

EXAMINATION OF NOTTINGHAM LOCAL PLAN PART 2
MATTER 6 – DEVELOPMENT MANAGEMENT POLICIES : PLACES FOR PEOPLE

Inspector's issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre-submission Local Plan Part 2 consultation dated 11th March 2016. This representation answers specific questions as set out in the Inspector's Matters, Issues & Questions document.

Issue 1 – Housing Size, Mix and Choice

Policy HO1: Housing Mix

Q2. Is Section 4 of Policy HO1 which relates to self-build/custom build homes positively prepared, justified and effective? In seeking to be flexible is the wording of this part of the policy sufficiently clear, robust and effective for development management purposes having regard to the Framework?

As set out in previous HBF representations the encouragement for self / custom build housing in Policy HO1 Bullet Point (4) is not worded to be clear, robust or effective for development management purposes. The reference to a Supplementary Planning Document (SPD) is not compliance with the Regulations by conferring development plan status to a document which does not have statutory force and which has not been subject to the same process of preparation, consultation and Examination. The Council is referred to the recent High Court Judgement between William Davis Ltd, Bloor Homes Ltd, Jelson Homes Ltd, Davidson Homes Ltd & Barwood Homes Ltd and Charnwood Borough Council Neutral Citation Number : [2017] EWHC 3006 (Admin) Case No. CO/2920/2017. It is suggested the Policy HO1 Bullet Point (4) is modified as follows :-

Policy HO1: Housing Mix

~~4. Where sites provide for 10 or more homes, consideration should be given to including either provision of serviced plots for self or custom builders, and/or the provision of custom homes by other delivery routes, subject to viability considerations and site specific circumstances. If there is sufficient demand for this type of provision, a SPD may be prepared to provide further guidance on how custom and self-build housing should be delivered on such sites.~~

4. The Council will support the provision of Self Build and Custom Build serviced plots provided that such proposals satisfy all other relevant policies

within this Plan in order to ensure that the housing mix within the City reflects the needs of its communities.

Policy HO3: Affordable Housing

Q1. Is the percentage target for affordable housing included in Policy HO3 justified? Is the policy effective?

The percentage target for affordable housing included in Policy HO3 is not justified. At the time of the pre-submission consultation the Council's viability evidence was somewhat dated and more up to date evidence was unavailable. The Council's latest evidence is set out in Nottingham City Council Whole Plan Viability Assessment dated August 2018 by NCS (LAPP.NCC16). This report evidences that greenfield developments in the medium and high value sub market areas are viable but apartment developments and brownfield sites in the low and medium value areas are unviable on a policy compliant basis therefore some relaxation of affordable housing provision and infrastructure contributions is needed (see para 1.9). The Nottingham City House Price Value Zones / Residential Sub Market Areas map (on page 23) illustrates that most of the city is located within the low value sub market area. Of the 3 sub market value areas (high, medium and low) out of 20 identified zones only 1 zone is in the high value sub market area (5%), only 4 zones are in the medium value sub market area (20%) and the remaining 15 zones are in the low value sub market area (75%). In the low value sub market area of the 31 sites viability tested all 18 brownfield sites comprising of 1,604 dwellings representing 53% of the viability assessed housing land supply were unviable. All 5 apartment sites for 745 dwellings in the low value sub market area were also unviable. The brownfield site for 100 dwellings and the apartment development of 50 dwellings in the medium value sub market area were both unviable.

The effectiveness of Policy HO3 in meeting affordable housing needs is undermined because almost all the City is in the low or medium value sub market areas and a significant proportion of proposed housing comprises brownfield and apartment developments which are unviable. It is inevitable that a proportion of affordable housing need will remain unmet. The Monitoring Addendum 2 dated March 2018 (Document LAPP-HOU-03) shows that between 2011/12 – 2016/17 891 affordable houses were completed from all sources (not just S106 contributions) equating to 19.2% of all net completions. If other sources of affordable housing provision were removed the percentage target would be much less than 20% as set out in Policy HO3.

There is also concern that the introduction of the Nationally Described Space Standards (NDSS) has not been correctly viability tested. The NDSS is likely to disproportionately impact on the cost of building and the affordability of purchasing 2 bedroom / 4 person and 3 bedroom / 5 person homes causing as an unintended consequence a potential increase in affordable housing need (see answer to Q3 under Policy DE1 below).

The reference in Policy HO3 Bullet Point (2) to Supplementary Planning Guidance (SDG) is not in compliance with the Regulations by conferring

development plan status to a document which does not have statutory force and which has not been subject to the same process of preparation, consultation and Examination. The Council is referred to the recent High Court Judgement Neutral Citation Number : [2017] EWHC 3006 (Admin) Case No. CO/2920/2017.

Q2. Does policy HO3 make an appropriate response to the Housing and Planning Act 2016 which includes a general duty for local authorities to promote the supply of starter homes?

It is recommended that for the Council to make an appropriate response to promoting the supply of starter homes under Policy HO3 the definition of affordable housing as set out in the revised NPPF Glossary published in July 2018 is replicated in the Local Plan Part 2 Glossary.

It is suggested that Policy HO3 is modified as follows :-

Policy HO3: Affordable Housing

1. Planning permission for new residential developments including conversions, of 15 dwellings or more, or of 0.5 hectares or more (irrespective of dwelling numbers), will be granted subject to a target of 20% of new dwellings being developed for affordable housing, where appropriate viable. ~~For Starter Homes or other affordable home ownership products, the government may set a different threshold.~~
2. Affordable housing need should be met on-site. However, where it can be robustly justified, off-site provision or a financial contribution will be sought ~~in accordance with the City Council's Supplementary Planning Guidance on affordable housing.~~

Policy HO4: Specialist and Adaptable Housing

Q1. Is Policy HO4 positively prepared, justified, effective and consistent with national policy? Is the target of at least 10% of new dwellings on residential developments of 10 or more dwellings to meet the Category 2: Accessible and Adaptable standard of the Government's National Housing Standards justified?

Policy HO4 Bullet Point (1) proposes that at least 10% of new dwellings on sites of 10 or more dwellings are built to the higher optional standard of M4(2) adaptable / accessible homes. The Written Ministerial Statement (WMS) dated 25th March 2015 stated that "*the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG*". If the Council wishes to adopt the higher optional standards for accessible / adaptable homes then the Council should only do so by applying the criteria set out in the NPPG (ID 56-005 to 56-011). All new homes are built to Building Regulation Part M standards. If the Government had intended that evidence of an ageing population alone justified adoption of the higher optional standards then such standards would have been incorporated as mandatory in the Building

Regulations which the Government has not done. It is incumbent on the Council to provide a local assessment evidencing the specific case for Nottingham which justifies the inclusion of M4(2) optional higher standards and the quantum thereof in Policy HO4.

The Council expects specialist accommodation for older people and other vulnerable groups to conform to higher optional standards for accessible / adaptable homes (see para 4.38) which negates the Council's requirement for all new residential development above a threshold of 10 or more dwellings to be subjected to a target of at least 10% accessible / adaptable homes. It is recommended that Bullet Point (1) of Policy HO4 is deleted.

Is there justification for a similar target in relation to Category 3 Wheelchair User dwellings?

There is no justification for a similar M4(3) requirement. The requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008). Any requirement for accessible / adaptable homes especially M4(3) should be thoroughly viability tested. In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. This costing is not included in the Council's latest viability evidence (LAPP.NCC16 - Nottingham City Council Whole Plan Viability Assessment dated August 2018 by NCS).

Issue 2: Design and Enhancing Local Identity

Policy DE1: Building Design and Use

Q3. Are the criteria of Policy DE1 sufficiently clear and effective for development management purposes having regard to the Framework?

Policy DE1 states that planning applications will be considered against a list of design criteria including Bullet Point (g) for residential development, whether the development would meet the Nationally Described Space Standards (NDSS) set out in Figure 4. The supporting text confirms that new dwellings will be expected to meet the Government's NDSS unless there is clear evidence to demonstrate that this would not be viable or technically feasible (para 4.78). There is a clear expectation from the Council that the NDSS is achieved and the onus of demonstrating non-compliance with this expectation is forced upon the applicant.

The WMS dated 25th March 2015 confirms that "*the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG*". If the Council wishes to adopt the NDSS this should only be done by applying the criteria set out in the NPPG. The NPPG sets out that "*Where a need for internal space standards is identified, Local Planning Authorities (LPA) should provide*

justification for requiring internal space policies. LPA should take account of the following areas need, viability and timing” (ID: 56-020) :-

- Need - It is incumbent on the Council to provide a local assessment evidencing the specific case for Nottingham which justifies the expectation for the NDSS in the Local Plan Part 2. If it had been the Government’s intention that generic statements justified adoption of the NDSS then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. The NDSS should only be introduced on a “need to have” rather than a “nice to have” basis. The identification of a need for the NDSS must be more than simply stating that in some cases the standard has not been met it should identify the harm caused or may be caused in the future. Indeed the Council’s evidence identifies that house sizes are exceeding standards so there is no systemic problem to resolve.
- Viability - The impact on viability should be assessed especially the cumulative impact of policy burdens. Firstly, there is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council’s latest viability evidence is misleading by only assessing an averaged NDSS (see para 4.10 of LAPP.NCC16 - Nottingham City Council Whole Plan Viability Assessment dated August 2018 by NCS) rather than the actual NDSS. A 2 bedroom unit is assumed to be 75 sqm in the viability assessment rather than 70 sqm for a 2 bedroom / 3 person house or 79 sqm for 2 bedroom / 4 person house. A 3 bedroom unit is assumed to be 90 sqm in the viability assessment rather than 93 sqm for a 3 bedroom / 5 person house. If the Council introduces the NDSS as a policy expectation then this also involves the introduction of minimum dimensions for bedroom sizes so it is inappropriate to use an average rather than the actual NDSS as a 75 sqm 2 bedroom unit or a 90 sqm 3 bedroom unit may not comply with minimum bedroom sizes (see para 10 of LAPP-HOU-22 - DCLG Technical Housing Standards NDSS March 2015). As the Council has assessed an average sized house rather than an actual NDSS compliant house the full impacts on build costs, selling prices, relevant price points and affordability have not been assessed. It is most likely that the impact has been underestimated. The greatest impact from the introduction of NDSS is on 2 bed / 4 person and 3 bed / 5 person dwellings which represent 70% of the market housing mix and 100% of the affordable housing mix assumed in the Council’s viability assessment. In Nottingham the median house price to median earnings ratio has doubled from 2.59 in 1997 to 5.01 in 2017 whilst slightly below the ratio for England and East Midlands it may be unaffordable for many residents living in the City. The Council cannot simply expect home buyers to absorb extra costs. An unintended consequence of Policy DE1 may be the pushing of additional families into affordable housing need because they can no longer afford to buy a NDSS compliant home. It may also undermine the Council’s policy objective of achieving more family housing in the City. Secondly there is an impact of larger dwellings on land supply.

The expectation for the NDSS would reduce site yields or the number of units on a site therefore the amount of land needed to achieve the same number of units is greater. The efficient use of land is less because development densities have been decreased. At the same time the infrastructure and regulatory burden on fewer units per site intensifies the challenge of meeting residual or existing use plus land values which determines if land is released for development by a willing landowner especially in the low and medium sub market value areas and on brownfield sites. At the same time as exasperating affordability the Council may also further undermine delivery of affordable housing.

- **Timing** - The Council should take into consideration any adverse effects on delivery rates of sites included in the housing trajectory. The delivery rates on many sites will be predicated on market affordability at relevant price points of units and maximising absorption rates. An adverse impact on the affordability of starter home / first time buyer and family sized products may translate into reduced or slower delivery rates. Consequentially the Council should put forward proposals for transitional arrangements. Some sites should be allowed to move through the planning system before any proposed policy requirements are enforced. The NDSS should not be applied to any outline or detailed approval prior to the specified date and any reserved matters applications should not be subject to the NDSS.

The criteria in Bullet Point (g) is not justified. It is recommended that this Bullet Point is deleted from Policy DE1.

Issue 5: Managing Travel Demand

Policy TR1: Parking and Travel Planning

Q1. Are the parking requirements set out in Appendix 1 of the Plan justified having regard to national policy?

As set out in the HBF pre submission representation the maximum parking requirements set out in Appendix 1 are not consistent with national policy. It is recommended that Bullet Point 2 (a) is deleted.