

**Home Builders Federation
Adur Local Plan Examination**

Policy 21: Housing Mix and Quality

Part M4 (2) – accessible and adaptable homes

Following the hearing session on the 1 February 2017 the inspector invited parties to comment on the justification for the adoption of the optional technical standard in relation to accessible and adaptable homes.

Policy 21 requires that all dwellings meet the optional Building Regulation Part M4 (2) – accessible and adaptable homes.

The HBF argued that the Council had not addressed the necessity and viability tests established in the Planning Practice Guidance (PPG). The Written Ministerial Statement of 25 March 2015 allows local authorities to adopt any of the optional technical standards relating to space, accessibility and water but only if they address “a clearly evidenced need”. The relevant tests are set out in the PPG and we referred to these in our representations of 10 May 2016.

The tests in relation to the optional standard for access require Adur Council to consider:

- a) the likely future need for housing for older and disable people;
- b) size, location, type and quality of dwellings needed to meet specifically evidence needs;
- c) the accessibility and adaptability of existing housing stock;
- d) how needs vary across different housing tenures; and
- e) overall impact on viability.

(NPPG reference: ID 56-007-20150327).

In essence they are tests of necessity and viability.

Necessity

We have been unable to locate an assessment by the Council that addresses the necessity tests of the PPG – i.e. points a to d. We acknowledge the projected age of the residents of the district (in common with nearly every local authority in England) but this does not necessarily translate into a need for *all* new dwellings in Adur to be built to Part M4 (2). Without addressing these tests the Council cannot adopt this as a policy requirement.

Viability

We note that the new viability assessment that the Council referred to in the hearing session was only added to the Council’s website in January 2017. This postdates the closing date for representations on the Regulation 19 Local Plan and also the

deadline for examination statements. In principle, viability evidence needs to be prepared to inform the preparation of the Plan at an early stage and well before the formal examination in public (Harman guidance, page 19). It needs to be prepared in partnership with the development industry and residents to agree the cost inputs (Harman guidance, page 25). We are concerned that the Council is assembling ad-hoc evidence to justify this policy requirement.

Notwithstanding this general point, we note that the Council has allowed £20 per square metre for the costs associated with building to Part M4 (2) (see page 33). The DCLG report published in support of the Housing Standards Review titled *Housing Standards Review: Cost Impacts* (DCLG, September 2014) has assessed that the additional cost of building to Part M4 (2) over current industry practice averages out at approximately £682 per dwelling (generally the cost is higher for apartments and lower for big houses). In addition to this there are professional process costs that amount to £235 per dwelling for small developments, £48 for medium sized developments and £46 for big developments (i.e. there is an assumption that the professional teams working on medium and large schemes will have more expertise in dealing with the access standard and/or they benefit from economies of scale).

To test whether the Council has made adequate allowance for building to Part M4 (2) it is necessary to see if £20 per square metre is a sufficient allowance. According to the DCLG study, the cost of building a 1 bedroom apartment to Part M4 (2) is £940 above current industry practice. We note that the Council will adopt the Nationally Described Space Standard so we have a good guide of the size of dwellings in the district. Given that it is more expensive to build flats to Part M4 (2) (and the Council will depend on the construction of a large number of flats as part of the Shoreham Regeneration Area if it is to meet its housing requirement) it is important to assess whether the figure of £20 psm is a reasonable assumption. The adoption of the Nationally Described Space Standard will require that a 1 bedroom home is at least 58 square metres in size. The Council has assumed £20 per square metre as the cost of compliance with Part M4 (2). 58sqm multiplied by £20 = £1,160. We are therefore satisfied that the cost input assumed in the viability assessment is an adequate one since it covers the DCLG's estimate for the build costs and process costs associated with building to Part M4 (2).

Flat conversions

We discussed at the examination hearings whether the Council could, through Policy 21, require applicants to comply with the Council's Development Control Standard for "Flat Conversions" which, as the Policy states, can be amended or superseded at any time by other Council guidance in force at the time an application is considered.

The Written Ministerial Statement of 25 March 2015 states that:

"local planning authorities...should not set in their emerging Local Plans, neighbourhood plans, or supplementary planning documents, any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings."

Since a conversion represents the creation of a new dwelling, the WMS applies. The building works involved are already matters controlled under the existing mandatory Building Regulations regime. There is no need for the introduction of additional controls by the Council especially when these have the potential to change very quickly. This would be contrary to the purpose of the Government's *Housing Standards Review* which was to rationalise many existing differing standards to create a clearer system to reduce burdens on developers and bring forward much needed homes (WMS, page 8).

Policy 22: Affordable Housing – Tenure mix

We note that the new viability assessment that the Council referred to in the hearing session was only added to the Council's website in January 2017. This postdates the closing date for representations on the Regulation 19 Local Plan and also the deadline for examination statements. As a matter of planning principle, viability evidence needs to be prepared to inform the preparation of the Plan. It should not be published after the publication of the plan and its policies.

The Local Plan stipulates 75% social/affordable rent and 25% intermediate housing.

We have considered the new CIL viability work – *Adur District Council Whole Plan & Community Infrastructure Levy Viability Assessment* (January 2017). This models various mixes. It appears that the amount of CIL that can be levied depends very much on the affordable housing tenure mix proposed (see paragraph 7.5).

Modelling a higher intermediate component and a higher affordable rent component will generate more favourable results for the Council. In principle, the Local Plan policy ought to reflect the tenure mix that has been modelled. If the Council is proposing 75% social/affordable rent and 25% intermediate housing then that ought to be the scenario that is input into the modelling. However, we note that the *Whole Plan & Community Infrastructure Levy Viability Assessment* approaches the problem in a different way. It looks at how much CIL might be feasibly levied depending on three different tenure mixes modelled (see pages 26 and 46). One of these is the 25% intermediate, 35% social rent and 40% affordable rent. This broadly equates to what is in Policy 22 but there are two other scenarios considered and furthermore Policy 22 is less specific about the size of the affordable rented component than the viability modelling. If the Council demands more social rent than affordable rent, then this will impact on viability.

It is clear that the tenure mix for the affordable housing component is treated as a fluid element of the policy landscape by the viability assessment. This enables the Council to establish a range of potential CIL rates (see paragraph 7.5).

It follows from this that if the Council's *Whole Plan & Community Infrastructure Levy Viability Assessment* is prepared on the basis that a range of affordable housing tenure mixes might need to be considered to ensure viability, then its Affordable Housing Policy 22 (and supporting text at paragraph 4.40B) ought to reflect this assumption.

It therefore follows that the Council cannot stipulate 75% social/affordable rent and 25% intermediate housing since viability may depend on a different mix. The precise tenure mix to be provided must be a matter that is agreed through site specific negotiation.

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