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Dear Kim Russell,

**GATESHEAD MAKING SPACES FOR GROWING PLACES LOCAL PLAN:
INSPECTOR'S MATTERS, ISSUES AND QUESTIONS**

Thank you for consulting with the Home Builders Federation on the Gateshead Making Spaces for Growing Places Local Plan Examination Inspector's Matters, Issues and Questions.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

The HBF would like to submit the following comments on selected questions posed within the Inspector's Matters, Issues and Questions.

Yours sincerely,



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Matter 4: Homes

Issue 4A

Is the Council's approach towards the supply and delivery of housing land justified, effective and consistent with national policy, in order to ensure the timely delivery of the CSUCP housing requirement for Gateshead?

Questions

4.1 What is the relationship between the housing requirement in strategic policies in the CSUCP and the policies in this Plan?

Policy MSGP10 states that provision is made for 104.17ha (gross) of housing land supply over the plan period. The justification states that this is to facilitate the delivery of the CSUCP Policy CS10. Policy CS10 requires the provision of 8,500 homes (net) in Gateshead in the period 2010 to 2030¹.

Appendix 2 then identifies the potential capacity for each of the sites allocated, the Submission draft appears to include allocations for 2,917 dwellings. The Housing Topic Paper June 2019 provides more information in relation to the total sources of supply including the Core Strategy allocations, Urban Core Plan allocation, the Metrogreen and other known sites.

4.2 Is it appropriate that the sites are referred to in Appendix 2 of the Plan rather than in Policy MSGP10? Is it clear how the hectareage set out in Policy MSGP10 would translate to the provision of homes? Is Policy MSGP10 consistent with paragraph 16(d) of the Framework?

The HBF consider that it would be preferable for the allocations to actually be in the policy rather than as an appendix. This would be considered to in line with paragraph 16d which states that plans should contain policies that are clearly written and unambiguous. This would also provide a clearer link between the hectareage and the delivery of homes.

The HBF would expect the Council to have worked closely with the housebuilding industry, landowners and developers to ensure that the assumptions made regarding the capacity of the sites is appropriate.

4.3 Is there a sufficient range and choice of sites allocated in the Plan in terms of location, type and size, to provide adequate flexibility to meet the CSUCP housing requirement for Gateshead to 2030? Would the housing allocations ensure that the Plan would be positively prepared, justified, effective, and consistent with the Framework, insofar as it seeks to boost significantly the supply of housing and make effective use of land?

The Council should ensure that there are sites that appeal to all sizes of developers, to provide a variety of types of homes to appeal to all levels of the market in a variety of locations.

¹ And 8,020 net homes in the period 2015 to 2030.

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When selecting housing sites for allocation the Council should select the widest possible range of sites by both size and market locations to provide suitable land for small local, medium regional and large national housebuilding companies. A diversified portfolio of housing sites offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. Housing delivery is maximised where a wide mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector. The HBF have some concerns around the heavy reliance on brownfield sites and their potential deliverability. The Council should also provide maximum flexibility within its overall housing land supply to respond to changing circumstances, to treat the housing requirement as a minimum rather than a maximum and to provide choice and competition in the land market.

4.4 Are the assumptions for delivery of the allocated sites realistic and supported by evidence?

The Council's assumptions on sites in relation to delivery and capacity should be realistic based on evidence supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data.

The Housing Fact Sheets (July 2019) provide some information in relation to the developability of the sites, however, it is not always clear how much landowner or developer engagement has taken place.

4.5 Is the supply of housing sufficiently flexible in the event of non-delivery of allocated sites and to adapt to rapid change? Is there a sufficient buffer in the event of non-delivery of sites?

The Housing Topic Paper (June 2019) suggests that there is a surplus of 2,193 dwellings based on their assessment of the supply. The HBF support the provision of a surplus, or buffer, in order for the Council to provide sufficient housing supply to ensure flexibility in the event of non-delivery of allocated housing sites. The HBF would normally recommend a buffer in the order of 20% of the requirement.

4.6 Is there a realistic prospect that housing will be delivered on the relevant allocated sites in Appendix 2 of the Plan within the first five years of the Plan?

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

4.7 What evidence is there that substantive viability issues will be able to be overcome in delivering the housing requirement over the plan period? Do you have a clear programme for delivery of sites and, if so, could the Council set out the programme and mechanisms for site delivery?

The HBF believes this is a question for the Council to address and does not wish to comment at this time.

4.8 Could the Council please provide a copy of their latest published Housing Delivery Test Action Plan?

The HBF believes this is a question for the Council to address.

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4.9 Was the methodology used to assess and select the proposed site allocations appropriate? Were reasonable alternatives considered and tested?

The HBF believes this is a question for the Council to address and does not wish to comment at this time.

4.10 Are the reasons for selecting the preferred sites and rejecting alternative sites clear and consistent?

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

4.11 How would non-allocated sites be dealt with in policy terms if they were to come forward for housing?

It is not clear how the non-allocated sites would be dealt with, the HBF would expect the Council to have made reference within the Plan to the scope for provision of further housing on unallocated sites. This would be in line with the Government's objective of significantly boosting the supply of homes.

Matter 4: Homes

Issue 4C

Is the Plan's approach to housing standards and the provision of housing for specific groups justified, effective and in line with national policy and the CSUCP?

Questions

Accessible and Adaptable Homes

4.22 Is there a clearly identified need for 25% of all new homes on developments of 15 or more housing units to be built to accessible and adaptable standard and is this supported by viability evidence? Is Policy MSGP11 positively prepared, justified, effective and consistent with national policy and guidance and with the CSUCP?

The HBF do not consider that Policy MSGP11 positively prepared, justified, effective and consistent with national policy.

The HBF do not consider that policy MSGP11 is consistent with national policy. The PPG (ID:56-002) is clear that *'local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area, and justify setting appropriate policies in their Local Plans'*. The HBF do not consider that Gateshead Council have gathered an appropriate evidence base or justified the setting of this policy. The HBF also have concerns that the introduction of the accessibility standards could have an impact on the deliverability of new homes and could be contrary to the Government's objective of significantly boosting the supply of homes, as set out in the NPPF.

PPG (ID 56-07) 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.

HBF do not agree with the Council that the provided evidence suggests that new housing developments of 15 or more should provide 25% of all new homes to meet the Building Regulation M4(2) accessible and adaptable homes.

It must be remembered that all new homes will be built to part M4(1). According to Part M of the Building Regulations meeting M4(1) will ensure reasonable provision for most people, including wheelchair users, to approach and enter the dwelling and to access habitable rooms and sanitary facilities on the entrance storey. As such these standards are likely to be suitable for the majority of people.

The SHMA and the Gateshead and Newcastle Housing for People with Disabilities (Feb 2019) paper provides the evidence base for this policy.

Likely Future Need

Whilst the HBF does not dispute the ageing population within Gateshead as set out in the SHMA, it is not clear how this ageing population and potential future need reflects in the need for 25% of all new homes to be provided at M4(2) standards.

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The ONS² suggest that 24% of the population of Gateshead will be aged 65 years or over in 2037, which is the same as the that of UK population. 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. The evidence does not demonstrate this need.

The SHMA Housing for People with Disabilities document utilises information from the English Housing Survey which highlights that 0.7% of households which include one or more persons with a limiting long-term illness or disability need to move to a more suitable home. Figure 5 goes on to suggest that there is a need of between 7,435 and 15,323 M4(2) or M4(3) dwellings. However, it is not entirely clear how these figures have been arrived at, and what consideration has been given to other alternative provision.

Size, location, type and quality of dwellings needed

The SHMA Housing for People with Disabilities document utilises information from the English Housing Survey which highlights that 0.5% of households in market housing and 2% of households in affordable housing include one or more persons with a limiting long-term illness or disability that means they need to move to a more suitable home. There is limited other information.

The HBF may have expected to see information in relation to the how the need is consistent across the Borough rather than in particular locations, the need for all types and sizes of homes to be accessible for example is it appropriate to identify an ageing population and then suggest that all family homes need to be accessible. It therefore may be appropriate to include information in relation to the sizes or types of homes that were of particular need for example will it be single people, older couples or will it be family homes with facilities for older or disabled members.

The accessibility and adaptability of existing housing stock

The SHMA Housing for People with Disabilities document sets out some information from the English Housing Survey in relation to the potential for adaptation, which suggests that around half of homes have the potential to be adapted without major works. There is very limited data in relation to the actual stock within Gateshead.

The impact on viability

The Viability and Deliverability Report 2018 continues to highlight that there are viability issues within Gateshead. It sets out that the 25% accessible and adaptable homes standard is not viable for any schemes in the low-mid, low urban / suburban areas, and for a 100 dwellings scheme requiring 25% of M4(2) is not viable in any of the Urban/Suburban areas tested. Whilst the report tries to downplay the viability issues by highlighting that the

² ONS Overview of the UK Population: November 2018
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/november2018>

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additional costs in relation to the M4(2) requirements are small, it is evident that where sites already have viability issues any addition to the cost will be detrimental to the delivery of the scheme. It is clear that the Council's own evidence is not supportive of this policy, and that it indicates it could lead to the non-delivery of homes.

It is considered that the Council should take into consideration any implications the requirements of this policy may have on the viability of a development. Paragraph 34 of the NPPF (2019) established the importance of viability to ensure that development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be delivered might be threatened.

4.23 Should there be any flexibility in Policy MSGP11 to address site-specific circumstances which may make it difficult to achieve M4(2) requirements?

The HBF consider that there should be flexibility within Policy MSGP11 to address site specific circumstances which may make it difficult to achieve M4(2) standards. PPG (56-008) states that '*Local Plan policies should also take into account 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 cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be applied*'. Therefore, the HBF considers that these elements should be included within the policy.

4.24 If seeking off-site contributions towards delivery of accessible and adaptable homes, should this requirement be included in Policy MSGP11 rather than in its supporting text as suggested by the Council's proposed modification (No 4)? Would requiring off-site contributions be consistent with the Framework, the Planning Practice Guidance and the Community Infrastructure Levy Regulations?

The PPG does not include any reference to off-site contributions in relation to accessible and adaptable homes. Indeed, it states where step-free access is not viable that the M4 standards should not be applied. It is also not clear how this policy would work, and how these off-site contributions would be calculated or how they would be spent to create other accessible and adaptable homes.

4.25 Is there a need for a transitional period in applying Policy MSGP11?

The HBF would continue to recommend that the Council include an appropriate transitional period. This will help to ensure that developers have time to amend housing designs to the housing standards and for the additional costs to be taken into account when obtaining the site and determining the layout and designs. As far as possible, the HBF consider that MSGP11 should not apply to sites that have already been contracted or purchased as this could impact on their deliverability.

4.26 Where the supporting text at paragraph 5.4 encourages proposals for bungalows and apartments/flats to go beyond minimum policy requirements set out in Policy MSGP11, is this in respect of the level of accessibility or the percentage of homes delivered to M4(2) requirements?

The HBF is not sure what the reasoning is for the for the Council encouraging proposals for bungalows and apartments to go beyond the requirements of Policy MSGP11. If there is a

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justification for this encouragement, then the HBF consider that further clarity should be added in relation to paragraph 5.4.

Nationally Described Space Standard

4.31 Has the need to use the Nationally Described Space Standards (NDSS) and the effect of Policy MSGP13 on viability been adequately demonstrated?

The HBF do not consider that the need to use the NDSS has been demonstrated. The HBF have set out their concerns in their previous responses and would again highlight that the 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.*
- ***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 Gateshead and Newcastle-upon-Tyne Compliance with NDSS targets and Implementation of the Standard document (February 2019) has been produced to try to address some of the concerns and gaps in evidence. However, the evidence 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.

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 should be noted that the HBF Annual Industry Customer Satisfaction Survey published March 2019 and completed by 60,955 new homeowners highlights that 90% of people who have bought a new home would do so again. It also highlights that 93% of homeowners are

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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.

The HBF do not consider that the viability of the requirement has been adequately demonstrated paragraph 8.1.1 of the Viability and Deliverability Report sets out what has been included within the base appraisals, it states that the average NDSS dwelling sizes have been included. The base appraisals include NDSS standards and as set out in paragraph 11.11 the low-mid and low areas are not considered viable even within the base appraisals.

4.32 What implications would the use of the NDSS have on the affordability of new homes and people accessing the housing market?

The HBF consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. Paragraph 7.1.16 of the Viability and Deliverability Report sets out the impact of the NDSS it highlights that for a 3 bed dwelling this could add 14% to the sale value of the house, raising the price from £147,500 to £168,000. It is considered that this is a significant increase and could have implications for those looking to purchase a three bed property. The report does acknowledge that this new price may mean for some purchasers that the homes are unaffordable and that this may have a narrowing effect on the purchaser market. However, there are also concerns that in the real market there may not be opportunities to increase the house price by such a significant price, as purchasers generally buy based on numbers of bedrooms not floorspace, as such there are concerns around the viability of development and deliverability of sites.

4.33 Is the proposed transitional period of one year from the adoption of the Plan appropriate?

Whilst the HBF support the inclusion of a transition period, in line with the PPG, it is considered that it may be appropriate for further consideration to be given to the length of the transition period to ensure it is reasonable. Given the lead in times for residential development, a longer period is suggested as more reasonable to enable developers to factor the cost of space standards into future land acquisitions.