



GLOUCESTER CITY PLAN EXAMINATION

INSPECTOR'S MATTERS, ISSUES, AND QUESTIONS FOR DISCUSSION AT THE EXAMINATION HEARINGS

VERSION 1

MATTER 8:

SIZE, TYPE AND TENURE OF HOUSING

ON BEHALF OF: ROBERT HITCHINS LTD

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

Policy A1- Effective and efficient use of land and buildings

63. Is this policy effective and consistent with the objectives of the JCS and national policy? How does this policy relate to the design, conservation, and national policy? How does this policy relate to the design, conservation, and transport policies of the GCP?

63.1 Pioneer has no comments to add.

64. Paragraph 3.1.13 of the supporting text appears to contain criteria to determine whether permission should be granted for Houses in Multiple Occupation. Is it intended that development management decisions would be made on the basis of these criteria? If so, is this appropriate?

64.1 Pioneer has no comments to add.

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?

65.1 The wording of the policy is not effective or consistent with the JCS and national policy; the 25% Affordable Housing requirement does not relate to the wording in Policy SD12 of the JCS, for the reasons set out in the Reg-19 Pre-submission representations responses and Attachment A ("Reg-19 submission") prepared by Pioneer Property Services Ltd and submitted in conjunction with Pegasus in December 2019 (and to be read in conjunction with this Hearing Statement).

65.2 Additional evidence in respect of housing needs and viability published after the above submission (i.e. the Gloucestershire Local Housing Needs Assessment Final Report and Summary (September 2020) ("LHNA20") and VIA002) do not resolve the issues raised in the Reg-19 submission.

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- 65.3 The proposed Affordable Housing quantum at either 20% or 25% has not been demonstrated within VIA001 or VIA002 to be viable for the majority of sites tested and as such is inconsistent with the requirements of the NPPF including (but not limited to) paragraphs 31 and 34 (preparing and reviewing plans). VIA002 is new evidence and is commented on in Appendix 1. VIA001 is already commented on extensively in the Reg-19 submission (Attachment A).
- 65.4 A 25% level of Affordable Housing in a tenure split based on either the latest LHNA20 tenure split or on the prior tenure split tested in the VIA001 and the VIA002 is demonstrated in VIA002 to be unviable on the majority of the proposed allocations when increased s106 contributions of £10k per unit or more are taken into consideration. Up to £20k per unit s106 costs are likely to apply on average if the County Council's new formulaic approach for education contributions (routinely being sought by the County Council) is tested in conjunction with the other infrastructure s106 cost assumptions within the VIA001 and VIA002 (i.e. £2.5k to £3.25k per unit).
- 65.5 This will harm the delivery of the Plan and result in a shortfall in planned housing land supply (through impacted allocated and / or windfall sites) contrary to the NPPF which is of particular concern given the fragile housing land supply position in Gloucester as set out in comments submitted to this Examination.
- 65.6 In the recent Tewkesbury Borough Local Plan Examination in Public Tewkesbury Borough Council ("TBC") confirmed that they were not inviting the Inspector to examine the County's new formulaic approach to education s106 costs – this supports that Tewkesbury Borough Council accept it is a new formulaic approach that they are not testing through the EiP and which has not been tested through the Development Plan process previously (i.e. the JCS). As such, it should not be sought when making Development Control decisions.
- 65.7 Despite this claim TBC are seeking planning obligations based on this new untested formula from all applications – this is apparent from Appeal proceedings in respect of Coombe Hill, Gloucester (APP/G1630/W/20/3257625) in which such a contribution is being sought based on the Gloucestershire Local Developer Guide using the new formula despite the County Council's Planning

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- witness confirming orally that it is not Development Plan policy and they were not aware of it having been viability tested for the Development Plan.
- 65.8 The burden being placed on development by the new formula in TBC is as though it were Development Plan policy with the claim at the Coombe Hill Planning Appeal (25th March 2021) that it should be questioned by applicants through the Plan process not the Planning Appeal process, having only days previously, at the Local Plan EiP (18th March 2021), being claimed by TBC that it is not something being tested as part of the emerging Local Plan. This is duplicitous - if this is the position then interested parties are being prevented from objecting either at EiP or during Planning Appeals to burdens that look and sound like Development Plan Policies, but which are being introduced through documents which do not even have supplementary planning document status.
- 65.9 The National Planning Policy Guidance section on Viability (Paragraph: 002 Reference ID: 10-002-20190509) makes it clear that the role for viability assessment is primarily at the Plan making stage and that onus is on plan makers to engage fully with developers, landowners and infrastructure / affordable housing providers to ensure realistic deliverable policies with a view to avoiding viability testing every site that is proposed resulting in delays to the planning process.
- 65.10 With these issues in mind it is requested that Gloucester City Council's position on this matter is made absolutely clear as part of this Examination process so that: the full extent of burdens on development are taken into account when assessing the soundness of the emerging City Plan, and that it is made explicit whether the Local Plan policies will, or will not, be imposed in conjunction with the new County s106 education formula. The publication of the Statement of Common Ground between Gloucestershire County Council and Gloucester City Council on Education (22nd March 2021 – SoCG6) and INF003 (Infrastructure and Viability Background Paper) do not resolve this lack of clarity – these documents highlight that confusion prevails confirming that the levels of County education s106 being sought are unviable, but failing to confirm that the Council will not support the County seeking these levels of s106 where it is

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considered by the County to be necessary mitigation thus leading to site by site viability assessment (see Appendix 1).

65.11 If Local Plan policies are to be imposed in conjunction with the new County s106 education formula then it will be necessary to:

- a) examine the evidential justification for this new formulaic approach
- b) examine its implications on relevant policies of the Development Plan (including on overall housing numbers), and,
- c) examine the viability impacts on development

as part of this current examination.

Tenure Split

65.12 The tenure split and mix of Affordable Housing should only be 'made explicit' within the Policy wording where the Affordable Housing sought is demonstrated to be viable at a plan making level and is based on a robust up to date evidence of need (as a starting point). Even then it should be clearly stated within the policy wording to be subject to flexible application having regard to negotiation, site economics, other site specific considerations, up to date evidence of local housing need, and the fact that underpinning evidence is reliant on a number of assumptions any which may not transpire during the plan period. Any assessment of housing tenure split and dwelling mix for a Plan period can only ever provide a broad projection of what is likely to be required.

65.13 In terms of Affordable Housing need the LHNA20 has been published following the Reg-19 submission in December 2019. The LHNA20 does not yet appear to have been included for consideration as a document within the Gloucester City Local Plan examination library but it is referenced within VIA002 – this referencing suggests the Council are having regard to it.

65.14 During the recent Tewkesbury Borough ("TBC") EiP TBC claimed the LHNA20 was part of the JCS review evidence base and not relevant to the emerging Local Plan on the basis that it had not been tested at examination. This is a

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nonsensical position given that the document provides local authority level outputs, has been finalised (presumably with the consent of the commissioning local authorities), can be tested as part of these local authority emerging Plan examinations, is already being drawn upon by the JCS local authorities during Affordable Housing negotiations at a site level, and the existing SHMA evidence base is now over 5 years old and provides the same basis on which JCS policies were adopted (thus not providing new evidence to justify the introduction of additional needs based policy burdens). The LHNA20 should, therefore, be considered as part of the discussion on Matter 8 now it has been finalised.

65.15 This Hearing Statement represents the first opportunity to comment on the LHNA20, but the strict word limit means the analysis of this new evidence is provided in Appendix 2 to this Hearing Statement to enable a meaningful commentary to be made in response to the policies being considered as part of Matter 8.

Summary

65.16 The wording of Affordable Housing Policy A2 is not effective or consistent with the JCS or national policy. As stated in the December 2019 Reg-19 submission for Robert Hitchins Ltd:

- **There is no reference to negotiation**
- **There is no reference to Affordable Housing provision being subject to viability**
- **The quantum of Affordable Housing sought exceeds the 20% Affordable Housing sought through JCS Policy SD12 and changes the site size thresholds**

Whilst 20% is expressed as a minimum in JCS Policy SD12, the Affordable Housing quantum within Policy A2 is still required by national policy to be set at a level that does not undermine the deliverability of the plan (Paragraph 34, NPPF). This is not demonstrated to be the case in VIA001 or VIA002 (see Appendix 1)

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and having regard to the new formulaic County Council s106 education formula. Are Local Plan policies being imposed in conjunction with the new County s106 education formula? If 'yes' then it will be necessary to:

- a) examine the evidential justification for this new formulaic approach
- b) examine its implications on relevant policies of the Development Plan (including on overall housing numbers), and,
- c) examine the viability impacts on development

as part of this current examination.

The tenure split and mix of Affordable Housing in HOU008, HOU009 and the LHNA20 should not be 'made explicit' within the Policy wording as these have not been demonstrated to be viable at a plan making level or to be based on a robust assessment of Affordable Housing need based on eligibility as defined within the NPPF (as set out in Appendices 1 and 2 to this Statement).

Estate Density- Policy A3

66. Is the wording of the policy effective to enable redevelopment to a high quality of design and that efficient use is made of brownfield land?

66.1 Pioneer has no comments to add.

Student Accommodation- Policy A4

67. Is the wording of the policy effective, with particular reference to operational, physical, and business links to further education institutions?

67.1 Pioneer has no comments to add.

Specialist Housing- Policy A5

68. Is the wording of consistent with policy SD12 of the JCS, with particular reference to the provision of affordable housing? Is the wording of the policy positive, effective and suitably flexible? What is

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the justification to require a proposed development to be supported by a sustainable business model? How would this be determined? What is meant by excessive concentration of such housing? How can a more positive approach to the provision of specialist housing be set out?

68.1 Pioneer has no comments to add.

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?

69.1 The emerging wording is inconsistent with Policy SD11 of the JCS which, when read in the context of the examining Inspector's report, does not impose a requirement for a proportion of homes of any tenure to be constructed to the standards sought through emerging Policy A6.

69.2 If the LHNA20 is not being taken into account by the Inspector as evidence for consideration during this EiP then the evidence base remains as that available when the JCS was adopted and which the examining Inspector concluded in their report (paragraph 211) was insufficient to justify the imposition of non-optional technical standards.

69.3 If the LHNA20 is being taken into consideration as part of this Examination the following observations should be taken into account (based on the analysis within Appendix 2 to this Hearing Statement):

- A requirement for a proportion of newbuild housing constructed to M4(2) or M4(3) standards in either market or affordable housing tenures based on paragraph 31 of the LHNA20 (which is what Policy A6 wording enables) would not be justified as, not only are these based on a number of non-local authority specific assumptions, but they also fail to reflect the proportion of additional newbuild homes that would need to be built to such standards after taking into account supply from existing stock through potential adaptations.
- A review of the LHNA20 evidence in conjunction with additional material removed from the final draft (but included in the 2019 iteration of the

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LHNA20) suggests the 50% proportion of M4(2) category housing to be significantly in excess of the likely net requirement for such housing and the 4% M4(3) category housing requirement is not based on any clear assessment of the net need for such housing (see paragraphs 1.22 to 1.32 of Appendix 2 to this Hearing Statement).

The additional evidence in VIA002 does not demonstrate Policy A6 requirements to be viable – please refer to Appendix 1.

Summary

- 69.4 The wording is inconsistent with Policy SD11 of the JCS which does not impose a requirement for a proportion of homes of any tenure to be constructed to the standards sought through emerging Policy A6.**
- 69.5 A requirement for a proportion of newbuild housing constructed to M4(2) or M4(3) standards in either market or affordable housing tenures based on paragraph 31 of the LHNA20 (which is what A6 wording enables) would not be justified as, not only are these based on a number of non-local authority specific assumptions, but they also fail to reflect the proportion of additional newbuild homes that would need to be built to such standards after taking into account supply from existing stock through potential adaptations.**
- 69.6 Given the multiple concerns that still apply to the viability evidence providing Accessible and Adaptable Housing in conjunction with the other policy burdens proposed through the emerging Local Plan is not demonstrated to be viable.**
- 69.7 Concerns raised by Pioneer regarding Policy A6 wording in respect of Accessible and Adaptable Housing within the December 2019 Reg-19 submission remain unaddressed.**

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? Is the policy consistent with the JCS and national policy? What impact will this have on the viability of development?**

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- 70.1 The same points apply as set out above at paragraphs 69.1 and 69.2 of this Hearing Statement for Policy A6.
- 70.2 If the LHNA20 is being taken into account in this EiP it provides no evidence additional to that already referred to by the Council (commented on in the December 2019 Pioneer submission in response to Policy F6) to justify the inclusion of new policy requiring the imposition of the Nationally Described Space Standards ("NDSS") – please see Appendix 2 to this Statement.
- 70.3 The additional evidence in VIA002 does not demonstrate Policy F6 requirements to be viable – please refer to Appendix 1 to this statement.

Summary

- 70.4 The requirement for NDSS imposition through Policy F6 remains unjustified in evidential terms; the LHNA20 does not assess local demand for NDSS or the impact on starter (i.e. first time buyer/renter) homes and suggests the majority of new homes already meet this standard.**
- 70.5 Given the multiple concerns that still apply to the viability evidence, the economics of providing NDSS are not robustly demonstrated.**
- 70.6 The concerns raised by Pioneer regarding Policy A6 within the December 2019 Reg-19 submission remain unaddressed and the LHNA20 appears to further support policy imposition of the NDSS to be unnecessary.**

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?**

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- 71.1 The December 2019 Reg-19 submission already responds on the above questions in the context of the evidence published by the Council at that time – please read that submission in conjunction with this Hearing Statement.
- 71.2 In terms of evidence published since that submission: evidence to support the proportion of land / threshold sought by the Council for self-build / custom build homes is not presented within the LHNA20 or viability tested in VIA002.
- 71.3 Please see Appendices 1 and 2 to this Statement for analysis of the VIA002 and LHNA20 (paragraph 1.36) relevant to this point.
- 71.4 It remains the position that there is nothing in national guidance, national policy or in the legislation to suggest that policies should be prepared that place an obligation on landowners or developers to deliver self-build plots; the wording in the NPPG specifically refers to 'encouraging' landowners if they are 'interested'. However, it is specifically stated in the NPPG that local authorities should make their own land available for this use among other solutions in addition to encouraging developers to assist with provision.

Summary

- 71.5 In addition to the lack of consistency with national or JCS policy for such a requirement, seeking a proportion of plots to be made available on new developments for Self and Custom build homes in either market or affordable housing tenures based on Self and Custom build register demand (which is what Policy A7 wording enables) is not justified or effective based on the available evidence.**
- 71.6 It remains the case that there is no clear assessment in the evidence base (including in the LHNA20) on the net requirements for such plots after existing marketed plots – i.e. supply - has been deducted.**
- 71.7 Given the multiple concerns that still apply to the viability evidence, obligating developers to provide Self and Custom build plots is not demonstrated to be viable.**
- 71.8 The concerns raised by Pioneer regarding Policy A7 and supporting text wording in respect of Self and Custom Build plots within the**

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December 2019 Reg-19 submission (and which already respond on the points raised in the Inspector's questions) remain unaddressed.

Gypsies and travellers, and travelling showpeople

72. The GCP refers to a need for two Gypsy pitches and 16 Travelling Showpeople plots. Does this remain the case?

72.1 Pioneer has no comments to add.

73. How is it intended that this need is to be met?

73.1 Pioneer has no comments to add.

74. How is the lack of site allocations within the GCP consistent with Policy SD13 of the JCS and, in particular, the proposed delivery via district plans?

74.1 Pioneer has no comments to add.

75. How is the inability to identify any allocations to meet the needs of Gypsies and Travelling Showpeople within the GCP justified by evidence?

75.1 Pioneer has no comments to add.

APPENDIX 1

RESPONSE TO VIA002

**Matter 8 Hearing
Statement Appendix 1:**

Response to VIA002

In respect of:

**The Gloucester City
Plan Examination**

Prepared by:

Pioneer Property Services Ltd

On behalf of:

Robert Hitchens Ltd

Date:

12th April 2021



Summary

- In November 2020 the Council submitted their Plan for inspection and, a fundamental part of its evidence base, was a Viability Study undertaken by Porter Planning Economics and published in September 2019 (VIA001).
- VIA001 made various assumptions including of CIL contributions (£45 per CIL liable floorspace on typologies of between 11 and 449 units) inclusive of the education requirements of the County Council (see paragraph 5.49 of VIA001) and the sites put forward for allocation (and as such the typologies of these) were tested against these assumptions.
- However, in practice, the County Council have been requesting additional payments of up to c.£17.5k per unit, in addition to s106 for other forms of infrastructure (assumed in VIA001 at £2.5k per dwelling, which itself is insufficient even without the County education s106 cost) which together with the VIA001 s106 costs total c.£20k per dwelling. Whilst VIA002 tests an increased £3.25k per dwelling for other infrastructure this is not in conjunction with the County s106 education costs.
- Consequently various interested parties have raised concerns on the basis that the evidential foundations of the submitted Local Plan were being undermined by the County Council, in terms of viability and deliverability. In October 2020 the Council submitted VIA002 (prepared without stakeholder involvement or opportunity for comment) to the Inspector which categorically confirms that the majority of sites identified in the emerging plan would fall into the ‘unviable’ / ‘marginal’ category where s106 costs total £10k per dwelling or more – this is visually emphasised in the traffic light chart in VIA002 Table A7.
- It is clear that if the additional County education contributions are to be sought the EiP cannot continue without very significant modifications to the submitted plan such that this may be a fundamentally different plan to that which was submitted. Gloucester City Council’s position on this matter must be made absolutely clear as part of this Examination process: it must be made explicit whether the Local Plan policies will, or will not, be imposed in conjunction with the new County s106 education formula.

The publication of the Statement of Common Ground between Gloucestershire County Council and Gloucester City Council on education (22nd March 2021 – “SoCG6”) and INF003 (Infrastructure and Viability Background Paper) do not resolve this lack of clarity – in fact these documents highlight that confusion prevails confirming that the levels of County education s106 being sought are unviable, but failing to confirm that the Council will not support the County seeking these levels of

s106 where it is considered by the County to be necessary mitigation. If Local Plan policies are to be imposed in conjunction with the new County s106 education formula then it will be necessary to:

- a) examine the evidential justification for this new formulaic approach
- b) examine its implications on relevant policies of the Development Plan (including on overall housing numbers), and,
- c) examine the viability impacts on development

as part of this current examination.

- It should also be noted that VIA002 applies new sales prices and an adjusted BCIS index but without also adjusting other factors such as land values or addressing any other outstanding objections in respect of the viability methodology. This approach based upon a partial alteration of only some inputs gives rise to an outcome which cannot be rationally relied upon to reflect the true extent of the impact on viability of the County s106 expectations.
- These are matters of critical importance given the already fragile Housing Land Supply position in the Gloucester City local authority area and should not be once again left for determination through a promised 'early review' of the City Plan or the Joint Core Strategy; in terms of the impacts within the Gloucester City local authority area these issues should be resolved through this EiP, or if this is impossible then the emerging Local Plan cannot reasonably be concluded to be sound.
- The following analysis provides an immediate response to the queries raised by the Inspector but, in essence, it is evident that the formal inquiry process must be clarified and the necessary evidence provided to resolve this issue prior to the examination progressing.

Introduction

- 1.1 The following paper has been prepared to respond to viability addendum document VIA002 and should be read in conjunction with the response submitted by Pegasus and prepared by Pioneer for Hearing Matter 8 in the List of Matters Issues and Questions provided by the Inspector on the 19th of February 2021.

Outstanding Concerns

- 1.2 The December 2019 submission prepared by Pioneer (and submitted by Pegasus) in response to consultation on the Gloucester City Plan Pre-Submission (Regulation 19) Policy A2 Affordable Housing is accompanied by an 'Attachment A' which is a response prepared by Pioneer to VIA001.
- 1.3 VIA002 does not address most of the points raised within Attachment A by Pioneer in response to the underpinning VIA001. Specifically:
- Section 2 (on the extent of any consultation),
 - Section 3 (on the extent of Local Policy cost impacts),
 - Section 4 (in terms of how the sales value inputs and the extent / location of the value areas have been constructed),
 - Section 5 (in terms of a lack of detail on the actual planning obligation and infrastructure costs that the proposed allocations being tested face instead of generic assumptions),
 - Section 6 (in terms of the cost impact assumptions for Nationally Described Space Standards and M4(2) and M4(3) optional Building Regulations and a lack of any testing of Self-Build plot requirements on viability),
 - Section 7 (in respect of how the build cost assumptions have been constructed)
 - Section 8 (on the evidential basis of the Land Value Benchmarks applied in the modelling)
 - Section 9 (on the assumed level of other costs for Policy H3 electric car charging points and for contingency, finance and developer return)
- 1.4 As such, the claim within INF003 (paragraph 2.5) that VIA001 demonstrated there would be an additional £2,500 on top of the Gloucester City Plan ("GCP") policy layers and CIL is incorrect.

- 1.5 In VIA002 the Council's viability consultant has updated some, but not all, elements of the modelling through such as sales values uplifts and updated BCIS data. VIA002 is also based on adjusted cost impacts for Policy E8 'Cotswold Beechwoods Special Area of Conservation' (with costs reduced from £1000 per house to £500 and from £500 per flat to £250 albeit supporting evidence is not presented) and for s106 (considered below) and CIL to reflect indexation. Affordable Housing is included at 25%. None of these adjustments address any of the previous concerns raised.
- 1.6 The partial adjustments which have been made are highly selective and do not resolve the points raised in our above-referenced representations. These numerous concerns should not go unaddressed in the quest to understand the 'real world' impact of increased s106 costs.
- 1.7 One of the most significant concerns is the basis of the Land Value Benchmarks being used in the Council's viability evidence base – which have not been updated (contrary to the suggestion in paragraph 2.6 of the Statement of Common Ground in respect of education between the Gloucester City and Gloucestershire County Councils – "SoCG6") and have not been demonstrated to be realistic. The Land Value Benchmarks do not reflect that within the local authority area such values can differ markedly (despite sales values being recognised to do so), and they have not been adjusted for inflation in values (despite applying the same to sales values).
- 1.8 In terms of sales values none of the distribution concerns, particularly in respect of exactly how the value 'areas' have been derived, nor how the evidence ignores the existence of the second-hand market, have been addressed. It is also unclear why indexed uplifts are being applied to old evidence instead of properly updating the source evidence.
- 1.9 The other key point of concern is the lack of wider sensitivity testing. During the life of the Plan values will increase and decrease and costs are likely to increase – this is supported by the Council applying increased values and costs in 2021 compared to those tested in 2019, just two years before. Unlike costs, where inflation means that materials are unlikely to get cheaper, values can also go down within a short time frame and the impact on sensitive viability modelling is huge. The lack of sensitivity testing means that the viability evidence base only provides a snapshot in time to underpin a 20 year long Plan – the current values / costs approach used for site level testing is clearly inappropriate for this type of high level assessment of long range policies for which values can fluctuate up and down and costs increase significantly even within a 5 year window. Ignoring this results in a Plan testing

process based upon evidence that is not fit for purpose and this is even more damaging in the context of the fragile housing land supply position in Gloucester.

S106 Contributions

- 1.10 The VIA002 (page 3) states that an average £3,250 per unit s106 cost per unit (compared to £2,500 in the VIA001) has been calculated for the updated baseline modelling based on analysis of monitoring data for recent development agreements since 2015 excluding any Affordable Housing contributions and off-site strategic highway / transport contributions.
- 1.11 The latter is described as being on the basis that the site typologies will necessitate only minor interventions and states that this is as set out in the Gloucester County Council Transport Assessment, although a specific supporting reference is not provided.
- 1.12 The VIA002 and the Infrastructure and Viability Background Paper (“INF003”) do not provide the underpinning evidence on which the s106 cost average is based or demonstrating that nil Highways Contributions will apply to any of the site typologies tested. The s106 agreements reviewed will not reflect the impact of the County Council’s new formulaic approach for education s106 contributions – the £3,250 is therefore exclusive of these County education s106 costs which are acknowledged in VIA002 page 7 to extend up to £17.5k per unit (therefore totalling c.£21k per unit) and in INF003 to up to £17k per unit with £16.6k ‘reflective of what is being requested in current planning applications’ (paragraph 4.13).
- 1.13 In so far as it is intended to provide an updated assessment of viability in Gloucester the VIA002 s106 analysis should focus only on the s106 contributions sought on sites using the new County formulaic approach and which have not been demonstrated to be unviable. To do otherwise will fail to assess the impact of the new formulaic approach on the deliverability of the Development Plan and the allocations which have yet to gain planning permission.
- 1.14 Even if this is done, assessing the viability impact of the new County formulaic approach is the last step: ahead of that the evidential basis of the formula (i.e. which underpins the assumptions on pupil places etc) must be demonstrated, then the impact of this on other Development Plan policies must be examined (i.e. such as increased housing requirements etc), and then the viability of the requirement should be tested – this all needs to take place as part of the current Local Plan examination, unless absolute clarity is provided by the Council (such as is not provided in the 22nd March 2021 Statement of Common Ground with the

County Council) and confirmed in the examining Inspector's report that the new formulaic approach will not be sought from planning applications in Gloucester.

- 1.15 Furthermore, as a result of an unrealistically low average s106 cost being applied, sites with higher than average cost burdens will be concluded to be viable despite that this is completely inaccurate. In the real world these sites will remain unviable and homes will remain undelivered as a result further restricting the planned housing supply in the local authority area.
- 1.16 These points must be borne in mind when considering the average s106 that is being charged on the sites tested even in the baseline testing – given the now routine application the formulaic County education s106 cost should not be considered to be a potential additional cost as is suggested by the inclusion of 'sensitivity test 2' within VIA002 to test up to £20k per unit s106 costs (which, incidentally, inexplicably reverts back to applying the VIA001 £2,500 per unit s106 cost for other infrastructure plus up to £17.5k per unit for the County s106).
- 1.17 Whilst stating that s106 (for all infrastructure including education) in excess of £5k per unit alongside the GCP policy layers and CIL is unviable (INF003 paragraphs 4.5, 6.3 and 6.5), INF003 and SoCG6 do not make it absolutely clear that the Council will not facilitate the County to seek up to £17.5k of education s106 where the County considers this is necessary to mitigate a planning application proposal. INF003 also fails to reflect that this position is unviable even at 25% Affordable Housing (as is currently sought through the GCP).
- 1.18 A c.£20k per unit s106 cost assumption should therefore be the starting point for the testing. Any site which is yet to be subject to a signed s106 Agreement should be assumed to be subject to the new County s106 education formulaic approach and subject to indexation as required by the County (a 2019/20 base date is currently applied) in addition to the VIA002 £3.25k per unit s106 cost assumption for other infrastructure (also at minimum given this seems to be unrealistically low).

Benchmark Land Values

- 1.19 In addition to the concerns already raised (and which remain unaddressed) about the Benchmark Land Value assumptions within the Council's viability evidence base within the prior response to VIA001, VIA002 within Tables A5 to A8 respectively fail to provide the actual residual land values being generated for each iteration of the modelling, nor are any of the appraisals supporting the modelling undertaken published.

- 1.20 Given the key concerns raised about the validity of the Benchmark Land Value assumptions it is requested that this information is immediately disclosed for consideration and in any event within a sufficient timeframe ahead of any Hearing Sessions on which the outputs of VIA002 impact upon. This includes Matter 8 ‘Size, Type and Tenure of Housing’.
- 1.21 It is apparent that the Benchmark Land Values used in VIA001 and VIA002 are essentially arbitrary and indeed no evidence has been presented by the Council or their viability consultant which demonstrates that these are realistic. If they are not, as market evidence demonstrates, then this has very serious implications for housing delivery.
- 1.22 Many housing sites are promoted and gain permission via promotion agreements or options which have been exposed to open market tender and subsequent negotiation, and it is almost always the case that the legal provisions of these agreements specify a minimum landowner return, being a figure below which the land will not be released and available for development.
- 1.23 The circular argument that the land value must keep reducing to support ever increasing policy aspirations and infrastructure costs is simply not a ‘real world’ reflection of the fact that landowners are under no compulsion to release land for below what *they*, not the Council or anyone else, would wish to be a reasonable return. That is to say that the evidence on which the assessment is based should be exactly that – what is evidenced – and not what the Council thinks that landowners should achieve. The planning system operates in a market and not a command economy.

VIA002 Outcomes

- 1.24 The VIA002 (page 4) suggests that sites can be considered ‘marginal’ even where they fall ‘10%’ below the arbitrarily set Benchmark Land Values. This is plainly misleading and even if they are 10% above the VIA002 Benchmark Land Values, given these are arbitrarily set and many other cost inputs – other than just s106 alone - are set at the lowest end of that which is likely, such sites will be unviable as opposed to ‘marginal’.
- 1.25 Table A5 suggests that 29% of all tested sites (7 out of 24) cannot afford even £3.25k s106 per unit, increasing to c.38% (9 out of 24) for s106 at £5k per unit and to 58% (14 out of 24) for s106 at £12.5k per unit (on the basis that ‘marginal’ sites as defined in VIA001 and VIA002 are in fact unviable).
- 1.26 At £20k s106 per unit (which would reflect the costs faced by a site subject to the County education new formulaic approach plus other existing Council s106 costs) Table A7 suggests

that c.83% of the sites tested (20 out of 24) are unviable (including marginal sites on the basis – as explained above – that these should be concluded to be unviable). The bulk of the sites tested in VIA002 are clearly not demonstrated to be viable at the full GCC Local Plan position (including 25% Affordable Housing) and in conjunction with County s106 expectations.

- 1.27 Further testing summarised in Table A8 of VIA002 adjusts the Affordable Housing to reflect the tenure split set out within the Local Housing Needs Assessment (“LHNA”) 2020 (which does not appear to be listed in the Examination library) – the tenure split is altered in VIA002 from 75% Affordable Rent / 25% Shared Ownership to 40% Social Rent / 26% Affordable Rent and 34% Shared Ownership, but this is only tested against s106 up to £7,500 per dwelling – hence the full impact of the County Council s106 education and other s106 costs are not tested against the LHNA mix. Even so, with s106 at £7.5k per dwelling 13 out of 24 sites (c.54%) are suggested to be unviable (including marginal sites on the basis – as explained above – that these should be concluded to be unviable). This suggests the LHNA tenure split (as would be expected given the inclusion of Social Rent) reduces viability (NB: on the basis that Table A7 suggests 12 out of the 24 sites to be unviable at £7.5k s106 per dwelling and 25% Affordable Housing in the original VIA001 tenure split).
- 1.28 In VIA002, as already noted, selective adjustments are made that uplift sales values and update build costs but which do nothing to address many of the other concerns raised in the submissions made on VIA001. In this regard it is relevant to highlight the following matters all of which our Client considers have been resulting in significant accumulated additional costs being imposed upon development over the last 12 months:
- a) Over the past 12 months it is our Client’s experience that Gloucestershire local authorities are starting to impose Strategic Housing Market Assessment dwelling size mix outputs as requirements on newly permitted consents. The impact on viability is very significant in conjunction with the current 20% Affordable Housing requirement in Gloucester. Whilst the VIA002 has tested a different Affordable Housing tenure split, concerns that VIA002 have not addressed issues raised within prior submissions on the emerging Local Plan in respect of housing mix assumptions (in terms of number of bedrooms and type) at all remain.
 - b) In addition to the new formulaic approach to s106 education costs being sought by the County Council, our Client advises that new guidance in respect of Highways (the ‘Manual for Gloucestershire Streets’ July 2020) published by the County

Council is also resulting in significant increases in costs that are not reflected in the Council's viability testing and is another document being applied without any prior stakeholder / public consultation or consideration of impacts on development viability. This underlines the importance of sensitivity testing in respect of a range of development costs (not only s106) – an issue which remains unaddressed in the Council's viability evidence despite having been raised in the prior response on the emerging Local Plan submitted on behalf of Robert Hitchins Ltd.

- c) It is our Clients experience that the electric car charging costs included in the Council's viability modelling are simply not reflective of real world costs given the additional utility infrastructure costs that the requirement results in. Concerns raised previously that VIA001 has not addressed this are not addressed within VIA002.
- d) New Part L Building Regulations will add costs of c.£2k to £4k per plot from 2022 – this is not reflected in the Council's viability evidence. This is an issue which has become applicable since the VIA001 and yet is not reflected within the VIA002.
- e) The Council already seeks additional design standards outside of Plan policy through a Gloucester, Cheltenham and Tewkesbury Joint Core Strategy Affordable Housing Partnership 'Guidance Note to support the Section 106 and application of affordable housing planning policies'. This results in significant additional cost impacts and is taking place ahead of the adoption through the emerging Local Plan of any Optional Technical Standards as set out within the National Planning Policy Guidance and without robust viability assessment. Concerns about the viability impacts of additional design standards above non-optional Building Regulation requirements remain unaddressed within VIA002.

1.29 The selectively adjusted modelling outputs in VIA002 suggest that viability is more positive than it really is. Even then, and against the arbitrarily set Land Value Benchmarks, c.83% of sites (20 out of 24) are suggested to be unviable at the levels of s106 that are likely to apply under the new County s106 formulaic approach in conjunction with Council s106 costs.

1.30 However, when assessed against realistic Land Value Benchmarks, taking into account the various other methodological concerns raised within our prior submissions on the emerging Local Plan, the many other concerns raised within 1.27 above (which have come to light and / or become increasingly apparent since the preparation of VIA002) and which have a seriously

negative impact on viability, and the lack of appropriate values / costs sensitivity testing (extending beyond selective sales values / build cost uplifts and different s106 scenarios) even more of the sites tested will not be viable. This also calls into question the claim in INF003 paragraph 4.5 that s106 at £5k per unit is viable in conjunction with GCP policy layers and CIL and in SoCG6 that sites meeting GCP policy requirements and providing £5k per unit s106 will be considered to be viable.

Conclusion

- 1.31 For the detailed reasons set out above and within prior submissions to the emerging Local Plan in respect of VIA001, VIA002 does not adequately assess the full impact of current practice in relation to higher s106 contributions, an increased 25% Affordable Housing target and other cost impacts upon development.
- 1.32 VIA002 makes only selective changes to the modelling inputs whilst disregarding a host of other concerns raised within prior submissions to the emerging Local Plan in respect of VIA001. The concern is that, as a result (and notwithstanding that it already reveals the emerging Local Plan to be undeliverable in conjunction with the extent of s106 contributions routinely being sought), its conclusions on viability are over optimistic.
- 1.33 The new formulaic approach of the County Council departs from Policy INF6 of the JCS and the new approach to funding infrastructure by the City Council departs from the intended operation of the CIL Charging Schedule. These departures, and the implications of these, will need to be robustly examined if they are to be adopted by the City Council. VIA002, notwithstanding its selective changes to VIA001 assumptions, demonstrates that these departures seriously undermine the deliverability of the Development Plan including the City Plan.
- 1.34 It is respectfully considered that the Inspector either (1) identifies that the new County s106 formulaic approach is beyond the scope of the current examination and therefore will not be tested such that the tested formulaic approach of the JCS should continue to apply or (2) the Inspector tests the substance, viability and consequences of the new formulaic approach.
- 1.35 If the approach '1' is taken, then the County Education s106 requests should be ignored for the foreseeable future and it should be made clear in the examining report this is the basis on which the emerging policies are being found sound (if they are found sound).

- 1.36 In this regard, whilst stating that s106 (for all infrastructure including education) in excess of £5k per unit alongside the GCP policy layers and CIL is unviable (INF003 paragraphs 4.5, 6.3 and 6.5), INF003 and SoCG6 do not make it absolutely clear that the Council will not facilitate the County to seek up to £17.5k of education s106 where the County considers this is necessary to mitigate a planning application proposal. INF003 also fails to reflect that this position is unviable even at 25% Affordable Housing (as is currently sought through the GCP). As such, despite the commentary in paragraph 5b) site by site viability testing will be necessary.
- 1.37 Paragraph 5b) of the SoCG6 states that the Council do not wish to proceed on the basis of site by site testing, and yet in paragraph 5c) the Council then make the following contradictory statement: “where there is limited viability available in a scheme, priority will be given to the delivery of the policy requirements of the GCP”.
- 1.38 There are various concerns with the Council’s position in SoCG6 and INF003, including: a) to assess ‘limited’ viability will require site by site testing, b) if the education contributions are necessary for mitigation they cannot flex and Affordable Housing will have to, and c) no evidence has been presented justifying the very high education contributions / Pupil Product Yields referred to in these documents.
- 1.39 Thus, soCG6 and INF003 highlight that confusion prevails; confirming on the one hand that the levels of County education s106 being sought are unviable, but failing to confirm on the other hand that the Council will not support the County seeking these levels of s106 where it is considered by the County to be necessary mitigation.
- 1.40 If approach ‘2’ is taken:
- The evidential basis of the County Education s106 requests must be subject to examination through the current Local Plan EiP process – the new formula is not robust and as such will need to be modified to be closer to that identified in evidence prepared by Pegasus (as submitted in response to the recent Tewkesbury Borough Council Local Plan examination), the adopted JCS and LEA’s elsewhere; and that, on this basis, there is no need to review any of the policies of the JCS (housing requirements, housing mix, spatial strategy etc);
 - If, however the Inspector accepts the LEA’s new approach, then:

- a) as a matter of necessity all of the associated policies (housing requirements, housing mix, spatial strategy etc) should be reviewed such that it will end up with an exponentially increasing housing requirement across Gloucestershire with a particular need for larger properties; and
- b) many sites will be found to be unviable (as demonstrated by the evidence) such that some solution will need to be found such as:
 - i) requiring a reduced level of affordable housing on sites (as the affordable housing policy is already within the scope of the current examination); and/or
 - ii) requiring that the CIL Charging Schedule is reviewed alongside the Gloucester City Local Plan; and/or
 - iii) requiring that the Council continue to fund educational infrastructure through CIL in accordance with the adopted CIL Charging Schedule.

APPENDIX 2

RESPONSE TO THE GLOUCESTERSHIRE LOCAL HOUSING NEEDS ASSESSMENT FINAL REPORT AND SUMMARY, SEPTEMBER 2020

**Matter 8 Hearing
Statement Appendix 2:**

**Response to the
Gloucestershire Local
Housing Needs
Assessment Final Report
and Summary, September
2020**

In respect of:

**The Gloucester City
Plan Examination**

Prepared by:

Pioneer Property Services Ltd

On behalf of:

Robert Hitchins Ltd

Date:

12th April 2021



Summary

- This represents the first opportunity to comment on the Gloucestershire Local Housing Needs Assessment Final Report and Summary (September 2020) (“LHNA20”) as part of this Examination process.
- Whilst the LHNA20 suggests a level of Affordable Housing need in excess of 25% in the Gloucester local authority area, it is beyond the scope of the LHNA20 to demonstrate that this or any other Affordable Housing proportion is viable.
- The LHNA20 conclusion that 34% of new Affordable Housing should be provided for affordable home ownership underestimates the true extent of the need for this tenure. A review of LHNA20 data in the context of the current National Planning Policy Framework (“NPPF”) Affordable Housing definition (which includes households – including those able to afford market rents - aspiring to purchase and unable to afford to do so as eligible for Affordable Housing) suggests that between 50% to 68% of the Affordable Housing proposed over the Plan period should be for Affordable Home Ownership with the remainder for rent.
- The NPPF does not include any objectives encouraging local authorities to reduce Housing Benefit claims through the provision of Social Rent or suggest in the definition that where Affordable Rent requires Housing Benefit input then it is not an acceptable form of affordable housing (this logic would render Social Rented housing unsuitable for many households also). In this regard the LHNA20 conclusions on Social Rent tenure requirements do not reflect national planning policy. Many Registered Providers development business plans assume Affordable Rent and Social Rent will have a greater negative impact on scheme economics than Affordable Rent.
- A review of the LHNA20 evidence in conjunction with additional material removed from the final draft (but included in the 2019 iteration of the LHNA20) suggests that seeking a 50% proportion of M4(2) category housing would be significantly in excess of the likely net requirement for such housing and the 4% M4(3) category housing requirement is not based on any clear assessment of net need for such housing.
- The LHNA20 provides no evidence additional to that already referred to by the Council (commented on in the December 2019 Pioneer submission in response to Policies F6 and A7) to justify the inclusion of new policy requiring the imposition of the NDSS or the inclusion of new policy requiring a proportion of self / custom build plots.

Introduction

- 1.1 The following paper has been prepared to respond to the Gloucestershire Local Housing Needs Assessment Final Report and Summary September 2020 (“LHNA20”) and should be read in conjunction with the response submitted by Pegasus and prepared by Pioneer for Hearing Matter 8 in the List of Matters Issues and Questions provided by the Inspector on the 19th of February 2021. The LHNA20 is the most recent assessment of housing requirements in terms of tenure and mix finalised on behalf of the Tewkesbury, Gloucester and Cheltenham local authorities providing outputs at a local authority level.

Affordable Housing Tenure Split

- 1.2 Following the Reg-19 Pre-submission representations responses prepared by Pioneer Property Services Ltd and submitted by Pegasus in December 2019 on behalf of Robert Hitchins Ltd the Gloucestershire Local Housing Needs Assessment Final Report and Summary (September 2020) (“LHNA20”) has been published. This does not yet appear to have been included for consideration as a document within the Gloucester City Local Plan examination library, but warrants consideration now it has been finalised. The April 2021 Hearing Statement submitted in response to Matter 8 represents the first opportunity to do so; due to the word limit on the Hearing Statement it has been necessary to prepare Appendix 2.
- 1.3 The LHNA20 suggests in figure 91 that c.35% of the overall planned housing supply 2021 – 2041 needs to be comprised of Affordable Housing (4,606 divided into 13,120) taking into account the Local Housing Need figure assessed for the Borough.
- 1.4 At paragraph 8.76 the LHNA20 suggests that across Gloucestershire the provision of 7,826 homes (2021-2041) for households aspiring to home ownership (on the basis that they could afford a home at 60% of open market value – “OMV”) alongside a further 11,210 homes for households unable to afford this to be appropriate. This translates as a 41% split between affordable home ownership and 59% other forms of affordable housing.
- 1.5 For Gloucester City Figure 63 (page 92) and Figure 91 (page 156) of the LHNA20 suggest that, 2020 to 2041, 1,566 (1,567 in Figure 91) households aspiring to home ownership are in affordable housing need *and* can afford 60% of open market value. A further 3,039 are stated to be in affordable housing need and are excluded from aspiring to affordable home ownership apparently, according to paragraph 8.70 page 89, on the basis that they are currently unable

to afford market rents. This translates as a 34% affordable home ownership and 66% other forms of affordable housing tenure split.

- 1.6 However, there is no assessment of how many of the c.1,566 PRS households aspiring to own can afford up to 80% of open market values (despite that this level of discount also complies with the NPPF affordable housing definition and would enable the more efficient use of subsidy by Affordable Housing Providers).
- 1.7 Even more crucially; there is no assessment of how many of the 3,039 households unable to afford a market rent and in need of affordable housing could afford and aspire to affordable home ownership – a proportion of these (particularly those able to afford Affordable Rent without Housing Benefit – Figure 91 suggests 1,218 such households in Gloucester) may also be able to afford Shared Ownership or other affordable home ownership products at varying discounts to OMV. This should be reflected in the Affordable Housing tenure split sought by the Council.
- 1.8 Even if only two thirds of the 1,218 households (i.e. c.812) in Affordable Housing need suggested to be able to afford Affordable Rent without Housing Benefit / the Housing element of Universal Credit aspire to Affordable Home Ownership but cannot afford it this, added to the c.1,566 households requiring Affordable Home Ownership, this suggests that 52% of the planned Affordable Housing should be provided for Affordable Home Ownership (i.e. $1,566 + 812 = 2,378$ divided by 4,606 overall planned Affordable Housing requirement).
- 1.9 In addition to the above point, Figure 62 of the LHNA20 read in conjunction with paragraph 8.76 (page 90) suggests that other households unable to afford rented or sale market housing in the Gloucester City local authority area but housed in the private rented sector (i.e. renting privately using Housing Benefit or able to afford to rent privately but aspiring to buy but with no realistic prospect of doing so even if an Affordable Home Ownership product at 60% discount to Open Market Value – “OMV” - is provided) are already adequately housed and does not recommend the inclusion of these households within the planned Affordable Housing requirement.
- 1.10 Indeed, it is generally the case that households adequately housed in Private Rented housing in receipt of Housing Benefit (3,675 in Gloucester based on LHNA20 Figure 62, page 92) are not included as requiring additional Affordable Housing.

- 1.11 However, the 4,804 households (LHNA20 Figure 62, page 92) renting privately and aspiring to purchase in Gloucester but unable to afford an Affordable Home Ownership product (at 60% discount to OMV due to lack of income and /or savings) remain eligible for Affordable Home Ownership housing under the current NPPF Affordable Housing definition and should be included in the Affordable Housing tenure split calculation in the LHNA20.
- 1.12 Whilst these 4,804 households aspiring to home ownership in Gloucester are unable to afford it at 60% of open market values (due to insufficient income and/ or savings of less than £5k) a proportion of these households (and c.25,169 households at a county level) will be able to afford a 60% of open market home but have savings of less than £5k, whilst the others may have sufficient savings but earn too little to afford 60% of a market home. It is not stated in the LHNA20 at a City Council local authority level, but at a County level Figure 60 (page 90) suggests that such households are split c.50:50 in this regard (12,680 with too little income and 12,488 with sufficient income but less than £5k savings).
- 1.13 A number of these 4,804 Gloucester households could afford a Shared Ownership home with a 50% or 25% initial equity share but the LHNA20 does not analyse this. Even if only half can afford this (which is a reasonable minimum assumption as the deposit needed will be smaller and based on the Gloucestershire wide position in Figure 60 half of the 4,804 have household incomes enabling them to afford 60% of a market home just not savings of £5k or more), this is a further 2,402 households that could be assisted by the provision of affordable home ownership products such as Shared Ownership.
- 1.14 Added to the c.1,566 households already suggested in the LHNA20 to be able to afford a low cost home for sale at a discount to OMV this suggests c.3,968 households able to afford market rent but aspiring to buy and unable to afford to do so on the open market.
- 1.15 This can be compared to 3,039 households in the LHNA20 Figure 63 unable to afford market rent and in need of affordable housing in Gloucester which results in a 57% split between affordable home ownership and 43% other forms of affordable housing (i.e. $3,968 + 3,039 = 7007$, 3968 divided into $7007 = 57\%$).
- 1.16 As stated above, some of the 1,218 households (included in the 3,039 total) able to afford Affordable Rent without Housing Benefit may also aspire to own and be able to afford Shared Ownership or other products at varying discounts to OMV. Even if only two thirds do (c.812) this pushes the tenure split even further to c.68% sale / 32% rent (i.e. $3,968$ plus $812 = 4,780$ divided into $7,007$).

Summary

- 1.17 The LHNA20 position in Figure 91 is that c.35% of the planned supply in the Gloucester City Local Authority area is required as Affordable Housing and the data in Figure 91 suggests that only c.34% of this should be made available for Affordable Home Ownership.
- 1.18 This informed by the LHNA20 approach which assumes that additional Affordable Housing does not need to be planned for households renting in the private rented sector and in receipt of Housing Benefit or who aspire to purchase but cannot, based on LHNA20 calculations, afford to do so. However, this does not reflect the NPPF Affordable Housing definition in terms of household eligibility for Affordable Home Ownership housing.
- 1.19 If the NPPF Affordable Housing definition, in terms the eligibility for Affordable Housing of households aspiring to home ownership but unable to afford it, is taken into account then the LHNA20 data suggests that c.50% to 68% of the Affordable Housing proposed over the Plan period should be for Affordable Home Ownership with the remainder for rent. This will also see an increase in the overall quantum of Affordable Housing need concluded in the LHNA20, but clearly on the basis that majority of Affordable Housing need is for Affordable Home Ownership and with the quantum sought through policy being demonstrated to be viable at the Plan making stage.
- 1.20 In terms of the form that the rented element of affordable housing need is to take the LHNA20 refers to 2,513 of the Gloucestershire wide 11,210 households in need unable to afford market rent being able to afford Affordable Rent and bases the Social Rent proportion on the remaining households (8,697).
- 1.21 However, just as households in the Social Rented sector require Housing Benefit / the housing element of universal credit to afford their rent so similarly households can be assisted in Affordable Rent. The NPPF does not include any objectives encouraging local authorities to reduce Housing Benefit claims through the provision of Social Rent or suggest in the definition that where Affordable Rent requires Housing Benefit input then it is not an acceptable form of affordable housing. Many Registered Providers development business plans assume Affordable Rent.

Accessible and Adaptable Dwellings

- 1.22 It is noted that the LHNA20 includes a section on 'Housing for People with Disabilities' - this draws heavily on England wide trends in its modelling but suggests that it examines how this is likely to relate at a County level (paragraph 9.91).
- 1.23 The LHNA20 uses these broad estimates of current need in conjunction with assumptions applied within its household projections modelling to suggest a current and future need for adapted and wheelchair housing totalling 9,636 (450 current plus 9,186 future households) in Gloucester over 20 years (Figure 78, page 121). However, the LHNA20 acknowledges that some of these households will choose to remain in their own home (paragraph 9.101).
- 1.24 It is noted that the final LHNA20 has been altered from the October 2019 version of the LHNA20 ("draft 2019 LHNA") – the earlier iteration draws on the same information sources as the LHNA20 to model the need for additional housing for households with disabilities and further analysed how many of the 9,636 current and future need for adapted and wheelchair housing households would require additional housing provision to meet their needs.
- 1.25 As the information sources drawn on in the LHNA20 and the draft 2019 LHNA remain the same it is unclear why this additional work has been deleted and replaced with rather woolly commentary which states that it is difficult to know how many such additional homes will be needed so as many of the 9,636 homes as possible should be provided.
- 1.26 The draft 2019 LHNA analysis suggests that, taking into account homes that can be adapted to meet these needs (suggested to be 62% across the County as a whole – paragraphs 9.95 to 9.96), a need for 4,232 such homes (i.e. adapted and wheelchair user housing) would remain in Gloucester over the 20 years (c.212 per annum) (Figure 64, page 91, draft 2019 LHNA).
- 1.27 This equates to 32% of the overall Local Housing Need for Tewkesbury Borough calculated based on the Standard Method (Figure 1, page 7, LHNA20) – how this remaining sum splits out between adapted M4(2) and wheelchair M4(3) housing is unclear.
- 1.28 This suggests that paragraph 31 of the LHNA20 (which no longer reflects the additional analysis which was originally included within the draft 2019 LHNA) which, in conjunction with Figures 1 and 5, suggests that c.66% for all housing could be sought in Gloucester to accessible / adaptable to M4(2) standards (i.e. 8,647 annualised over 20 years = 432, divided

into a 656 overall Local Housing Need in Figure 1) are significantly in excess of the need for such housing in Gloucester once the potential for in-situ adaptations are taken into account.

- 1.29 Included in the above 9,636 figure (i.e. before the deletion of those living in potentially adaptable homes as suggested by draft 2019 LHNA Figure 64) is wheelchair user need. The LHNA20 Figure 82 (page 124) suggests a need for 989 wheelchair user homes in Gloucester (in market and affordable housing tenures) over 20 years - this equates to c.7.5% of the overall housing need in Figure 1, page 7 of the LHNA20 for Gloucester.
- 1.30 However, it is not identified (in either the draft 2019 LHNA or the LHNA20) how much of this can be addressed in existing homes through adaptations, despite that this exercise was undertaken for adapted and wheelchair housing overall in Figure 64 of the draft 2019 LHNA.
- 1.31 Hence, this appears to be a gross requirement included within the 9,636 M4(2) / M4(3) need summary for Gloucester (as is suggested in Figure 5 of the LHNA20) – i.e. not taking the ability to adapt existing homes into account.
- 1.32 In that sense, despite the claim in paragraph 31 of the LHNA20, the LHNA20 (and the draft 2019 LHNA before it) does not provide enough information to ascertain the proportion of additional newbuild homes that would need to be built to wheelchair standards after taking into account supply from existing stock through potential adaptations.

Nationally Described Space Standards – LHNA20 Evidence for Policy F6

- 1.33 The LHNA20 (pages 127 to 130), whilst undertaking an assessment of how many new homes are likely to already meet NDSS, provides no assessment of the local demand for homes to be larger than those that are routinely being delivered or of any potential impacts meeting demands for starter homes (as sought in National Guidance).
- 1.34 In any event, the LHNA20 suggests that the majority of new homes are already fulfilling the NDSS standard suggesting policy imposition to be unnecessary (particularly in the absence of the evidence of local demand).
- 1.35 The only justification given (in the LHNA20) for the imposition of such a policy appears to be so that the local authority have ‘evidence’ that the standards are being met. This is an odd conclusion to reach as the LHNA20 already appears to be providing this evidence.
- 1.36 The requirement for NDSS imposition through Policy F6 remains unjustified in evidential terms despite the clear requirement for this within national planning guidance; the LHNA20 does not

assess local demand for NDSS or the impact on first time buyer/renter homes and suggests the majority of new homes already meet this standard.

- 1.37 The LHNA20 provides no evidence additional to that already referred to by the Council (commented on in the December 2019 Pioneer submission in response to Policy F6) to justify the inclusion of new policy requiring the imposition of the NDSS.

Self and Custom Build – LHNA20 Evidence for Policy A7

- 1.38 The LHNA20 includes a section on 'People wishing to Build their Own Homes' (pages 104 - 106) albeit the Gloucester City Local Plan does not appear to draw on it. However, the LHNA20 simply sets out the numbers of households on the Self-Build Registers in the local authorities in Gloucestershire, but provides no evidence additional to that already referred to the Council (commented on in the December 2019 Pioneer submission in response to Policy A7) to justify the inclusion of new policy requiring a proportion of self / custom build plots.
- 1.39 In any event, notwithstanding the information in the LHNA20 in respect of self-build there is no basis for imposing an obligation on applicants for self / custom build plots within national policy or the underlying legislation. The NPPF clarifies that:

“Under section 1 of the Self Build and Custom Housebuilding Act 2015, local authorities are required to keep a register of those seeking to acquire serviced plots in the area for their own self-build and custom house building. They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand.”

(footnote 26, page 17, NPPF)

There is no basis in the legislation or within national policy for imposing an obligation on applicants (of any size site) to hive off a section of their site to be sold as self-build plots – it is the Council's responsibility, not that of a landowner or developer, to ensure that sufficient permissions are given to meet demand.

- 1.40 In other words, the legislation is not worded in such a way that it empowers local authorities to place restrictions on the use of land to deliver self-build units. The wording enables local authorities to permit the use of suitable land for this purpose, as opposed to restricting it to be used for this purpose. The NPPG, whilst encouraging local authorities to consider how plots could be provided on 'certain' allocations of 'types' of site, further supports this interpretation:

“Relevant authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward (for example, as a number of units required as part of certain allocated sites, or on certain types of site).

More widely, relevant authorities can play a key role in brokering and facilitating relationships to help bring suitable land forward. This can include:

- *supporting Neighbourhood Planning groups where they choose to include self-build and custom build housing policies in their plans;*
- *effective joint working across service delivery areas and with local delivery partners including Housing Associations, Arms Length Management Organisations and housing developers;*
- *using their own land (if available and suitable) for self-build and custom housebuilding and marketing it to those on the register;*
- *working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom build housing;*
- *when engaging with developers and landowners who own sites that are suitable for housing, and encouraging them to consider self-build and custom housebuilding, and facilitating access to those on the register where the landowner is interested.*
- *working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for veterans and other groups in acute housing need.*

(Paragraph: 025 Reference ID: 57-025- 57-025-20210508, NPPG)

1.41 The NPPG references to inclusion of plots within allocations and certain site types has to be read in the context of the underpinning legislation – it is not empowerment to impose a requirement on any site, or even sites that are over a certain size, and this is acknowledged in the fifth bullet point. Policies may identify sites that are considered suitable for self-build, but provision on these is a matter of encouragement as opposed to imposition.

- 1.42 There is nothing in national guidance, national policy or in the legislation to suggest that policies should be prepared that place an obligation on landowners or developers to deliver self-build plots; the wording in the NPPG specifically refers to 'encouraging' landowners if they are 'interested'. However, it is specifically stated in the NPPG that local authorities should make their own land available for this use among other solutions in addition to encouraging developers to assist with provision.