

Examination of the North Hertfordshire Local Plan (2011-2031)

Examination hearing sessions

Statement of North Hertfordshire District Council

Matter 8 – The housing strategy: affordable housing (Policies SP8 and HS2), housing mix (Policy HS3) and supported, sheltered and older persons housing (Policies SP8, HS4 and HS6)

Affordable housing (Policies SP8 and HS2) and housing mix

8.1: What is the objectively assessed need for affordable housing in the District?

1. The objectively assessed need (OAN) for affordable housing is for **4,403** affordable dwellings over the plan period (HOU5, paragraph 2.103, p.31).

8.2: Policy SP8 aims to provide 33% of all homes over the plan period as affordable housing. If successful, will this ensure that the objectively assessed need for affordable housing in the District is met?

2. Yes. The Plan sets a target for the delivery of 14,000 new homes for North Hertfordshire's own needs (LP1, Policy SP8(a), p.47). Delivering exactly one-third of these as affordable housing would provide 4,666 affordable homes over the plan period.
3. The Housing & Green Belt Background Paper concludes there would be no need for a further uplift to the housing target to meet the OAN for affordable housing in a scenario where the Council met its overall objectively assessed needs (HOU1, paragraphs 5.13 to 5.19, pp 27 - 28).

8.3 Policy HS2 sets out targets concerning the level of affordable homes to be provided on housing sites, varying according to the gross number of dwellings involved. Will the application of Policy HS2 ensure that the need for affordable housing and/or the aim of Policy SP8 is met?

4. Yes. It is estimated that application of the policy targets in HS2 on all of the allocated sites could deliver in the region of 4,800 affordable homes over the plan period to meet North Hertfordshire's needs¹. The tiered approach to affordable housing provision is supported by the viability assessment (TI2, paragraphs 3.2.3 to 3.2.5, p.32).
5. This is in excess of the OAN for affordable housing. However, notwithstanding the general findings of the viability evidence, the Plan recognises that there may be

¹ This excludes any affordable housing provided within the 1,950 homes that are planned to help address unmet housing needs arising from Luton.

circumstances where it is not possible to deliver policy-compliant levels of affordable housing.

6. The margin between the estimate of fully policy-compliant affordable housing delivery and the affordable housing OAN provides a reasonable and sound basis to conclude that the overall affordable housing need can be met over the plan period.
7. Any additional supply of affordable housing would not represent an 'excess' of unrequired homes. The Strategic Housing Market Assessment (SHMA) takes a neutral position with regards the role of housing benefit in the private rental sector (HOU5, paragraphs 2.104 to 2.108, pp.31-32). Any provision of affordable housing over and above the target levels could meet the needs of some households in this sector, thereby releasing the private rented homes back to the market (HOU5, paragraph 2.111, p.33)

8.4: Aside from through the delivery of market housing, are there other sources of/mechanisms for affordable housing delivery? If so:

a) What are they?

8. In general the majority of affordable housing in the district is delivered on private sites through the delivery of market housing.
9. There are, however, circumstances where the Council works in partnership with its Registered Provider (RP) partners to deliver affordable housing on council- and/or RP-owned sites.

b) What level of affordable housing is anticipated to come from these sources over the plan period? What evidence is there to suggest that this is a realistic expectation?

10. Completions from these schemes since 2011 have contributed over 100 additional affordable housing units. A further 26 affordable units are currently in development across four sites while permission has been granted on site LG17 for 32 net additional units. These are all included in the housing supply and trajectory in ED3.
11. Based upon actual and projected delivery of the schemes above, it might be reasonable to assume ongoing delivery of approximately 20 additional affordable homes per year from these sources across the remainder of the plan period and / or an overall assumption of 200-250 affordable homes.
12. However, opportunities to deliver affordable housing on council owned land continue to decrease as the council is not a stock holding authority and land remaining in the council's ownership is diminishing. It is further acknowledged that Government affordable housing policy and funding is subject to frequent change.
13. In this context, no particular reliance needs to be placed, or is placed, upon an ongoing contribution from these types of schemes to achieve the affordable housing OAN (see answer to issue 8.3).

8.5 Policy HS2 requires that affordable housing provision on housing sites is “maximised having regard to the targets in [the] policy”.

(a) What is meant by ‘maximised’?

14. That schemes should endeavour to provide as much affordable housing as is practicable having regard to the relevant target; they should seek to meet it.
15. It is not intended that the wording will be used as a ‘stick’ to seek (for example) 45% or 50% provision on a large site with particularly favourable viability conditions.
16. However, as per the Council’s answer to Issue 8.4 above, it is anticipated that schemes will be brought forward over the plan period which exceed the requirements of the policy. By way of example, schemes delivered by RPs can deliver up to 100% affordable housing. This may include schemes of less than 10 units.
17. The intention of the policy wording is to ensure that the targets and thresholds do not (unintentionally) preclude such schemes from coming forward in compliance with the plan. The wording of HS2 ensures that any such schemes would still clearly fall within its scope.

(b) Is this an effective approach?

18. Yes. The approach above ensures that the scale of policy burdens should not threaten the ability of sites to be viably developed, as per NPPF Paragraph 173.

(c) If the intention is that the targets must be met unless it is demonstrated that it is not viable to do so, then would it be better for the policy to say so?

19. The intention of the policy is that in most instances the targets must be met unless it is demonstrated that it is not viable to do so. However as per the answer to (a) above it is considered prudent for the policy to allow schemes where above target levels of provision are proposed to fall within its remit.

8.6 Policy HS2 also requires that affordable housing provision is delivered on-site. However, paragraph 8.11 indicates that off-site provision or financial contributions may be acceptable if “exceptional circumstances exist to justify [it]”.

a) Is this ‘exceptional circumstances’ test more stringent than the approach set out in paragraph 50 of the National Planning Policy Framework? If so, what is the justification for it?

20. It is not intended for paragraph 8.11 to be applied more stringently than the approach set out in the NPPF. However, it is accepted that the paragraph may be read as

suggesting so. For effectiveness, a modification to bring the final sentence of paragraph 8.11 in line with national policy is suggested:

*“...The onus will be firmly upon the applicant to ~~demonstrate any exceptional circumstances exist to~~ **robustly** justify off site provision, contributions in lieu or, on Strategic Housing Sites, a phased approach to affordable housing delivery **and demonstrate that such an approach would contribute to the objective of meeting mixed and balanced communities**”*

b) If such a test is to apply, should it be contained within the policy rather than the supporting paragraphs?

21. In light of the above, it is proposed to amend criterion (a)(ii) of Policy HS2 to read:

“made on-site **unless robustly justified**”

8.7: Drawing together Policies SP8 f) and HS2 b. and HS3:

a) what is the justification for the size, type and tenure of market and affordable housing sought?

22. The starting point for determining the most appropriate requirements on these matters is Volume 2 of the Strategic Housing Market Assessment (HOU5). This provides the evidential assessment of the most appropriate approach.
23. The basis for the overall split between market and affordable housing, and the policy approach to securing the right amount of affordable housing is set out in the answers to issues 8.1 to 8.6 (inclusive) above.
24. Having established the overall affordable housing need, the SHMA then considers issues of mix and tenure (HOU5, Chapter 3, pp.34-41) with a breakdown of need by size and type contained in Figure 28².
25. This concludes that, for North Hertfordshire, the requirement for market housing is significantly skewed towards larger units. The split between need for smaller (1- and 2-bed) and larger (3+bed) market homes is calculated as 14% / 86% respectively. The requirements for affordable housing are split on an almost 50% / 50% basis between smaller and larger units.
26. Between 64% and 75% of households in need of affordable housing in North Hertfordshire would require affordable rented products dependent on the income thresholds used (HOU5, Figure 29, p.40).
27. The Housing and Green Belt Background Paper explains how these results have been translated into policy (HOU1, paragraphs 6.4 to 6.12, pp.35-36)³.

² Paragraphs 5.3 to 5.8 of the Housing and Green Belt Background Paper (HOU1, p.26) explain the relationship between HOU3, HOU4 and HOU5 and set out why the detailed analysis in the SHMA remains valid in light of the updated overall assessment of housing need in HOU3.

28. Having regard to the viability assessment (TI2), it is concluded that an affordable housing tenure split of 65% rented and 35% other products is sound. This is reflected in Policy HS2(b)(i) of the Plan (LP1, p.93).
29. Combining the house size requirements of the SHMA across market and affordable tenures suggests a broadly 30% : 70% split between the requirements for smaller and larger units (HOU1, paragraph 6.6, p.35). However, in deriving future these requirements, the SHMA assumes that current patterns of occupation will continue (HOU5, paragraph 3.17, p.39).
30. HOU1 recognises, firstly, that there is evidence of 'under-occupation' of existing stock within the District and that increasing the proportion of smaller homes may, in particular, provide additional opportunities for older households to downsize. Secondly it is identified that most households in the top preference bands of the Council's Housing Register require smaller homes (HOU1, paragraphs 6.11-6.12, pp.35-36).
31. In light of these factors, the Plan's pursuit of a broadly even split between smaller and larger properties over the plan period is justified (LP1, Policy SP8(f)(ii), p.48). The supporting text to Policy HS3 (LP1, paragraphs 8.18 and 8.20, p.95) explains how this is to be achieved. The ratio of larger to smaller homes required on suburban and edge of settlement sites will, in concert with recorded completions and (likely) flatted schemes within the plan, deliver on the overall aspiration.

b) What is the justification for the target of providing 100 plots for self-build development?

32. The SHMA identified only very limited demand for self-build properties at the time of writing (HOU5, paragraphs 4.24 to 4.32, pp.48-50). North Hertfordshire launched its Self-Build Register in 2016 to coincide with the requirements of the relevant legislation. At the time of preparing the policy, this had only a small number of entries. By the end of the first 'qualifying' period in October 2016, there were 29 applicants on the list.
33. At the time of writing, there are now 102 applicants on the list. North Hertfordshire currently hold a 'Part 1' register but are considering the introduction of a 'Part 2' register to better reflect local connections and other relevant factors such as demonstrating appropriate financial means to acquire and develop plots that are made available. No self-build plots have yet been made available in North Hertfordshire to assess the extent to which entries on the register are likely to translate into genuine expressions of interest.
34. The target of 100 homes is still considered to represent a robust and pragmatic response having regard to the Self-Build Register alongside the potential yield from a modest (1%) policy requirement on Strategic Housing Sites and other windfall opportunities.

³ The reference in HOU1 to the SHMA identifying requirements for 80% - 90% of affordable homes to be for rented products is an error.

c) Should the Plan do more to provide Starter Homes?

35. Not at this stage. The general advice in Planning Practice Guidance supporting Starter Homes is noted. However, a recently Parliamentary Briefing Paper makes clear that:

- The legislative provisions relating to Starter Homes in the Housing and Planning Act 2016 are not yet in force;
- That a consultation on the relevant regulations was conducted in 2016 but that concerns have been raised;
- The Government's Housing White Paper decided not to implement a statutory starter homes requirement at this point; and
- This was part of a broader shift in Government policy away from a strong focus on starter homes⁴.

36. At present, no changes to the NPPF have been made on this matter, including any alterations to the definition of affordable housing that were previously under consideration.

37. Given this context, the Plan could presently do little more than to 'encourage' or 'support' Starter Homes in appropriate locations. Such vague policy statements in Local Plans are generally discouraged (NPPF Paragraph 154).

38. Should this situation change significantly, the Council would consider its position. Any implications of a firm starter homes target would need to be further assessed in terms of both overall housing requirements within the District and viability.

Question 8.8: Overall, is the approach to affordable housing and housing mix sound?

39. Yes, for the reasons set out in the answers to the preceding questions.

Supported, sheltered and older persons housing (Policies SP8, HS4 and HS6) and accessible and adaptable housing (Policy HS5)

8.9 Does the Plan adequately address the needs for all types of housing (excluding affordable housing) and the needs of different groups in the community (as set out in paragraphs 50 and 159 of the National Planning Policy Framework)?

40. Yes. In accordance with NPPF Paragraph 50 the plan makes provision for different types of housing to meet the needs of different groups of the community through the operation of the suite of housing policies, in particular Policies HS3 to HS6 inclusive (LP1, pp.95-98).

41. The needs of families with children is considered within the overall housing mix requirements, as set out in the answer to Issue 8.7(a) above. Allowances for the needs of older people are also made within this policy (see paragraphs 29 to 31 above).

⁴ Starter Homes for First Time Buyers (England), <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7643>, published 28 September 2017

Further measures for both older people and people with disabilities are included through the operation of policies HS4 and HS5 (see answers to Issues 8.10 and 8.12 below).

42. The SHMA does not identify any significant groups of service families residing in the area that may require accommodation over the plan period. The approach to self-build is set out in answer to Issue 8.7(b) above and a requirement for 1% serviced plots is included within Strategic Housing Sites.
43. No other significant groups with specific accommodation needs have been identified by the SHMA.

8.10 What approach does the Plan take to addressing the needs of older people? In particular:

a) What are the identified needs for housing for older people, particularly residential institutions (Use Class C2)?

b) In relation to the preceding question, does the Council rely on the figures set out in the Strategic Housing Market Assessment Update Volume Two (August 2016) [HOU5]? If so, how does the Plan reflect this?

44. These questions are answered together.
45. The Strategic Housing Market Assessment (SHMA) identifies a need for **653** additional bedspaces in communal establishments / residential institutions in North Hertfordshire over the plan period (HOU4, Figure 24, p.29). The statistical approach to calculating these estimates mean that the additional bedspaces are all for those in older age groups. The SHMA provides further advice on how this requirement might be considered in the plan (HOU4, paragraphs 4.17 to 4.23, p.59).
46. Taking this into account the Housing and Green Belt Background Paper determines that it is appropriate, in setting the housing target, to increase the OAN by 200 homes. This is offset by decreasing the communal establishment requirement from 650 to 350 bed spaces (HOU1, paragraphs 5.21 to 5.22, p.28).
47. The requirements for 14,000 homes (i.e. the OAN of 13,800 plus 200) and 350 bed spaces are both reflected in Policy SP8 (LP1, pp.47-48).

c) How does the Plan seek to address identified needs?

48. Measures to meet the housing needs of older people within the general housing stock through the operation of Policies HS3 and HS5 are discussed in answer to Issues 8.7(a), 8.9 and 8.12. Requirements will additionally be addressed through the operation of Policy HS4 (LP1, pp.95-96) which includes the following measures:
- Support for the development of sheltered and supported housing in use classes C2 subject to the satisfaction of general sustainability criteria;
 - A requirement for an element of C3 older person accommodation within schemes of 100 plus dwellings; and

- A requirement for Strategic Housing sites (defined as those of 500 plus dwellings) to provide an element of C2 accommodation.

49. The Council is in active dialogue with Hertfordshire County Council, who have a duty to support vulnerable adults meeting eligibility criteria, through the Adults Strategic Supported Accommodation Board. This will ensure early engagement on sites and schemes where the requirements of Policy HS4 are triggered. In addition to these policy requirements and initiatives, it is anticipated that there will be further market delivery of schemes by providers in response to demand.

d) Does the Plan do enough to ensure that the needs of older people are met?

50. Yes, for the reasons set out in answers to Issues 8.9 to 8.13 inclusive.

e) Is the approach taken to annexes in Policy HS6 justified and effective?

51. Yes. It is part of the Council's overall strategy to ensure the housing needs of different groups can be met.

8.11: Does Policy HS5, and the Plan in general, make sufficient provision for inclusive design and accessible environments in accordance with paragraphs 57, 58, 61 and 69 of the National Planning Policy Framework?

52. Yes. Policy HS5 sets a specific policy requirement for new residential buildings to deliver accessible environments (see answer to Issue 8.12 below). The Design policies of the plan require schemes to take all reasonable opportunities to maximise accessibility (LP1, Policy D1, p.101).

53. This will be supplemented by other requirements which sit outside the direct control of the Local Plan to prescribe. This includes requirements for Design and Access statements and the need to ensure compliance with relevant legislation and building regulations.

8.12: Is there a clearly evidenced need for the optional technical standards required to be met in Policy HS5? Has the impact on viability been considered?

54. Yes.

55. The SHMA (HOU5, paragraphs 4.57 to 4.66, pp.57-59) concludes that, on a needs basis, a target for 100% of units to meet the M4(2) standard could be justified providing this does not compromise viability.

56. It also identifies that around 7% of households living in affordable housing have at least one wheelchair user. Given that rates are higher for older persons, and the ageing population over the plan period, the proportion of households needing wheelchair

housing in future is also likely to be higher. This supports the target in Policy HS5 for 10% of units on qualifying sites to meet the M4(3) standard (LP1, p.97).

57. The impact upon viability of the optional enhanced accessibility standards is considered in the viability assessment through undertaking a range of sensitivity tests. These tests were based on all dwellings as opposed to a proportion of the affordable element alone. Test in which both standards were assumed to impact simultaneously (although on different homes, being independent standards) were also conducted (TI2, paragraphs 3.2.10 to 3.2.13, p.32 & Appendix II, Tables 1j and 1k)
58. Noting that this is not an exact science, and particularly at this level of review, the viability study advises that a combination of no more than 10 – 20% M4(2) and 5 – 10% M4(3) [on all dwellings] is likely to be the potential range within which policy can be set taking into account the likely source of a majority of the Council's housing supply (TI2, paragraph 3.2.12, p.34)
59. The cost of M4(3) implementation is circa-ten fold compared with M4(2). Policy HS5 links the M4(3) requirement clearly to a small element of the affordable homes rather than all homes⁵. The smallest development scale on which the M4(3) element would apply would be a scheme of 25 dwellings. This would provide a single affordable home meeting this higher and more costly enhanced standard (LP1, footnote 96, p.97).
60. Given the relatively low cost of M4(2) provision, in combination with the very low level of M4(3) compliance to be sought, this policy combination is considered likely to be viable and deliverable – not significantly exceeding the impacts from the example potential policy combinations and parameters noted in TI2. The viability assessment makes no allowance for any additional / external funding support that may be available towards this highly accessible affordable housing, potentially supporting its delivery

8.13: Overall, is the approach to supported, sheltered and older persons housing and accessible and adaptable housing sound?

61. Yes, for the reasons given in answer to Issues 8.9 to 8.13 inclusive.

⁵ Consistent with Planning Practice Guidance, "What issues should local planning authorities consider in determining whether dwellings should be fully wheelchair accessible or adaptable?", Paragraph: 009 Reference ID: 56-009-20150327, <https://www.gov.uk/guidance/housing-optional-technical-standards>