

Home Builders Federation

Matter 9

THANET LOCAL PLAN EXAMINATION

Matter 9 – Meeting Housing Needs (Policies SP19-SP20, QD04-QD05, HO20-HO26)

Issue 1 – Type and Size of Dwellings – Policy SP19

Q2. Is it clear to developers, decision-makers and local communities what the “SHMA recommendations” consist of for the purposes of Policy SP19?

It is not clear as to what the SHMA recommendations and whilst most developers are likely to understand where to access this information it may be less clear to the public or decision makers. We would suggest that to provide clarity the mix of homes that the Council is seeking deliver across the Borough is identified in the supporting text. As we set out below, it is important that this mix is seen as what the Council is seeking to achieve across the Borough, and it should not be a requirement for development to deliver this mix of dwellings.

Q3. Is Policy SP19 sufficiently flexible to react to changing circumstances over the plan period, and to reflect the different characteristics of sites, such as smaller, town centre developments?

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. It is, however, important that any policy is effective and ensures that housing delivery will not be compromised or stalled due to policies that are prescriptive in applying evidence for a Borough wide mix of housing on every site.

It is important to remember that whilst Strategic Housing Market Assessments (SHMA) can provide a broad snapshot in time of what is needed across an LPA or HMA they do not provide a definitive picture as to the demand for different types of homes in specific locations. So, whilst we support Council's in seeking to achieve a broad mix across the plan period this should not be translated directly into policy. It should be left for developers to supply the homes they consider are necessary to meet demand. The development industry understands what types of homes are needed to meet the demands of its customers, if it did not then the homes would not sell.



We would therefore suggest that the policy requires applications for housing development to have regard to the evidence on housing mix but that the final mix is left to agreement between the applicant and developer on a site by site basis. This would establish a flexible approach to 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.

Paragraph 11 of the NPPF recognises this need for flexibility stating that plans should be “sufficiently flexible to adapt to rapid change”. Policies identifying a precise mix do not offer that flexibility and as such cannot be considered sound. We would therefore suggest that the policy be amended as follows:

“Proposals for major housing development will be expected to ~~address~~ take account of the SHMA recommendations regarding the make-up of market and affordable housing types and sizes needed to meet requirements.”

Issue 2 – Provision of Affordable Housing – Policy SP20

Q1. What is the justification for requiring at least 30% of dwellings to be affordable on all qualifying sites? Is the requirement consistent with, and justified by, the evidence contained in the Thanet District Council Local Plan and CIL Viability Assessment?

The Council's Viability Assessment (CD1.3) concludes in paragraph 3.5.28 and 3.5.41 that the viability of housing development on PDL sites in urban areas are poor and at best marginal with a requirement to provide 30% of dwellings as affordable housing. This evidence would suggest that the policy is unjustified as it would threaten the ability of a development to be viable and as such be contrary to paragraph 173 of the 2012 NPPF. The Council is relying on a significant proportion of its development to come forward on non-strategic sites in the urban areas of Thanet and the Council should be seeking to ensure through its policies that such sites come forward rapidly and without the need for lengthy negotiation or further evidence on viability.

Whilst we recognise that the local plan is being examined against the 2012 NPPF it will be delivered under the 2019 NPPF, which places far greater emphasis on the viability testing of the local plan. The Government's position, as established in paragraph 57 of the NPPF, is that the cumulative burden of policy requirements should be set so that most development is deliverable without further viability assessment and negotiation. The Council's viability study clearly sets out that a single 30% affordable housing target is “aspirational” target that will require negotiation where necessary. The study goes on to state that the approach taken forward by the Council will potentially result in more frequent negotiations. We are, therefore, concerned that in relation to housing development on previously developed land (PDL) there will need to be negotiation on a site by site basis.

Given that the Council's own evidence is suggesting that there will need to be negotiation indicates that in delivering this plan decision makers will not be able to

assume that development that complies with the local plan is viable. Therefore, it is highly likely that viability negotiations will be routinely rather than exceptionally undertaken. The plan will rely on negotiation to deliver sites on PDL and, if decision makers are minded to apply paragraph 57 and assume that all development should be viable at 30%, this could result in unnecessary viability assessments and appeals.

We would recommend that the policy is amended to either set a differential policy requiring 20% affordable housing on PDL and 30% affordable housing on greenfield sites or a flat policy of 25% affordable housing.

Q2. What affect will the requirement for proposals to provide 30% affordable housing have on the deliverability of housing, especially for proposals on previously developed land?

On the basis of the Council's evidence it will require development on PDL to negotiated on a site by site basis. This will slow down delivery of such development which are an important source of supply, especially in the first five years of the plan to maintain supply and address the existing backlog in housing supply.

Q3. Is it clear to decision-makers, developers and local communities under what circumstances a lower amount of affordable housing is acceptable?

It is clear that that the Council will negotiate the delivery of affordable housing where this is made unviable. A situation, as we set out above, that is likely to be a regular occurrence.

Q4. What is the justification for the proposed affordable housing split in Policy SP20? What is this based on, and will it be appropriate for all qualifying development proposals across the District?

Whilst we did not comment on the issue of the split in affordable housing tenures in our representations, we consider it important that the Council amends its policy to reflect the definitions of affordable housing within the 2019 NPPF. Whilst we recognise that the plan is not being examined against the 2019 NPPF it will be delivered under the new Framework such a change would ensure clarity, consistency and support effective decision making.

Issue 3 – Housing Standards – Policies QD04 and QD05

Q1. The PPG states that local planning authorities have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. In doing so 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. Has this been carried out? What is the justification for the standards in Policies QD04 and QD05? The PPG also states that local planning authorities should consider the impact of using optional Building

Regulation requirements and the nationally described space standard as part of their Local Plan viability assessment. Has this been carried out? Have the standards in Policies QD04 and QD05 been tested to ensure that new residential development will remain viable?

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 Council therefore need robust justifiable evidence to introduce any of the optional housing standards, based on the criteria set out above. However, we could not find any evidence to support the adoption of these standards in the local plan. Therefore, whilst the Council has considered the impact of these standards on viability they cannot be adopted if there is no evidence to suggest that they are needed. Without this evidence the policy must be deleted.

Need is generally defined as ‘requiring something because it is essential or very important rather than just desirable’. The Council seem to suggest that the justification for the policy is a desire to improve the quality of housing for the residents of Epping Forest who deserve high quality homes. However, there is no evidence or justification that confirms that introducing the NDSS will improve the quality of housing or that these will improve the living environment for residents. We consider that additional space does not necessarily equal improvements in quality. There must also be concerns that the introduction of the NDSS could lead to people purchasing homes with a smaller number of bedrooms, but larger in size due to the NDSS, which could therefore have the potential to increase issues with overcrowding and potentially lead to a reduction in quality of the living environment.

We consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. This could lead to a reduction in housing delivery, and potentially reduce the quality of life for some residents. 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. We do not consider that this policy is required, it is considered that local needs can be met without the introduction of the nationally described space standards.

We also note that this policy does not appear to include a transition period as set out in the PPG. If this policy is to be retained in the Local Plan we would support the inclusion of an appropriate transition period, considering the lead in times for residential from land negotiations to development.

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