

Home Builders Federation (HBF) response to the
Sunderland Core Strategy and Development Plan Examination
Inspector's Matters, Issues and Questions

Matter 5: Specific Housing Needs and Standards

Session 4 – 13.30 Wednesday 22 May 2019

This matter considers affordable housing, housing mix, housing standards and the needs of gypsies, travellers and travelling showpeople. In response to preliminary questions the Council has indicated that it will:

- *Update Policy H2 (affordable homes) to refer to 10 dwellings, clarify that off-site provision should be an exception and make it clear that the tenure split, and size of dwellings should reflect the latest available evidence;*
- *Include reference to the level of accessibility in the density criterion within Policy H1 (housing mix);*
- *Refer to the transitional period of 1 year for the implementation of the nationally described space standards (NDSS) within Policy BH1 (design quality);*
- *Clarify that Policy BH2 (sustainable design and construction) refers to major development as defined in the Glossary to the Framework;*
- *Modify Policy H6 (Houses in multiple occupation (HMO)) to refer to a good standard of living space within the HMO;*
- *Include site specific considerations for the travelling showpeople allocations (Policy H4)*

Issues

1. The justification for affordable housing targets in Policy H2, taking into account considerations such as viability

1.1 Is the requirement for at least 15% of dwellings on major developments justified by the evidence base including that relating to viability?

This policy requires all development of more than 10 dwellings, or on sites of 0.5ha or more, should provide at least 15% affordable housing. This requirement is based upon the Whole Plan Viability Assessment (2017). However, the report indicates viability constraints across Sunderland, particularly for brownfield sites, with paragraph 10.12 stating that the results indicate that the typologies representing the brownfield development are unable to bear the 15% affordable housing. However, for greenfield sites there are also viability concerns once the alternative values are used. For example, paragraph 10.22 sets out that the results comparing the Residual Value with the £900,000/ha Viability Threshold are less good, indicating that no sites, greenfield or brownfield, are likely to be viable in either the Washington area or North Sunderland. It is therefore questionable whether a 15% requirement is justified. Further alternatives in relation to increase build costs or reduced sales values also identify potential issues with viability.

The HBF supports the need to address the affordable housing requirements of the borough. The NPPF is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability, this is set out in Paragraph 34 (2019) which states that such policies should not undermine the deliverability of the plan. Which replaces paragraph 173 of the former NPPF (2012) which established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened. The Council should be mindful that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is

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set too high as this will jeopardise future housing delivery. Therefore, site by site negotiations on these sites should occur occasionally rather than routinely.

1.2 Should the text of paragraph 6.23 relating to viability issues (or a summary) be included within Policy H2?

Whilst policy should be set at levels that take account of infrastructure and other policy requirements and should therefore be deliverable without the need for further viability assessment at the decision making stage, there will always be circumstances where this is not possible. Therefore, the HBF consider that a viability clause should be included within the policy, this could be the text from paragraph 6.23 or something similar.

2. The approach to tenure-split and clustering within Policy H2

2.1 Is the current tenure split (para 6.18) justified?

Paragraph 6.18 states that the Council will seek a tenure split of 80% affordable rent and 20% intermediate tenure, in accordance with the 2017 SHMA. This split is based on the household survey which identified tenure preferences of existing and newly forming households as set out in Table 7.9, which merges both social and affordable rent as one tenure preference. However, paragraphs 7.15 to 7.17 of the SHMA do set out the need for the Council to undertake further work to justify this split, including viability work, discussions with developers and housing associations and further work in relation to the housing register. Therefore, whilst it may improve the policy to refer to the latest evidence, it will need to be clear that the latest evidence is not just restricted to the SHMA and could include other sources including information from developers and housing associations.

Paragraph 4.47 of the Whole Plan Viability Assessment (2017), sets out that the viability assessment is based on a tenure mix of 75% affordable rent and 25% intermediate tenure (not the 80:20 from the policy). It is noted that the Viability Assessment also states that the 75% is affordable rent rather than social rent (which had been a merged category in the SHMA). It is noted that even with the less onerous 75% affordable rent that a significant number of site typologies are not considered viable. The HBF do not therefore consider that the tenure split is justified.

2.2 Will the requirement for small clusters affect the ability of registered providers to manage the housing stock, noting the proposed modification to para 6.21 which refers to clusters being proportionate in size?

The HBF do not wish to comment on question 2 at this time.

3. The approach to affordable housing exception sites

3.1 Is there justification for an affordable housing exception site policy?

The HBF do not wish to comment on question 3 at this time.

4. The effectiveness of Policy H1 in meeting the need for a mix of dwellings, including larger executive dwellings and those for older people

4.1 Are the terms of Policy H1 in relation to accommodation for older people likely to be effective and are they justified?

The HBF is generally supportive of providing homes for older people and those with special housing needs. Policy H1 part 2(ii) provides a generally flexible approach to the provision of

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suitable accommodation for older people, allowing developers to consider if their site is appropriate for older persons housing. However, the requirement set out in Policy H1 part 1(iv) is not considered justified in relation to the M4(2) standard. The concerns of the HBF in relation to this part of the policy are set out in our previous consultation responses and in relation to Question 7 of this Matter paper.

4.2 Is the requirement for developments to provide larger detached dwellings justified?

The HBF do not wish to comment on question 4.2 at this time.

5. The density provisions of Policy H1

5.1 Is criterion 1. iii of Policy H1, as proposed to be amended, likely to be effective in encouraging high density developments in suitable locations?

The HBF generally consider the policy to be effective in encouraging development of a density appropriate to the location and allowing for discussion and consideration to be taken on a site by site basis.

6. The requirements of Policy H1 for Self-Build/Custom Build Housing

6.1 Is criterion 3 of Policy H1 and the explanatory text likely to be effective in encouraging self-build and custom-build housing plots, noting the proposed modification to para 6.13?

Many of our members will be able to assist the custom build sector either through the physical building of dwellings on behalf of the homeowner or through the provision of plots for sale to custom builders. The HBF are, therefore, not opposed to the idea of increasing the self-build and custom build sector for its potential contribution to the overall housing supply. The HBF generally consider the flexibility provided by Policy H1 in relation to Self-Build / Custom Building Housing is appropriate to encourage housing plots for these uses. However, the HBF have concerns in relation to this policy approach which only changes the house building delivery mechanism from one form of house building company to another without any consequential additional contribution to boosting housing supply. The HBF would encourage the Council to engage with landowners and to work with custom build developers to maximise opportunities.

In relation to paragraph 6.13, the HBF consider the Council may want to consider the proposed modification to paragraph 6.13 as it is not clear what will be considered as 'appropriate self-build developments'.

7. The requirements of Policies H1 and BH2 for 10% accessible/adaptable, energy efficient and sustainably designed dwellings and the relationship to the Building Regulations

7.1 Is the requirement for 10% of dwellings on major developments to be accessible and adaptable (Building Regulations Part M4(2)) justified?

Policy H1 requires 10% of dwellings on developments of 10 or more dwellings to meet M4(2) category 2 – accessible and adaptable dwellings.

The HBF is generally supportive of providing homes for older and disabled persons. However, if the Council wishes to adopt the higher optional standards for accessible &

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adaptable homes the Council should only do so by applying the criteria set out in the PPG. It is incumbent on the Council to provide a local assessment evidencing the specific case for Sunderland which justifies the inclusion of optional higher standards for accessible / adaptable homes in its Local Plan policy. PPG (ID 56-007) identifies the type of evidence required to introduce such a policy, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability.

The SHMA 2016, 2017 and the 2018 Addendum provides the Council's evidence for this policy. Unfortunately, this evidence is severely lacking on the majority of these elements. This lack of evidence does question how the percentages identified in the policy were derived.

The Addendum highlights evidence gathered as part of the 2015 household survey carried out as part of the 2016 SHMA. However, the SHMA 2016 highlights that the household survey was undertaken in 2012 with 4,104 questionnaires returned but re-weighted for 2016.

Whilst the HBF does not dispute the ageing population identified by the SHMA, it is not clear how this ageing population and potential future need reflects in the need for 10% of all new homes on sites of 10 or more dwellings to be provided at M4(2) standards. 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. Although there is evidence of an ageing population having regard to the PPG this does not amount to the justification required for the Council to include the optional standard as specified in Policy H1.

Whilst information is provided in relation to the number of households living in adapted properties, detail is not provided as to whether these adaptations are in line with the requirements of M4(2). It is also not clear exactly how this data is related to the future needs for homes to be provided at M4(2) standards.

No further information is provided in relation to the adaptability and accessibility of the existing stock, or the size, location, type and quality of dwellings needed based on future demand. It is considered that the policy lacks finesse with no regard to the type or location of the housing being provided.

The HBF considers that part iv of this policy is deleted in its entirety. However, if the policy is to be retained the HBF recommend that the flexibility of the policy should be increased to ensure that the policy does not undermine the viability and delivery of residential development in the area.

The HBF also recommend that the policy should:

- take into account site specific factors such as vulnerability to flooding, site topography and other circumstances which may make the site less suitable for M4(2) and M4(3) compliant dwellings as set out in PPG;

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- ensure that if step-free access is not viable that M4(2) and M4(3) should not be applied; and
- ensure an appropriate transitional period is included.

7.2 Are the requirements of Policy BH2 in relation to energy efficiency, energy use, materials and sustainability information justified and effective, having regard to the scope of the Building Regulations?

The HBF generally supports the promotion of sustainable design and construction, however, it does have concerns about some of the requirements of Policy BH2, particularly in relation to energy efficiency, energy use, materials and sustainability information, and does not consider that they are justified and effective.

This policy states that where possible major development should maximise energy efficiency and integrate the use of renewable and low carbon energy. The HBF is generally supportive of the use of low carbon and renewable energy. However, if this policy is to be applied as a requirement of development, then the HBF would query if this policy is in line with the Government's intentions as set out in Fixing the Foundations and the Housing Standards Review, which specifically identified energy requirements for new housing development to be a matter solely for Building Regulations with no optional standards.

The HBF has concerns that some of the information required within the policy may not be known at the time of submitting a planning application, such as the details of the type, life cycle and source of materials to be used.

The HBF also has concerns that the requirements of this policy could have the potential to add costs to the delivery of housing development and could have implications for the viability of sites. There are concerns that requirements such as these could lead to the non-delivery of homes. Therefore, the HBF recommend that the Council ensure that this policy is justified and consistent with national policy.

8. The justification for applying the NDSS (Policy BH1)

8.1 Is the application of the NDSS through Policy BH1 justified taking into account evidence on need, viability and timing?

This policy looks for development to meet national spaces standards as a minimum (for residential). However, these enhanced standards, as introduced by Government, are intended to be optional and can only be introduced where there is a clear need and they retain development viability. As such they were introduced on a 'need to have' rather than a 'nice to have' basis.

PPG (ID 56-020) identifies the type of evidence required to introduce such a policy. It states 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** – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.

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- **Viability** – the impact of adopting the space standard should be considered as part of a plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.
- **Timing** – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions'.

The Council will need robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out above. The Council have produced the Internal Space Standards Report (July 2018) to try to address this evidence requirement. However, the evidence is provided is limited in terms of numbers of properties considered and the potential market comparisons made. It is not evident from the information provided what 'need' there actually is for properties built to the standards there is no evidence that these smaller properties are not selling, there is no evidence provided that customers are not satisfied with these properties or that these properties are not comparable to other properties available in the market area. The HBF consider that if the Government had just expected all properties to be built to NDSS that they would have made these standards mandatory not optional. It is also noted that there is no reference within the policy or the evidence in relation to timing or a transitional period.

The HBF consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The industry knows its customers and what they want, our members would not sell homes below the enhanced standard size if they did not appeal to the market.

It is also noted that the Whole Plan Viability Assessment (August 2017) at paragraph 8.19 confirms that the viability assessment undertaken was on the basis that the Council were not introducing NDSS.

The HBF would also encourage the Council to consider the implications of the NDSS on the density of development and the land required to meet the housing requirement.

9. The approach of relying on the Unauthorised Encampment Policy (UEP) to deal with the need for a stop-over site identified in the Gypsy and Traveller and Travelling Showpeople Accommodation Assessment (GTAA)

9.1 Is the approach set out above positively prepared, justified and effective?

9.2 What provision, if any, is there in the Sub-Region for a stop-over site?

The HBF do not have any comments in relation question 9.

10. The terms of Policy H4 (Travelling Showpeople, Gypsies and travellers).

10.1 Is the allocation of travelling showpeople sites through Policy H4 justified by the evidence base?

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10.2 Will the site-specific criteria for the allocations be effective, including in relation to the living conditions of proposed and neighbouring residents and access arrangements?

The HBF do not have any comments in relation question 10.