

Matter 7 – Other housing needs

Issue - Does the Strategy Document Update set out positively prepared policies to meet affordable housing needs and the housing needs of other groups, which are justified, effective and consistent with national policy?

[Policy H1 Providing a mix of housing and meeting needs]

[Policy H2 Providing affordable housing]

[Policy H4 Making the most efficient use of land]

Questions

Affordable housing

a) Are the affordable housing percentages in Table 8 in the Strategy Document Update deliverable and robustly based? What factors have informed the percentages? [also see Matter 5 on viability]

1. The Local Housing Need Assessment (2022) states that there is affordable housing need of 584 dwellings per annum (dpa). Whilst Table 12.7 of the Local Plan Viability Study (Oct 2022) provides recommendations for affordable housing provision. However, the Viability Study does highlight that the viability evidence suggests a zero affordable housing target in the lower value areas.
2. Table 8 appears to be based on 12.7 of the Viability Study. However, the HBF does have concerns in relation to the viability challenges identified in the Viability Study and even where developments are identified as viable or marginal the small levels of changes in assumptions that may mean that developments become unviable.

b) Is the target of 200 affordable homes per annum, as set out in Policy S2, robustly based and deliverable? What does monitoring evidence since 2016 show regarding the percentage of affordable homes delivered per year against the total number of homes?

3. Policy S5 states that the Local Plan will seek to support the provision of an average of 200 new affordable homes per annum as part of the overall net additional homes provided. Table 1 below sets out the number of affordable homes delivered over the last 10 years along with the number of net additional dwellings, both sets of data have been taken from DLUHC live tables. It shows that the Council have been successful in delivering affordable homes through a number of sources including S106 funding, local authority funding and registered providers.
4. The HBF considers that the deliverability of the target is reliant on the continuing provision of local authority funding and the viability of development continuing the allow for the provision of S106 funding of affordable homes. If either of these sources of provision were to decrease, it would impact on the potential for the 200 homes target to be met.

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Table 1: Net additional dwellings¹ and Affordable Housing Supply Statistics for Completions in East Riding²											
East Riding	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total / Average
Net additional Dwellings	1,982	1,450	713	842	1,159	1,143	1,432	1,241	1,447	1,497	12,906 / 1,291
Affordable Dwellings	175	89	168	153	170	296	436	337	348	394	2,566 / 257
Proportion	8.8%	6.1%	24%	18%	14.7%	25.9%	30.4%	27.2%	24%	26.3%	19.9%

c) Paragraph 5.63 in the Strategy Document Update states that the provision of at least 10% of all homes on major development schemes as affordable home ownership exceeds the requirement for intermediate housing identified in the Council's Local Housing Needs Assessment (2022) and therefore securing this level would restrict the delivery of other tenures and fail to meet local identified needs. As such, is it the Council's position that the exemption in NPPF paragraph 65 is met and the 10% rate should not apply? Are the full workings and justification set out within the evidence base? If not, the Council is requested to provide this information.

5. The HBF considers that this is a question for the Council.

d) The Written Ministerial Statement 'Affordable Housing Update' (24 May 2021) states that 'where specific developments are exempted from providing affordable home ownership products under paragraph 64 of the Framework, they shall also be exempt from the requirement to deliver First Homes.' In this context and having regard to question b) above, what is the Council's reason for seeking 25% First Homes in Policy H2 part B and the adjusted tenure split identified in the Local Housing Needs Assessment?

6. The HBF considers that it may be appropriate for this policy to be amended to refer to the exemptions as set out in the NPPF.

e) What is the Council's justification for seeking affordable housing from sheltered housing/older person housing schemes? Is delivery viable and justified?

7. The HBF considers that seeking affordable housing from sheltered housing / older person housing schemes is not justified and is not viable. The Viability Study³ clearly states that across both sheltered housing and extra care, the residual value is less than the EUV suggesting that the development of specialist housing for older people is unlikely to be viable and in any event it will be unlikely to be able to pay for affordable housing or significant levels of developer contributions.

¹ Table 122: Housing Supply: Net additional dwellings, by local authority
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>

² Table 1011: Additional affordable housing supply, detailed by local authority
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>

³ Paragraph 12.100 Local Plan Viability Study (October 2022)

Other housing needs

f) Is part B of Policy H1 relating to self/custom build plots justified and deliverable? In particular:

i. What evidence did the Council use to inform the percentage and the site size threshold?

ii. If 5% self/custom build plots are sought from all qualifying developments, approximately how many homes will this deliver over the Plan period?

iii. How does the above estimated supply figure compare to identified need for self/custom build plots in East Riding?

iv. What does the Council's viability testing show regarding the cost of providing self/custom build plots?

v. Will the proposed requirement for self/custom build plots affect the speed of housing delivery in East Riding?

8. Part B of the policy looks for a minimum of 5% of plots on sites of 20 or more to made available for self or custom build. The HBF would be keen to understand the evidence to support the need for custom and self-built housing in East Riding, and how it has informed the requirements of Policy H1. PPG⁴ sets out how custom and self-build housing needs can be assessed. The LHNA states that there are currently 62 households on the Self-build Register, with the Hull Border, Beverley and Wolds being mentioned most frequently as the preferred areas to live. The LHNA does identify how many self-build homes have been provided or currently have planning permission.
9. The HBF does not consider that the Council has appropriate evidence to support the requirement for developers on sites of more than 20 dwellings to provide service plots for custom or self-build housing. The HBF is concerned that as currently proposed this policy will not assist in boosting the supply of housing and may even limit the deliverability of some sites and homes. The HBF is also not clear whether there is even a demand from custom and self-builders to live on sites within a larger residential development scheme.
10. Under the Self Build & Custom Housebuilding Act 2015 and NPPF⁵, it is the responsibility of the Council, not landowners or developers, to ensure that sufficient permissions are given to meet demand. The PPG⁶ sets out how local authorities can increase the number of planning permissions which are suitable for self and custom build housing. These include supporting neighbourhood planning groups to include sites in their plans, effective joint working, using Council owned land and working with Home England. The HBF considers that alternative policy mechanisms could be used to ensure a reliable and sufficient provision of self & custom build opportunities across the Borough including allocation of small and medium scale sites specifically for self & custom build housing and permitting self & custom build outside but adjacent to settlement boundaries on sustainable sites especially if the proposal would round off the developed form.

⁴ PPG ID: 67-003-20190722

⁵ NPPF 2021 Paragraph 62

⁶ ID: 57-025-20210508

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11. The provision of self & custom build plots on sites of more than 20 dwellings adds to the complexity and logistics of developing these sites. It is difficult to co-ordinate the provision of self & custom build plots with the development of the wider site. Often there are multiple contractors and large machinery operating on-site, the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed / occupied dwellings, which results in consumer dissatisfaction.
12. It is important that unsold plots are not left empty to the detriment of neighbouring dwellings or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible because the consequential delay in developing those plots presents further practical difficulties in terms of co-ordinating their development with construction activity on the wider site.
13. The Local Plan Viability Study (October 2022) highlights that if a developer were to sell a plot as a serviced self-build plot, they would not receive the profit from building the unit, it does however, suggest that the developer would still receive the price for the plot. It suggests that the value received would be above the benchmark land value (BLV) and therefore is unlikely to have an adverse impact on viability. The HBF is concerned that this does not necessarily take into consideration the upfront site promotion costs (including planning and acquisition costs) and fixed site externals, site overheads and enabling infrastructure costs. The HBF is also concerned that whilst some self-build plots may sell at a premium it is unlikely these have previously been part of a larger residential scheme, where demand is less proven. The HBF consider therefore that a more cautious approach should be taken in relation to the viability impacts of the self-build policies.

g) What effect will the requirement in Policy H1 for at least 30% of homes to be built to Building Regulation M4(2) accessible and adaptable dwellings have on scheme viability?

14. The Viability Study⁷ states that the cost of M4(2) is taken to be £521, indexed by 42% to £740 per dwelling. The £521 appears to be based on the cost of a 3bed-semi built to M4(2) standards based on the Housing Standards Review Cost Impacts Report by EC Harris (September 2014)⁸. These figures are included in within the base assessments, within increased proportions tested separately. The Viability Assessment suggests that increasing to 100% accessible and adaptable standards is unlikely to have a material impact on viability, with costs of £20,000/ha on greenfield sites and £25,000/ha on brownfield sites.
15. The HBF is concerned as set out above that the viability of developments within East Riding is already challenging in a number of areas, and that each policy requirement is

⁷ Viability Study (October 2022) paragraph 8.39, page 123

⁸ DCLG Housing Standards Review Cost Impacts (September 2014, EC Harris)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/353387/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

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adding to this challenge, the Council may need to give consideration to where flexibility can and should be included in their policies, to ensure that homes can be delivered.

h) What specific provision is made in the Allocations Document Update for specialist housing?

16. The HBF considers this is a question for the Council.

i) What are the Council's minimum density standards for development in town centres and other locations well served by public transport? Should these be defined in Policy H4 in order to align with paragraph 125a in the NPPF?

17. The setting of residential density standards should be undertaken in accordance with the NPPF⁹ where policies should be set to optimise the use of land, this should include the use of minimum density standards for town centres and other locations that are well served by public transport. Whilst the HBF appreciate the flexibility provided by this policy, it will be important that both applicants and decision makers know what will be expected in terms of density of development. In relation to the considerations identified this will allow developers to react to some site-specific issues, however, the HBF would suggest that further amendments could be made to create greater flexibility to allow developers to take account of the evidence in relation to market aspirations, deliverability and viability and accessibility.

18. The Council will also need to consider its approach to density in relation to other policies in the plan. Policies such as open space provision, biodiversity net gain, cycle and bin storage, housing mix, residential space standards, accessible and adaptable dwellings, energy efficiency and parking provision will all impact upon the density which can be delivered upon a site.

⁹ Paragraph 125