

**DERBYSHIRE DALES LOCAL PLAN EXAMINATION**  
**MATTER 5 – AFFORDABLE HOUSING, HOUSING MIX & STANDARDS**

**Inspector’s issues and questions in bold type.**

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our previously submitted representation to the pre submission consultation dated 22<sup>nd</sup> September 2016. This representation only answers specific questions included in the Inspector’s Stage 1 Matters, Issues & Questions document.

**Issue 1. The affordable housing policy and requirement (30%) (Policy HC4)**

**Would the 30% requirement ensure that competitive returns are provided to enable development to come forward?**

The at least 30% affordable housing requirement in Policy HC4 does not ensure competitive returns to enable development to come forward. The latest Viability Assessment (Document CD19) identifies three Value Areas and results vary across these three areas. It is noted that the viability assessment found that the Council “*should seek no more than 30%*” (Document CD19 para 6.1) and in particular that Value Area 3 could bear no more than 30% (Document CD19 para 7.1). The wording “*at least 30%*” in Policy HC4 suggests a minimum whereas the viability evidence indicates that in Value Area 3 30% is the maximum achievable. This latest assessment re-confirms the previous finding that in “*mid to low value areas where the majority of the District’s future development is anticipated to come from is unable to withstand this level of requirements at the current time ... to ensure the cumulative impact of all planning gain does not place delivery at risk*”. This is of specific concern because Value Area 3 is where there are several main settlements and the largest proportion of future development is situated. Furthermore the latest viability assessment results also vary across site typologies with larger site typologies been less viable.

In addition there is concern that the cumulative burden of other policy requirements including nationally described space standards, housing mix, density and accessible & adaptable homes standards M4(2) have not been included in the latest viability assessment and therefore not subjected to appropriate testing (see answers to Issues 4 & 5 below). In summary the requirements of Policy HC4 are not supported by the Council’s own viability evidence.

**Issue 2. The split between rented and intermediate housing (80/20%)**

**Is the 80/20% split supported by housing needs evidence? Does the 80/20% split within Policy HC4 provide choice and flexibility and take**

## **into account viability?**

The policy should be modified to be less prescriptive in the context of the recently published Housing White Paper. As proposed by the Housing White Paper the Council may deliver Starter Homes as part of a mixed package of affordable housing alongside other affordable home ownership and rented tenures determining the appropriate level of provision for the locality in agreement with developers.

## **Issue 4. The housing mix (Policy HC11)**

### **Is the housing mix sought by Policy HC11 too prescriptive? What are the implications for the deliverability of sites?**

Policy HC11 is too prescriptive. The Council's latest Viability Assessment confirms "*such a prescriptive mix could stymie delivery rates and market appetite ... the policy should be implemented in a cautious manner*" (Document CD19 para 7.1). Furthermore it is not obvious if the housing mix prescribed in HC11 has been used as the basis for the Council's viability assessment in Document CD19. The housing mix used in the 30 dwellings per hectare scenario is calculated on the market housing mix only. The 40 dwellings per annum scenario is said to compensate for the larger proportion of smaller units in the affordable housing mix. The Council should confirm that the overall housing mix of 15% 1 bed, 40% 2 bed, 40% 3 bed and 5% 4 bed as set out in Policy HC11 has been correctly applied in the viability assessment. The Council should also confirm that the proposal that some of the affordable housing is provided as bungalows has been accommodated in the housing mix and densities used in the latest viability assessment.

## **Issue 5. Space and Accessibility Standards (Policy HC11)**

### **Are the space and accessibility standards within Policy HC11 justified as required by the Planning Practice Guidance (PPG)?**

There is no justification that planning consent for residential development is refused unless the space and accessibility standards required in Policy HC11 (as modified by M33) are met. These requirements should be deleted.

The Written Ministerial Statement dated 25<sup>th</sup> March 2015 confirms that "*the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG*". So if the Council wishes to adopt the nationally described space standard then the Council should only do so by applying the criteria set out in the NPPG. The NPPG sets out that "*Where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local Planning Authorities should take account of the following areas need, viability and timing*" (ID: 56-020-20150327) :-

- Need - It is incumbent on the Council to provide a local assessment evidencing the specific case justifying the inclusion of the nationally

described space standard in its Local Plan policy. If it had been the Government's intention that generic statements justified adoption of the nationally described space standards then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. The nationally described space standards should only be introduced on a "*need to have*" rather than a "*nice to have*" basis. The identification of a need for the nationally described space standard must be more than simply stating that in some cases the standard has not been met it should identify the harm caused or may be caused in the future. Moreover the Council has provided no specific evidence on health and well being ;

- Viability - The impact on viability should be considered in particular an assessment of the cumulative impact of policy burdens. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council cannot simply expect home buyers to absorb extra costs in an area where there exists severe affordability pressures. There is also an impact of larger dwellings on land supply. The requirement for the nationally described space standard would reduce site yields or the number of units on a site. Therefore the amount of land needed to achieve the same number of units must be increased. The efficient use of land is less because development densities have been decreased. At the same time the infrastructure and regulatory burden on fewer units per site intensifies the challenge of meeting residual land values which determines whether or not land is released for development by a willing landowner especially in lower value areas and on brownfield sites. The Council should confirm that the unit sizes used in the viability assessment are nationally described space standard compliant. It appears that in the viability assessment the 1 bed unit size is 56 square metres and the 2 bed is 65 square metres whereas the nationally described space standard for a 1 bed unit is 58 square metres and a 2 bed unit is 70 – 79 square metres. This discrepancy is significant given that 15% of overall housing mix is 1 bed and 40% of overall housing mix is 2 bed. Furthermore Policy HC11 may undermine delivery of affordable housing because residential development is unviable at the same time as pushing additional families into affordable housing need because they can no longer afford to buy a nationally described space standard compliant home ;
- Timing - An assessment of impacts should be undertaken. The Council should take into consideration any adverse effects on delivery rates of sites included in its housing trajectory. The delivery rates on many sites will be predicated on market affordability at relevant price points of units and maximising absorption rates. An adverse impact on the affordability of starter home / first time buyer products may translate into reduced or slower delivery rates. As a consequence the Council should put forward proposals for transitional arrangements. The land deals underpinning the majority of identified sites will have been secured prior to any proposed introduction of nationally described space standards. These sites should be allowed to move through the

planning system before any proposed policy requirements are enforced. The nationally described space standards should not be applied to any outline or detailed approval prior to the specified date and any reserved matters applications should not be subject to the nationally described space standards.

The Written Ministerial Statement dated 25<sup>th</sup> March 2015 stated that “*the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG*”. If the Council wishes to adopt the higher optional standards for accessible & adaptable homes the Council should only do so by applying the criteria set out in the NPPG. If it had been the Government’s intention that generic statements identifying an ageing population justified adoption of the accessible & adaptable homes standards then the logical solution would have been to incorporate the M4(2) as mandatory via the Building Regulations which the Government has not done. The optional higher M4(2) standard should only be introduced on a “*need to have*” rather than a “*nice to have*” basis. It is incumbent on the Councils to provide a local assessment evidencing the specific case for Derbyshire Dales which justifies the inclusion of optional higher standards for accessible & adaptable homes in its Local Plan policy. Although there is evidence of an ageing population in the HEDNA having regard to the NPPG this does not amount to the justification required for the Council to include the optional standard on all new dwellings in its Local Plan policy. Furthermore in the Council’s latest viability assessment (Document CD19) there is no additional costs included for optional higher M4(2) accessible and adaptable homes standards.

### **Issue 6. Self-build housing (Policy HC3)**

**Does the policy provide sufficient encouragement for self-build housing whilst recognising that it should be applied with flexibility having regard to viability considerations?**

The policy should be flexible because the Council has not proven an identified need nor viability testing. The HBF agree with the Council’s conclusions in answer to Point 7 in Document EX/06.

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