

DAVENTRY LOCAL PLAN PART 2 EXAMINATION
MATTER 3 – DELIVERING THE HOUSING REQUIREMENT OVER THE
PLAN PERIOD

Inspector's issues and questions in bold type.

This Hearing Statement is made for and on behalf of the HBF which should be read in conjunction with our representations to the pre submission Local Plan consultation dated 5th October 2018. This representation answers specific questions as set out in the Inspector's Matters, Issues & Questions document dated 5th April 2019.

Issue 1: Whether the approach towards the supply and delivery of housing land is justified, effective and consistent with national policy, so as to ensure the timely delivery of the Joint Core Strategy (JCS) housing requirement for Daventry District.

Q1. Is there a specific reason or justification why the housing trajectory in the Plan and the Housing Land Availability Report 2018 (HOU7) when setting out the completions and housing land supply position as at 1 April 2018, exclude the Northampton Related Development Area (NRDA) component listed in the Joint Core Strategy (JCS)? Does the Plan intend to support the delivery of the housing requirement in the NRDA in Daventry as set out in the JCS?

There is no reason or justification for the housing trajectory in the Local Plan Part 2 (LPP2) (Appendix J) and Housing Land Availability Reports (HOU7 & HOU10) to exclude completions and housing land supply (HLS) in the NRDA. The LPP2 plan area is Daventry District therefore the Sustainable Urban Extensions (SUE) in the NRDA namely N3 – Northampton North (3,500 dwellings), N4 – Northampton West (2,550 dwellings only partly located in Daventry) and N8 – Northampton North of Whitehills (1,000 dwellings) should be included. The LPP2 does not support the delivery of this component of housing needs set out in Policy S3 of the adopted West Northamptonshire (WN) JCS.

Q2. Is the housing trajectory in the Plan realistic? Does it demonstrate a supply of deliverable sites and developable sites that would meet the JCS housing requirement for Daventry District?

As explained above the housing trajectory only demonstrates the supply of deliverable and developable sites for the Daventry Town and Rural Areas components of the housing requirement for Daventry as set out in the housing trajectory in Appendix 3B – Daventry District Council (DDC) (Delivery & Need excluding NRDA) rather than Appendix 3A DDC (Delivery & Need) by District boundary of the adopted WNJCS.

Q3. Is more recent monitoring information now available and does this alter the actual or forecast completion rate of dwellings against the expectations of the JCS?

The most recent monitoring information is available in the Housing Land Availability Report dated April 2019 (HOU10) but only completions in Daventry District (excluding NRDA) are monitored.

The latest monitoring of the NDRA is available in Joint Monitoring Report April 2017 / March 2018 however it does not provide information separately for the SUEs N3, N4 and N8 in Daventry.

Q4. Is there a sufficient range and choice of sites allocated in the Plan in terms of location, type and size, to provide adequate flexibility to meet the JCS housing requirement for Daventry District? Would the housing allocations ensure that the Plan would be consistent with the Framework, in so far as it seeks to boost significantly the supply of housing?

The range and choice of housing sites allocated in the LPP2 is limited in terms of variety of location, type and size. The LPP2 proposes four site allocations in Daventry Town for circa 1,570 dwellings as set out in Policy HO1 – Daventry South West (1,100 dwellings), Policy HO2 – Daventry Micklewell Park Extension (250 dwellings), Policy HO4 – Middlemore (100 dwellings) and Policy EC3 – North & West Daventry Town Centre (120 dwellings). There are no site allocations in the Rural Area. This limits flexibility to meet Daventry's housing requirement as set out in the adopted WNJCS and to boost significantly the supply of housing.

Q5. Are the sites that are relied upon for the supply of housing in rural areas - deliverable and/or developable? What evidence is there to support this?

As set out in HOU10 in the Rural Areas the supply of deliverable and developable housing sites comprises consented small sites (less than 15 dwellings) plus larger sites at Long Buckby, Moulton and Woodford for circa 698 dwellings, the allocation of 7 dwellings in West Haddon Neighbourhood Plan and a windfall allowance of 86 dwellings per annum from 2020/21 onwards.

Q6. Is the expected contribution from windfalls, as included in the housing trajectory for both Daventry Town and rural areas, realistic and justified by evidence?

National policy permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. The expected contribution from windfalls is 17 dwellings per annum in Daventry Town and 86 dwellings per annum in Rural Areas from 2020/21 onwards. It is noted that this contribution includes development on garden land.

The LPP2 proposes a settlement hierarchy comprising of Primary Service Villages, Secondary Service Villages, Other Villages and Small Settlements / Hamlets. There is a development boundary for each settlement. Policies RA1 – RA3 confine development to within these settlement boundaries. Outside settlement boundaries in Primary & Secondary Service Villages development is only permissible in exceptional circumstances and in Other Villages only development to meet identified local housing need is acceptable. Under Policy RA4 in Small Settlements / Hamlets development proposals are judged against Policy RA6 – Open Countryside. These Policies may impact on future windfall development rates.

The Council's own viability testing evidence (GEN01) demonstrates that small brownfield site typologies in both Daventry and Rural Areas are not viable on the basis of full compliance with the policy requirements of the adopted WNJCS and LPP2 which also increases the risk of such sites not coming forward.

Q7. Is it appropriate to apply a lapse rate of 20 dwellings per annum from 2018/19 onwards as set out in the housing trajectory for planning permissions or neighbourhood plan allocations in rural areas? Is such an approach justified by evidence?

It is appropriate to apply a lapse rate of 20 dwellings per annum as evidenced in HOU10.

Q8. Are the neighbourhood plan allocations that are identified in the housing trajectory consistent with those within made neighbourhood plans? If not, what certainty is there that any further allocations will be part of a made neighbourhood plan?

No comment.

Q9. What contingencies are in place should housing delivery fall below expectations within the housing site allocations in Daventry Town, the rural areas and/or in the NRDA in Daventry District? Would it be necessary to consider other areas for development?

The Council's HLS should include a contingency in case housing delivery in Daventry Town, Rural Areas and NRDA fall below expectations because the plan area of the LPP2 is the District.

The WNJCS was adopted in December 2014 by December 2019 it is five years old and should have been reviewed. The WN Councils are behind schedule on their commitment for the preparation of LPP2s and the review of the WNJCS (see adopted WNJCS para 3.17). Post December 2019 the housing policies of the WNJCS including its housing requirement and HLS are out of date which has implications for policies in the LPP2. It is common knowledge that housing delivery in the NRDA has been weak resulting in significant housing shortfalls but there are no proposed compensatory housing allocations in LPP2 for Daventry, South Northamptonshire or Northampton. Under these circumstances the Council should have include

contingencies in the LPP2 to support delivery of housing in the WNCJS NRDA in Daventry. Although monitoring triggers of +/- 25% set out in the WNJCS have not yet been reached this is likely to occur in the next 12 months (see Table 10 of HOU10).

Furthermore the Council has acknowledged that the North East Daventry SUE has not progressed as expected with still no planning application submitted. The downward revision of expected completions resulted in a residual housing requirement of 1,266 dwellings. The LPP2 proposes four site allocations in Daventry Town for circa 1,570 dwellings as set out in Policies HO1, HO2, HO4 and EC3. There are no site allocations in the Rural Areas and Policies RA1 – RA6 confine the permissibility of development to within development boundaries for settlements in the Rural Area.

The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but because the LPP2 is highly dependent upon relatively few large strategic sites in one locality greater numerical flexibility is necessary than in cases where HLS is more diversified. As set out in Table 5 of HOU10 there is a contingency of 168 dwellings in Daventry Town and 630 dwellings in the Rural Areas in the residual HLS. This is considered insufficient given the imminent out datedness of the WNJCS, poor housing delivery in the NRDA and North East Daventry SUE and severe housing unaffordability across the District with an affordability ratio of 10.27 which will be even more acute in the Rural Areas where future housing development is restricted.

Therefore it is necessary to consider other areas. The LPP2 should provide maximum flexibility in its HLS to respond to changing circumstances, to treat the housing requirement set out in the adopted WNJCS as a minimum rather than a maximum and to provide choice and competition in the land market.

Q10. Are the approaches to self-build and custom housebuilding in Policy HO5, rural workers dwellings in Policy HO6 and rural exception site selection in Policy HO7, justified, effective and consistent with national policy?

The approach to self and custom build as set out in Policy HO5 is appropriate and consistent with national policy.

Q11. Is Policy HO8 justified and consistent with national policy, with respect to the specific requirements relating to market housing, affordable housing, housing standards and specialist accommodation?

If the Council wishes to adopt the higher optional standards for accessible & adaptable compliant homes and the Nationally Described Space Standards (NDSS) then this should only be done in accordance with national policy (2012 NPPF para 174 & 2019 NPPF para 127f & Footnote 46). The Written Ministerial Statement (WMS) dated 25th March 2015 stated that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the National*

Planning Practice Guidance (NPPG)". The latest national policy states "that planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing where this would address an identified need for such properties" and "policies may also make use of the NDSS where the need for an internal space standard can be justified" (2019 NPPF Footnote 46). All policies should be underpinned by relevant and up to date evidence which should be adequate, proportionate and focussed tightly on supporting and justifying the policies concerned. The Council should gather evidence to determine whether there is a need for additional standards in their area and justify setting appropriate policies in the LPP2 in accordance with the NPPG. It is incumbent on the Council to provide a local assessment evidencing the specific case for Daventry which justifies the inclusion of optional higher standards which should only be introduced on a "need to have" rather than a "nice to have" basis. Need is generally defined as "requiring something because it is essential or very important rather than just desirable".

Accessible & adaptable compliant homes

Policy HO8 Bullet Point D(i) proposes that 50% of all dwellings are accessible & adaptable compliant homes in the case of market homes 45% Building Regulations Part M Category 2 (M4(2)) and 5% Building Regulations Part M Category 3 (M4(3)) and for affordable homes 40% M4(2) and 10% M4(3). This requirement is not justified and is inconsistent with national policy. Bullet Point D(i) should be deleted.

The NPPG sets out the evidence necessary to justify a policy requirement for M4(2) and M4(3) homes. The Council should apply the criteria set out in the NPPG (ID 56-005 to 56-011) to ensure that an appropriate evidence base is available to support requirements set out in Policy HO8. This evidence includes identification of :-

- the likely future need ;
- the size, location, type and quality of dwellings needed ;
- the accessibility and adaptability of the existing stock ;
- variations in needs across different housing tenures ; and
- viability.

All new homes are built to Building Regulation Part M Category 1 (M4(1)) standards which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock and benefit less able-bodied occupants. These standards are likely to be suitable for most residents.

In determining the quantum of M4(2) and M4(3) homes the Council should focus on the ageing population living in the District compared to national / regional figures and the proportion of households living in newly built homes. If the Government had intended that evidence of an ageing population alone justified adoption of the higher M4(2) and M4(3) optional standards then such

standards would have been incorporated as mandatory in the Building Regulations which is not the case. It is noted that Office for National Statistics (ONS) Overview of the UK Population dated November 2018 estimated that 18.2% of the UK population were aged 65 years or over in 2017 compared with 20% in Daventry which is only minimally higher. Many older people already live in the District and are unlikely to move home. There may be a need for some new dwellings to be built to optional higher standards but there is not the need for 50% of all new dwellings to be built to these standards as not all existing older residents will move home and those that do move may not choose to live in a new dwelling. The Council is also reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008).

The Council's supporting evidence provides insufficient detailed information on the accessibility and adaptability of the existing housing stock, the size, location, type and quality of dwellings needed and variations in needs across different housing tenures.

Any policy requirement for M4(2) and M4(3) should be robustly viability tested. In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. The Council's own viability evidence (GEN01) demonstrates that development is unviable based on full compliance with policy requirements of the WNJCS and LPP2 (see Table 6.1).

NDSS

Policy HO8 Bullet Point D(iii) proposes adoption of the NDSS. This requirement is not justified and is inconsistent with national policy. Bullet Point D(iii) should be deleted.

The NPPG sets out that *"Where a need for internal space standards is identified, Local Planning Authorities (LPA) should provide justification for requiring internal space policies. LPA should take account of the following areas need, viability and timing"* (ID: 56-020). Therefore the Council should consider the impacts on need, viability and timing before introducing the NDSS.

The identification of the need for the NDSS must be more than simply stating that in the past some dwellings have not met the standard. The Council should identify the harm caused or may be caused in the future and identify if there is a systemic problem to resolve. The Council's own viability evidence (GEN01) includes an extensive audit of 750 new build dwellings sold in Daventry over a period of 2 – 3 years concluding that average sizes exceed the NDSS (para 5.2.13). The Housing Background Paper refers to an audit of a much smaller sample of only 231 new build dwellings concluding that 50% of 2 and 3 bed roomed dwellings are below the NDSS however non-compliant dwellings are only marginally below the NDSS by 11% for 2 bed dwelling and 8% for 3 bed dwelling. The Council has not demonstrated an evidence of need for the NDSS.

Moreover the HBF is not aware of any evidence that market dwellings not meeting the NDSS have not sold or that those living in these dwellings consider that their housing needs are not met. There is no evidence that the size of houses built are considered inappropriate by purchasers or dwellings that do not meet the NDSS are selling less well in comparison with other dwellings. The HBF in partnership with National House Building Council (NHBC) undertake an annual independently verified National New Homes Customer Satisfaction Survey. The 2018 Survey demonstrates that 90% of new home buyers would purchase a new build home again and 87% would recommend their housebuilder to a friend. The results also conclude that 93% of respondents were happy with the internal design of their new home which does not suggest that significant numbers of new home buyers are looking for different layouts or house sizes to that currently built.

It is the Council's responsibility to robustly viability test the LPP2 in order that the cumulative burden of policy requirements are set so that most development is deliverable without further viability assessment negotiations and the deliverability of the LPP2 is not undermined. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. It is noted that the Council's viability evidence only tested average NDSS rather than actual NDSS which underestimates 1/2 bed apartment and 2 bed house compliant sizes (see para 5.2.11, Table 5.4 & Appendix C). Even so the Council's own viability evidence (GEN01) concludes that the adoption of NDSS is not viable (see Table 6.1).

Where NDSS is to be adopted the impact on affordability should also be assessed including the potential impact on meeting demand for starter homes and first-time buyers because the impact of the NDSS is greatest on smaller 1, 2 and 3 bed dwellings. The Council cannot simply expect home buyers to absorb extra costs. The ONS data shows that affordability in the District has worsened. In Daventry in 1997 the median affordability ratio was 3.43. This median affordability ratio has increased to 10.27 in 2018. In the past 20 years the median affordability ratio has tripled. The District's median affordability ratio of 10.27 is higher than 8.00 in England, 6.92 in East Midlands and 8.25 in Northamptonshire. It should be recognised that customers have different budgets and aspirations. An inflexible policy requirement for adoption of the NDSS may reduce choice and effect affordability. Non NDSS compliant dwellings are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The introduction of the NDSS could lead to people purchasing larger homes in floorspace but with fewer bedrooms potentially increasing overcrowding and reducing the quality of the living environment. There may also be a negative effect on site delivery rates which are predicated on market affordability at relevant price points of dwellings and maximising absorption rates. Any adverse impact on the affordability of starter home / first time buyer products may translate into reduced or slower delivery rates.

The requirement for NDSS reduces the number of dwellings per site therefore the amount of land needed to achieve the same number of dwellings must be increased. The efficient use of land is less because development densities have been decreased. At the same time infrastructure and other regulatory

burdens fall on fewer dwellings per site which further challenges viability so that delivery of affordable housing is threatened. It is possible that additional families who can no longer afford to buy a NDSS compliant home are pushed into affordable housing need at the same time as the Council undermines delivery of affordable housing.

If this requirement is retained the Council should put forward proposals for transitional arrangements.

Water Efficiency Standards

Policy HO8 Bullet Point D(iv) proposes adoption of the higher optional water efficiency standard. This requirement is not justified and is inconsistent with national policy. Bullet Point D(iv) should be deleted.

All new dwellings achieve a mandatory level of water efficiency of 125 litres per day per person under Building Regulations which is higher than that achieved by much of the existing housing stock. If the Council wishes to adopt the higher optional standard for water efficiency of 110 litres per person per day then the Council should justify doing so by applying the criteria set out in the NPPG (ID 56-013 to 56-017). The WMS dated 25th March 2015 confirmed that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG”*. The NPPG refers to *“helping to use natural resources prudently ... to adopt proactive strategies to ... take full account of water supply and demand considerations ... whether a tighter water efficiency requirement for new homes is justified to help manage demand”* however the Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas. The evidence from Anglian Water anticipated a need for improvements to the existing water supply network to enable development of proposed sites which is not the same as categorising Daventry as a water stress area.

Q12. Is there any evidence that any of the policy requirements in Policy HO8 would affect the viability or deliverability of housing sites? Is the policy sufficiently flexible? Would it allow for specific circumstances, including viability, to be taken into account?

The requirements of Policy HO8 do affect the viability and therefore deliverability of housing sites. The Council's own viability testing demonstrates that development is unviable based on full compliance with the policy requirements of the WNJCS and LPP2 (see answer to Q13 below). Policy HO8 is inflexible by not allowing viability to be taken into consideration thereby preventing non-policy compliant development.

Q13. Are the recommendations of the viability assessment (GEN01) reflected in the Plan?

The recommendations of the viability assessment (GEN01) are not reflected in the Plan. The results in Table 6.1 demonstrate that :-

- in Daventry Town small (less than 11 dwellings) brownfield site typologies and two larger brownfield site typologies together with the smallest and largest greenfield site typologies are unable to meet full policy compliance of the WNJCS and LPP2 ;
- in Rural Areas strategic site HO1 Daventry South West, small brownfield site typologies and two larger brownfield site typologies are not deliverable under the cumulative burden of policies in the WNJCS and LPP2 whilst the smallest greenfield site typologies and large greenfield sites are just marginally viable.

It is not appropriate to justify the policy requirements of the LPP2 by assuming reduced BCIS figures. Although regional variations in cost may be recognised median rather than lower quartile figures reflect high specification of new build homes. Even if larger housebuilders were able to achieve lower build costs by economies of scale this assumption is prejudicial for any development brought forward by small and medium sized builders. Furthermore any reductions in costs are counter-acted by recent evidence of increasing build costs. The BCIS Private Housing Construction Price Index for Q4 2018 showed an increase of 1.4% on the previous quarter and 4.3% increase compared to Q4 2017 with both labour and material costs increasing and expectations for costs to continue to rise further in 2019.

The Council's evidence concludes that based on viability testing the LPP2 policy requirements should be flexible to ensure a fully deliverable plan dependant on the types of sites coming forward. For the market to deliver housing there may be the need to reduce affordable housing levels and/or thresholds and other housing standards (paras 6.3.2). The cumulative burden of policy requirements should not be set so high that the most sites are only deliverable if routinely rather than occasionally subject to viability negotiations.

Q14. In overall terms, would the Plan realistically deliver the dwellings required over the plan period by the JCS?

In answering Q1 – Q13 it is concluded that the LPP2 will not deliver the dwellings required over the plan period as set out in the adopted WNJCS.

Word Count excluding questions in bold : 3,242.