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## Part 2 - Regulation 19 and 20 of the Town and Country Planning (Local Planning) (England) Regulations 2012 “Pre-Submission LDP” consultation

Please note that all comments on the Pre-Submission LDP consultation should be provided by completing Part 2 of this form. A separate completed Part 2 should be provided for each comment made within a representation.

**2.1.** To which part of the Maldon District Local Development Plan (LDP) does this representation relate?

- |  |   |
|--|---|
| <p>a. Paragraph<br/>(please specify paragraph number)</p> <p>Click here to enter text.</p> | <p>b. Policy<br/>(please specify policy reference)</p> <p>Policy S2</p>       |
| <p>c. Proposals Map</p> <p>Click here to enter text.</p>                                   | <p>d. Other section<br/>(please specify)</p> <p>Click here to enter text.</p> |

**2.2.** Do you consider the Maldon District LDP to be... (tick as appropriate):

- |  |   |
|--|---|
| <p><b>a. Legally compliant</b><br/>To be 'legally compliant' the LDP has to be prepared in accordance with the Duty to Co-operate and legal and procedural requirements. This is required by Government guidance</p> | <p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> |
| <p><b>b. Sound</b><br/>To be 'sound' a Local Plan should be positively prepared, justified, effective and consistent with national policy. This is required by Government guidance</p>                               | <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> |

**2.3.** Do you consider the Maldon District LDP to be unsound because it is not (tick as appropriate):

- |  |  |
|--|--|
| <p><b>a. Positively prepared</b><br/>To be positively prepared the plan should be prepared on a strategy which seeks to meet objectively assessed development and infrastructure requirements</p>  | <p><input checked="" type="checkbox"/></p> |
| <p><b>b. Justified</b><br/>To be justified the plan must be:</p> <ul style="list-style-type: none"> <li>• Founded on a robust and credible evidence base;</li> <li>• The most appropriate strategy when considered against the reasonable alternatives.</li> </ul> | <p><input checked="" type="checkbox"/></p> |
| <p><b>c. Effective</b><br/>To be effective the plan must be:</p> <ul style="list-style-type: none"> <li>• Deliverable;</li> <li>• Flexible;</li> <li>• Able to be monitored.</li> </ul>  | <p><input checked="" type="checkbox"/></p> |
| <p><b>d. Consistent with National Policy</b><br/>The Plan must be consistent with Government guidance as set out within the National Planning Policy Framework</p>   | <p><input checked="" type="checkbox"/></p> |

On the following pages, please explain why you think the Plan is unsound or not legally compliant, and set out any changes you feel should be made to the Plan to make the Plan sound or legally compliant.

**Please note:** As there will not normally be a subsequent opportunity to make further representations based on your representation at this stage, please include all the information, evidence and supporting information necessary to support/justify your representation and the suggested change(s) to the Plan. After this stage, further submissions will only be invited at the request of the Planning Inspector, based on the matters and issues the Inspector identifies for examination.

- 2.4.** If you consider the Maldon District LDP to be unsound or not legally compliant please explain why in the box below. Please be as precise as possible. Please also use this space for any comments in support of the LDP.

If the box is not big enough for your comments, please attach another page marked appropriately.

The proposed reduction in the allocation of housing across the South Maldon Garden Suburb is of concern.

The proposed alteration has been introduced following a late update of the Council's evidence base contained in the Infrastructure Delivery Plan and the Viability Study. The update of these documents was completed without proper consultation with developers and landowners.

As a result of the late change, the full impact of the proposal is not assessed Within the Council's Infrastructure Delivery Plan Update published in December 2013.

Whilst the Local Plan and Community Infrastructure Levy Viability Study Post Consultation (published in November 2013 – "VS Update") presents analysis of the viability impacts of the proposed re-distribution of housing there are significant concerns in respect of the validity of the conclusions drawn in the VS Update.

A review of the VS Update suggests that the artificially low land value benchmark applied by the author in respect of proposed strategic land allocations results in the unrealistic conclusion that the South Maldon Garden Suburb can withstand a reduced allocation of housing whilst still supporting a 40% affordable housing requirement, numerous significant site specific infrastructure contributions, and the proposed amounts set out in the draft CIL charging schedule. Even without the reduction in the overall number of dwellings allocated across the South of Maldon Garden Suburb, a 40% affordable housing target plus CIL charges are unlikely to be deliverable.

If an increase in housing within the North Heybridge Garden suburbs is deemed appropriate to assist with viability this does not justify an arbitrary reduction in the level of housing proposed across the South Maldon Garden Suburb, particularly where the impact on infrastructure and viability have not been objectively and robustly assessed.

These matters are considered in detail within a supporting report prepared by Pioneer on behalf of Commercial Estates Group and Dartmouth Park Estates to review the Council's Community Infrastructure Levy Evidence base, and submitted in a response to the consultation on the draft CIL Charging Schedule (ending on the 7<sup>th</sup> of March 2014). This report is attached and should also be read in conjunction with this response form.

The evidence base which purports to support Policy S2 is not positively prepared, justified, effective and consistent with national policy.

**2.5.** Please explain in the box below what change(s) you consider necessary to make the Maldon District LDP legally compliant and sound.

Please be as precise as possible. Please explain why this change will make the Maldon District LDP legally compliant and sound. It will be helpful if you are able to put forward any suggested revised wording of the policies or supporting text.

If the box is not big enough for your comments, please attach another page marked appropriately.

The number of houses proposed across the South Maldon Garden Suburb should not be decreased.

The residential supply set out within proposed Policy S2 in respect of the South Maldon Garden Suburb should revert to that set out within the Draft Local Development Plan as

follows:

Source of Supply	Total No. of Dwellings
Site S2(a) South of Maldon (South of Limebrook Way)	1,140
Site S2(b) South of Maldon (Wycke Hill North)	450
Site S2(c) South of Maldon (Wycke Hill South)	120

**2.6.** Do you consider it necessary to attend and give evidence at the hearing part of the examination? (tick as appropriate)

**No**, I wish to communicate through written representations ☐

**Yes**, I wish to speak to the Inspector at the hearing sessions ☒

**Please note:** The Inspector will determine the most appropriate procedure to hear those who have indicated that they wish to participate at the hearing part of the examination

**2.7.** If you wish to participate at the hearing part of the examination, please outline why you consider this to be necessary.

If the box is not big enough for your comments, please attach another page marked appropriately.

The concerns raised involve complex issues which will benefit from clarification through our attendance at the Hearing sessions.

**This is the end of Part 2 (Regulation 19 and 20) of the response form. Please complete this form for each representation you wish to make. You only need to complete Part A once. Please submit all of your response forms together.**

0167-5382-S2-1234

**Maldon District Council**

## **Housing Need Evidence Base Review**

**Prepared by:**

**Pioneer Property Services Ltd**

**On behalf of:**

**Commercial Estates Group and  
Dartmouth Park Estates**

**10<sup>th</sup> March 2014**

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## **1. INTRODUCTION**

- 1.1 This report has been prepared by Pioneer on behalf of Commercial Estates Group and Dartmouth Park Estates to provide an analysis of the Council's housing requirements evidence base informing the Maldon District Council ("the Council") Pre-Submission Local Development Plan 2014-2029 approach to the provision of affordable housing.
- 1.2 Section 2 of this report presents an analysis of the Council's housing requirements evidence base in terms of affordable housing quantum, tenure and mix. Market housing mix requirements are also considered. Section three draws conclusions.



## 2. AFFORDABLE HOUSING NEED

2.1 The Council's evidence base for the emerging LDP includes the 'Maldon Strategic Housing Market Assessment' ("SHMA08") published in September 2008 (prior to the NPPF affordable housing definitions). There have been various updates to the SHMA08, the most recent of which was published in 2012 ("SHMA12 Update"). The assessments have been prepared by 'DCA' on behalf of the Council.

### 2.2 General Overview

2.2.1 The SHMA12 Update draws on the pre-recessionary and outdated SHMA08 household survey data, although an accompanying 'Strategic Housing Market Assessment Update Explanatory Note' published by the Council suggests that the SHMA12 Update takes into account: 2011 Census data releases; 'recent changes in the open housing market', and that the source data has been 're-weighted to reflect changes to local incomes'.<sup>1</sup> The report also sets out that it reviews the impact of Affordable Rents.<sup>2</sup>

2.2.2 However, whilst the SHMA12 Update includes a brief two page section at the front of the report<sup>3</sup> summarising 2011 Census outputs for Maldon regarding tenure, property types, and household composition (and appears to have updated some Census information within the report) it is not apparent that this feeds fully into the analysis of housing requirements within the main body of the report which refers to data referred to having been drawn from 2001 Census data, with 2011 Census data being unavailable at the time the analysis was undertaken.<sup>4</sup>

2.2.3 As a consequence it is noted that the re-weighted tenure profile applied to existing households in the Maldon District in the SHMA12 Update<sup>5</sup> significantly underestimates the proportion of households living in the private rented sector. The SHMA12 Update Table 2-1 assumes 7.3% of such households, whilst 2011 Census data<sup>6</sup> suggests a total of 9.7% such households (compared to 7.9% in 2001<sup>7</sup>). This, along with the underestimate of owner occupiers without a mortgage and over estimate of owner occupiers with a mortgage will clearly impact on the SHMA12 Update housing requirements modelling.

2.2.4 Of further concern is that the Council itself suggests in the 'Draft Local development Plan Technical Paper: Identification of Maldon District's Objectively Assessed Housing Needs'

<sup>1</sup> paragraphs 2.1 to 2.2, Strategic Housing Market Assessment Update Explanatory Note

<sup>2</sup> page 12, SHMA12 Update

<sup>3</sup> pages 9 and 10, SHMA12 Update

<sup>4</sup> paragraph 2.2.2, SHMA12 Update

<sup>5</sup> Table 2-1, SHMA12 Update

<sup>6</sup> Table KS402EW

<sup>7</sup> Table KS18

("LDP TP") published in April 2013 as part of the Pre-Submission Local Plan 2014-2029 evidence base) that the conclusions of the SHMA12 cannot be relied upon to objectively inform the additional number of homes required in the District, and the SHMA12 825 annual dwelling shortfall is rejected in favour of Sub National Population Projections 294 annual dwelling requirement.<sup>8</sup>

#### 2.2.5 The LDP TP states that:

*"The SHMA is...intended to illustrate the stocks and flows of housing locally, and indicate the current housing backlog and future need and supply, rather than to identify a specific housing requirement for the District."*

(paragraph 4.7, LDP TP – emphasis added)

The LDP TP goes on to say that:

*"The SHMA has identified a market sector shortfall in housing supply of 825 units per annum over the 15 year plan period. This figure should not be considered as a housing requirement, but rather an indication of need which should be managed though a range of planning and housing based strategies. The housing need figures are based on a range of variables which are highly susceptible to change depending on the amount and type of dwellings built in the District, as well as the future make up and management of the District's housing stock. The SHMA suggests that three or four household moves can become available as a result of one new unit for older people being provided. For example, if 80 affordable houses were provided, of which 25 were for older people who want to downsize from larger affordable homes, the actual increase in supply could be 155 affordable homes. Therefore, the improvement of churn in the housing stock has the potential to reduce the number of housing need units to a level which exceeds the amount of new dwellings being built."*

(paragraph 4.8, LDP TP – emphasis added)

In addition to this the LDP TP then concludes that:

*"The range of possible household configurations within the housing stock has varying effects on the level of need in the District. Therefore, the need identified as units in the SHMA should not be interpreted as a number of dwellings on the*

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<sup>8</sup> paragraph 5.1, LDP TP

*ground, and should instead be used to develop appropriate policies to achieve the optimum use and supply of the existing and future housing stock.*

(paragraph 4.9, LDP TP – emphasis added)

Whilst these concerns are expressed in respect of overall housing requirements, affordable housing will be included within this overall requirement and as such the issues raised by the Council apply equally to the SHMA12 affordable housing conclusions. The Council's comments call into question the ability of the SHMA12 to objectively inform the Pre-Submission Local Plan policies in terms of quantum, mix and tenure.

## **2.3 Affordable Housing Quantum**

### **Current Need**

- 2.3.1 The SHMA12 Update includes in its affordable housing needs modelling a significant backlog of households (984)<sup>9</sup> in affordable housing need which exceeds that suggested in the SHMA08 (907).<sup>10</sup> When the households already occupying affordable housing need are deducted from this backlog requirement, the SHMA12 Update suggests 660 households remain in backlog housing need.
- 2.3.2 The purported 660 backlog housing need in the SHMA12 Update significantly exceeds the backlog affordable housing need suggested in the Local Authority Housing Statistics ("LAHS") data returns on the basis of the 342 households on the Housing Waiting List and who fall within a Reasonable Preference category as at April 2013 (i.e. households within statutorily defined categories and needing affordable housing). Whilst a proportion of households in need (and not already living in affordable housing) may not have joined the housing register it seems unlikely that there will be an additional 300 households.
- 2.3.3 Furthermore, it is noted that the 342 households within a Reasonable Preference Category in Maldon District in 2013 has decreased from the 449 such households recorded in the LAHS 2011/12 as at April 2012.
- 2.3.4 The above LAHS reflects that the SHMA12 Update is likely to include a significant number of households as a backlog affordable housing need despite that they are unlikely to seek to resolve their housing requirement within social sector housing or necessitate the provision of an additional supply of social housing to meet their housing requirements.

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<sup>9</sup> Table 8-3, SHMA12 Update

<sup>10</sup> Table 13-5, SHMA08

- 2.3.5 In this respect the statistical analysis within the SHMA12 Update (and which is informed by household circumstances as suggested within 2008 household survey data) is unlikely to represent the level of affordable housing need that the Council will have to resolve in reality.
- 2.3.6 Of concern, given the reliance on outdated survey data, is that to avoid duplication the SHMA12 Update deletes just 18 (4.5%) of the assumed 399 concealed backlog need households from the 254 overcrowded households included.<sup>11</sup> This seems an extremely low estimate of the number of overcrowded households who will see their circumstances improved through the re-housing of a concealed household living with them. Unfortunately the base data and the calculation informing this assumption are not clearly set out.
- 2.3.7 A review of the source data within the SHMA08 raises other areas of concern. In particular the size of the assumed backlog of concealed households in the SHMA08 (376)<sup>12</sup> significantly exceeds the number of newly forming households (which the SHMA08 suggests provides an indication of household concealment<sup>13</sup>) which have expressed a need to move 'now' (i.e. who can reasonably be assumed to have a backlog housing need). There are just 217 such households.<sup>14</sup> To include households seeking to move in the future would double count newly forming households included in the assessment of future affordable housing need.
- 2.3.8 Given that the SHMA12 Update does not explain otherwise, it is assumed that it applies the same methodology as the SHMA08 to calculate backlog housing need. As such, this apparent artificial inflation of backlog need will be carried forwards into the SHMA12 Update modelling.
- 2.3.9 Indeed, data provided by the Government on the NOMIS website<sup>15</sup> suggests that based on 2011 Census data there were a total of just 238 concealed households within Maldon district (of which 97 were aged over 50 and, along with a proportion of concealed households from other age groups, are likely to be residing with family on a permanent basis and out of choice as opposed to needing to be re-housed). This data further calls into question the inclusion by the SHMA12 Update of 399 concealed households as being in backlog affordable housing need.

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<sup>11</sup> Table 8-2, SHMA12 Update

<sup>12</sup> Table 13-2, SHMA08

<sup>13</sup> paragraph 8.5.1, SHMA08

<sup>14</sup> Table 8-5, SHMA08

<sup>15</sup> DC1110EW1a - Concealed family by family type by dependent children in family by age of Family Reference Person (FRP)

- 2.3.10 The SHMA12 Update applies an affordability test to the gross 635 overcrowded and concealed backlog need households which assumes that 89.9% of such households cannot afford market housing.<sup>16</sup> The precise basis of this is not explained despite section 4 of the SHMA12 Update being given over to an analysis of incomes and housing costs.
- 2.3.11 In particular, the analysis at section 4 of the SHMA12 Update suggests that 57.8% of existing households in Maldon earn over £33,500 and thus could afford private rented housing without subsidy based on the income thresholds set out within the SHMA12 Update in Table 4-4.
- 2.3.12 In terms of concealed households paragraph 4.2.4 of the SHMA12 Update suggests that 42.2% of such households have incomes of £27,500 or less – it therefore follows that 57.8% would be able to afford a range of unsubsidised private rented housing based on the income thresholds within Table 4-4 of the SHMA12 Update. The contradiction between the SHMA12 Update conclusions regarding affordability and concealed households at paragraph 4.2.4 and in Table 4-10 is not explained within the SHMA12 Update.
- 2.3.13 These conclusions call into question the reliability of the 89.9% affordability test applied within the SHMA12 Update to determine the number of backlog overcrowded and concealed households requiring affordable housing. It is noted that the SHMA12 Update applies a 60.9% affordability test (i.e. proportion unable to afford market housing) to existing households in unsuitable housing and who are purported to be unable to resolve their housing need in-situ.
- 2.3.14 It is unclear why these existing households are considered to be able to afford more than overcrowded existing households, but it is apparent that the SHMA12 Update modelling is likely to artificially inflate the overall backlog of affordable housing need (to 984 households) and based on LAHS data the actual backlog of affordable housing need could be as low as 342 households as at April 2013.
- 2.3.15 As is acknowledged within the SHMA12 Update this backlog can be resolved over a period of in excess of 5 years (which based on the Reasonable Preference backlog would equate to a 68 household backlog requirement per annum), and it is entirely reasonable to suggest that it could be addressed over a period that aligns with the emerging LDP timescales (i.e. 15 years). This would result in an annual backlog requirement for 23 affordable homes based on the 2013 Reasonable Preference backlog (and before deducting any committed supply).

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<sup>16</sup> Table 8-2, SHMA12 Update

### **Future Need and Net Requirement**

- 2.3.16 The SHMA12 Update estimates that 361 households form per annum and to this figure is applied an affordability test assuming that 73.6% of such households cannot afford market housing.
- 2.3.17 As already explained regarding backlog need above, the SHMA08 states that newly forming households are a proxy for concealed households (as such the two terms are suggested to be interchangeable for the purposes of the SHMA08 / SHMA12 Update analysis).
- 2.3.18 Paragraph 4.2.4 of the SHMA12 Update suggests, based on the income thresholds within Table 4-4 of the SHMA12 Update, that 57.8% of concealed households would be able to afford unsubsidised private rented housing. This suggests that significantly more newly forming households could afford market housing than the 26.4% indicated in Table 8-6 of the of the SHMA12 Update.
- 2.3.19 In addition, incomes of recently formed households set out within Table 4-13 of the SHMA12 Update suggest that up to 45.1% of such households cannot afford unsubsidised market rented housing, therefore suggesting that 54.9% can afford (again, this is significantly more than the 26.4% suggested in Table 8-6 of the of the SHMA12 Update).
- 2.3.20 Furthermore, there is no attempt to compare the outputs of the affordability assumptions (in terms of the gross newly forming affordable housing need) to actual trends in household tenure profiles (i.e. what tenures do household types – such as newly forming households - typically go on to occupy).
- 2.3.21 A key concern is that the SHMA08 and the SHMA12 Update fail to reflect the role of the private rented sector (including where this is provided with Housing Benefit). The statistical analysis within the Council's evidence, having established an overall affordable housing requirement, negates to then factor in the impact that the availability of subsidised housing within the Private Rented Sector is likely to have upon the overall level of affordable housing need (both current and future), and the level of need that is likely to have to be resolved (in reality) by the local authority through the provision of new affordable homes.
- 2.3.22 Without an assessment of this matter SHMA conclusions will fail to reflect how the theoretical modelling undertaken translates into actual housing requirements in the real world (and hence that need to be addressed through policy formulation and the application



of additional cost burdens upon development). This assessment is especially important given the scarce resources and subsidy available to address not only affordable housing need but also other essential infrastructure requirements through CIL. Having such an understanding is crucial to a local authority when seeking to strike an appropriate balance between the need to fund infrastructure through CIL having regard to the cumulative impact of policy requirement costs and the need to ensure the viability of planned development (in accordance with CIL Regulations).

- 2.3.23 Where these matters are not robustly taken into account the SHMA will not provide an objective assessment of affordable housing need having regard to all alternative scenarios, and the local authority will be unable to accord with the CIL Regulation requirement of striking an appropriate balance, or be able to be said to chosen the most appropriate strategy considered against all reasonable alternatives based on proportionate evidence. In other words, Local Plan policies will not be positively prepared, justified, effective or consistent with national policy.
- 2.3.24 It is entirely in line with current Government thinking (as legislated for within the Localism Act 2012) for local authorities to assist households in affordable housing need to resolve their housing requirements within subsidised housing in the private rented sector. Indeed, this approach is no different to that applied in the Social Sector where a significant proportion of households are in receipt of Housing Benefit in addition to the subsidised rents charged. Subsidised private rented housing will provide a source of current supply in addition to any committed new supply of affordable housing. The SHMA12 Update does not factor this into its assessment of housing need.
- 2.3.25 In this respect it is relevant to note that Fordham Research published a Technical Note ("TN") in August 2010 that calls into question two of the assumptions applied in the statistical modelling of housing need. Whilst the TN relates to a 2008 Strategic Housing Market Assessment undertaken by Fordham Research for the Sefton administrative area, the corrections proposed apply equally to the SHMA08 and SHMA12 Update.
- 2.3.26 Fordham Research acknowledges in the TN that the overall affordable housing need suggested within the Sefton statistical modelling is higher than the actual presented affordable housing need (i.e. the level of need actually being encountered and needing to be addressed by local authorities through the provision of additional affordable housing).
- 2.3.27 The TN suggests that this is as a result of the modelling not reflecting reality insofar that:

- i) a proportion of households choose to move into the private sector and spend more than 25% of their gross income on housing costs, and,
- ii) a proportion of households address their housing need in private sector rented housing solutions with the assistance of housing benefit.

2.3.28 The TN includes the number of lets in the private sector to households receiving Housing Benefit as a supply source of 'affordable housing' – i.e. private sector rented accommodation is being used with the assistance of Housing Benefit payments to address households subsidised housing requirements and is therefore a valid source of supply.

2.3.29 The TN also excludes households technically in need on the basis affordability testing (i.e. where such households are unable to afford private sector housing without spending more than 25% of their gross annual household income on housing costs) but whom have indicated that they are moving into private sector housing and have not indicated housing costs to be an issue.

2.3.30 The application of the TN corrections to the Sefton SHMA taking these factors into account results in a significant downward adjustment to the annually occurring shortfall from 2,398 to 246 (i.e. by almost 90%).

2.3.31 Unfortunately, the SHMA12 Update does not apply this reasoning to its housing requirements modelling. However, the failure of the SHMA12 Update approach to reflect that a proportion of households are likely to choose to spend in excess of 25% of their income where this enables them to live in private sector accommodation, and that a further proportion will be housed adequately in private rented housing subsidised with the input of Housing Benefit, is likely to result in inflated conclusions regarding the level of net new affordable housing that needs to be provided.

2.3.32 It is entirely reasonable to expect that local authorities should update their affordable housing needs evidence base to reflect the significant changes in national guidance and Government objectives.

2.3.33 In particular, it should be noted that the Homes and Communities Agency Affordable Homes Programme 2015 – 2018 Prospectus published in January 2014 states that:

*“...Government policy does not support the argument that only rents at or close to social rent levels are capable of meeting local needs – particularly when support for housing costs through Housing Benefit and Universal Credit is taken into account”*



(paragraph 92 – emphasis added)

This reflects not only the Government preference for rented housing to be provided in the Affordable Rent tenure, but also that other sources of subsidised housing (i.e. accommodation in the private rented sector provided to households in receipt of Housing Benefit through the Local Housing Allowance scheme) are entirely appropriate as a means of addressing affordable housing needs.

2.3.34 This latter point appears to be accepted by the Council given their proposed introduction of draft 'Private Rented Sector Offer' policy (published in November 2012). This refers to the ability introduced through the Localism Act 2011 for local authorities to end their main homelessness duty to an applicant through the offer of suitable accommodation in the private rented sector.<sup>17</sup>

2.3.35 The draft policy wording sets out that:

*"In taking into account both the circumstances of each individual case, the availability and demand for housing in the District the Council will not exclude private rented sector offers to any particular class or group of people, nor shall it seek to offer only social housing to any particular class or group."*

(paragraph 1.1, draft 'Private Rented Sector Offer' policy – emphasis added)

This makes it clear that the Council intends to seek to resolve a proportion of subsidised housing need in the District through subsidised housing in the Private Rented Sector, and it is therefore entirely reasonable to expect that this supply of private sector housing will be reflected within any assessment of net need for new affordable housing.

2.3.36 As already stated above, cross-reference is not made to the past occupation trends of existing and new households to provide a sense check regarding the choices such households are actually likely to make (and therefore the level of need for social housing solutions likely to actually be presented to the local authority annually).

2.3.37 The English Housing Survey Headline Report 2011/12 Table 6 suggests that across England as a whole only 12.6% of newly forming households move into Social Rented housing whilst 68% move into private rented sector housing.

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<sup>17</sup> page 2, draft 'Private Rented Sector Offer' policy, Maldon District Council

- 2.3.38 On this basis broadly 45 (12.6%) of the SHMA12 Update 361 newly forming households<sup>18</sup> would be likely to present themselves to the local authority as being in affordable housing need. This is significantly less than the 267 (i.e. 73.6%) assumed in the SHMA12 Update.
- 2.3.39 Therefore, the SHMA12 Update appears likely to artificially inflate newly arising need to the 356 gross total – the likely pattern of household choices based on English Housing Survey data suggests that newly arising need for subsidised social housing could be 135 per annum (i.e. 45 newly forming households plus 90 existing households falling into need).
- 2.3.40 Crucially, the SHMA12 Update analysis fails to take into account the reality that private rented dwellings subsidised with Housing Benefit via the Local Housing Allowance scheme present an important source of accommodation to meet the housing needs of households eligible for affordable housing.
- 2.3.41 It is possible to review the SHMA12 Update taking the likely impact of the private rented sector supply into account. There is no publicly available data which confirms how many private sector lettings take place per annum, or confirming the total number of private sector dwellings (2011 Census data only specifies the number of overall private sector dwellings – i.e. including owner occupied and private rented housing).
- 2.3.42 However, an annual supply of private rented lets can be estimated. Lettings occurring in the social housing sector are suggested by the available data to be 3.9% of the overall rented social stock per annum.<sup>19</sup>
- 2.3.43 However, the private rented turnover rate is likely to be in excess of that experienced in the Social sector - the English Housing Survey Headline Report 2011-12 broadly suggests a 30% annual rate of turnover based on the number of households that live in the Private Rented Sector and have done so for less than one year (paragraph 1.28, page 19).
- 2.3.44 In the absence of any district wide data on the topic, assuming a rate of turn over for the Private Rented Sector set at a mid-point between the 30% private rented sector rate suggested in the English Housing Survey Headline Report 2011-12 and the 3.9% rented social housing rate for Maldon a 17% turnover rate is suggested.
- 2.3.45 The 2011 Census suggests 2493 households live in the private rented sector (Table KS402EW) – a 31% increase over the 1900 such households suggested as at 2001 (Table

<sup>18</sup> Table 8-6, HMA12 Update

<sup>19</sup> Core Lettings Data 2012/13 suggests that 113 rented social lettings took place in the Maldon District. Unfortunately Local Authority Housing Statistics does not provide information on the overall number of social dwellings in Maldon, but 2011 Census data suggests a social housing stock of 2881 ('Dwelling Stock by Tenure and Condition'). Therefore the lettings represent 3.9% of the overall social housing stock.

KS18). As such, it is likely that the private rented dwelling stock in Maldon District has also increased since 2001.

2.3.46 Assuming, in the absence of data on actual dwelling numbers and turnover rates, that private rented sector stock levels align with the 2493 households the application of a 17% turnover rate would suggest 424 lettings in the sector per annum. A proportion of this 424 assumed private rented supply would include private rented housing available to households in receipt of Housing Benefit.

2.3.47 Data provided by the Department for Work and Pensions suggests that as at August 2013 there were 1091 claimants in receipt of Housing Benefit and living within the private rented sector in the Maldon local authority area.<sup>20</sup> If these are applied as a proxy for households and ultimately subsidised housing stock in the private rented sector (in the absence of more detailed data) this equates to 44% of the 2493 suggested overall private rented housing in Maldon. As such, it is apparent that a significant proportion of households are resolving their subsidised housing requirements within this sector.

2.3.48 In the absence of more detailed data, if:

- i) the 17% implied turnover rate is applied assuming that both subsidised and unsubsidised private rented housing turn over at a similar rate (i.e. suggesting an overall supply of 424), and,
- ii) if the proportion of private rented stock turnover which will be available to households in receipt of Housing Benefit is assumed to align with that suggested by the Department for Work and Pensions data (i.e. 44%),

it can broadly be estimated that 44% of the 424 annual private rented housing turn-over (i.e. 187 per annum and therefore comparable to the SHMA12 Update social sector annual housing supply) will be available as re-lets to households in receipt of Housing Benefit.

2.3.49 If the above 187 estimated annual supply of subsidised private rented sector housing is deducted from the SHMA12 Update requirement for affordable housing along with the estimated supply of social and intermediate re-lets / re-sales the net annual affordable housing requirement is significantly reduced from a 308 annual shortfall to a 121 affordable housing shortfall.

<sup>20</sup> Housing Benefit claimant caseload by local authority by month and by tenure, Maldon District, Department for Work and Pensions, Stat-Xplore, as at January 2014

- 2.3.50 However, if adjustments were to be made to reflect the other concerns set out in this report above regarding the SHMA12 Update assumptions on affordability thresholds and the number of concealed backlog households the actual shortfall would be further reduced.
- 2.3.51 In particular, the backlog of households in affordable housing need and included in a Reasonable Preference category within the Housing Waiting List as at April 2013 suggests a gross backlog (excluding homeless households) as low as 342 households as at April 2013 compared to the 981 such households included in the SHMA12.
- 2.3.52 The above re-analysis is not intended to replace the need for the local authority to undertake an objective, up to date assessment of overall housing requirements, but it highlights significant deficiencies in the Council's evidence base in respect of its assessment of the net need for new affordable housing and confirms that it would be inappropriate to rely on the SHMA12 Update shortfall to inform the proportion of overall housing that should be delivered as affordable housing through Plan policy.

## **2.4 Tenure**

- 2.4.1 The SHMA12 Update does not appear to undertake any additional analysis of affordable housing tenure requirements, but refers back to a recommendation within the SHMA08 for the provision of 67% Social Rent and 33% Intermediate housing.<sup>21</sup>
- 2.4.2 The SHMA12 Update refers to the SHMA08 as confirming interest in Intermediate Sale housing from 'around 100 households' and that, against a 5 dwelling per annum supply assumption, this leaves 'a significant unmet demand' for Intermediate housing for sale.<sup>22</sup>
- 2.4.3 As already noted the SHMA08 is now outdated and refers to a pre-NPPF definition of affordable housing. If the SHMA08 tenure split recommendation is taken at face value the application of the Affordable Rent tenure (which, as described in section 2.2 above, is the rented social tenure of choice and is able to address the housing requirements of households eligible for Social Rented housing) would suggest a 67% Affordable Rent and 33% Intermediate housing for sale tenure split.
- 2.4.4 However, it is possible to review the tenure split having regard to SHMA12 Update data on requirements and supply sources. The SHMA12 Update provides scant review of the accessibility of Intermediate housing for sale to households in need of affordable housing,

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<sup>21</sup> paragraph 9.2.5, SHMA12 Update

<sup>22</sup> paragraph 9.3.12, SHMA12 Update

but concludes that between 20% and 36% of concealed households could afford such an option.<sup>23</sup> The background calculations and data informing this conclusion are not provided.

- 2.4.5 Observations are not made in the SHMA12 Update in respect of the proportion of existing households that can afford Intermediate housing, but it is reasonable to suggest that these households are more likely to be able to afford an Intermediate Sale option than concealed / newly forming households. As such, it would be reasonable to take the upper of the concealed household affordability conclusions (36%) as a starting point for assessing the proportion of households in affordable housing need that may be able to afford an intermediate housing solution.
- 2.4.6 If this 36% Intermediate affordability threshold is applied to the 488 annual gross affordable housing need suggested in the Affordable Housing Needs Model presented at page 80 of the SHMA12 Update it suggests that 176 of these may be able to afford Intermediate housing for Sale. The remaining 312 can be assumed to require rented social housing (although as already highlighted the gross affordable housing requirement is likely to be significantly inflated due to the SHMA12 Update methodology).
- 2.4.7 The SHMA12 Update suggests a supply of 180 new affordable homes is available to assist with addressing affordable housing need per annum. This is suggested to comprise of 173 rented homes, and up to 7 homes for Intermediate Sale / re-let.<sup>24</sup>
- 2.4.8 When this supply is deducted from the suggested gross requirement for affordable housing a net requirement for 169 Intermediate Sale homes and 139 rented social sector homes is suggested.
- 2.4.9 Proportionately, this suggests a 55% Intermediate Sale and 45% rented affordable housing tenure split to be appropriate in the District, albeit if the potential supply of 180+ subsidised private rented sector homes are taken into consideration the net requirement for new affordable housing is suggested to be wholly for Intermediate housing for Sale.

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<sup>23</sup> Table 3-7, SHMA12 Update

<sup>24</sup> Based on 148 social re-lets and 2 Intermediate homes for Sale / re-let (page 80 SHMA12 Update), plus a committed supply of 25 rented homes and up to 5 Intermediate homes per annum (Table 8-9 SHMA12 Update)

## 2.5 Affordable Dwelling Mix

### Rented Affordable Housing Mix

2.5.1 The SHMA12 Update concludes based on analysis of rented affordable housing that:

*“...65% of future affordable delivery should be small one and two bedroom properties, to meet the needs of younger single and couple households, older people and small families.”*

(paragraph 9.3.2, page 86)

The SHMA12 Update goes on to note that the majority of three bedroom rented affordable housing requirements ‘should mainly be met through initiatives to make best use of the existing stock’ and that four bedroom requirements can also be met through such initiatives by freeing up larger dwellings for re-occupation by households in need of them.<sup>25</sup>

2.5.2 The SHMA12 Update conclusions regarding rented affordable dwelling mix are based on an analysis of stock turnover (i.e. lettings) and Housing Waiting List dwelling size requirements. Whilst the data appears to have been updated since the SHMA08, the proportions of dwelling sizes recommended remain the same as the recommendations within the SHMA08.<sup>26</sup> However, it is unclear exactly how the proportionate mix recommendation is arrived at within the SHMA12 Update / SHMA08.

2.5.3 A comparison of the Housing Waiting List data and the availability of rented affordable housing stock suggested in Table 7-1 of the SHMA12 Update suggests the following net backlog requirements:

**Figure 1**

Dwelling Size	Housing Waiting List	Rented Affordable Housing Turnover	Net Backlog Requirement
1 bedroom	481	79	402 (38.9%)
2 bedrooms	413	97	316 (30.6%)
3 bedrooms	233	32	201 (19.5%)
4 bedrooms+	115	1	114 (11%)

<sup>25</sup> paragraph 9.3.5, SHMA12 Update

<sup>26</sup> Table 16-2, SHMA08

This suggests that 70% of net backlog rented affordable housing need is for 1 and 2 bedroom housing. This is moderately in excess of the 1 and 2 bedroom proportion recommended within the SHMA12 Update.

- 2.5.4 The above reflects an analysis of only backlog housing requirements, although the majority of newly forming households are likely to require smaller dwellings. This is supported by the data within Table 6-7 of the SHMA12 Update which suggests that 87% of younger households across all tenures (aged 16 to 24 and likely to be newly formed households) occupy 1 and 2 bedroom housing. None occupy 4 bedroom homes and below 13% occupy 3 bedroom housing.
- 2.5.5 The SHMA12 Update refers to SHMA08 findings that ‘the majority of need for new forming households is for one and two bedrooms’;<sup>27</sup> whilst this is referred to when setting out Intermediate mix requirements the conclusion is not suggested to be specific to newly forming households seeking Intermediate housing.
- 2.5.6 The data within the SHMA12 Update as summarised in Figure 1 above can be updated to reflect 2013 Housing Waiting List data (as provided within the 2012/13 LAHS) and average annual levels of supply based on CoRE lettings data<sup>28</sup> for the years 2010/11, 2011/12 and 2012/13.

**Figure 2**

Dwelling Size	Housing Waiting List	Rented Affordable Housing Turnover	Net Backlog Requirement
1 bedroom	601	48	553 (44%)
2 bedrooms	721	75	646 (51%)
3 bedrooms	55	32	68 (5%)
4 bedrooms+	45		

- 2.5.7 The 2012/13 Housing Waiting List data suggests that the gross backlog requirement for 1 and 2 bedroom housing has increased to 95% since the SHMA12 Update analysis, with a significant fall in 3 bedroom and larger housing need. This increasing 1 and 2 bedroom requirement suggests that the Council needs to place a greater emphasis upon the provision of smaller rented affordable housing when negotiating provision with developers.
- 2.5.8 The SHMA12 Update refers to the SHMA08 as concluding 48.3% of all properties in the social sector as being under-occupied and states that there are 420 under-occupied

<sup>27</sup> paragraph 9.3.14, SHMA12 Update

<sup>28</sup> CoRE New Lettings Summary Statistics



homes in the affordable housing sector in Maldon District with three and four bedrooms,<sup>29</sup> representing 'almost 40% of the total three and four bedroom social stock'.<sup>30</sup> The provision of additional 1 and 2 bedroom affordable properties will assist the Council with initiatives to release family housing in the social sector for re-occupation by households in need of it.

- 2.5.9 The Government has introduced a raft of reforms to the Welfare System through the Welfare Reform Act 2012. These changes include new rules in respect the size of accommodation that tenants in social sector housing are able to obtain Housing Benefit for (eventually to be replaced by the housing element of the Universal Credit).
- 2.5.10 Since April 2013 if a household lives in social housing and is assessed to have one extra bedroom the household's Housing Benefit may be reduced.<sup>31</sup> The rationale behind the introduction of the size criteria and associated Housing Benefit limitations ("size criteria cap") includes the need to reduce Housing Benefit expenditure and the desire to 'secure behaviour changes amongst social housing tenants'.<sup>32</sup>
- 2.5.11 The size criteria cap only applies to households of working-age (i.e. below qualifying age for Pension Credit), and to non-excluded tenancies.<sup>33</sup> The size criteria cap does not apply to temporary accommodation or to shared owners.<sup>34</sup> Households in receipt of Housing Benefit in the private rented sector via the LHA scheme already have their payments assessed on this basis and the reform has brought the approach in both sectors into alignment.
- 2.5.12 The Government impact assessment of the size criteria cap (June 2012) does not provide a forecast of the likely number of households that will be affected at a local authority level, but the Council's evidence base suggests a significant level of under-occupation (including by older person households which are excluded from the impact of the size criteria cap).

<sup>29</sup> paragraph 7.3.1, SHMA12 Update

<sup>30</sup> paragraph 7.3.2, SHMA12 Update

<sup>31</sup> page 9, Under Occupation of Social Housing: Housing Benefit entitlement, Parliamentary Paper, House of Commons Library, 30<sup>th</sup> July 2007

<sup>32</sup> pages 3 and 4, Under Occupation of Social Housing: Housing Benefit entitlement, Parliamentary Paper, House of Commons Library, 22<sup>nd</sup> January 2014

<sup>33</sup> excluded tenancies are specified in paragraph 4-12 of Schedule 2 to the Housing Benefit Regulations 2006

<sup>34</sup> page 6, Under Occupation of Social Housing: Housing Benefit entitlement, Parliamentary Paper, House of Commons Library, 22<sup>nd</sup> January 2014



- 2.5.13 Under-occupying social tenants will have the option of either making up the Housing Benefit shortfall from alternative income sources, or seeking to downsize into alternative more suitable accommodation in the private or social rented sectors.<sup>35</sup>
- 2.5.14 To assess the impact of Welfare Reform moving forwards the local authority should collate local level data (with the co-operation of Registered Providers in the District) in respect of matters such as under-occupation of social housing by working age households, rent arrears, and vacancies in housing stock.
- 2.5.15 The local authority will want to take care when negotiating affordable housing on new developments to ensure that provision closely reflects the type of dwellings required, having regard to the number of rooms households require and which will not result in a deduction to households' Housing Benefit payments. In particular, local authorities should have regard to which dwelling sizes are subject to the highest overall numerical requirement as opposed to seeking larger family housing on the basis that this has a slower turn around.
- 2.5.16 New affordable dwelling proposals may be able to assist the situation through the provision of additional 1 and 2 bedroom dwellings and / or commuted sum payments to enable the provision of these by the Council in the District. However, it would be inappropriate for the Council to seek to inflate the overall level of affordable housing sought from proposals in order to address affordable housing requirements arising out of a mismatch between existing affordable housing stock and the need for additional smaller accommodation in response to the size criteria cap.
- 2.5.17 Such an obligation would not be directly related to the development, would not be fair and reasonable in scale and would not be necessary to make the development acceptable in planning terms, particularly where the requirement for smaller dwellings has arisen as a direct result of previous allocation and dwelling provision policies.<sup>36</sup> The requirement does not flow directly from the development of new housing.
- 2.5.18 The Council and Registered Providers in the area will need to review their housing stock and consider how they may need to rationalise this through re-modelling / selling stock that is no longer required to fund alternative new provision.

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<sup>35</sup> page 30, Under Occupation of Social Housing: Housing Benefit entitlement, Parliamentary Paper, House of Commons Library, 22<sup>nd</sup> January 2014

<sup>36</sup> i.e. where households have historically been able to under-occupy, and which place an unnecessary emphasis when negotiating affordable housing proposals upon the provision of additional family affordable housing despite the numerical majority of applicants requiring smaller homes

### **Intermediate Dwelling Mix**

- 2.5.19 There is limited analysis within the SHMA12 Update on the mix of Intermediate housing required in the District, but a recommendation is made that the following mix should be provided:<sup>37</sup>

**Figure 3**

Dwelling Size	Intermediate Mix
1 bedroom	30%
2 bedrooms	50%
3 bedrooms	20%
4 bedrooms+	0%

- 2.5.20 The background calculations undertaken to inform the above SHMA12 Update Intermediate mix proportions is not presented within the SHMA12, but in application at a site level it should be noted that Registered Providers may express a preference for 2 and 3 bedroom Intermediate homes for Sale.

## **2.6 Market Dwelling Mix**

- 2.6.1 It is relevant to consider how affordable dwelling size requirements are likely to differ from dwelling size requirements in market housing. This of particular relevance as in supporting text to proposed Policy H2 'Housing Mix' the Council state that they will seek 'a higher proportion of smaller (1 or 2 bedroom) units over the life of the Plan'. This is described as being necessary to 'create a better balanced stock'.<sup>38</sup>
- 2.6.2 However, any attempt to set housing mix requirements should be clearly identified within Policy wording and should be robustly evidenced in accordance with the National Planning Policy Framework ("NPPF").
- 2.6.3 Paragraph 47 of the NPPF sets out that local authorities should:
- "...use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area..."*
- 2.6.4 Therefore policy approaches should plan for a sufficient housing land supply to enable the full housing requirement to be met – the wording does not, however, empower the prescription of market housing mix.

<sup>37</sup> paragraph 9.3.15, SHMA12 Update

<sup>38</sup> paragraph 5.14, Pre-Submission Draft Local Plan

2.6.5 Paragraph 50 makes it clear that affordable housing is to be provided where a need for it has been identified. Read in combination with Annex 2 to the NPPF and Government objectives to decrease the under-occupation of social housing, it is clear that the size of affordable dwellings provided should reflect the assessed need for these dwellings, as opposed to the demand for them.

2.6.6 Paragraph 50 of the NPPF, bullet point one, states that local authorities should:

*“- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);”*

2.6.7 and bullet point 2 goes on to state that local authorities should:

*“- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand.”*

2.6.8 The above bullet points confirm that policy approaches should be included in Local Plan's that enable a mix of housing broad enough to address requirements. The wording continues a theme established within paragraph 21 of the Planning Policy Statement 3 (“PPS3” – now cancelled) which similarly did not empower the prescription of market dwelling sizes within Plan policy. Within specific locations, as opposed to a blanket District wide prescription of dwelling types and mix, local authorities should have an understanding of the market mix requirements and plan to create sustainable, inclusive and mixed communities.

2.6.9 It is not in developers' interests to deliver housing that it cannot sell, and it is essential that an element of flexibility is retained within policy and development control decisions in terms of market housing mix, allowing developers to react quickly to the ebb and flow in demand for different open market housing types and sizes. Any attempt to stifle this reactive approach will simply act to frustrate overall housing delivery objectives.

2.6.10 This view is acknowledged in the Callcutt Review of House Building Delivery (published in November 2007) which says on page 20 that:

*“...local planning authorities should be very cautious about assuming that they are better able than developers to judge what the local housing market demands. It is true that the developer is concerned with making a return, not with serving the*

public interest; but the developer's judgement on what will best satisfy market demand is very likely to be better than the planning authority's"

(emphasis added)

- 2.6.11 It is notable that the Callcutt Review reached this conclusion during the peak of the market prior to recession, when market housing transactions were substantially more numerous. Any prescription of such matters in less buoyant times / times of tentative economic recovery would therefore be of significant concern and would act contrary to the objectives of the NPPF.
- 2.6.12 Research undertaken by Professor Dave King 'Housing Requirements of the Retired Population 2001 – 2021' is summarised within a paper entitled 'Planning for Smaller Households' published by the 'Retirement Housing Group' for the Home Builders Federation.
- 2.6.13 Professor King's research suggests that whilst young adult households occupy homes with fewer rooms, by the age of 45-54 households have reached the peak of their 'housing "career"' and occupy the largest homes they will ever own. These households reduce in size as non-dependent children leave home and marriages end due to separation, divorce or death, but trends (based on 1981, 1991 and 2001 Census outputs) suggest that the remaining single person and couple households continue to live in the same home, despite the significant degree of under-occupation.
- 2.6.14 The 'Planning for Smaller Households' paper states that:

*"...although the research shows that the average household size is falling and, in particular, the number of one-person households is increasing (which has led to the policy conclusion that the future provision of dwellings should be smaller) the analysis shows that not all small households consume small dwellings."*

and goes on to conclude that:

*"The 45-65 generation is particularly large and their life expectancy is growing. As a result much of the existing stock of larger homes is likely to be "blocked" by existing owners. This is an issue which needs to be addressed by policy makers, who have tended to see the growth of smaller households as being almost exclusively amongst younger age groups and have therefore aimed at delivering housing suitable for them."*

(‘Planning for Smaller Households’, Retirement Housing Group, 2005)

- 2.6.15 Whilst Professor King’s research was published in 2005 it is apparent that the after effect of previous policy approaches is likely to linger, exacerbating private sector family housing shortfalls and reducing affordability across the market.
- 2.6.16 It is notable that the over-supply of flats reported across the Country in recent years is suggested in *“The Implications of Housing Type/Size Mix and Density for the Affordability and Viability of New Housing Supply”* (National Housing Planning Advice Unit “NHPAU”, February 2010, page 12) to be directly linked to earlier Government policy emphasis upon delivering higher density developments and using previously developed land. This demonstrates the dangers of seeking to control market housing mix through policy, rather than in response to market demand.
- 2.6.17 Where insufficient larger private sector family housing is provided this will be to the detriment of the market as a whole, and will not achieve the NPPF objective of facilitating sustainable development.
- 2.6.18 The wording in the supporting text to proposed Policy H2 seeking to ‘balance’ the housing stock through an increased provision of 1 and 2 bedroom housing, whilst accurately reflecting the predominant affordable housing dwelling size requirement does not reflect likely market housing requirements. It will be of significant concern should the Council seek to impose this on the market housing element of housing being provided on sites. This concern is made more acute by the expressed intention at paragraph 5.17 to ‘provide more detailed information on the housing mix required’ through a ‘Housing SPD’.
- 2.6.19 Matters such as the prescription of housing mix have a significant impact upon economic viability and should not be delegated to SPD but should be expressed within Plan policy and subject to Independent Examination. The Council’s viability evidence does not appear to reflect the cost impacts of an ‘increased provision’ of smaller housing, and given the vagueness of this wording it would be difficult for it to do so. Where matters are later prescribed in SPD this will not have been tested in terms of economic viability and the impact on the Local Development Plan during the Plan making process. This is contrary to the NPPF.
- 2.6.20 The SHMA12 does not set out a detailed analysis of market dwelling size requirements and yet despite the lack of analysis manages to conclude that 60% of new market sector homes

should be provided with 1 and 2 bedrooms.<sup>39</sup> The SHMA12 suggests that this is based on an analysis of housing stock flows,<sup>40</sup> but the SHMA12 provides no such analysis and it is therefore perhaps drawing on the outdated conclusions of the earlier SHMA08.<sup>41</sup>

2.6.21 Furthermore, given that the Council acknowledge that the SHMA12 conclusions are inappropriate for application to development taking place ‘on the ground’ (see sub-section 3.2 above) it would be completely inappropriate to seek to re-balance the housing stock on the basis of out of date SHMA08 informed conclusions.

#### What Homes Where Toolkit

2.6.22 Given the lack of up to date SHMA analysis of market dwelling size requirements for Maldon District consideration is given to the ‘What Homes Where’ toolkit to assist with understanding the likely dwelling size requirements during the emerging Plan period.

2.6.23 The ‘What Homes Where’ toolkit has been developed by the ‘Local Housing Requirement Assessment Working Group’ – this is an ‘informal grouping of the major professional and representative bodies with an interest in planning for housing in England’.<sup>42</sup> The ‘What Homes Where’ tool is described as:

*“...being based on the population and households statistics and projections produced by the Office for National Statistics (ONS) and the Department for Communities and Local Government (DCLG).”*

2.6.24 The What Homes Where toolkit has not yet been adjusted to reflect the interim 2011 based ONS population / household projections and draws on elements of the 2001 Census, but it provides some helpful outputs never the less given the lack of up to date analysis in the SHMA12.

2.6.25 When the user inputs are set to consider trends over the 2006 to 2010 period and to project forwards over a 2014 to 2029 timeframe the following mix of dwellings by room size are suggested to be required within Maldon District:

<sup>39</sup> paragraph 9.3.22, SHMA12

<sup>40</sup> paragraph 9.3.24, SHMA12

<sup>41</sup> Section 11.7, SHMA08

<sup>42</sup> <http://www.howmanyhomes.org/2.html>

**Figure 4**

<b>Maldon District: Baseline Mix of household sizes in additional homes required 2014 to 2029</b>							
	1 room	2 rooms	3 rooms	4 rooms	5 rooms	6 rooms	7+ rooms
Baseline	20	194	815	1500	1500	889	911

2.6.26 The What Homes Where Toolkit does not provide specific conclusions regarding the number of bedrooms required, but reaches conclusions based on the number of rooms households are likely to require.

2.6.27 However, the Toolkit provides a broad interpretation of the number of bedrooms that can be assumed on the basis of the number of 'rooms' (excluding kitchens, bathrooms and toilets) as follows:

- 1 room = bedsit
- 2 rooms = one bedroom flat/house
- 3 rooms = 2 bedroom flat/house
- 4 rooms = 2/3 bedroom 1/2 reception room flat/house
- 5 rooms = 3 bedroom, 2 reception flat/house
- 6 rooms = 4/3 bedroom, 2/3 reception house
- 7+ rooms = 4/5+ bedroom house

2.6.28 Based on this interpretation and assuming a mid-point split in the 4 room band between 2 and 3 bedroom homes, and in the 6 room band between 3 and 4 bedroom homes, the baseline output in Table 3a above suggests the following dwelling size mix additional housing requirement to 2029:

**Figure 5**

<b>Mix of Additional Homes Required in South Norfolk 2011 to 2031</b>		
	<b>Count</b>	<b>%</b>
1 bedroom	215	3.7
2 bedrooms	1565	26.9
3 bedrooms	2249	38.6
4+ bedrooms	1800	30.9
<b>TOTAL</b>	<b>5828</b>	<b>100</b>

\*Subject to rounding.

2.6.29 The above local authority level output in respect of potential dwelling size requirements for additional dwellings between 2014 and 2029 can be compared to the SHMA12 preferences based on SHMA08 modelling as follows:



**Figure 6**

<b>Comparison of the Mix of Additional Homes Required 2014 to 2029 in Maldon District and the SHMA12 market mix preference (based on SHMA08 modelling)</b>		
<b>Bedrooms</b>	<b>SHMA12 %</b>	<b>What Homes Where %</b>
1 bedroom	60	30.6
2 bedrooms		
3 bedrooms	40	69.5
4 bedrooms +		
<b>TOTAL</b>	<b>100</b>	<b>100.0</b>

2.6.30 Whilst the What Homes Where Toolkit has regard to housing requirements overall as opposed to solely market housing requirements, it is apparent from the affordable dwelling size requirements analysis at sub-section 3.5 above that the majority of affordable housing is likely to be for 1 and 2 bedroom homes.

2.6.31 Therefore, it is reasonable to suggest that the majority of the 3 and 4 bedroom element of the overall housing requirement set out in Table 3 above is likely to comprise of market housing. This does not support the SHMA12 recommendations in respect of market housing mix.

### Summary

2.6.32 National guidance does not empower the inflexible prescription of market housing dwelling sizes, particularly where mix requirements are applied as a District wide blanket requirement. National guidance does require that any burdens placed upon development by local authorities are tested through the Plan process (as opposed to delegated for application through SPD) in terms of viability impacts and demonstrated not to threaten the delivery of planned development in the area.

2.6.33 The Council's viability evidence base does not robustly test the impact of the SHMA12 predominantly 1 and 2 bedroom market dwelling mix recommendations at either a District or sub-area level, or assess the vague preferences for a 'higher proportion' of 1 and 2 bedroom dwellings expressed within proposed Policy H2 supporting text.

2.6.34 Where insufficient larger private sector family housing is provided this will be to the detriment of the market as a whole, and will not achieve the NPPF objective of facilitating sustainable development.



- 2.6.35 A review of the SHMA12 reveals that the conclusions it presents (seeking 60% of market housing with 1 and 2 bedrooms) are not informed by an up to date analysis of market dwelling size requirements, but are based on earlier SHMA08 conclusions.
- 2.6.36 The outputs of modelling using the 'What Homes Homes Where' Toolkit developed by the 'Local Housing Requirement Assessment Working Group' (which suggests an overall requirement for 30% of dwellings with 1 and 2 bedrooms between 2014 and 2029), read in conjunction with an analysis of affordable housing dwelling size requirements (80% to 95% of which are suggested to be for 1 and 2 bedroom dwellings), do not support SHMA12 recommendations in terms of market dwelling size requirements. Analysis suggests that the greatest requirement is likely to be for mid-sized and some larger open market family homes.

## **2.7 Older Person Housing / Wheelchair Standard / Lifetime Homes**

- 2.7.1 The SHMA12 Update provides an overview of housing requirements for specific household groups and housing requirements. A sub-section on older person housing concludes (as is applicable to the Country as a whole) that the proportion of older person households is projected to increase over coming years.
- 2.7.2 On this basis the SHMA12 Update recommends that, particularly in the social sector, the Council seek to address under-occupation to assist in releasing family homes for re-occupation by households in need of them.<sup>43</sup> However, the SHMA12 Update does not provide a review of current and future affordable housing need for older people housing alongside an assessment of the available supply. The Council's SHMA12 Update does not therefore enable conclusions to be drawn on net older person affordable housing requirements.
- 2.7.3 The SHMA12 Update review of sheltered housing suggests there is already a significant stock of this kind of housing in the public sector with enough affordable 'sheltered units to house one in every 4 tenant households'.<sup>44</sup> There is no recommendation for additional housing of this type in the social sector.
- 2.7.4 A very limited review of the need for Extra Care housing in the social sector is presented in the SHMA12 Update based on 2008 household survey responses on the type of Extra Care housing from 'mature children' in respect of their 'aging parents' likely housing

<sup>43</sup> Key Findings, 6.5.2, page 60, SHMA12 Update

<sup>44</sup> paragraph 6.5.24, SHMA12 Update

requirements.<sup>45</sup> Whilst many of these responses are described as suggesting a need for social rented Extra Care housing it is not apparent that this reflects the true requirements of the 'aging parents' particularly as these are suggested to comprise mainly of mortgage free owner occupiers<sup>46</sup> who logic would suggest would not require or be eligible for Extra Care accommodation in the social sector. The SHMA12 Update does not provide an objective analysis of the net Extra Care affordable housing requirements in the District.

- 2.7.5 The SHMA12 Update does not provide an objective analysis of the net requirement of affordable (or market) housing adapted / constructed to meet the needs of disabled households in the District. However, in summarising various elements of the 2008 Maldon household survey the SHMA12 Update concludes that there is a mismatch between households in need of adapted housing and the housing that has been adapted to meet the needs of such households (i.e. households not in need of adapted housing are occupying adapted housing).<sup>47</sup> Whilst this conclusion is not tenure specific the SHMA12 Update recommends that the Council should maintain a register of which social dwellings have an adaptation and ensure that best use is made of this housing stock when such homes become vacant.
- 2.7.6 Similarly, there is no objective analysis of the net affordable / market housing requirement in the District for housing to be constructed to Lifetime Homes standards.
- 2.7.7 The Council's evidence base does not support the imposition through policy of specific requirements for new housing (either market or affordable) to be provided by developers that is designed to provide Extra Care, Sheltered, Wheelchair or Lifetime Homes standard compliant housing.

## 2.8 **Summary**

- 2.8.1 The SHMA12 Update draws on the pre-recessionary and outdated SHMA08 household survey data, and it is not apparent that 2011 Census data feeds fully into the analysis of housing requirements within the main body of the report. This will clearly impact on the outputs of the SHMA12 Update housing requirements modelling.
- 2.8.2 Re-analysis of the SHMA12 Update / SHMA08 in this report is not intended to replace the need for the local authority to undertake an objective, up to date assessment of overall housing requirements, but it highlights deficiencies in the Council's evidence base in

<sup>45</sup> paragraph 6.5.28, SHMA12 Update

<sup>46</sup> paragraphs 6.5.29 to 6.5.30, SHMA12 Update

<sup>47</sup> paragraphs 6.7.11 and 6.7.24, SHMA12 Update

respect of its assessment of net affordable housing need (which result in an inflated annual requirement and negates to factor in the role of accommodation in the Private Rented Sector) and confirms that it would be inappropriate to rely on the SHMA12 Update shortfall conclusion to inform the proportion of overall housing that should be delivered as affordable housing.

- 2.8.3 A review of affordable tenure requirements based on data within the SHMA12 Update suggests a 55% Intermediate Sale and 45% rented affordable housing tenure split would be appropriate in the District, albeit if the potential supply of subsidised private rented sector homes are taken into consideration the net requirement for new affordable housing is suggested to be wholly for Intermediate housing for Sale.
- 2.8.4 Analysis of 2012/13 Housing Waiting List data and annual average rented affordable housing turnover suggests that the net backlog requirement for 1 and 2 bedroom rented affordable housing has increased to 95% since the SHMA12 Update analysis, with a significant fall in 3 bedroom and larger housing need.
- 2.8.5 This, alongside necessary initiatives to reduce under-occupation and recent Welfare reforms, suggests that the Council should place a greater emphasis upon the provision of smaller rented affordable housing when negotiating provision with developers.
- 2.8.6 There is little information within the Council's evidence base in respect of Intermediate Sale dwelling mix requirements, but taking Registered Provider general preferences and the SHM12 Update recommendations into consideration a mix requirement for 1, 2 and 3 bedroom homes is suggested, albeit with an emphasis on smaller 1 and 2 bedroom dwellings.
- 2.8.7 Analysis using publicly available data does not support SHMA12 recommendations in terms of market dwelling size requirements, and suggests that the greatest market housing requirement is likely to be for mid-sized and larger family homes during the 2014 to 2029 emerging Plan period.
- 2.8.8 The Council's evidence base does not support the imposition through policy of specific requirements for new affordable / market housing to be provided by developers that is designed to provide Extra Care, Sheltered, Wheelchair or Lifetime Homes standard compliant housing. Such matters should therefore be matters for negotiation.
- 2.8.9 It is apparent from the mix analysis in this report (which updates the position in the SHMA12 Update) that the majority of additional affordable housing should be provided with

1 and 2 bedrooms, and it is reasonable to suggest that this mix of affordable housing can assist the Council with addressing the requirements of downsizing older person households who are not in need of any significant element of care. This contrasts with analysis in respect of market housing which is suggested to require the provision of additional mid-sized and some larger family homes during the 2014 to 2029 emerging Plan period.

### 3. CONCLUSION

- 3.1 On behalf of Commercial Estates Group and Dartmouth Park Estates Pioneer has undertaken an analysis of the Council's housing requirements evidence base informing the Maldon District Council ("the Council") Pre-Submission Local Development Plan 2014-2029 approach to the provision of affordable housing.
- 3.2 This analysis raises concerns in respect of the reliability of the SHMA evidence base and the ability of the evidence base to objectively inform the emerging policy approach to affordable housing delivery in the District.
- 3.3 Re-analysis of the SHMA12 Update / SHMA08 highlights deficiencies in the Council's evidence base in respect of its assessment of net affordable housing need (which result in an inflated annual requirement), and suggests that it would give rise to unsound policy where the net affordable housing shortfall suggested within the SHMA12 Update is relied upon to inform affordable housing targets within the Pre-Submission Local Plan.
- 3.4 In terms of tenure split a review of affordable tenure requirements based on data within the SHMA12 Update suggests a 55% Intermediate Sale and 45% rented affordable housing tenure split would be appropriate in the District, albeit if the potential supply of subsidised private rented sector homes are taken into consideration the net requirement for new affordable housing is suggested to be wholly for Intermediate housing for Sale.
- 3.5 Analysis of 2012/13 Housing Waiting List data and annual average rented affordable housing turnover suggests that the net backlog requirement for 1 and 2 bedroom rented affordable housing has increased (to 95%) since the SHMA12 Update Housing Waiting List based analysis. Alongside the need for initiatives to reduce under-occupation this supports that the Council should place a greater emphasis upon the provision of smaller rented affordable housing within the District when negotiating provision with developers.
- 3.6 The Council's evidence base provides limited conclusions in respect of Intermediate Sale dwelling mix requirements, but taking Registered Provider preferences and the SHM12 Update recommendations into consideration a mix requirement for 1, 2 and 3 bedroom homes is suggested, albeit with an emphasis on smaller 1 and 2 bedroom dwellings.
- 3.7 A review of the SHMA12 reveals that the conclusions it presents regarding market mix (seeking 60% of market housing with 1 and 2 bedrooms) are not informed by an up to date analysis of market dwelling size requirements, but are based on earlier SHMA08

conclusions. The matter is also not robustly tested in the Council's viability evidence in terms of the likely impact upon economic viability.

- 3.8 Analysis using publicly available data does not support SHMA12 recommendations in terms of market dwelling size requirements, and suggests that the greatest market housing requirement is likely to be for mid-sized and larger family homes during the 2014 to 2029 emerging Plan period.
- 3.9 In the absence of an assessment of net requirements the Council's evidence base does not support the imposition through policy of specific requirements for new affordable or market housing to be provided by developers that is designed to provide Self-Build, Extra Care, Sheltered, Wheelchair or Lifetime Homes Standard compliant housing.
- 3.10 In summary, a review of the Council's housing needs evidence base supports a broadly 50/50 affordable housing tenure split of Affordable Rent and Intermediate Sale, and suggests that the majority of additional rented affordable housing in the District (up to 95%) can reasonably be provided with 1 and 2 bedrooms. Intermediate housing for Sale could be provided in a mix of up to 80% 2 bedroom homes, with a remaining provision of 3 bedroom houses. This contrasts with analysis in respect of market housing which is suggested to require the provision of additional mid-sized and some larger family homes during the 2014 to 2029 emerging Plan period.