date of June 2011 to be the norm in most cases, to reflect the adoption date of the Three Rivers Affordable Housing Supplementary Planning

Document (SPD), including its commuted payment formula, and so ensure that the contribution remains the same in real terms over time. Since the Council's decision, a Planning Obligation by way of Unilateral Undertaking (UU) which proposes provision for affordable housing has been submitted by the appellant. The UU5 proposes an indexation date of 1st February 2022, and not 1st June 2011 as sought by the Council. As such, the UU does not make provision for adjustment of the affordable housing sum in proportion to any increase in the Retail Prices Index during the period of more than a decade since the adoption of the SPD. In this respect, I have no certainty that the proposed affordable housing contribution would be adequate to meet local need. I therefore conclude that the proposed development would not make adequate provision for affordable housing. As such, it would not accord with Policy CP4 of the CS which seeks to meet local need for more affordable housing in the district."

#### APP/P1940/W/21/3277747: 3 Grove Cottages, Pimlico Decision Date: 16<sup>th</sup> March 2022

"Policy CP4 of the Core Strategy addresses the provision of affordable housing and under it the Council has identified a requirement for a commuted affordable homes contribution of £58,650 to be paid. The appellant has indicated a willingness to make such a contribution. A draft Unilateral Undertaking (UU)3 submitted with the planning application includes an obligation intended to secure the making of an affordable housing contribution. I am content that there is a need for an affordable housing contribution to be made, with the Council having justified why such a contribution should be paid, even though the development would not be a 'major' one for the purposes of paragraph 64 of the Framework."

## APP/P1940/W/21/328373448: Altham Gardens, South Oxhey Decision Date: 29<sup>th</sup> April 2022

"The latest statistics indicate that the Council has a shortage in its supply of housing land. Although the statistics do not specify affordable housing, the SPD indicates that there is a requirement for affordable housing in and around the Three Rivers Area and given the scale of the shortfall, it is reasonable to assume that it includes affordable housing. Given the policy requirement and the identified shortage of housing generally I am satisfied that the need for the contribution sought by the Council arises from the development and satisfies the three tests in Regulation 122(2) of the CIL Regulations 2010."

### APP/P1940/W/22/3291286: 27 Gable Close, Abbots Langley Decision Date: 30<sup>th</sup> August 2022

"I am mindful that the Framework suggests that the provision of affordable housing should not be sought for residential developments that are not major developments other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). However, the Council has provided clear and compelling evidence to demonstrate an acute need for affordable housing in the District, including reference to numerous other appeal decisions which have supported the Council's case. There is no substantive evidence before me which would lead me to a different conclusion, including

with regard to the primacy of the development plan. There would therefore be an expectation that the appeal scheme would contribute financially towards the provision of affordable housing."

## APP/P1940/W/21/3284630: The Puffing Field, Windmill Hill Decision Date: 23<sup>rd</sup> September 2022

"The Council's evidence sets out a robust case for an acute need for affordable housing in the area and the importance of small sites in contributing to the provision of such housing. On the evidence before me, I have no substantive reason to disagree with this position."

#### APP/P1940/W/22/3291193: Rear of The Woodyard, Sarratt Decision Date: 27<sup>th</sup> October 2022

"The Council's evidence sets out a robust case for an acute need for affordable housing in the area and the importance of small sites in contributing to the provision of such housing. The requirement for and the amount of the affordable housing contribution are detailed in the Council's submissions."

## APP/P1940/W/22/3291601: Meadow Farm, Hyde Lane, Nash Mills Decision Date: 10<sup>th</sup> May 2023

The Council's evidence sets out a robust assessment of the identified need for affordable housing, the reasons for a lower threshold than that required by national policy, and why small sites are so important in contributing to the provision of such housing in the district. Accordingly, I attach substantial weight to this evidence and consider that affordable housing provision is required in this case

#### APP/P1940/W/22/3313385: Greenways, Seabrook Road, Kings Langley Decision Date: 8<sup>th</sup> August 2023

As set out in Policy CP4 of the Core Strategy and amplified in the Affordable Housing Supplementary Planning Document (the SPD), all new housing is required to contribute to the provision of affordable housing in the District, without exceptions. Due to the scale of the appeal scheme, the use of a commuted payment, secured by a Section 106 agreement, towards provision off-site would be appropriate.

### APP/P1940/W/23/3315063: Dell Cottage, Dog Kennel Lane, Chorleywood Decision Date: 20<sup>th</sup> June 2023

In relation to affordable housing, Policy CP4 of the Core Strategy requires that contributions to affordable housing will be sought for all new housing development with the use of commuted payments towards off site provision considered for small sites. The submitted UU obligates the appellant to pay an agreed sum to the Council prior to the commencement of development on the site. In accordance with paragraph 57 of the Framework, I have considered the UU against the three tests set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010. I am satisfied that the provisions are necessary to make the appeal scheme acceptable in planning terms and are fairly and reasonably related in scale to the proposed development, thereby meeting the three tests identified above

 APP/P1940/W/23/3320530: Ved House, Topilts Lane, Rickmansworth Decision Date: 7<sup>th</sup> February 2024 The Council's Housing Needs Analysis [2023] provides an up-to-date and robust assessment of the Council's affordable housing need. This demonstrates that the need for annual affordable housing need for rent and to buy represents 80% of the district's total housing need. The Council identifies that it has been securing a provision of 22.5% affordable housing units between 2001 and 2022, substantially below it's policy requirement. Furthermore, the Council has demonstrated that around 89% of applications received for residential development, over a recent 5-year period, have been small sites. The contributions collected from these have enabled the Council to deliver a significant number of affordable dwellings. The Council's Housing Needs Analysis is of significant weight in my assessment of this proposal and supports the need for an affordable housing contribution and explains its importance

#### APP/P1940/W/23/3327431: 1 Gade Bank, Croxley Green Decision Date: 18<sup>th</sup> March 2024

Policy CP4 of the CS requires commuted payments towards the provision of off-site affordable housing. A completed planning obligation has not been submitted to provide the necessary commuted payments, and I note the appellant's statement in their final comments that one would not be provided at this stage.

I conclude that the proposal does not make adequate provision for affordable housing. The proposal would therefore conflict with Policy CP4 of the CS and the Framework, which seek to increase the provision of affordable homes in the District.

### APP/P1940/W/23/3314469: 35 Lower Road, Chorleywood Decision Date: 10<sup>th</sup> April 2024

The Council's Affordable Housing Supplementary Planning Document ('the SPD') identifies that average house prices within the district are some of the highest in the country outside of London. It identifies that the lack of suitable and affordable housing within the area impacts on the ability of the district to attract and retain workers. Although the SPD was published in 2011, more recent evidence from 2020 indicates that an affordability issue persists within the district; at that time, it had the fourth worst affordability ratio for local authority areas in England and Wales.

Accordingly, Three Rivers Local Development Framework Core Strategy ('CS') Policy CP4 requires the provision of affordable housing of 45% for all new housing development. The policy identifies that whilst in most cases, affordable housing provision should be made on site, on smaller sites of up to 9 dwellings, that a commuted payment ('AHP') towards off-site provision would be acceptable in lieu of delivery on-site.

Both the supporting text to CS Policy CP4 and the SPD acknowledge that affordable housing provision can have viability implications for development proposals, with the SPD stating that it will consider reductions to AHPs where informed by viability. The SPD also sets out that the onus is on a developer to

demonstrate that viability would be jeopardised, by means of a robust financial appraisal.

The need for the proposal to deliver an AHP in order to accord with CS Policy CP4 is not a matter of dispute. However, there is dispute with regard to the amount of the AHP, and subsequently, whether the provision of a commuted sum would render the proposal unviable

....On the basis of this reasoning, in reaching my conclusion, I have taken the Council's surplus figure adjusted for the additional commercial cost of £38,500. This indicates that the proposal would return a surplus, albeit this would be unlikely to be sufficient to allow the full payment of an indexed AHP. However, it is possible that an AHP of some form could be secured.

I therefore conclude that as the proposal would be likely to deliver a surplus, that an AHP, albeit reduced from the full indexed AHP figure, would be applicable in this instance.

On this basis, the proposal would fail to make adequate provision for affordable housing. It would be contrary to CS Policy CP4, the content of which I have set out above. It would also fail to accord with advice within the SPD.

... for the reasons given above, the appeal scheme would fail to make appropriate provision for affordable housing in an area with a significant need for such, and I cannot be certain that it would not harm protected species.

Consequently, the adverse effects of granting planning permission would, in this case, significantly and demonstrably outweigh the benefits when assessed against the policies in the Framework taken as a whole.

## APP/P1940/W/23/3333829: Ravenswood Farm, Church Lane, Sarratt Decision Date: 3<sup>rd</sup> July 2024

The Council's fourth reason for refusal refers to the absence of a legal agreement. Core Strategy Policy CP4 requires commuted payments towards the provision of off-site affordable housing. This point is not disputed by the appellant and they have indicated a willingness to provide such a contribution and a draft legal agreement was submitted with the appeal.

The Procedural Guide: Planning Appeals – England May 2024 is clear that if the appellant intends to send a planning obligation and wants to be certain that it will be taken into account by the Inspector an executed and certified copy of the planning obligation should be provided at the time of making the appeal.

I note the appellant's statement in their final comments that one would be provided. However, a completed planning obligation has not been submitted to provide the necessary commuted payments. As such, the proposal does not make adequate provision for affordable housing. The proposal would

therefore conflict with Policy CP4 of the Core Strategy and the Framework, which seek to increase the provision of affordable homes in the District.

#### APP/P1940/W/23/3324209: Cottage Farm, Redhall Lane, Rickmansworth Decision Date: 3<sup>rd</sup> October 2024

Policy CP4 of the Core Strategy seeks an overall provision of around 45% of all new housing as affordable housing. In relation to small sites delivering between one and nine dwellings, the use of commuted payments towards provision off site is considered.

The Council's evidence sets out a robust case for an acute need for affordable housing in the area and the importance of small sites in contributing to the provision of such housing. The Council and the appellant have come to an agreement on a commuted payment of £122,267 towards off site affordable housing provision. Based on the evidence before me, I have no reason to dispute this. The appellant has provided a completed Unilateral Undertaking which would secure the required financial contribution.

The contribution sought has been demonstrated to be necessary to make the development acceptable in planning terms, is directly related to the development and is fairly and reasonably related in scale and kind to the development. Consequently, the obligation would comply with Regulation 122 of the Community Infrastructure Levy Regulations 2010 and the Framework.

I therefore conclude that the proposal would make appropriate provision for affordable housing in accordance with Policy CP4 of the Core Strategy.

# • APP/P1940/W/24/3342047: Land to the Rear of 51-53 Greenfield Avenue Decision Date: 14th October 2024

CS Policy CP4 requires that contributions to affordable housing will be sought for all new housing development with the use of commuted payments towards off site provision considered for small sites.

The submitted UU obligates the appellant to pay an agreed sum to the Council prior to the commencement of development on the site. In accordance with the National Planning Policy Framework (the Framework), I have considered the UU against the three tests set out in Regulation 122(2) of the Community Infrastructure Levy Regulations 2010. I am satisfied that the provisions are necessary to make the appeal scheme acceptable in planning terms and are fairly and reasonably related in scale to the proposed development, thereby meeting the three tests identified above.

### APP/P1940/W/24/3340719: Land Adjoining 10 Gypsy Lane, Hunton Bridge

**Decision Date: 21st February 2025** 

CS Policy CP4 expects 45% of all new housing to be affordable. For small sites such as the proposal, this may be provided through commuted

payments for housing elsewhere. Such contributions are payable, unless it can be shown that they would make the scheme unviable.

Policy CP4 was adopted prior to the publication of the Written Ministerial Statement in November 2014. This made clear that affordable housing should not be sought for developments such as the proposal. As a result, for a time, the Council did not require affordable housing contributions from some schemes, including for the development now built at 18 Hunton Bridge Road.

However, the Council has recommenced requiring such contributions. This follows evidence of the very high house prices and pressing need for affordable housing in the District, which is not disputed. The Council's Annual Monitoring Report for2023/2024 shows that, out of 17 sites of one or more houses, six made commuted sums. The use of such sums from small-scale development therefore makes a meaningful contribution to addressing the housing needs of the District.

The PPG and Paragraph 65 of the new Framework state that affordable housing should not be sought for non-major residential developments, as here. The need to make financial contributions, or to justify non-viability, results in additional costs and delay particularly to small-scale housing schemes. I understand that some development plan policies in other areas, including in parts of London, do not seek contributions from small-scale proposals.

Even so, policy CP4 remains the adopted policy within the District. I am mindful that the new Framework re-states previous national policy, rather than indicating a change in the direction of the Government. As such, given the acute need for affordable housing locally, and the contribution that small sites make to reducing this need, I give greater weight to CS policy CP4 than to Framework Paragraph 65.

Where non-viability is cited for non-compliance with these requirements, policy CP4 requires justification by way of a financial viability assessment. Viability was a matter of dispute between the main parties, including in respect of land values and build costs. However, at the Hearing, the Council and the appellant were able to agree on a contribution that would make some provision for affordable housing whilst not making the proposal unviable. I see no reason to dispute the amount, and the contribution, secured by the UU, would meet the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010.

For the reasons given above, I conclude that the proposal would need to make a contribution towards affordable housing provision, and that the amount secured would be sufficient to comply with CS policy CP4. Given its size, this attracts limited positive weight in favour of it.

#### Conclusion

2.34 Planning applications must be determined in accordance with the development plan unless material considerations indicate otherwise. Having regard to the Framework as a material consideration of significant weight, officers' view is that the local evidence of affordable housing need continues to deserve significant weight in deciding whether, for the purposes of Section 38(6), the revised Framework policies weigh sufficiently against the Core Strategy Policy CP4. Having undertaken this assessment in 2017 and further reviewed it post the new NPPF in 2018, in December 2019, December 2020, February 2022, February 2023, April 2024 and July 2025 with regard to more up to date evidence, where available, officers are of the view that the Framework does not outweigh the weight to be attached to the local evidence of affordable housing need. That evidence shows that the need for affordable housing in Three Rivers is great and the contribution that small sites have made has been significant. Furthermore, comparisons between 2016-2024 ONS data shows that the affordability of housing in Three Rivers has remained low year on year and the need for affordable housing units is growing. As such proposals for the residential development of sites of 10 dwellings or less (not "major development") will currently be expected to contribute towards the provision of affordable housing in accordance with Policy CP4 as a condition of grant. The Council will keep this evidence under review.

Appendix 1: Appeal Decisions 3146699 (Elmbridge Borough Council), 315661 (Reading Borough Council), 3142834 (South Cambridgeshire District Council) and Islington Borough Council (3154751, 3164313, 3174582, 3177927 and 3182729), Three Rivers District Council (3230911, 3230458, 3213370, 3229038, 3238285, 3229189, 3249107, 3259397, 3260602, 3244533, 3260554, 3276715, 3277747, 328373448, 3291286, 3284630, 3291193, 3291601, 3313385, 3315063, 3320530, 3327431, 3314469, 3333829, 3324209, 3342047, 3340719)

Appendix 2: Letter from the Planning Inspectorate to Richmond and Wandsworth Councils, March 2017

#### Sources Used:

- 1. Core Strategy (October 2011)
  <a href="https://cdn.threerivers.gov.uk/files/2023/01/945fc600-9ff2-11ed-8d80-6dc425ce7e94-core-strategy-adopted-17-oct-2011%20(1).pdf">https://cdn.threerivers.gov.uk/files/2023/01/945fc600-9ff2-11ed-8d80-6dc425ce7e94-core-strategy-adopted-17-oct-2011%20(1).pdf</a>
- 2. Annual Monitoring Report 2023/2024 (December 2024)
  <a href="https://cdn.threerivers.gov.uk/files/2024/12/a48e36b0-bee0-11ef-96f7-11db50b6bf11-FINAL%20Annual%20Monitoring%20Report%202023-2024.pdf">https://cdn.threerivers.gov.uk/files/2024/12/a48e36b0-bee0-11ef-96f7-11db50b6bf11-FINAL%20Annual%20Monitoring%20Report%202023-2024.pdf</a>
- 3. Affordable Housing Supplementary Planning Document (June 2011)

http://www.threerivers.gov.uk/egcl-page/supplementary-planning-documents

- 4. South West Hertfordshire Local Housing Needs Assessment Update (March 2024) <a href="https://cdn.threerivers.gov.uk/files/2025/02/87ecbcc0-e46a-11ef-91c0-6b9ca2e0e81d-2024%20LHNA%20Report.pdf">https://cdn.threerivers.gov.uk/files/2025/02/87ecbcc0-e46a-11ef-91c0-6b9ca2e0e81d-2024%20LHNA%20Report.pdf</a>
- 5. Office of National Statistics Housing Data 2002-24
  <a href="https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousep-ricetoresidencebasedearningslowerquartileandmedian">https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousep-ricetoresidencebasedearningslowerquartileandmedian</a>

**July 2025**