



MATTER 8 (ISSUE1)

POLICIES FOR MANAGING DEVELOPMENT

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1.0 Introduction

1.1 Background

- 1.1.1 Bidwells LLP have been instructed by Persimmon Homes/Charles Church Midlands (PHM) to provide the Inspector examining the Milton Keynes Local Plan ('Plan:MK', MKSUB001) with a hearing statement in relation his Matter 8 "*Policies for managing development*" (specifically, Inspector's Questions Q8.1 to Q8.3).

2.0 Issue 1 –Homes and Neighbourhoods

- 2.1 **Q8.1 Does the Plan adequately address the needs for all types of housing and the needs of different groups in the community as required by paragraph 50 of the NPPF? Do Policies HN1 (Housing Mix and Density), HN3 (Supported and Specialist Housing) and HN4 (Adaptability of Homes) give clear and sufficient guidance about the basis on which planning applications will be determined in order to meet the Plan’s expectations in this regard?**
- 2.1.1 PHM acknowledge that there is a need to seek to meet the needs of different groups of the community and that policies HN1, HN3 and HN4 seek to ensure delivery of what Milton Keynes Council (the Council) considers to be the local housing need. However, there are number of parts of each policy where the guidance is unclear and unjustified.
- 2.1.2 Policy HN4 requires the delivery of accessible and adaptable homes. This is covered in more detail in relation to question 8.3 below. However, in relation to this initial question regarding clarity of the guidance provide by the policy, we would point out that criteria 1 is ambiguously worded as it does not provide certainty on the type of evidence required to demonstrate meeting the Nationally Described Space Standards would not be feasible or viable or how the Council will assess such evidence. In light of this, notwithstanding further comments below in relation to question 8.3, criteria 1 should be deleted to make the Plan sound because, as drafted, the wording is ineffective and unjustified.
- 2.1.3 Point 2 also lacks clarity as it fails to properly define (either in the policy or supporting text) what it means by “capable of adaptation and extension.” There is some limited explanation in paragraph 7.39 of the supporting text but this will not help applicants and decision makers with the interpretation of the policy. It is not acceptable to expect decision-makers to grapple with whether a house is ‘sensibly’ laid out internally or what extensions or adaptations could be necessary to accommodate the needs of different households over time. Point 2 should be removed entirely for soundness as it is ineffective.
- 2.1.4 As discussed under question 8.3, we consider that the requirements set out in Part B of the policy (Category M4(2) and Category M4(3)) are significantly over the level required and are overly prescriptive. The percentage figures are also presented as minimum figures, with the supporting text suggesting there may be occasions when it is appropriate to seek higher percentages. This does not provide any certainty for applicants or decision-makers and has the potential to significantly stall housing delivery through requiring case-by-case discussions on viability issues, which national policy seeks to avoid.
- 2.1.5 It is PHM’s view that Policy HN4 is not fully justified nor effective and should be deleted.

- 2.2 Q8.2 Is the Borough wide target for affordable housing in Policy HN2 sufficiently clear and is it viable and deliverable? Does the Policy present a pragmatic approach to deliver a variety of affordable housing options and is it consistent with national policy? Should the Policy allow for off-site contributions where this would aid viability under Part B of the policy?**
- 2.2.1 PHM do not consider that Policy HN2 is sufficiently clear. The policy should set out a clear affordable housing target, based on evidence, and not provide ambiguity by including an upper limit to the level of provision on site.
- 2.2.2 The justification for the inclusion of an upper limit of 50% affordable homes on site is unclear and as such, it provides uncertainty as to how this requirement will be used in determining planning applications. It suggests that the Council is seeking to introduce flexibility to require higher affordable housing contributions when it thinks it may be able to justify it. This is unacceptable and does not provide certainty for applicants or decision takers when considering proposals on a case by case basis. Again, the ambiguity regarding the affordable housing threshold has the clear potential to significantly stall housing delivery through lengthy debates about viability during the application process. This renders the policy ineffective
- 2.2.3 The NPPF (2012) (paragraph 50) requires Local Planning Authorities to assess the need for affordable housing and plan to meet this need. The Council's evidence indicates that there is need for 31% affordable housing provision and the policy should simply state this target (with the tried and tested caveat of 'subject to viability') without the ambiguity of the 50% limit which has the potential to cause confusion for both applicants and decision takers as well as providing no certainty to the market.
- 2.2.4 The policy should therefore be amended to remove reference to 'at least' before 31%, and 'no more than 50%' to ensure the policy is justified and effective.
- 2.2.5 Whilst the policy has a section on viability, PHM believe the clarity of the policy would be aided by reference to viability considerations being added to the first section of the policy. This would bring the policy in line with paragraphs 17 and 50 of the NPPF (2012), which require the provision of a practical but flexible framework for decision takers, with the opening statement of the policy otherwise reading as being inflexible.

2.3 Q8.3 Is Policy HN4 consistent with the Written Ministerial Standard (March 2015) and Planning Practice Guidance on optional technical standards for housing? In particular are the proposed nationally described space standard and accessibility standards:

i) Locally justified by the particular evidence for MK as required by PPG? (paras 56-002- 20160519) Does the Council's 2017 assessment (MK/HOU/002) for NDSS justify the inclusion of the standard in Policy HN4? What is the evidence base for accessible and adaptable housing (PPG paras 56-005 to 007-20150327)? Having regard to PPG para 56- 009-20150327 should M4(3) housing only be applied to affordable provision?

ii) Viable taking into account all other Plan:MK requirements? (PPG 56-003-20150327)

iii) Have the impacts of Policy HN4 been considered as part of the assessment of housing land supply in terms of net densities and market delivery?

- 2.3.1 The Planning Practice Guidance (PPG) at paragraph 56-002- 20160519 sets out that Local Planning Authorities have the option to set technical requirements above those required by Building Regulations, along with optional nationally described space standards, where the need can be evidence and the specific policy requirements can be justified.
- 2.3.2 MKC therefore have the option of adopting requirements of the nature included in Policy HN4, but PHM questions the evidence that the Council has presented to justify the policy.
- 2.3.3 With regards to point i) of the Inspector's question, the Council's evidence is set out in MK/HOU/002 (Nationally Described Space Standards Assessment, 2017) which provides an overview of the size of a number of recent housing developments. The Strategic Housing Market Assessment (February 2017) (MK/HOU/005) contains a general assessment of the need for accessible homes.
- 2.3.4 MK/HOU/002 concludes that a proportion of recent development falls under minimum optional space standards for overall dwelling size, bedroom size etc. In the view of PHM, this is not a proper assessment of need. It is simply an assessment of dwelling size. If it was a requirement for all dwellings to meet the optional space standards, they would be a mandatory national policy or included within Building Regulations. This is not the case. They are optional depending on the circumstances in different areas. It needs to be considered in more detail whether there are any local circumstances which require dwelling and bedroom sizes above those currently being provided by the market and the implications of introducing a policy.
- 2.3.5 PHM would note that with regards to overall Gross Internal Area, the Council's assessment in MK/HOU/002 (Figure 1) shows that just 13% of homes assessed are below the Nationally-Described Space Standards by more than 10%. This means that 87% of the homes assessed were within 10% of the target or met/exceeded the space standards without the influence of any policy. Indeed, nearly 50% of homes assessed exceeded the target, including 24% by more than 10%.
- 2.3.6 With regard to bedroom floorspace, Figure 2 shows that 54% of homes assessed met or exceeded the target, with a further 19% within 10%. It is therefore suggested, on the Council's own assessment and methodology, that the need to introduce the optional space standards in policy cannot be justified as there is no clear issue with the overall size of dwellings being constructed in Milton Keynes. In fact, the Council's own evidence suggests the contrary.

- 2.3.7 In addition, whilst understanding the size of new dwellings being built is a starting point, other factors need to be considered, in line with the Planning Practice Guidance (reference ID: 56-020-201503270\0 which is clear that the assessment of the size of properties currently being built is simply to allow a proper assessment of the impacts of introducing a policy.
- 2.3.8 The Council's evidence shows that only a proportion of homes do not meet the minimum space standards. Most developments appear to provide a range of types and size of dwellings with the majority of homes meeting standards. This suggests recent schemes are providing a good variety of choice to the market, providing a limited number of smaller, more affordable market homes that would be lost if the optional space standards were introduced – which is very important given the current affordability of market homes, particularly in Milton Keynes where affordability has worsened in recent years¹.
- 2.3.9 Further, in our view, a proper assessment of need should include a more thorough consideration of wider related issues. This could include current overcrowding, considering whether there is pressure on bedrooms though over-occupation, that would justify seeking all dwellings (as is the proposed policy requirement) to meet the Nationally Described Space Standards.
- 2.3.10 Finally, the Planning Practice Guidance (ID: 56-020-20150327) is clear that the timing of implementation of the policy should be a consideration, allowing time for a '*reasonable transition period...to enable developers to factor the cost of space standards into future land acquisitions*'. In Milton Keynes, the majority of new development areas, plus the next phase of growth, will be subject to existing land deals. These deals will include various costs and values which will not factor in the costs associated with increasing dwelling size. The introduction of the policy therefore causes the real prospect that the delivery of major sites around Milton Keynes will be affected, particularly in terms of meeting affordable housing requirements and delivery of infrastructure.
- 2.3.11 In terms of accessible and adaptable housing, covered in PPG paras 56-005 to 007-20150327, it is clear that Local Authorities should assess the need for all types of housing and plan accordingly to seek delivery of these requirements. The Council's evidence of need is set out in the Strategic Housing Market Assessment (MK/HOU/005) from paragraph 5.94.
- 2.3.12 PHM acknowledge that there is likely to be an increase in specialist housing need but do not believe that the evidence presented demonstrates a need for the standards in Policy NH4.
- 2.3.13 PPG Paragraph 56-007-20150327 sets out the factors that Local Authorities can take into account in demonstrating the need for higher standards. These are:
- the likely future need for housing for older and disabled people (including wheelchair user dwellings).

¹ ONS - House price to residence-based earnings ratio (April 2018 release) – sets out that the ratio of lower quartile house price to lower quartile gross earnings has worsened by 44% in Milton Keynes (2009-2017) compared to 12% across England in the same period.

- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).
- the accessibility and adaptability of existing housing stock.
- how needs vary across different housing tenures.
- the overall impact on viability.

- 2.3.14 The basis for at least 60% of all new dwellings across market and affordable tenures to be built to Building Regulations Part M4(2) standards for accessible and adaptable dwellings appears to simply be based on the SHMA conclusion that 60% of new households are 'likely' to have a representative aged over 65 (SHMA paragraph 5.97).
- 2.3.15 The policy therefore simply assumes that all over 65's will require an accessible, new build dwelling house, which will not be the case, given some will not require accessible homes and many will stay in existing properties.
- 2.3.16 Aside from the assessment of need, there does not appear to be any proper evidence assessing the factors set out in the PPG, listed above. For example, the Council has failed to take account of the SHMA which states (at paragraph 5.96) that *'most of these older people will already live in the area and many will not move from their current homes'*. PHM agrees with this conclusion as many of those in need of an accessible home will not want to move from their existing home and away from their families and support network.
- 2.3.17 Finally with regards to point i) the requirement for 5% of all new market dwellings to be built to Building Regulations part M4(3) runs contrary to the PPG (ID: 56-009-20150327). This is noted in the Council's own evidence (SHMA, paragraph 5.102) and is included in the supporting text to Policy HN4 (paragraph 7.38). It is therefore strange that the Council has chosen to ignore the guidance and its own evidence to require market homes to be designed to part M4(3) standards.
- 2.3.18 With regards to point ii) of the Inspector's question on viability, we would question the conclusion in the Plan Wide Viability Assessment (chapter 12) that the majority of development typologies remain viable with the additional costs associated with increasing standards, alongside meeting the other policy requirements, including at least £20,000 per dwelling s106 and 31% affordable housing.
- 2.3.19 In September 2014 during the Government's Housing Standards Review it was estimated that the cost impact of building to M4(3) standards as an additional £15,691 per dwelling for apartments and £26,816 for houses. This element of the policy, even for only a proportion of dwellings, will have a significant cost impact particularly on major schemes with substantial advanced infrastructure requirements.
- 2.3.20 It is illogical to assume development can simply absorb these additional cost, along with the costs of building bigger homes, and continue to meet other policy and infrastructure requirements, such as affordable housing and education funding, which are vital elements required to underpin new growth. This is particularly the case given that no consideration appears to have been given to allowing a transition period prior to the introduction of the policy, as suggested by the PPG (ID: 56-020-20150327).

- 2.3.21 With regards to point iii) of the Inspector's question, the increase in standards will put a squeeze on the capacity of housing sites and their ability to deliver the density of development currently assumed in the Council's land supply position. This does not appear to have been part of the assessment process and, if the policy is introduced, it will be inevitable that more land will need to be released to enable housing targets to be met.
- 2.3.22 The density implications should have been considered alongside other Council policies, including the very prescriptive approach to parking standards which has an implication on layout and therefore achievable densities.
- 2.3.23 It is therefore PHM's view that the both parts A and B of Policy HN4 are unsound as they are not properly justified, they will they be ineffective as part of an overall strategy and they are not in conformity with national policy. The policy should therefore be deleted as it is unsound.