



THE HOME BUILDERS FEDERATION

Date: 29th October 2015

Consultee ID: 707

Matter: 6

SEFTON LOCAL PLAN EXAMINATION

Matter 6 – Housing and Communities

The HBF would like to submit the following further comments in respect of Matter 6.

Issue 6: Whether the approach to the size, type, tenure and range of housing suitably reflects the housing needs and priorities of Sefton's communities.

6.1 Are the proportions of affordable housing sought in policy HC1 justified by robust viability evidence? Has sufficient account been taken of the Planning Practice Guidance (PPG) advice not to plan to the margin of viability?

No, the viability evidence clearly demonstrates that policy compliant developments are largely unviable or at best marginal. The actual situation is likely to be significantly worse as the study does not undertake a full cumulative impact assessment of the policies contained within the submitted plan but rather separates each impact. This is considered contrary to NPPF, paragraph 174.

On affordable housing alone it is noted that within the lowest value areas of Bootle and Netherton most development is unviable, or at best marginal, with affordable housing contributions set at 10% (see tables 6.2 and 6.3, MI2). Once the threshold is raised to 20% only 3 sites within zone 2 remain viable, either at the 80/20 or 60/40 social rented/intermediate split. The HBF is unaware that the Council has undertaken an analysis of the 50/50 split contained within the policy, nor a target of 15%. Nevertheless it appears unlikely that the majority of development within these areas can withstand a greater affordable housing requirement than 10% and even this is likely to be challenging.

Within the remainder of the district a 30% requirement is needed with an 80/20 social rented/intermediate split. The study identifies that such a requirement is unlikely to be viable on the majority of brownfield sites within this area. The study does, however, indicate that in the case of greenfield sites the picture is more positive. Section 6 of the study further tests 14 of the proposed allocations and when policy compliant affordable housing requirements are placed upon the sites over 50% (8 out of 14) are marginal. However given our earlier comments upon the lack of analysis of the cumulative impacts of policies and obligations the HBF question the overall viability of the affordable housing targets across the whole district.

The PPG clearly states that;

‘Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating. Current costs and values should be considered when assessing the viability of plan policy. Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period. This will help to ensure realism and avoid complicating the assessment with uncertain judgements about the future. Where any relevant future change to regulation or policy (either national or local) is known, any likely impact on current costs should be considered’ (our emphasis paragraph 10-08) and ‘Planning obligations must be fully justified and evidenced. Where affordable housing contributions are being sought, planning obligations should not prevent development from going forward’ (our emphasis paragraph 23b-005).

The HBF contend that the proposed policy plans to and in some cases beyond the margins of viability and are likely to stop development coming forward.

The Council’s track record of delivery of affordable housing via Section 106 agreements would also suggest that the requirements for 30% and 15% upon sites greater than 15 is not viable. The Council’s most recent *Annual Monitoring Report* (ref: LP17) indicates a healthy level of affordable housing completions (Table at Section 6.2). The vast majority of these completions were secured through HCA, RP or HMR funding, *Housing Technical Paper* (Ref: TP1, appendix 2). Section 106 agreements provided just 75 affordable dwellings over the period 10/11 to 14/15, an average of just 15 per annum. The following table identifies annual percentage of Section 106 delivered affordable housing compared to market dwellings.

Table 1: Overall % affordable dwellings provided by market dwellings (new build and conversions)

Year	Market dwellings*	S106 affordable^	%
14/15	540	25	5
13/14	257	10	4
12/13	332	12	4
11/12	421	16	4
10/11	405	12	3
Average	391	15	4

*Table 6.4 (HO1) and Appendix 2 (TP1); ^ Appendix 2 (TP1)

The HBF recognise that some of the market dwellings would be associated with none qualifying sites, currently under 25 units (UDP requirement). Due to the lack of information upon past completions of market dwellings and site size it is impossible to determine the exact figure at present. However even if 50% of all such completions were none qualifying an average of just 8% would be achieved. This is significantly lower than the Council’s proposals and provides an indication of the viability of sites within Sefton.

Once the previous delivery information is read alongside the viability report, even with its failings, the HBF conclude that the levels of affordable housing proposed are in most cases beyond the limits of viability.

6.2 What is the justification for the proportion of affordable housing to be measured by bed-spaces rather than dwellings, and how does this relate to the assessment by dwellings in the 2014 SHMA? Has the viability of this requirement been robustly tested and found to be deliverable?

The bed space requirement makes the assessment of affordable housing requirements upon sites overly complex and often leads to a higher overall percentage of affordable properties being required. The HBF is unaware of any other authority within the region which operates such a policy.

The requirement for bed spaces does not fit with the evidence base which is formulated upon households and dwellings. It is also notable that neither the NPPF nor PPG discuss bed spaces in either determining unmet needs or future requirements for affordable housing. Indeed the PPG paragraph 2a-027 specifically refers to dwellings and units in calculating affordable housing supply.

The Council's 2014 viability study (ref: MI2) also comments that;

'....In summary, the delivery of Policy requirements at 30% on site provision (in all areas except Bootle on developments of 15 units or more) measured with reference to bed spaces is not viable in all cases, and may put the delivery of some housing sites at risk.....' (paragraph 9.12).

The HBF therefore considers the use of a bed space calculation to be over-complex and unjustified by the evidence and potentially contradictory to national policy. It is therefore recommended this be replaced a simple dwelling requirement, with the size of dwelling to be determined on a site by site basis dependent upon local needs and viability.

6.3 Is the need for affordable housing in Bootle and Netherton justified by the findings of the SHMA? If it is, should policy HC1 reflect the need for smaller dwellings in these areas as identified in the SHMA?

The 2014 SHMA (ref: HO5) identifies a surplus of affordable housing within Bootle and Netherton (figure 7.10). Despite this surplus the SHMA (paragraph 7.76) suggests;

'To be clear, although the analysis suggests a surplus of affordable housing in Bootle and Netherton it is considered reasonable to include a small target (of say 15%) for affordable housing to recognise that there will be specific shortages of affordable homes by tenure, type and size or in particular locations within sub-areas'.

The 15% figure is not qualified by the SHMA and appears to be solely based anecdotal evidence. Indeed the wording used *'of say 15%'* appears to suggest the figure is a *'finger in the air approach'* which is not supported by evidence. Due to the lack of evidence the HBF does not consider the affordable housing requirement to be justified in these areas, indeed the evidence points towards a surplus rather than a deficit. Furthermore, as noted above, the viability evidence does not support such a target within these areas.

If a need and justification for affordable housing within these locations can be established paragraphs 8.41 and 8.42 of the SHMA suggest that smaller properties would be required. However, given the implications of the bed space approach to affordable housing provision a requirement for all affordable housing to be one or two bedrooms may have a significant impact upon viability within this area as on a mixed size and tenure site a greater number of one or two bed properties would be required.

6.4 Should a more flexible approach to the proportions of social rented / affordable rented and intermediate housing be built into policy HC1 to allow for

area-specific variations in demand and in case later SHMAs identify a need for different tenure mixes?

Yes, the HBF consider that a more flexible approach is required which allows for area specific variations, viability considerations and future changes within the SHMA. The recent government announcements (David Cameron MP speech 12th October 2015) and forthcoming Housing and Planning Bill indicate that starter homes will also need to be a consideration for the Council and would supersede the requirements within Policy HC1.

6.5 Is the application of policy HC1 to residential conversions consistent with national policy, notably the introduction of vacant building credits?

This will be dependent upon the Governments appeal of the recent High Court Judgement upon this issue (*Application of West Berkshire District Council v Department for Communities and Local Government*. Case Number: CO/76/2015).

6.6 Is it reasonable for policy HC2 to require certain proportions of market dwellings to be a specific size? Should the exceptions identified in the policy allow for the possibility that later SHMAs might require a different mix of dwelling sizes?

The proposed amendments to policy HC2 (see PMM.15, LP19) whilst an improvement upon the submitted plan policy are still inflexible and do not take account of the individual site characteristics nor viability. The HBF therefore recommends that the targets within the policy are provided for context and to aid discussion but local needs and characteristics as well as viability and market demand will ultimately be used to determine the appropriate mix in discussion with the developer on a site by site basis.

6.7 Given the high proportion of older persons in Sefton, which is projected to increase over the Plan period, is policy HC2 sufficiently positive and proactive in seeking to meet the specific housing needs of older persons (as set out in recent revisions to PPG)?

The HBF is supportive of providing housing for older persons. This can be provided in a variety of ways to meet a wide range of needs and market demands. Given the variety of needs and demands the HBF consider it inappropriate to place inflexible requirements upon specific sites. It is considered that a positive policy framework which supports housing for older persons is required.

6.8 Is the reference to Lifetime Homes Standards appropriate following the move to national standards for housing and the introduction of Optional Technical Standards? Has the viability of providing 20% of all dwellings to meet Lifetime Homes Standards been fully assessed?

The optional technical standards for housing specifically remove and replace the Lifetime Homes standard. The Council has within its proposed modifications (PMM.16, LP19) suggested that the Lifetime Homes requirement within Policy HC2 be replaced by Building Regulation Requirement M4 (2) 'accessible and adaptable dwellings' at a rate of at least 20% on all sites of 50 dwellings or greater. The category M4 (2) Building Regulation Requirement is the most closely related to the former Lifetime Homes standard.

The introduction of the optional standard is, however, considered unsound as it is unjustified. The PPG (paragraph 56-007) identifies which criteria must be considered

through the examination process to enable the introduction of the optional standards. In terms of M4(2) the criteria are;

- the likely future need for housing for older and disabled people (including wheelchair user dwellings).
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).
- the accessibility and adaptability of existing housing stock.
- how needs vary across different housing tenures.
- the overall impact on viability.

Whilst the SHMA (ref: HO5) provides some of this information significant elements are missing or do not support the introduction of the optional standard. Specifically the viability evidence (ref: MI2) does not consider the costs of implementing such a requirement, nor does it provide any comfort that such requirements would be viable (see our response to question 6.1 above).

The HBF therefore does not consider that the Council can currently justify the introduction of the optional standard. If this can be evidenced and justified at a later date it could be included as part of the early review of the plan.

6.9 to 6.11

The HBF has no further comments at this stage.

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