

M5. Housing development management policies

This matter considers the Plan's development management policies relating to various types of residential development.

DM20 Housing delivery

The housing requirement set out in part 1 of policy DM20 was considered under main issue 2. Parts 2 to 5 set how the requirement will be met, including through responding to monitoring and maintaining a five year supply.

Q5.1. Are parts 2 to 5 of policy DM20 consistent with national policy and will they be effective in ensuring a sufficient supply of housing land to allow the Plan's housing requirement to be met? In particular:

(a) The approach in part 4(b) of reviewing density, site capacity and product delivery at sites where development has not yet commenced.

(b) The approach in part 5 to maintaining a five year supply by applying the presumption in favour of development whilst also requiring proposals to accord with the spatial strategy and complying with policies DM21, DM22 and DM23.

- 1. The HBF would query how this would happen, whilst it may be possible to negotiate with site developers early in the process, it is likely that this negotiation will have implications for the viability and deliverability of the sites. This may lead to more sites being stalled rather than coming forward. This uncertainty around sites is also generally not beneficial for the development industry.
- 2. Part 5 of the policy states that when applicable the Council will maintain a specific supply of deliverable housing sites sufficient to provide a five-year housing land supply (5YHLS). It goes on to state that where this cannot be demonstrated, the Council must apply the presumption in favour of sustainable development. The HBF considers that this statement is little more than repetition of the NPPF, and in fact adds limitations to the policy by requiring it to accord with the spatial strategy and to represent a proportionate response and meet the requirements of DM21, 22 and 23 and as such it adds little. The HBF would recommend that the Council give further thought to what exactly they would do if the five-year supply cannot be demonstrated, this could for example include giving further consideration to sites that are sustainable and are well located in relation to settlements or services, or where they could provide support for local settlements or services, or the need for a review of the Plan or the addition of further site allocations.
- 3. The HBF also suggests that whilst the use of 'when applicable' at the start of part 5, may be in line with the December 2023 NPPF, this paragraph has been removed from the 2024 NPPF documents, making this text unnecessary.

DM21 Design and quality of housing

1

HBF Home Builders Federation

Policy DM21 aims to ensure that residential development is well designed such that it makes a positive contribution to the built and natural environment, makes efficient use of land, and meets the needs of occupiers.

The Council's Optional Standards Assessment¹ provides evidence for policy DM21 in the context of national planning guidance².

Q5.2. Is policy DM21 relating to the design and quality of housing justified and consistent with national policy? In particular:

(a) The approach in part 2 to the density of development.

(b) The requirement in part 3(c) for new homes to meet the nationally described space standards.

(c) The requirement in part 3(d) for new homes to be accessible and adaptable and meeting, where possible, the optional technical standards of part M4(2) of the building regulations.

(d) The encouragement in part 4 for a proportion of new homes to meet the optional technical standards of part M4(3) of the building regulations.

- 4. The flexibility provided by part 2 of this policy in relation to site specific material planning considerations as well as the application of policies in the Plan is noted, this will allow developers to react to some site-specific issues and the policy requirements in relation to open space provision, biodiversity net gain, housing mix, residential space standards, accessible and adaptable dwellings, energy efficiency, street trees, parking provision and EV charging, and any implications of design coding. However, the HBF is concerned by the use of 'not withstanding this,' which the HBF considers detracts from the flexibility provided in the first part of part 2 of the policy. The HBF recommends this wording is deleted.
- 5. The Optional Standards Assessment (July 2024) identifies that the Council has considered 1,258 dwellings at 24 sites, it suggests that only 9% of these dwellings comply with the NDSS. It goes on to suggest that the most significant issue is bedroom size, with third and fourth bedrooms being smaller than the NDSS standards, it also suggests that floor space is an issue. The Assessment also suggests that the use of NDSS has been integral to the Viability Assessment and is not therefore a driving factor for viability constraints.
- 6. If the Council wishes to apply the optional NDSS to all dwellings, this should only be done in accordance with the NPPF³, which states that policies may also make use of the NDSS where the need for an internal space standard can be justified. As set out in the NPPF⁴, all policies should be underpinned by relevant and up to date evidence, which should be

¹ CD/05/11

² PPG ID-56.

³ NPPF Dec 2023 paragraph 135(f) footnote 52

⁴ NPPF Dec 2023 paragraph 31

adequate and proportionate, focussed tightly on supporting and justifying the policies concerned and take into account relevant market signals.

Home Builders

Federation

HK

- 7. The NDSS 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. The PPG⁵ 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 need, viability and timing. The Council will need robust justifiable evidence to introduce the NDSS, based on the criteria set out above. The HBF considers that if the Government had expected all properties to be built to NDSS that they would have made these standards mandatory not optional.
- 8. The HBF does not consider that the Council have provided sufficient evidence to take account of need, and given the evidence they have provided. The HBF does not consider that the Optional Standards Assessment is sufficient evidence to demonstrate need for the introduction of the NDSS. The Council have not provided evidence to show that these homes have not sold or that the residents of these properties are in anyway unsatisfied with their home.
- 9. The HBF considers 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.
- 10. It should be noted that the HBF's Annual Industry Customer Satisfaction Survey⁶ published March 2023 and completed by over 60,000 new homeowners highlights that 90% of people who have bought a new home would do so again. It also highlights that 92% of homeowners are satisfied with the internal design and layout of their new home. This does not suggest that new homeowners have issues with the size of rooms provided or that there is a need for the NDSS to be introduced.
- 11. Part (d) of the policy states that new homes should be accessible and adaptable, and where possible meet optional technical standards for M4(2). Part 4 of the policy states that where practical and viable developers are encouraged to include a proportion of homes to meet the optional technical standards of Part M4(3).
- 12. The HBF considers that the wording around part (d) is not particularly clearly written and has the potential to be unambiguous contrary to the NPPF⁷. If it is not possible to meet the

⁵ PPG ID: 56-020-20150327

⁶ https://www.hbf.co.uk/documents/12362/18th_Survey_CSS_2023_Completions_October_2021_-_September_2022.pdf

⁷ NPPF Dec 2023 paragraph 16

optional technical standards set out Part M4(2) of the Building Regulations how will the Council determine if the site is accessible and adaptable?

Home Builders

Federation

HB

- 13. The HBF is generally supportive of providing homes that are suitable to meet the needs of older people and disabled people. However, if the Council wishes to adopt the higher optional standards for accessible, adaptable and wheelchair homes the Council should only do so by applying the criteria set out in the PPG⁸.
- 14. The PPG⁹ 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. It is incumbent on the Council to provide a local assessment evidencing the specific case for Pendle which justifies the inclusion of optional higher standards for accessible and adaptable homes in its Local Plan policy. If the Council can provide the appropriate evidence and this policy is to be included, then the HBF recommends that an appropriate transition period is included within the policy.
- 15. The Council have prepared an Optional Standards Assessment (July 2024) which highlights that in relation to addressing the need for supported housing, the HEDNA concludes that there is an estimated need for 1,640 dwellings between 2022 and 2032. Of this need around 1,000 are housing units with support (sheltered /retirement housing) with around one third market tenure and two thirds affordable tenure required. There is need for around 500 additional housing units with care (e.g. extra care) and 270 nursing home bedspaces (bedspaces not counted as full dwellings in nursing homes). It does not highlight why there is a need for all homes to be built to the M4(2): Accessible and Adaptable dwellings.
- 16. The Viability Assessment has included the cost for the M4(2) provision at £521 per dwelling for 100% of dwellings. However, whilst the Optional Standard Assessment suggests that this is unlikely to affect development viability, the HBF notes that the Viability Assessment highlights the significant viability challenges in Pendle and that it states that it is important that Pendle Council continues to consult and refine policy requirements (and may need to make difficult choices) as to what is viable and deliverable.
- 17. The PPG¹⁰ also identifies other requirements for the policy including the need to consider site specific factors such as vulnerability to flooding, site topography and other circumstances, which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access can not be achieved or is not viable. The HBF recommends that these elements are included within the policy.

⁸ PPG ID: 56-007-20150327 ⁹ PPG ID: 56-007-20150327

¹⁰ PPG ID: 56-008-20160519

- 18. The Council should also note that the Government response to the Raising accessibility standards for new homes¹¹ states that the Government proposes to mandate the current M4(2) requirement in Building Regulations as a minimum for all new homes, with M4(1) applying in exceptional circumstances. This will be subject to a further consultation on the technical details and will be implemented in due course through the Building Regulations. M4(3) would continue to apply as now where there is a local planning policy is in place and where a need has been identified and evidenced.
- 19. Part 4 of the policy states that where practical and viable developers are encouraged to include a proportion of homes to meet the optional technical standards of Part M4(3). Again, the HBF is concerned around the clarity and ambiguous nature of the wording of the policy, contrary to the NPPF¹². How will the Council determine if it is practical or viable for a development to provide M4(3) housing? How will they determine what proportion of the development should be M4(3) housing? Will the Council require every development to provide viability evidence for this to be determined? The HBF is concerned by this policy. Particularly considering the potential cost for the provision of M4(3) homes and the known viability issues. The HBF considers that if the Council has the evidence to introduce this policy, it may want to consider the most appropriate way to deliver the homes they require to meet their needs. The HBF considers that this is unlikely to be in the form of M4(3) homes, and that this policy needs further consideration, including the deletion of Part 4.

DM22 Housing mix

HR

Home

Policy DM22 aims to ensure that all residential developments provide a range of house types and sizes to help meet the housing needs of the local community.

Q5.3. Is policy DM22 relating to housing mix justified and consistent with national policy? In particular:

(a) The different proportions of market and affordable housing expected to have one, two, three and four or more bedrooms set out in part 2.

(b) The encouragement in part 4 for major developments to include bungalows.

(c) The requirement in part 5 for apartment schemes to include family homes (two or more bedrooms).

(d) The requirement in part 6 for house types and sizes to be "arranged to avoid creating class divided communities".

20. The HBF understands the need for a mix of house types, sizes and tenures and is generally supportive of providing a range and choice of homes to meet the needs of the local area. The HBF recommends a flexible approach is taken regarding housing mix which recognises that needs and demand will vary from area to area and site to site; ensures that the scheme is viable; and provides an appropriate mix for the location and market. The HBF is concerned by how much reliance will be placed on Table DM22a, and how frequently this

¹¹ https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response

¹² NPPF Dec 2023 paragraph 16



may be updated or superseded and what the process will be for introducing this new data. The HBF would support the Council in adding additional elements to the policy including the consideration of elements such as the current demand.

- 21. The HBF is concerned that the delivery of bungalows on major developments will not be appropriate for most developments. For example, the Council will be aware some homes, such as terrace houses and flats, are more intrinsically energy efficient and emit less carbon compared to bungalows, which may cause issues going forward as the Future Homes Standard comes forward. Additionally, bungalows are also inherently wide, land hungry house types and the more bedrooms, the more land needed, this increased land cost will then need to be recovered, leading to more expensive purchases which will potentially price out most average buyers in the local market. The HBF has concerns about the requirement for bungalows and the evidence for this need, and the potential impact it will have on site viability and deliverability. Whilst the PPG¹³ acknowledges that many older people may wish to stay or move to general housing that is already suitable such as bungalows, this may not be the only appropriate solution. The PPG also acknowledges that plan makers will need to consider the size, location and quality of dwellings needed in the future to allow them to live independently and safely in their own home for as long as possible.
- 22. If this policy is retained the HBF notes that the PPG does not stipulate bungalows should be single storey only, and that if the Council brings this policy forward, this should be taken into consideration during implementation of this policy. Buyers wishing to purchase a bungalow may not necessarily suffer with mobility issues at the point of purchase and may just want to future-proof their property for later years. The incorporation of stairs does not, in itself, mean the bungalow is not level access (as all key facilities would remain available on the ground floor and as such still be a feasible, workable level access bungalow.

DM23 Affordable housing

Paragraph 6.58 in the Plan states that Pendle has a requirement for 288 affordable homes per year primarily due to the mismatch between local incomes and the cost of renting or buying homes. Paragraph 6.61 states that minimum percentage requirements for affordable housing in policy DM23 take account of the viability evidence.

The Council's response to FPQ1 proposes a modification intended to clarify whether proposals are expected to comply with one, all or some of the criteria in policy DM23 parts 5 and 14.

Q5.4. Is policy DM23 relating to affordable housing consistent with national policy or otherwise justified? In particular:

(a) The requirement in part 1 for residential development which meets the relevant thresholds to contribute towards the provision of affordable housing.

(b) The encouragement in part 2 for proposals to include affordable housing in excess of the proportions set out in Table 23a.

(c) The requirement in part 4 for a viability assessment if the proportions in Table 23a

¹³ ID: 63-012-20190626



cannot be met.

(d) The requirements in parts 5 and 7 relating to on- and off-site provision of affordable housing.

(e) The requirement for a financial contribution equivalent to 20% affordable housing from developments of 5-9 dwellings in the Forest of Bowland National Landscape.

(f) The requirement in part 9 for 75% of affordable homes to be for rent.

(g) The requirements in parts 9, 10 and 11 relating to First Homes.

(h) The requirements in part 14 and 15 relating to rural exception sites.

(i) The approach to community-led housing in parts 17 and 18.

(*j*) Are the Council's proposed modification to parts 5 and 14 necessary to clarify whether proposals are expected to comply with one, all or some of the criteria and would they be effective in that regard?

- 23. The NPPF¹⁴ states that provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas. Major developments for housing are defined by the NPPF¹⁵ as development where 10 or more homes will be provided or the site has an area of 0.5ha or more. The HBF would expect the thresholds to be in line with those set out in the NPPF.
- 24. The NPPF¹⁶ is, also, clear that the derivation of affordable housing policies must not only take account of need but also viability and deliverability. 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.
- 25. The HBF notes that the Viability Assessment (September 2024) states that across Pendle the affordable housing threshold for viability is below 10%. The report suggests that the unviable nature of the area is largely down to the high build costs and low sales values across Pendle. It goes on to suggest (paragraph 9.9) that Pendle Borough Council could maintain the minimum affordable housing target at 10% in line with national policy and consider other proactive interventions in the market to deliver housing. It suggests things such as the direct development of housing by the Council, partnering with Registered Providers, delivering of sites through partnership and delivery of funding schemes, and the use of grants or soft-loans.
- 26. The challenge of delivering affordable homes is identified in the Local Plan¹⁷ as being due to poor viability, suggesting that the establishment of affordable housing requirement consistent with the assessed level of need is unrealistic without seriously harming the deliverability of the Plan.

¹⁴ NPPF Dec 2023 paragraph 65

¹⁵ NPPF Dec 2023 - Glossary

¹⁶ NPPF December 2023 Paragraph 34

¹⁷ Local Plan paragraph 6.61



- 27. Part 2 of the policy suggests that increased weight in favour of a proposal will be applied where affordable housing in excess of the requirements set out in Table DM23a is proposed. The HBF is concerned as to how this will be implemented. The HBF would suggest that a development is either meeting the policy requirements and it is given appropriate weight or it is not. How would it be determined how much additional weight to give to developments that provide additional affordable housing, how much over the requirement would lead to additional weight? For example, if you built 10 homes in the Earby and Barnoldswick area and one of those was an affordable home, you have technically provided 10% affordable housing, therefore do you get increased weight?
- 28. The Affordable Homes Update Written Ministerial Statement published on 24 May 2021, states that from 28 June 2021, a home meeting the criteria of a First Home will also be considered to meet the definition of 'affordable housing' for planning purposes. It set a First Homes Criteria which states that a First Home must be discounted by a minimum of 30% against the market value; and, after the discount has been applied, the first sale of the home must be at a price no higher than £250,000. However, the HBF notes that First Homes are no longer the Government's preferred tenure for delivering affordable housing. With the NPPF 2024^[1] stating that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24 May 2021, no longer applies. Delivery of First Homes can, however, continue where local planning authorities judge that they meet local need. The HBF considers that whilst the Plan is being examined under the previous version of the NPPF it may be practicable to look again at whether this element of the affordable housing is needed, or may help to deliver homes to meet the local housing needs.
- 29. The policy suggests that the First Home discount rate should be based on information contained within the HEDNA, the policy suggests that a combined annual income cap of £35,000 should be applied. This is based on the evidence in sections 7.125-7.126 and Table 7.25 of the HEDNA, which is based on specific assumptions around affordability including a 10% deposit and a 3.5 times mortgage multiple. Table 7.24 which the policy suggests provides the information for a discount rate suggests a variety of discounts dependent on the number of bedrooms.

	Affordable Price	Estimated newbuild OMV	Discount required
1-bedroom	£65,000	£84,500	23%
2-bedrooms	£76,900-£78,500	£104,000	25%-26%
3-bedrooms	£88,700-£109,300	£169,000	35%-48%
4+-bedrooms	£130,300-£180,100	£299,000	40%-56%

Table 7.24	Affordable home	ownership prices	s – data for year	to March 2022 - F	Pendle
------------	-----------------	------------------	-------------------	-------------------	--------

Source: Derived from a range of sources as described

^[1] NPPF 2024 paragraph 66 and footnote 31

HBF Home Builders Federation

30. However, it is noted that paragraph 7.119 is very clear that it is important that the Council ensure that any discount above 30% does not prejudice the viability of provision of rented forms of affordable housing. Whilst paragraph 7.122 states that it is not recommended to seek a higher [discount] figure unless this can be proven to not impact on overall affordable delivery. The HBF notes the viability challenges set out within the Viability Assessment and considers that this will need to be taken into consideration in terms of how any additional discount rate is applied. The HBF considers that if this policy is to be maintained, it should be amended, as it is likely to be inappropriate to use a discount rate above that set out in the PPG of 30% or to set additional eligibility criteria over and above those seen in the PPG.

DM27 Self- and custom-build housing

National policy expects local plans to reflect the housing needs of different groups in the community, including people wishing to commission or build their own home. Local authorities are required to keep a register of those seeking to acquire serviced plots for their own self- or custom-build, and to give enough suitable development permissions to meet the identified demand¹⁸.

Policy DM27 supports the provision of self- or custom-build homes on three sites allocated specifically for such development, within settlement boundaries, and outside but closely related to a defined settlement boundary provided that certain criteria are met. Proposals for market housing delivering 50 dwellings or more are expected to provide a minimum of 5% of all homes for self-build subject to certain requirements.

The Council's response to FPQ1 proposes a modification intended to clarify whether proposals are expected to comply with one, all or some of the criteria in policy DM27 part 4.

Q5.6. Is policy DM27 relating to self- and custom-build housing justified and consistent with national policy? In particular:

(a) The requirement in part 2 relating to sites outside settlement boundaries.

(b) The requirements in part 4 relating to market developments delivering 50 dwellings or more.

(c) Is the Council's proposed modification to part 4 necessary to clarify whether proposals are expected to comply with one, all or some of the criteria and would it be effective in that regard?

31. The HBF does not consider that Policy DM27 is justified and consistent with national policy and would be keen to understand the evidence to support the need for custom and self-build housing in Pendle, and how it has informed the requirements of Policy DM27. The PPG¹⁹ sets out how custom and self-build housing needs can be assessed. The HEDNA sets out that there has been a total of 261 registered expressions of interest in a serviced plot of land, at an average of 37 plots per annum. It sets out the most popular locations are Barrowford, Fence and Nelson, with 72% of people looking for a single plot, with 6% wanting to be involved with a community self-build.

¹⁸ NPPF 63 and footnote 29.

¹⁹ PPG ID: 67-003-20190722

- 32. The HBF does not consider that the Council has appropriate evidence to support the requirement for developers on sites of 50 dwellings or more to provide 5% of all new homes as 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 considers that the Council's own evidence show that there is not a demand from custom and self-builders to live on sites within a larger residential development scheme.
- 33. The PPG²⁰ 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.
- 34. It is considered unlikely that the provision of self and custom build plots on new housing developments can be co-ordinated with the development of the wider site. At any one time, there are often multiple contractors and large machinery operating on-site from both a practical and health and safety perspective, it is difficult to envisage the development of single plots by individuals operating alongside this construction activity.
- 35. The HBF agrees that if demand for plots is not realised, it is important that plots should not be left empty to the detriment of neighbouring properties or the whole development. The timescale for reversion of these plots to the original housebuilder should be as short as possible from the commencement of development 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. There are even greater logistical problems created if the original housebuilder has completed the development and is forced to return to site to build out plots which have not been sold to self & custom builders.
- 36. The Council's proposed modifications to part 4 are not considered necessary for soundness, and do little to improve clarity of the policy. For example, the element of Part 4 which states that detailed planning permission will be required before construction can commence, is not clear, this statement could be interpreted to mean before construction can commence on the individual self-build plot or the site as a whole. It also not clear why self build plots should for a specific phase of the development site, or why they should be made available for disposal prior to the full occupation of the site. As set out above, the HBF considers there may be potential for health and safety issues if self-build plots are coming forward to slightly different timescales to the main sites, and it is not sure how these elements improve this situation for those purchasing the market homes on the main site or those looking to self-build.

²⁰ PPG ID: 57-025-20210508

HBF Home Builders Federation

Policy DM27 (Policy Text, Part 4)

Proposals for market housing, delivering 50 dwellings or more, will be expected to promote selfbuild and custom housebuilding. A minimum of 5% of all new homes provided on these sites will be required for self-build: <u>Self-build plots should</u>

(a) Self-build homes should form Form a specific phase of the development site.

(b) Self-build areas must be fully serviced and integrated into the wider approved landscaping, drainage, and biodiversity schemes for the development.

(c) Self-build areas must Be made available for disposal prior to the full occupation of the wider approved scheme.

(d) Self-build plots must be Be marketed for a minimum period of 6 months before reverting to market housing subject to written approval of the Local Planning Authority.

(e) Self-build areas must be Be fully serviced and integrated into the wider approved landscaping, drainage, <u>highways</u> and biodiversity schemes for the development; and

(f) <u>Receive detailed planning permission before construction can commence, with</u> The the position, size and pallet of materials of any self-build homes, must be consistent and compatible with approved plans for the wider development.

(g) Detailed planning permission will be required for each self-build plot before construction cancommence.

(h) The position, size and pallet of materials of any self-build homes, must be consistent and compatible with approved plans for the wider development, including site drainage, highways, biodiversity, and landscaping.