

Matter 5 - Other Housing Requirements

Issue - Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the provision for other housing requirements.

Relevant Policies - CS(R)12, CS(R)13 and CS (R)14

Housing Mix

Q5.1 What is the evidence in relation to housing mix?

The justification text suggests that the evidence to support the housing mix is taken from the Mid-Mersey Strategic Housing Market Assessment (SHMA) 2016 and the Liverpool City Region (LCR) Strategic Housing and Employment Land Market Assessment (SHELMA) 2018. The policy suggests that the mix should contribute to addressing the identified needs in the most up to date SHMA which suggests potentially any development taking place now should have a mix based on the LCR SHELMA, however, there is more limited information in this document.

Q5.2 Does Policy CS(R)12 provide sufficient guidance to developers in terms of housing mix?

The HBF appreciate the flexibility in the policy provided by reference to the site specific constraints, the economic viability, and the local characteristics, but also the guidance provided by referring to the evidence available. The Mid-Mersey SHMA for example does include a table with the estimated size of additional dwellings need for both market and affordable homes (Table 73 and 74). The HBF does however, have concerns in relation to the reference to the need to address identified needs in relation to specialist home provision. Where limited information or detail appears to have been provided as to what this will mean for development.

The HBF also considers that it would be beneficial if the policy was not constrained to the SHMA evidence and instead referred to any appropriate or related evidence in relation the identified needs. This would allow for consideration of other more up to date information including for example the Council's Housing Waiting List or evidence provided by a developer in relation to the needs of those looking to buy a new home in the area.

Specialist Housing

Q5.3 What is the evidence in relation to the need for specialist housing in the Borough?

The justification makes reference to the Halton Housing Strategy as the basis for the need for some elements of specialist housing need including extra care and retirement housing. However, the evidence in relation to this policy appears particularly limited.

Q5.4 Does Policy CS(R)12 provide sufficient guidance to developers in terms of specialist housing?

The HBF does not wish to answer this question, at this time.

Q5.5 What evidence is there to support the requirement for 'Lifetime Home standards' or alternative higher standards (Part M of Building Regulations) set out in clause 5 of the Policy? Is this approach consistent with national policy?

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Part 5 of this policy states that the Council will encourage the delivery of homes which meet Lifetime Homes standards. It is noted that the Lifetime Homes standard is no longer applicable following the Government's Housing Standards review, Lifetime Homes have now been replaced by the optional Building Regulations accessibility standards (M4(2) and M4(3)). These standards can be introduced via a plan but only where there is specific evidence to justify their inclusion, as set out above. The HBF is unaware that the Council can provide the necessary evidence and as such this criterion is not supported.

The HBF considers that the policy should be modified as follows in order to make the document sound:

- *The HBF recommend that part 5 of the policy is deleted.*

Q5.6 How would the requirements of Policy CS(R)12 affect the viability of development sites?

The HBF would expect the viability of development to be impacted by the mix of homes provided, the need for specialist home provision and any requirement for homes to be built to the M4(2) or M4(3) standard. These elements of the policy are likely to have cost implications both in terms of the land required and the build costs.

Section 8.12 to 8.21 of the Whole Plan Viability Assessment highlight what has been included as part of the Viability Assessment for this policy. This includes homes built to nationally described space standards (NDSS), 20% of homes built to M4(2) standards and 10% to M4(3). It is not clear how these proportions have been determined.

The Whole Plan Viability Assessment also clearly identifies the issues with viability in Halton, with most brownfield typologies showing not being considered viable and a number of greenfield and strategic sites having marginal viability or a residual value below the benchmark land value. The HBF therefore has concerns about the deliverability of this policy, and the impact it may have on the delivery of homes.

Q5.7 In overall terms, is Policy CS(R)12 justified, effective and consistent with national policy?

The HBF does not consider that Policy CS(R)12 is justified, effective or consistent with national policy. The HBF consider that the policy should be amended to remove part 5 of the policy and that reference to specialist homes as part of the mix referred to in part 1 should also be deleted.

Affordable Housing

Q5.8 What is the evidence in terms of affordable housing need and what does it show?

The Mid-Mersey SHMA 2016 identifies a net affordable housing need of 119 dpa.

Q5.9 What are the past trends in affordable housing in terms of completions and forms of delivery? How is this likely to change in the future?

Table 11 of the Authority Monitoring Report (AMR) – Housing 2020 shows the affordable housing provided in the Borough since 2010/11. It shows that over the last ten years 1,298

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affordable homes have been provided at an average of 129dpa. The report also states that all of these homes were provided by housing associations and registered providers rather than through S106 agreements on market housing sites. It is noted that the Halton Core Strategy adopted in April 2013 includes policy CS13 which sought for schemes of 10 or more dwellings to provide 25% affordable housing.

Q5.10 Is the site size threshold for seeking affordable housing in Policy CS(R)13 justified and consistent with national policy?

The HBF does not consider that Policy CS(R)13 is justified and consistent with national policy. This policy looks for all residential schemes including ten or more dwellings (net gain) or 0.33ha or more in size to provide affordable homes. PPG¹ states '*Planning obligations for affordable housing should only be sought for residential developments that are major developments. . . For residential development, major development is defined in the NPPF as development where 10 or more homes will be provided, or the site has an area of 0.5ha or more*'. It is not clear what reasoning the Council have used to determine the need for a lower area threshold.

Q5.11 What is the evidence in relation to the viability of delivering affordable housing as part of market housing schemes? What does it show? How have the percentages sought in Part 1 a-c of Policy CS(R)13 been derived?

This policy looks for strategic housing sites to provide 20% affordable homes, greenfield sites to provide 25% affordable homes and brownfield sites to provide 0% affordable homes.

The Whole Plan Viability Assessment² (2019) suggests that the majority of the Strategic Housing Sites are not viable at 20% affordable housing with only two having a potential residual value of more than the benchmark land value, and one of those only by a couple of thousand. It also suggests that a couple of greenfield site typologies are not viable at 25% affordable housing. It is also noted that small changes in terms of the build costs, for example using the median BCIS costs, or the developer's return can have significant impacts on the viability of development.

It is not entirely clear how the Council have determined the percentages of affordable homes sought in Policy CS(R)13. These proposed percentages do not appear to be evidenced as highlighted above and not in line with some of the comments made within the Whole Plan Viability Assessment which firstly, states³ that the Council does not have a good track record in delivering affordable housing from market-led housing schemes. And secondly, notes that '*with affordable housing requirements of between 10% and 20% most greenfield sites are shown as being viable*⁴. However, it is noted that paragraph 12.84 of the Assessment does recommend the 25% requirement for greenfield sites, with a note that if the costs sought through S106 are more than £2,500 that a lower target may be necessary. And the assessment does suggest that a 20% affordable housing requirement for Strategic sites may be possible but notes that if the costs of strategic infrastructure and mitigation are more than

¹ ID 23b-023-20190901

² Tables 10.3 and 12.5

³ Paragraph 12.59

⁴ Paragraph 12.64

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£2,500 per dwelling that it may be necessary to consider a lower target. It is not apparent if the Council has given any further consideration to the costs of infrastructure or mitigation associated with any of the strategic sites, or the S106 costs associated with greenfield sites, and therefore whether the £2,500 per dwelling is appropriate for all sites.

The HBF is concerned that the percentages proposed in the Policy are not viable for a number of sites, and that this is not in line with the NPPF which states that such policies should not undermine the deliverability of the plan⁵. The HBF considers 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 set too high as this will jeopardise future housing delivery.

Q5.12 What is the basis for the tenure mix set out in parts 2 and 3 of Policy CS(R)13 and is this justified?

Part 2 of the policy requires at least 10% of the homes on schemes of ten or more dwellings to be for affordable home ownership. Part 3 of the policy looks for affordable homes to be provided as 74% affordable or social rent and 26% as intermediate tenures.

The NPPF⁶ states that for major housing development planning policies should expect at least 10% of the homes to be available for affordable home ownership. This appears to be in line with part 2 of the policy. It is not however, clear how this then fits with part 3 of the policy. If 100 homes were to be built, based on the NPPF, 10 of those homes should be available for affordable home ownership. If these homes were on a strategic site, based CS(R)13 it is assumed there would be 20 affordable homes, and based on Part 2 of the policy and the requirements of the NPPF, 10 of these homes (50% of that 20) are for affordable home ownership. It is not clear if Part 3 of Policy CS(R)13 then applies to the remaining 10 homes, so there would be a further 3 homes in intermediate tenure and 7 homes for affordable or social rent. Or whether the assumption is then that the remaining 10 homes would be social or affordable rent, to try to get as close to that 74% proportion as is possible based on the other requirements of the policy. The HBF do not consider that the policy is clear or consistent with national policy. The tenure split set out in the policy should be amended and should ensure that the requirements of the NPPF for 10% of homes to be for affordable home ownership are incorporated, and to make clear what tenure split would be expected for any additional affordable homes provided.

The Mid-Mersey SHMA sets out that overall, around a quarter of housing could be provided as intermediate homes, with the remaining being for either social or affordable rent. Table 64 provides the more detailed proportions with 26% of affordable housing identified as having potential for intermediate tenures⁷ in Halton.

The Whole Plan Viability Assessment has based their mix of affordable housing on the proportions set out in the Mid-Mersey SHMA, and has therefore used the 26% Intermediate Housing, 74% Social Rent / Affordable Rent split.

⁵ NPPF paragraph 34

⁶ NPPF paragraph 64

⁷ Paragraph 7.112 and Table 64

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It is also noted that part 2 of the policy refers to starter homes, this appears to be an initiative that the Government is no longer pursuing, and it would be beneficial to remove any references to starter homes from the Policy and the justification text.

Q5.13 Is the policy sufficiently flexible in relation to viability and the potential for off-site provision?

The HBF considers that there is some flexibility set out in part 5c, however, the use of 'exceptional circumstances' in relation to off-site or financial contributions does not appear appropriate. The NPPF⁸ states that policies should expect affordable housing to be provided on-site unless off-site provision or an appropriate financial contribution in lieu can be robustly justified and the agreed approach contributes to the objective of creating mixed and balanced communities.

Q5.14 In overall terms, is Policy CS(R)13 justified, effective and consistent with national policy?

The HBF does not consider that Policy CS(R)13 is justified or consistent with national policy, for the reasons set out in answer to the questions above.

⁸ NPPF Paragraph 62