

# Hyndburn Borough Council Local Plan

## Development Management DPD



## Housing Standards Topic Paper

**January 2017**

## 1.0 Introduction

- 1.1 This topic paper has been produced to support the Examination in Public (EiP) process for the Hyndburn Development Management Development Plan Document (DM DPD). The paper provides a summary of the evidence, the reasoning and the justification behind the content of proposed DM DPD Policy DM16: Housing Standards.
- 1.2 Policy DM16 seeks to introduce elements of the optional national technical housing standards for new developments in Hyndburn, specifically the 'access' and 'space' components. It does not seek to introduce the 'water' component of the national technical standards.
- 1.3 Representations (objections) on the soundness of the pre-submission (Publication) version of Policy DM16 have been made. This paper has therefore been produced to assist in the clarification of the Council's position with regards to these outstanding matters of objection and is intended to assist the Inspector and other relevant parties in the forthcoming EiP process.

## 2.0 The National Technical Housing Standards

- 2.1 The Ministerial Statement<sup>1</sup> of the 25<sup>th</sup> March 2015 sets out the intention of the Government to streamline the planning system via a number of significant reforms. One of these reforms included the rationalization of the complex system of housing standards relating to the construction, internal layout and performance of new dwellings.
- 2.2 The reforms were aimed at reducing burdens on development and helping to bring forward much needed new homes at a quicker pace. Instead of the existing complex patchwork of varying standards in place around the country, the new national technical housing standards were introduced as an either/or option - Local Planning Authorities (LPAs) could *either* opt to use the national standards (with local customized standards no longer being permitted), *or* rely on mandatory Building Regulation requirements instead as the baseline position.
- 2.3 The Government confirmed the new policy approach with reference to the National Planning Policy Framework (NPPF), specifically paragraphs 95, 174 and 177. Paragraph 174 is considered to be of particular relevance in that it states that LPAs '*should assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle.*'
- 2.4 The Government also provided additional guidance in the form of the online Planning Practice Guidance (PPG) resource. The PPG makes clear that, where LPAs wish to adopt any of the optional technical housing standards, they should be clearly evidenced to

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<sup>1</sup> Department of Communities and Local Governments (DCLG)

determine whether there is a need for additional standards in their area. This re-enforces paragraph 174 of the NPPF which concludes stating that *'evidence supporting [standards] should be proportionate, using only appropriate available evidence'*.

- 2.5 The optional technical housing standards relate to three key matters. PPG states that LPAs *'have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard<sup>2</sup>* (our emphasis).

### **3.0 Proposed Policy DM16: Housing Standards**

- 3.1 Hyndburn Borough Council is seeking to introduce a policy into its emerging new Local Plan, within the DM DPD, relating to two of the three optional technical standards: access; and the space standards. Policy DM16: Housing Standards was introduced into the DM DPD in the 'Consultation Draft' version (published and consulted on in February 2016). The Council made minor modifications following the 'consultation draft' consultation exercise but retained the central aims and policy thrust of DM16 in the 'Publication' (pre-submission) version.

- 3.2 Policy DM16: Housing Standards consists of three paragraphs. Paragraph 1 states that:

*'In accordance with the national regime of optional technical standards for housing the Council will adopt the following local standards, in line with the national Planning Practice Guidance:*

- a. Access – at least 30% of any new affordable housing provided on a site should be specifically tailored to meet the needs of elderly or disabled residents, or be easily adaptable, in line with Building Regulations Requirement M4(2) Category 2'*
- b. Internal space – the nationally described space standards'*

- 3.3 Paragraphs 2 and 3 of DM16 elaborate further on the local implementation of each of the two optional standards. In relation to the 'access' standard, paragraph 2 of Policy DM16 goes on to state that: *'in applying the optional access standards for housing the Council will adopt a flexible approach where necessary, taking into consideration specific factors, such as site topography and vulnerability to flooding, along with evidence on the economic viability of individual developments.'*

- 3.4 In relation to the 'space' standards, paragraph 3 of Policy DM16 goes onto state that: *'applicants will be expected to design schemes in accordance with the nationally described standards, including sufficient built-in storage. Applicants must submit appropriate supporting documentation alongside the planning application to ensure that compliance with the standards can be verified, including completion of an internal space compliance statement.'*

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<sup>2</sup> Planning Practice Guidance ref. Paragraph: 002 Reference ID: 56-002-20160519

3.5 Policy DM16 refers to the Council's latest Strategic Housing Market Assessment (SHMA) and Housing Needs Study (2014) in the policy context and relationships table following the policy text. The content of the SHMA, as relevant to this paper, is discussed further in Section 5.

#### **4.0 Representations relating to Policy DM16**

4.1 In total five representations were received in relation to the pre-submission (Publication) version of Policy DM16: Housing Standards from three separate parties. These were The Home Builders Federation (HBF), Persimmon Homes and JWPC Ltd Planning Consultants.

4.2 The HBF and Persimmon Homes object to the soundness of Policy DM16 on the grounds of the Council's insufficient evidence base, and the impacts on the viability of development in Hyndburn (both in terms of the access and space standards). JWPC Ltd, though not specifically objecting to soundness, request more flexibility to be introduced into the policy particularly in relation to the application of space standards in conversions.

4.3 The original representations from each party can be read in full in the submission document ref. DM\_Sub2.14. The Proposed Council Response to each representation can be found in submission document ref. DM\_Sub3.1.

#### **5.0 Hyndburn Council Justification**

5.1 The Council's position is that Policy DM16: Housing Standards, as written, is a sound, robust and practical approach to the issue of adopting the optional access and space standards for future new homes in Hyndburn. The justification for this is set out in detail below, structured into two key parts: firstly, in the context of the Council's overall policy ambitions, and secondly with respect to the Council's evidence base on housing matters (including viability matters).

##### **Council policy ambitions**

###### *Housing and health*

5.2 The Pennine Lancashire Housing Strategy 2009-2029 (supporting document ref. DM\_Supp1.1) is Hyndburn Council's key housing strategy document. Policy Aim 14 of the 2009-2029 strategy is '*to further improve the condition and design of housing to improve the health and well-being of people and communities*'. Specific responses to this include working with partners to ensure new homes developed reach an agreed minimum standard for mobility, size and energy efficiency, and to create better living environments promoting well-being and security. Housing space standards are seen as a key means of achieving this aim in new developments.

- 5.3 Some of the latest research on dwelling sizes<sup>3</sup> confirms the negative impact that poor quality housing can cause. The study refers to the issue of overcrowding potentially (in extreme cases) causing *'physical illnesses such as asthma, and mental illnesses such as depression'* and that *'less extreme cases can cause anxiety or stress, or impact on children's social and emotional development'*.
- 5.4 Quality, condition and choice of housing within Hyndburn is one of the key issues facing the Borough with 53% of houses being terraced properties, compared to 29% in the North West and 27% nationally. The Borough has suffered from years of market failure and there is a need for a more balanced supply of good quality homes. The application of these standards should help achieve this.
- 5.5 Similarly, the health of people living in Hyndburn is generally worse than the England and Wales average and the condition of housing in the Borough has an impact on this. There is a need to ensure that the new homes developed in Hyndburn provide a good standard of accommodation that will represent step change in the quality of housing available to Hyndburn residents.

#### *Core Strategy*

- 5.6 In support of the aim set out in the Pennine Lancs Housing Strategy the Council has clearly set out its housing vision in its new emerging Local Plan. The Core Strategy (2011-2026) 'Vision for Hyndburn' seeks to provide high quality family homes constructed using sustainable design principles. This forms a key part of the Council's central strategy to rebalance the overall housing market in Hyndburn away from the predominance of smaller terraced housing stock.
- 5.7 Specific aspects of the Core Strategy relevant to matters of housing standards include:
- **The Vision** – the Core Strategy *'seeks to raise standards across the Borough in order to reduce disparities both within Hyndburn and between Hyndburn and the rest of the Country'*<sup>4</sup>;
  - **The Strategic Objectives** - one of six strategic objectives set out in the Core Strategy is *'to provide for a greater choice and quality of housing'*<sup>5</sup> including *'to provide sufficient housing of the right size and type to meet local needs ...'* and *'to ensure that all new property will be built to high standards ...'*. A further one of the six strategic objectives is *'to improve the quality of health of the residents of Hyndburn'*, including to *'improve mental well-being'*;

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<sup>3</sup> Malcolm Morgan & Heather Cruickshank (2014) Quantifying the extent of space shortages: English dwellings, Building Research & Information, 42:6, 710-724

<sup>4</sup> P28 of the Hyndburn Core Strategy - 'Standards' in this context refers to a range of standards that are used to measure deprivation more generally, not just housing standards

<sup>5</sup> P31 of the Hyndburn Core Strategy (adopted Jan 2012)

- **Policy Env6:** High Quality Design - Policy Env6 deals with the specific design of new housing and accessibility issues, and refers to new development being expected to '*be accessible and legible to all users*'.

- 5.8 It is in the context of these clear policy ambitions that the Council is seeking to introduce housing standards into the Local Plan through the DM DPD. The vision to '*raise standards*' and '*reduce disparities*' is particularly relevant and places particular emphasis on space standards in Hyndburn.
- 5.9 Other local authorities are considering adoption (or have already adopted) the nationally described space standards. For example Manchester City Council has recently adopted new residential design guidance which requires that all applicants '*demonstrate how proposals meet the nationally described space standards*'<sup>6</sup>. Leeds City Council is also bringing forward a Housing Standards DPD. A delay in adoption of the standards in Hyndburn could therefore risk *increasing* disparity within the Borough in terms of housing quality and living quality, contrary to the key policy ambition set in the Local Plan.
- 5.10 In Hyndburn the general health of the population is worse than the England average: specific local priorities identified by Public Health England include addressing local health inequalities by improving mental health and wellbeing<sup>7</sup>. From the evidence available it is clear that the quality of new housing in the Borough (including implementation of the internal space standards) has a role to play in addressing these priorities and meeting Council ambitions.
- 5.11 The Royal Institute of British Architects (RIBA) has made a strong case to Government for embedding the national minimum space standards into the Building Regulations<sup>8</sup>. This approach would set the standards for housing design across the country to create a level playing field and a fair housing offer wherever people live. In the absence of this approach however, Hyndburn Council seeks to adopt the standards as set out in Policy DM16 to help achieve its stated policy aims above.

## **Evidence**

- 5.12 NPPF Paragraph 174 is clear in the policy approach to be adopted by any LPA in implementing the national standards in a Local Plan. It states that supporting evidence should be proportionate, using only '*appropriate available evidence*'.

### Access standard

- 5.13 The Council's SHMA considered the housing requirements of specific groups in Hyndburn. With regards to 'older people' (residents aged over 65) the Housing Register identified a high

<sup>6</sup> P119 of the Manchester Residential Quality Guidance (December 2016)

<sup>7</sup> Evidenced in the latest Health Profile for the Borough published by Public Health England (2015)

<sup>8</sup> Space standards for homes, RIBA (December 2015)

existing level of need with considerable growth in this cohort of the population expected 2011 to 2029 (more than for the rest of the population as a whole).

- 5.14 The SHMA concluded that, given the level of need identified in the Housing Register, around 30% of affordable accommodation in Hyndburn could be specifically tailored to meet the needs of elderly residents<sup>9</sup>. The SHMA recognized that this should be subject to viability testing and applied flexibility to avoid being unduly onerous to developers. As set out in Section 3 of this paper Policy DM16 includes the recommendation of the SHMA that 30% of new affordable housing should be specifically tailored (or be easily adaptable) to meet the needs of elderly residents. However, as recommended, the Council has built flexibility into the policy to take into account specific factors such as site topography, vulnerability to flooding, and viability considerations (paragraph 2 of Policy DM16).
- 5.15 As demonstrated in the Council's latest Authority Monitoring Report (AMR) (submission document DM\_Sub4.2) the delivery of affordable housing units in Hyndburn has been relatively low in recent years (averaging 16 per annum). As a result the number of dwellings satisfying the requirement of the Access standards in Policy DM16 may in turn be very low (certainly in the earlier years of the plan period) The Council does however anticipate other policies in the plan will help address the identified need, through the adaptation of existing stock to lifetime homes standards, the provision of "extra care" homes for the elderly and by providing greater opportunities for elderly households to downsize where they may be under-occupying larger homes<sup>10</sup>. The policy focus on increased bungalow provision, and Policy DM14 provides the broader policy framework for delivery of housing to help fulfil this aim.
- 5.16 In terms of viability testing, following the consultation exercise on the 'Consultation Draft' version of the DM DPD in 2016, the Council commissioned Keppie Massie to undertake a full plan viability assessment called the Economic Viability Study (EVS). The EVS was published in October 2016 and informed development of the Publication version of the DM DPD, including Policy DM16: Housing Standards. It is included in the Council's package of documents supporting submission of the DPD (document ref. DM\_Supp2.1).
- 5.17 The EVS details the site appraisal methodology in full, including the full range of residential development scenarios that were tested and employed to ensure that the policies proposed in the plan would not cumulatively threaten the ability for sites to be developed viably. The EVS included an additional amount of £1,000 per dwelling to the build costs to meet the Access requirements set out in Policy DM16<sup>11</sup>. As such the viability of Policy DM16 has been fully assessed in line with the NPPF.

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<sup>9</sup> P218 of the SHMA and Housing Needs Study (2014)

<sup>10</sup> Although it must be recognised that many elderly people in Hyndburn live in terraced properties where "down-sizing" may not be an option.

<sup>11</sup> Paragraph 5.44, Hyndburn Economic Viability Study (2016)

### Internal space standards

5.18 With regards to internal space standards the PPG refers specifically to LPAs considering ‘need’, ‘viability’ and ‘timing’ if national space standards are to be adopted<sup>12</sup>. These are dealt with in turn below:

#### *Need*

5.19 The PPG states that ‘*evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes*’. When considering the need to use internal space standards it is not considered unreasonable to also consider the size and condition of the Borough’s existing housing stock and the need to provide increased choice in the quality of new homes being provided.

5.20 General information on annual housing completions, including a breakdown and analysis by house type and number of bedrooms, is available in the Council’s latest AMR. Information on the size (internal floorspace) however is not provided in the AMR.

5.21 As part of the work undertaken on the EVS, an analysis of applications recently granted planning permission was undertaken to assess the average dwelling size of those schemes. From the sample of 634 dwellings granted planning permission the following average dwelling sizes were observed:

Table 5.1 – Analysis of average dwelling sizes from recent planning permissions<sup>13</sup>

No. of Beds	Size (sq.m)	Minimum national space standards (sq.m)
1	No information available	40 – 59.5
2	60	63 - 81
3	84	76.5 – 110.5
4	117	93 - 133
1 bed apartment	No information available	40 – 59.5

5.22 Table 5.1 demonstrates that the variance between the average dwelling sizes granted permission in Hyndburn and the minimum gross floor areas set out in the national space standards (which include built-in storage) is minor: up to 3qm for 2-bed dwellings but no variance between 3 and 4-bed dwellings. On this basis Keppie Massie adopted the national space standards for viability modelling in the EVS (discussed in more detail under the ‘viability’ section below).

<sup>12</sup> PPG Paragraph: 020 Reference ID: 56-020-20150327

<sup>13</sup> Taken from P22 Appendix 7 of the Hyndburn Economic Viability Study (2016)

- 5.23 The Council is undertaking further more detailed analysis to be published alongside this Topic Paper once complete. The further analysis will give detail on actual dwellings completed (as opposed to permissions only) and seek to give further information on smaller properties and conversions. This will help address the specific issue raised by JWPC Ltd with regards to conversions and increased flexibility in Policy DM16. This work is anticipated to further support the work done by Keppie Massie.
- 5.24 The PPG refers to the need to consider any potential impact on meeting demand for starter homes to be taken into account. From the findings set out in the EVS, it is clear that the provision of Starter Homes is less of a financial burden on developers than more traditional forms of affordable housing. As such in the context of the viability information presented below there is not considered to be a significant impact.

#### *Viability*

- 5.25 The PPG states that *'the impact of adopting the space standard should be considered as a part of the plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted'*.
- 5.26 The details of the EVS (the Hyndburn Borough Council plan viability assessment) are described above under the discussion around the 'access' standard. In terms of space standards, for the purposes of testing viability Keppie Massie adopted the standard house/apartment sizes set out in Table 5.2 and 5.3 below in each of the site typologies that were tested.

Table 5.2 – Standard housing sizes used in viability testing in the EVS

No. of Beds	Size (sq.m)	Size (sq. ft)
1 (single storey)	50	540
2	70	750
3	93	1,001
4	117	1,259

Table 5.3 – Standard apartment sizes used in viability testing in the EVS

No. of Beds	Size (sq.m)	Size (sq. ft)
1	50	540
2	70	750

- 5.27 As set out in paragraph 5.17 above, these house/apartment sizes were adopted in the EVS following analysis by Keppie Massie of recent planning applications, and having regard to the proposed requirement in Policy DM16 that would require new housing to meet the national space standards. The construction costs employed in the study therefore reflect the

figures presented in Tables 5.2 and 5.3 above and were therefore based on the principle of adopting the space standards<sup>14</sup> in Hyndburn.

- 5.28 Based on house price and sales data, the EVS identifies four different residential value zones in Hyndburn and identifies each of the 16 wards in Hyndburn to one of these value zones<sup>15</sup>. Five wards are identified as being in the Zone 1 value zone (areas of highest value), four wards are identified as Zone 2, three wards as Zone 3, and four wards as Zone 4 (areas of lowest value).
- 5.29 The viability and policy impacts of the wide range of viability testing undertaken by Keppie Massie are set out in detail in Section 6 of the EVS. It importantly notes that the viability of an individual development very much depends upon the specific site circumstances. In summary however, based upon the wide range of testing undertaken, and in an attempt to provide a strategic overview, the EVS concludes that:
- Development of both brownfield and greenfield sites in Zone 1 is generally viable;
  - Development of both brownfield and greenfield sites in Zone 2 is also generally viable;
  - Development in zone 3 is finely balanced as to whether it is viable or not, depending upon the site typology and density employed; and
  - Development of both brownfield and greenfield sites in Zone 4 is generally unviable, and for the developments that are viable the results are marginal.
- 5.30 The EVS goes on in Section 8 to undertake economic profiling and sensitivity analysis, demonstrating how development viability will change depending on economic cycles. The current assessment levels (base position) used as the basis for the policy consideration represent a reasonable moderate to low position within the economic cycle. The EVS therefore concludes that *'development within [lower value locations] may however be proved viable at the high points during the economic cycle'*<sup>16</sup>
- 5.31 Based on the study findings, the Council consider there to be a strong case on viability grounds for retaining the space standards in the Local Plan for Hyndburn. The costs of implementing them are included within the 'baseline' position presented in the viability results in the EVS. On balance, although some areas of the Borough appear to be unviable even at the 'baseline' position (particularly brownfield sites in Zone 4 areas), these are weighed heavily against the majority of areas that are demonstrated to be viable. The fact that the sensitivity analysis suggest even the lower value areas may prove viable in the future, and recognition that *'a relatively small adjustment to the level of developers profit or land price or both would enable ... development to be taken forward [even] in these low value areas'* is justification for their retention<sup>17</sup>.

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<sup>14</sup> Paragraph 5.44, Hyndburn Economic Viability Study (2016)

<sup>15</sup> Figure 4.5, Hyndburn Economic Viability Study (2016)

<sup>16</sup> Paragraph 8.12, Hyndburn Economic Viability Study (2016)

<sup>17</sup> Paragraph 9.10, Hyndburn Economic Viability Study (2016)

### *Timing*

- 5.32 The PPG states that *'there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions'*.
- 5.33 The Council has not included any phasing or transition period into Policy DM16 nor does it propose to do so. The evidence presented in Table 5.1 indicates that there is not presently a significant gap between the majority of developments and the national standards therefore the transition from the current position is expected to be minimal. Neither have any representations been received requesting timing/phasing of their implementation to be considered.

## **6 Summary**

- 6.1 The Council is seeking to introduce optional access and space standards into its Local Plan via Policy DM16: Housing Standards of the DM DPD. This paper provides a summary of the evidence, reasoning and justification behind this aim. The Council has demonstrated that it is justified, meets the requirements of NPPF and the PPG, and that the proposed policy is robust and sound.