

GLOUCESTER CITY PLAN EXAMINATION
MATTER 8 – SIZE TYPE AND TENURE OF HOUSING

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 City Plan consultation dated 14th February 2020. This representation answers specific questions as set out in the Inspector’s Matters, Issues & Questions document.

Whether the policies of the Gloucester City Plan (GCP) are justified, effective and based on up-to-date and reliable evidence, consistent with the JCS and national policy?

Affordable housing-Policy A2

65. Is the wording of the policy effective and consistent with the JCS and national policy? How does the requirement that 25% affordable housing should be provided within market housing, and where relevant, specialist housing (see policy A5 below), relate to Policy SD12 of the JCS? On what basis has the level and mix of affordable housing been set and how would this effect the delivery of the GCP in terms of numbers of units? Should the tenure and mix of affordable housing required be made explicit within the policy?

In the Council’s Response to the Inspector’s Preliminary Queries (EXAM 1A), the Council states that the GCP does not supersede any policies in the adopted JCS and the GCP will not replace any JCS policies but deliver them locally (para 1.7). Policy SD12 of the adopted GCT JCS seeks, through negotiation, on sites of 11 or more dwellings a minimum of 20% affordable housing within Gloucester City. However, Policy A2 proposes to supersede Policy SD12 so that on all residential sites of 10 or more dwellings, 25% affordable housing is required within Gloucester City. These proposed changes are contrary to the Council’s response to the Inspector because the quantum, site size threshold, tenure and mix of affordable housing provision are strategic policy issues that should be dealt with in the JCS Review rather than the GCP, which sits underneath the adopted JCS.

Whilst the deletion of the prefix “minimum” removes uncertainty about the interpretation of the affordable housing provision sought under Policy SD12, the proposed change of site threshold from 11 to 10 or more dwellings for consistency with 2019 NPPF (para 63) is not in itself a justification for Policy A2 to change Policy SD12. Furthermore, the change in quantum from a minimum of 20% to 25% is not supported by any new evidence on housing needs. The now somewhat out of date evidence set out in the 2014 SHMA (HOU008) and 2015 Update (HOU009) remain unaltered since the adoption of the JCS. The Gloucestershire Local Housing Needs Assessment (LHNA)

2020 is not included as supporting evidence for the GCP. The GCP (para 3.1.18) also refers to the 2019 NPPF Annex 2 – Glossary definition for affordable housing but there remains an inconsistency between the Council’s preferred affordable housing tenure mix and 2019 NPPF (para 64). The tenure split and mix of affordable housing should not be made explicit in the policy wording because these requirements have not been justified by supporting evidence or viability assessment.

Policy A2 is also more prescriptive and less flexible than Policy SD12 by removing the reference to negotiation. The supporting text (para 3.1.21) states that the Council will only consider reductions in affordable housing on the basis of viability under “exceptional circumstances”, which are not defined. Policy A2 should not be changing the policy approach of negotiation set out in Policy SD12. Original viability evidence underpinning the GCT JCS demonstrated that circa 20% affordable housing provision should be sought subject to negotiation. The Council’s latest evidence is set out in Gloucester City Plan Viability Report dated September 2019 (VIA001) and Addendum 2020 (VIA002) (see detailed comments in the HBF Matter 10 Hearing Statement). Both reports identify that a significant proportion of sites are unviable with 20% affordable housing and a full policy compliant basis (Policy Layer 6), viability worsens if 25% affordable housing and higher S106 contributions for education contributions are sought. A policy requirement for 25% affordable housing is not robustly evidenced as viable. There is a risk of non-delivery or delayed delivery of housing because viability negotiations will occur routinely rather than occasionally.

Policy A2 is ineffective rather than resolving inconsistencies with the adopted JCS and national policy, it adds further confusion. This is contrary to 2019 NPPF (para 16d), which requires policies to be clearly written and unambiguous (para 16d) so both applicants and decision makers know how policies should be applied. Policy A2 is unsound, which should be deleted.

Dwellings with Higher Access Standards- Policy A6

69. Is the policy consistent with Policy SD11 of the JCS? What is the justification to require the thresholds of 50% of all housing within Gloucester City to be built to Building Regulations Part M (Vol 1) Category 2 and 4% of the affordable housing element to be provided at Category 3?

A requirement for optional standards for accessible & adaptable dwellings is not set out in Policy SD11 of the adopted GCT JCS because the evidential basis for such requirements is not contained within the 2014 SHMA (HOU008) and 2015 Update (HOU009). The Gloucestershire LHNA 2020 is not included as supporting evidence for the GCP. If the Council wishes to adopt optional standards for M4(2) and M4(3) then this should only be done in accordance with the 2019 NPPF (para 127f & Footnote 46) and the NPPG. Footnote 46 states “*that planning policies for housing should make use of the Government’s optional technical standards for accessible and adaptable housing where this would address an identified need for such properties*”. The NPPG sets out the evidence necessary to justify a policy requirement for

M4(2) and M4(3) standards. The Council should apply the criteria set out in the NPPG (ID 56-005-20150327 to 56-011-20150327) to ensure that an appropriate evidence base is available to support any proposed policy requirements.

The Council has not provided evidence of specifically local circumstances to justify Policy A6. The Housing Background Paper September 2019 (HOU001) contains generic references to population projections, housing stock numbers and information relating to how many existing homes are or could be made “fully visitable” as set out in M4(1) of the Building Regulations. HOU001 also asserts that all homes accommodating a person over 65 should be fully accessible and adaptable despite acknowledging that not all such households will need housing that meets the M4(2) standard because not all health problems associated with ageing affect a household’s housing needs therefore not all health problems require adaptations to homes. Furthermore, HOU001 confuses “fully visitable” M4(1) and “accessible and adaptable” M4(2) together in calculating the need for M4(2). Using extrapolation, HOU001 calculates the number of additional existing dwellings that would require modification to make them fully visitable if every household containing someone over 65 were to live in fully visitable accommodation. Therefore, there is no clear assessment of the need for M4(2) housing and the tenure split of homes is not identified.

HOU001 uses generic information, which does not demonstrate that the needs of Gloucester City differ substantially to those across Gloucestershire, the South West region or England. An ageing population is not unique. Indeed, the population of Gloucester is relatively young with 24.8% of people being under the age of 19, which is higher than other Districts in Gloucestershire, South West and England (see GCP para 2.4). If the Government had intended that evidence of an ageing population alone justified adoption of optional standards then such standards would have been incorporated as mandatory in the Building Regulations, which is not currently the case.

All new homes are built to M4(1) “visitable dwelling” standards, which are likely to be suitable for most residents. It is not demonstrated that a growth in older people will directly translate as a requirement for 50% of all future housing development to be constructed to M4(2) standards. No evidence is presented to suggest that households already housed would be prepared to leave their existing homes to move into new homes constructed to M4(2) standards. Many older people already live in the city and are unlikely to move home. Those that do move may not choose to live in a new dwelling. Recent research by Savills “Delivering New Homes Resiliently” published in October 2020 shows that over 60’s households “*are less inclined to buy a new home than a second-hand one, with only 7% doing so*”. The under-occupancy of new family homes by older people or individuals runs at odds with the aim of making the best use of the housing stock.

The Habinteg Toolkit is used to calculate a need for Wheelchair user housing M4(3). However, the calculation is not based on data for Gloucester, Gloucestershire or South West. There is no tenure split, therefore the

calculated non-Gloucester based need includes households living in all tenures rather than in affordable rented housing. There is also no assessment of existing supply of accommodation available to meet such needs or how existing dwellings can be modified to meet needs.

The Council's Viability Assessment (VIA001) and Addendum 2020 (VIA002) acknowledge that *"in meeting this Policy A6, there might also be an increase in floorspace to accommodate such specialised categories of homes. The extra sizes would be likely to generate an increase in the build costs without additional value"* (see detailed comments in the HBF Matter 10 Hearing Statement). Tables 6.1 & A6 respectively show that the introduction of Policy Layers 5 & 6 have significant impacts upon viability.

There is no justification for the thresholds of 50% or 4%, which are arbitrary and aspirational. Policy A6 should be deleted. If the policy requirements are retained, the NPPG specifics 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."* (ID 56-008-20160519).

The Council should also clarify the distinction between wheelchair accessible dwelling, which include the most common features required by wheelchair users (M4(3b)) and wheelchair adaptable dwelling, which include features to make a home easy to convert to be fully wheelchair accessible (M4(3a)).

Nationally Described Space Standards- Policy F6

70. What is the local evidence to justify the that all new residential development should meet Nationally Described Space Standards (NDSS)? Is the policy consistent with the JCS and national policy? What impact will this have on the viability of development?

The Council's evidence set out in the SHMA 2014 (HOU008) and Update 2015 (HOU009) remains unchanged from the adoption of the GCT JCS and therefore is not new evidence to justify the requirement for the NDSS. The Gloucestershire LHNA 2020 is not included as supporting evidence for the GCP. Adoption of optional NDSS should be done in accordance with the 2019 NPPF (para 127f & Footnote 46). Footnote 46 states that *"policies may also make use of the NDSS where the need for an internal space standard can be justified"*. A policy requirement for NDSS should be justified by credible and robust evidence. The NPPG sets out that *"Where a need for internal space standards is identified, the authority should provide justification for requiring internal space policies. Authorities should take account of the following areas need, viability and timing"* (ID 56-020-20150327).

The Housing Background Paper September 2019 (HOU001) provides is insufficient evidence to justify the Council's requirement that new residential development must meet NDSS under Policy F6. On the basis of the very

small sample of applications (144 dwellings), it appears that a substantial number of dwellings already meet the requirement with an even higher number only marginally below the NDSS by 3.5 square metres or less. The Council's own viability evidence also confirms that the floor areas of dwellings on previously completed schemes are comparable to NDSS. The fact that some dwellings were not constructed to NDSS is not sufficient evidence to justify a need for NDSS.

There is no evidence that the size of houses built are considered inappropriate by purchasers. The 2021 National New Homes Customer Satisfaction Survey demonstrates that 94% of respondents were happy with the internal design of their new home. No evidence has been presented to demonstrate any difficulties in selling non-NDSS compliant dwellings. Indeed, smaller units may have a valuable role in meeting specific needs for open market housing. An inflexible approach to imposing NDSS on all housing removes the most affordable for sale homes from the market and potentially denies some lower income households from being able to afford homeownership.

It is also noted that the Council's Viability Assessments (VIA001 & VIA002) apply the NDSS before testing for the impacts of Policy Layers. The dwelling floor area sizes are increased to reflect an average NDSS with increases to both selling price and build cost per dwelling. There is no adjustment to revenue in respect of the NDSS increases in size compared to what would normally be delivered or consideration of price point caps for certain dwellings. Therefore, there is actual impact of this policy requirement is not tested.

Furthermore, no assessment has been undertaken to demonstrate whether a rigid application of NDSS on all dwellings will make the purchase of new housing less affordable for the consumer. The Council should not be seeking to make affordability worse.

Policy F6 is not consistent with national policy, it is not justified by evidence of need and the impact on affordability is not considered. Policy F6 should be deleted. If retained, the Council should put forward proposals for transitional arrangements as set out in the NPPG. Some sites should be allowed to move through the planning system before Policy F6 is 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.

Self- Build and Custom Build Homes- Policy A7

71. Is the approach that developers must, subject to specific thresholds, provide land for self-build and custom build housing consistent with national policy? What role does the local authority have in providing such land? Why were the two figures of 5% net deliverable area of land, and developments of over 20 dwellings plus chosen? Is such an approach justified, effective and consistent with the JCS and national policy? What are the practical implications for determining the quantum of land, or number of serviced plots which are to be marketed and the

delivery of the policy objectives? Should other indicators of demand be taken into account other than the Council's Self and Custom Build register?

There is no legislative or national policy basis for imposing an obligation on landowners or developers of sites of 20 or more dwellings to set aside a minimum of 5% of net developable area as serviced plots for self and custom build housing. Under the Self Build & Custom Housebuilding Act 2015 and 2019 NPPF (para 61), it is the Council's responsibility, not the landowner or developer, to ensure that sufficient permissions are given to meet demand. The Council is not empowered to restrict the use of land to deliver self-build housing. The NPPG sets out ways in which the Council should consider supporting self & custom build by "encouraging" landowners if they are "interested" (ID 57-025-201760728). However, the NPPG explicitly specifies that the Council should make their own land available for this use. There is no evidence that the Council has made their own land available to provide self & custom build plots.

The Council's choice of level of provision and site thresholds is disproportionate. There is no evidence to justify a minimum of 5% or 20 or more dwellings. Furthermore "a minimum of" lacks clarity as the Council may seek any amount exceeding 5% of net developable acreage. Policy SD11 Bullet Point (ii) of the adopted GCT JCS already provides encouragement for self & custom build homes and Policy A7 of the GCP supports windfall sites for self-build and/or custom build housing. It is also unclear if JCS Strategic Allocations will be subject to Policy A7, which will result in a further potential over supply of self & custom build plots.

The provision of self & custom build plots on larger housing developments adds to the complexity and logistics of developing such sites and therefore potentially slower delivery. It is unlikely that the provision of self & 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 & safety perspective, it is difficult to envisage the development of single plots by individuals operating alongside this construction activity. Any differential between the lead-in times / build out rates of self & custom build plots and the development of the wider site means unfinished plots next to completed and occupied dwellings resulting in consumer dissatisfaction, construction work outside of specified working hours, building materials stored outside of designated compound areas, etc.

Where plots are not sold, it is important that the Council's policy is clear as to when these revert to the original developer. 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 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. The Council proposes that *“self & custom build plots shall be made available and appropriately marketed for a minimum of 12 months from grant of planning permission. Marketing should be directed at those on the Council’s Self and Custom Build Register as well as the general public. If, after a 12-month period, the plots have not been sold it will be for the developer to consider whether the plots continue to be marketed as self / custom build opportunities or if they will be built out by the developer. Evidence of sustained marketing will need to be submitted to the Council”*. This policy approach is ambiguous, “a minimum of 12 months” and the submission of marketing evidence is too open ended.

As well as on-site practicalities any adverse impacts on viability should be tested. The Council’s Viability Reports (VIA001 & VIA002) assume that Policy A7 is cost neutral. The Council fails to acknowledge that developing sites including self & custom build plots will have a fundamental bearing on the development economics of the scheme. Site externals, site overheads, and enabling infrastructure costs are fixed and borne by the site developer. The developer will also have borne up front site promotion costs, including planning and acquisition costs. It is unlikely that these costs will be recouped because the plot price a self & custom builder is able to pay may be constrained by much higher build costs for self-builders. The Council has not modelled the impact on the site developer of not recouping profit otherwise obtainable if the house was built and sold on the open market by the site developer. The Council should also model the worst-case scenarios of unsold plots remaining undeveloped, disruption caused by building unsold plots out of sequence from the build programme of the wider site or returning to site after completion of the wider site.

As set out in the NPPG, the Council should provide a robust assessment of demand (ID 2a-017-20192020), which should be supported by additional data from secondary sources to understand and consider future need for this type of housing (ID 57-0011-20160401). Gloucester City Council’s Self Build and Custom Build Housing Register (October 2019) has only 76 entries. A simple reference to the headline number of entries on the Council’s Register may over-estimate actual demand. The Register may indicate a level of expression of interest in self & custom build but it cannot be reliably translated into actual demand should such plots be made available. The Register’s entries may have insufficient financial resources to undertake a project, be registered in more than one local authority area and have specific preferences. It is understood in Gloucester that *“the majority of applicants are looking for plots that would be suitable for detached, family-sized houses or bungalows in suburban areas of Gloucester, outside the City centre”*. Only 6 out of 16 proposed residential site allocations are for housing developments in suburban locations and the remainder of allocated sites are for high density apartment developments.

Policy A7 is unsound, which should be deleted.

(Word count excluding bold text – 3,073)