## Appendix F











## **New local plan for Cheshire East**

# Homes for everyone topic paper (draft)



Open Fair Green

Front cover images (clockwise from top-left):

- Crewe Market Hall and Municipal Buildings
- Arclid north plant site and lake (image supplied by Bathgate Silica Sand Ltd)
- Jodrell Bank Observatory
- Lamberts Lane Bridge, Congleton
- Tabley Park, Northwich Road, Knutsford

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## **1** Introduction

**1.1** This topic paper provides further information to support the 'Homes for Everyone' section of the new local plan issues paper. For ease of reading, it uses the same headings that are set out in the issues paper for this topic.

**1.2** Housing plays a significant role in creating sustainable communities and access to a home provides shelter, security and supports health and well-being. However, the cost of buying a new home has risen significantly over the last 20 years, at a rate far faster than wages.<sup>1</sup> A fundamental aim of national planning policy is to significantly boost the supply of new homes, to make sure that a sufficient amount and variety of land comes forward where it is needed, and that the needs of groups with specific housing requirements are addressed.<sup>2</sup>

**1.3** However, meeting our future housing needs is not just about numbers. The Cheshire East Corporate Plan<sup>3</sup> (Corporate Plan) recognises the challenges in the housing market and the need to create a market that delivers the right type of houses in the right locations at the right price to support the needs of residents. Whilst Cheshire East is a prosperous borough, the population is growing and living longer. There are also other challenges including areas that have high levels of deprivation. This puts additional pressure on services and demand for different forms of housing to meet needs.

**1.4** The Corporate Plan highlights that development must also balance the effective protection of the countryside and our natural environment, support the regeneration of town centres and enable new houses to be well designed, carbon and energy efficient. In addition, the council has a target of being a carbon neutral borough by 2045 through its Carbon Neutral Action Plan<sup>4</sup> and this has implications for housing standards.

**1.5** To improve social and economic inclusion, the new local plan will need to contain policies that support the provision of new homes in the right places, and that there is a sufficient variety of new homes (including by size, tenure and affordability) to meet our housing needs over the plan period.

1 <u>https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/</u> ratioofhousepricetoworkplacebasedearningslowerquartileandmedian

- 2 https://www.gov.uk/government/publications/national-planning-policy-framework--2
- 3 <u>https://www.cheshireeast.gov.uk/council\_and\_democracy/your\_council/</u> <u>council\_finance\_and\_governance/corporate-plan.aspx</u>

4 https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s76206/ Carbon%20Neutral%20Action%20Plan%20-%20appendix.pdf

## **2** The need for new homes

**2.1** To support the government's objective of significantly boosting the supply of homes, a key issue for the new local plan will be identifying the amount of new homes that are needed over the plan period in a sustainable manner.

**2.2** A new local housing needs assessment will be prepared for Cheshire East and this will take account of relevant national planning policy including the National Planning Policy Framework 2023<sup>2</sup> (NPPF) which expects councils to use the standard method for calculating housing need set out in Planning Practice Guidance<sup>5</sup> (PPG). The outcome of the standard method calculation will be an advisory starting point for establishing a housing requirement for the borough.

## The standard method

**2.3** Calculating the standard method for housing need currently combines two national data sets:

- 2014 based household projections<sup>6</sup>
- latest local authority affordability ratios (house prices/wages)<sup>7</sup>

**2.4** The formula used to calculate housing need takes a 10-year average of household projection change and applies an adjustment factor to make sure that the minimum annual housing need starts to address the affordability of homes.

**2.5** For Cheshire East, the standard method is calculated in Table 2.1 below.

| No.<br>house-<br>holds<br>2023 <sup>^</sup> | No.<br>house-<br>holds<br>2033 <sup>A</sup> | Total<br>change<br>2023-33 | Average<br>annual<br>change<br>2023-33 | Housing<br>afford-<br>ability ratio<br>2022 <sup>в</sup> | Baseline<br>annual<br>housing<br>need<br>2023-33 | Adjust-<br>ment for<br>afford-<br>ability | Indicativ<br>e annual<br>housing<br>need<br>2023-33 |
|---|---|----------------------------|--|--|--|---|---|
| 171,511                                     | 179,564                                     | 8,053                      | 805                                    | 8.14   | 805  | 1.26                                      | 1,014   |

A 2014-based household projections

B The housing affordability ratio is the ratio of median house price to median gross annual workplacebased earnings

**2.6** The current standard method housing need calculation in Cheshire East is 1,014 homes per annum. This represents the <u>minimum</u> housing need figure that needs to be planned for. It is less than the current 1,800 homes per annum housing requirement figure that is set out in the adopted Cheshire East Local Plan Strategy (LPS).

**2.7** The housing need figure of 1,014 dwellings per annum should be used for the new local plan unless there are growth ambitions that suggest a higher figure should be used or there are exceptional circumstances that suggest needs cannot be met and these

<sup>5 &</sup>lt;u>https://www.gov.uk/government/collections/planning-practice-guidance</u>

<sup>6</sup> https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections#basedlive-tables

<sup>7 &</sup>lt;u>https://www.ons.gov.uk/releases/housingaffordabilityinenglandandwales2022</u>

justify an alternative approach. This could include current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas can also be taken into account in establishing the amount of housing to be planned for.

**2.8** However, the government is committed to reviewing the standard methodology. It is possible that the standard method calculation could increase over time in order to deliver the government's aspirations to deliver 300,000 homes a year nationally. The housing need calculation and number of new homes in Cheshire East will form a key part of the next stage in preparing the new local plan, together with options for how this should be planned for.

## **3** Housing types and sizes

**3.1** The standard method calculation provides an overall housing need figure but does not identify the type, tenure or size of the homes that will be needed within the borough. National planning policy encourages local plans to plan positively for a mix of housing to meet current and expected future needs. Supporting the delivery of a wide range of housing sizes and types in new developments is important as it helps to create balanced, inclusive and vibrant communities and reflects the priorities identified in our Corporate Plan.

## Housing size

**3.2** The existing local plan offers support for development proposals which provide a mix of housing sizes, types and tenures that respond to local evidence of needs (LPS Policy SC 4 'Residential Mix' and Site Allocations and Development Policies Document (SADPD) Policy HOU 1 'Housing Mix').

**3.3** The council produced evidence on housing mix in 2019 in the Cheshire East Residential Mix Assessment (2019).<sup>8</sup> This evidence included an assessment of the size and tenure of dwellings needed in the borough to 2030. The Residential Mix Study underpinned Table 8.1 of the SADPD which provides a breakdown of the size of new homes needed in Cheshire East and is currently the starting point for the analysis of housing mix in housing planning applications.

|            | Market housing | Intermediate<br>housing | Affordable housing<br>for rent |
|------------|----------------|-------------------------|--------------------------------|
| 1 bedroom  | 5%             | 14%                     | 26%                            |
| 2 bedroom  | 23%            | 53%                     | 42%                            |
| 3 bedroom  | 53%            | 28%                     | 20%                            |
| 4 bedroom  | 15%            | 4%                      | 10%                            |
| 5+ bedroom | 3%             | 1%                      | 3%                             |

#### Table 3.1 SADPD Table 8.1 (Indicative house type tenure and size)

**3.4** The indicative housing mix provided in Table 8.1 of the SADPD identifies that the greatest need for market housing is 3 bedroomed properties (53%) followed by 2 bedrooms (23%). For affordable housing, the greatest demand for both intermediate (53%) and affordable for rent (42%) is 2 bedroomed properties.

**3.5** Completions across all tenures of homes between 2010 and 2023 show that the number of 4+bedroomed homes completed accounted for around 37%, 3 bedroomed homes 33%, 2 bedroomed homes 21% and 1 bedroomed 9%. It is emphasised that the

<sup>8 &</sup>lt;u>https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire\_east\_local\_plan/site-</u> <u>allocations-and-policies/sadpd-examination/documents/examination-library/ed49-residential-mix-</u> <u>study.pdf</u>

majority of homes constructed during this period will have been permissioned prior to the adoption of SADPD Policy HOU 1. Insufficient time has passed to reach any conclusions on the extent to which the policy has influenced the mix of dwellings achieved.

**3.6** There is an opportunity to take forward housing mix policies again in the new local plan. However, different approaches could also be looked at to encourage a mix of housing to meet local needs. A new local housing needs assessment will be prepared to provide an up-to-date assessment of housing needs across Cheshire East and it is expected that this evidence will help guide how we address housing mix in new developments.

### Housing for older persons and people with disabilities

**3.7** The demographic profile of the borough is expected to change over the next 20 years as a result of an ageing population. This change will give rise to the need for proposals for different forms of housing including adaptable homes and specialist accommodation such as retirement or sheltered accommodation, extra care or housing with-care, residential care and nursing homes.

**3.8** The council prepared evidence on the need for accommodation for older people and people with disabilities in its Housing Development Study (2015). The Residential Mix Study (2019) more recently prepared to support the SADPD considered the modelled demand for older persons and disabled persons to 2030 to underpin SADPD Policy HOU 2 'Specialist housing provision'.

**3.9** In general terms, care and support needs increase with age. However more people are staying in their properties longer with support and care being provided in the home. The council adopts a 'homes first' approach which supports residents to maintain their independence and remain in their own home.

**3.10** The council's vulnerable and older persons housing strategy<sup>9</sup> (2020 to 2024) identifies three main strategic objectives, which are:

- that people are supported to live in their own homes independently for longer
- when required, people can receive the support they need in a wide range of specialist, supported accommodation including those members of the community with specific housing needs within the borough
- people are able to make informed choices about the accommodation, care, and support options within Cheshire East

**3.11** Alongside this, there are a number of strategies that the council has put in place relevant to specialist, supported living and older person housing including:

- Cheshire East All Age Autism Strategy (2020-2023)<sup>10</sup>
- My Life, My Choice, a strategy for people with learning disabilities in Cheshire East (2019-2022)<sup>11</sup>
- Cheshire East All Age Mental Health Strategy (2019-2022)<sup>12</sup>

<sup>9 &</sup>lt;u>https://www.cheshireeast.gov.uk/pdf/housing/strategic-housing/vulnerable-and-older-persons-housing-strategy-2020-24.pdf</u>

<sup>10 &</sup>lt;u>https://www.cheshireeast.gov.uk/pdf/livewell/local-offer-for-children-with-sen/cheshire-east-all-age-autism-stratewgy-2020-2023-final.pdf</u>

**3.12** Given that it is likely that future demographic changes will result in greater demands for housing suitable for older people and those with disabilities, there will be a clear need for the inclusion of policies for older persons and specialist accommodation in the new local plan.

## Housing diversification and providing for small and medium sized sites

**3.13** Diversifying the housing market is a key aspect of the government's housing policy and the white paper 'Fixing our broken housing market'<sup>13</sup> (2017) set out plans to boost the supply of new homes in England, including measures to build homes faster and diversify the housing market. The NPPF includes the requirement to accommodate at least 10% of the housing requirement on small and medium sized sites.<sup>14</sup>

**3.14** Increasing the supply of small and medium sized sites can make an important contribution to meeting the area's housing requirement. They can be developed more quickly, since they may have fewer constraints and require less supporting infrastructure. They can help provide a greater choice of available homes and can also support local builders in a market which is often dominated by a small number of national developers.

**3.15** The new local plan will need to include policies to optimise the use of land through the use of a range of density standards for new housing in town centres and other parts of the borough and this work will be used to help inform the future options for site allocations in the new local plan. The next local plan will have to consider the requirement to accommodate at least 10% of the housing requirement on small and medium sized sites when considering options for meeting our development needs.

## Self and custom build housing

**3.16** National planning policy sets out that planning policies should reflect the needs of different groups, including people wishing to commission or build their own homes. Opportunities should be sought through policies and decisions to support small sites to come forward for self and custom build. The council also has a statutory duty<sup>15</sup> to grant enough planning permissions for self and custom build to meet demand within the borough.<sup>16</sup>

**3.17** The legal definition of custom and self-build (SACBH) is contained within the Self-Build and Custom Housebuilding Act 2015<sup>17</sup> (as recently amended by Section 123 of the Levelling Up and Regeneration Act 2023)<sup>18</sup> although it is essentially a home built

11 <u>https://www.cheshireeast.gov.uk/pdf/livewell/health-matters/cec-learning-disabilities-</u> <u>strategy-2019-2022-final-version.pdf</u>

- 16 Evidenced by its Self and Custom Build Register.
- 17 https://www.legislation.gov.uk/ukpga/2015/17/contents
- 18 https://www.legislation.gov.uk/ukpga/2023/55/enacted

<sup>12 &</sup>lt;u>https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s73410/</u> Cheshire%20East%20Council%20-%20Mental%20Health%20Strategy.pdf

<sup>13</sup> https://www.gov.uk/government/publications/fixing-our-broken-housing-market

<sup>14</sup> NPPF paragraph 70

Levelling Up and Regeneration Act (2023), Housing and Planning Act (2016), Self-build and Custom Housebuilding Act (2015) and associated regulations.

to the plans or specifications decided by the occupant. This has the potential to encourage greater innovation in sustainable and 'eco-friendly' design and construction practices plus diversifying the housing market and increasing customer choice.

**3.18** It is well known that the government is committed to increasing the number of SACBH and to establish it as a mainstream option for people to choose to get on the housing ladder or moving home. In January 2021, the government published its National Model Design Code',<sup>19</sup> which refers to the use of design codes to facilitate SACBH as part of the housing mix on larger sites. This was followed by revised planning practice guidance<sup>20</sup> in February 2021, which included a range of clarifications and advice, including acknowledgment that SACBH embraces a spectrum of projects which have a range of benefits. In April 2021, the government published a 'Self and Custom-Build Action Plan',<sup>21</sup> which set out further plans to support the sector to grow including better access to mortgage finance through a new 'Help to Build' scheme; and commissioning of the Bacon Review.<sup>22</sup>

**3.19** To meet its statutory obligations, since 2016 the council has kept a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area for SACBH. The council has introduced local eligibility criteria and therefore the register is in two parts – Part 1 for those that can demonstrate a local connection to Cheshire East and Part 2 for those who do not.

**3.20** At 31/10/22 there were 251 registrations on the self-build register, 237 Part 1 Registrations (who meet out local eligibility test) and 14 Part 2 Registrations. This equates to an average of 34 registrations on the Part 1 Register annually.<sup>23</sup>

| Base period no. | Start base period   | Part 1 registrations | Part 2 registrations |
|-----------------|---------------------|----------------------|----------------------|
| 1               | 31/4/16 to 31/10/16 | 33                   | -                    |
| 2               | 1/11/16 to 31/10/17 | 96                   | 4                    |
| 3               | 1/11/17 to 31/10/18 | 19                   | 0                    |
| 4               | 1/11/18 to 31/10/19 | 21                   | 1                    |
| 5               | 1/11/19 to 31/10/20 | 17                   | 2                    |
| 6               | 1/11/20 to 31/10/21 | 29                   | 3                    |
| 7               | 1/11/21 to 31/10/22 | 22                   | 4                    |
|                 | Total               | 237                  | 14                   |

| Table 3.2 Self and cu | stom build registrations |
|-----------------------|--------------------------|
|-----------------------|--------------------------|

19 <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/</u> 1009793/NMDC\_Part\_1\_The\_Coding\_Process.pdf

- 20 https://www.gov.uk/guidance/self-build-and-custom-housebuilding
- 21 https://www.gov.uk/government/publications/self-and-custom-build-action-plan

22 <u>https://www.gov.uk/government/publications/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report/independent-review-into-scaling-up-self-build-and-custom-housebuilding-recommendations-from-the-report#chapter-6-delivering-real-change-that-works</u>

23 https://www.cheshireeast.gov.uk/pdf/planning/spatial-planning/2021-2022-amr/2021-22-amr.pdf

**3.21** A new register is started at the end of October each year. Once the annual register has closed the council has three years in which to 3 years in which to grant permission for an equivalent number of plots of land to meet the number of registrations on the Part 1 Register. Historically this has been matched and this shows that the council has met its obligations to grant enough planning permissions to meet demand.

|  |                                 | In base<br>period 1<br>ending<br>30/10/16 | In base<br>period 2<br>ending<br>30/10/17 | In base<br>period 3<br>ending<br>30/10/18 | In base<br>period 4<br>ending<br>30/10/19 | In base<br>period 5<br>ending<br>30/10/20 | In base<br>period 6<br>ending<br>30/10/21 | In base<br>period 7<br>ending<br>30/10/22 |
|--|---------------------------------|---|---|---|---|---|---|---|
|  | Total<br>plots<br>permitte<br>d | 33  | 96  | 19  | 21  | 17  | 29  | 22  |
| 30/10/17                                     | 20                              | 20  |   |   |   |   |   |   |
| 30/10/18                                     | 9                               | 9   |   |   |   |   |   |   |
| 30/10/19                                     | 54                              | 4   | 50  |   |   |   |   |   |
| 30/10/20                                     | 51                              |   | 46  | 5   |   |   |   |   |
| 30/10/21                                     | 58                              |   |   | 14  | 21  | 23  |   |   |
| 30/10/22                                     |                                 |   |   |   |   |   | 62  |   |
| 30/10/23                                     |                                 |   |   |   |   |   |   |   |
| 30/10/24                                     |                                 |   |   |   |   |   |   |   |
| 30/10/25                                     |                                 |   |   |   |   |   |   |   |
| Total plots<br>permitted<br>over 3x<br>years |                                 | 33  | 96  | 19  | 21  | 23  | 62  |   |
| Surplus/<br>deficit                          |                                 | 0   | 0   | 0   | 0   | 6   | 33  |   |

| Table 3.3 Number of serviced plots permitted |
|--|
|--|

**3.22** The Levelling Up and Regeneration Act contains provisions to enable the introduction of further regulations to specify the descriptions of planning permissions or permissions in principle that can or cannot be counted as self build plots and this may affect the counting of permissions in the future.

**3.23** The current local plan includes a policy for self and custom build housing (SADPD Policy HOU 3: Self and Custom build dwellings<sup>24</sup>). This policy supports the provision of SACBH in suitable locations and requires housing developments of 30 or more dwellings to provide a proportion of serviced plots where there is evidence of unmet need.

**3.24** There is opportunity to take forward these policies again in the new local plan. However, different approaches could be looked at to encourage a greater supply of SACBH. This could include a percentage-based requirement to deliver SACBH on larger sites or the allocation of small sites specifically for this type of development. However, developers have previously expressed concerns about the practicality and viability of including self and custom build plots within larger developments.

## **Community-led housing**

**3.25** National planning policy encourages councils to seek out opportunities through planning policies to support community-led housing development on small sites and as exceptions sites. Community-led development is housing that has been built or brought back into use by local people. It is defined in national planning policy as:

'A development instigated and taken forward by a not for-profit organisation set up and run primarily for the purpose of meeting the housing needs of its members and the wider local community, rather than being a primarily commercial enterprise. The organisation is created, managed and democratically controlled by its members. It may take any one of various legal forms including a community land trust, housing co-operative and community benefit society. Membership of the organisation is open to all beneficiaries and prospective beneficiaries of that organisation. The organisation should own, manage or steward the homes in a manner consistent with its purpose, for example through a mutually supported arrangement with a Registered Provider of Social Housing. The benefits of the development to the specified community should be clearly defined and consideration given to how these benefits can be protected over time, including in the event of the organisation being wound up.'

**3.26** The council will need to consider how the local plan could support community-led housing including in locations that would not normally be suitable for rural exceptions sites or housing sites. Community-led housing exceptions sites must make provision for affordable housing, be adjacent to existing settlements, proportionate in size to them, not compromise protected areas or assets of particular importance and comply with local design policies and standards.

<sup>24 &</sup>lt;u>https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire\_east\_local\_plan/site-allocations-and-policies/hou-3.aspx</u>

## 4 Affordable housing

**4.1** The new local plan will need to make sure that sufficient affordable housing is provided to meet local needs. There are currently 186,400 dwellings in Cheshire East, 88.4% are privately owned sector, 11.6% are operated by a registered provider and 0.1% owned by the local authority or another public sector body<sup>25</sup>.

**4.2** Housing affordability is a challenge for many households in Cheshire East and according to the Office for National Statistics,<sup>26</sup> the median house price in Cheshire East is 255,500 which is 8.14 times the median gross earnings of £31,397. The average price of a home in the lower quartile is £175,000 which is 7.35 times the median gross lower quartile earnings of £23,798. Proportionally, the ratio of median house prices to earnings has risen significantly over the last 20 years – in 2003 the median house price in Cheshire East was 6.03 times median gross earnings.

**4.3** Access to housing for those on lower incomes is only likely to be achieved through the provision of defined affordable housing at below market rent or price levels. The local plan has an important role to play in the delivery of affordable housing and ensuring that the benefits of housing delivery go to a wider section of the community.

**4.4** The majority of new affordable homes are built as a developer contribution on market housing schemes and the existing local plan requires that on sites of 15 homes or more in principal towns and key service centres, and on sites of 11 or more elsewhere a target of 30% affordable homes will need to be provided.

**4.5** The council's current preference is for a mix of 65% affordable (or social) rent housing and 35% intermediate as set out in LPS paragraph 12.48 with Table 8.1 of the SADPD providing further detail on the size of affordable homes needed (See Section 3.1 above).

**4.6** The new local plan will consider both the amount of affordable housing that is needed over the plan period (requirement), the proportion of affordable housing that could realistically be secured from market housing schemes (thresholds) and the type and mix of affordable homes. A new local housing needs assessment will be prepared to provide an up-to-date assessment of affordable housing needs across Cheshire East and this evidence will help guide how we plan for and prioritise different tenures of affordable housing in new development.

## **Tenure and types**

**4.7** The NPPF in Annex 2 'Glossary' defines affordable housing as "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)". There are various affordable products including:

Table 100 (Dwelling stock: number of dwellings by tenure and district, England), Live tables on dwelling stock, Department for Levelling Up, Housing and Communities (DLUHC), May 2023.
Source: ONS House price to workplace-based earnings ration (22 March 2023)

<sup>26</sup> Source: ONS House price to workplace-based earnings ration (22 March 2023 release). Available at <u>https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/</u> <u>ratioofhousepricetoworkplacebasedearningslowerquartileandmedian</u>

#### Affordable housing for rent

**4.8** Affordable housing for rent is housing managed by a registered provider or a build to rent landlord which is let at subsidised levels. In Cheshire East this is normally no higher than the Regulator for Social Housing target rents.<sup>27</sup>. Rents could also be set higher if they are set at affordable rents

#### Build to rent

**4.9** Build to rent schemes are defined as those which are purpose built for the provision of rented accommodation, including both affordable and market units. Build to rent schemes can either be standalone, or form part of a wider multi-tenure scheme.

#### Starter Homes

**4.10** Starter Homes are new-build homes which are provided for sale to first-time buyers and come with at least a 20% discount from the open market value, up to a cap of £250,000 (post discount). There are additional criteria to access starter homes such as age restrictions and a cap on household incomes to make sure that the properties are sold to those with an identified housing need. Government guidance on Starter Homes exception sites was withdrawn on the 7 February 2020<sup>28</sup> and the government's preferred product for first time buyers is now First Homes (see below for further detail).

#### Discounted market sales housing

**4.11** Discounted market housing for sale is an intermediate product that refers to the provision of subsidised low-cost market accommodation through a re-sale covenant scheme. The principle is that the accommodation is available, at a fixed discount, below the open market value to households in need. The level of discount will be that which is required to achieve the maximum selling price determined by the council for those in need locally who cannot afford to buy on the open market.

#### Other affordable routes to home ownership

**4.12** This includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).

## **First Homes**

**4.13** First Homes were introduced in the Affordable Homes Update Written Ministerial Statement<sup>29</sup> (24 May 2021) and remains extant government policy referred to in paragraph 6 and footnote 36 of the NPPF. First Homes are a specific kind of discounted market housing, where the discount remains in perpetuity via restrictions on the property title, and it falls within the definition of 'affordable housing' for planning purposes. According to national planning practice guidance,<sup>30</sup> First Homes are the government's

<sup>27</sup> https://www.gov.uk/government/publications/rent-standard

<sup>28 &</sup>lt;u>https://www.gov.uk/guidance/starter-homes</u>

<sup>29</sup> https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hcws50

preferred form of discounted market tenure. At least 25% of all affordable housing units delivered by developers as part of their planning obligations on sites of 10 or more homes should be First Homes.

**4.14** The government has set basic eligibility criteria for First Homes which in summary are: a purchaser should be a first-time buyer, purchasers should have a combined annual household income not exceeding £80,000 and purchasers should have a mortgage or home purchase plan to fund at least 50% of the discounted purchase price. The government have also specified that the minimum discount should be 30% off the market price of an equivalent home.

**4.15** The council will be preparing a new housing needs assessment, and this will consider the need for different types of housing, including First Homes. The new local plan could set additional eligibility criteria for instance, setting lower maximum income thresholds, a local connection test or a higher minimum discount from the market price of an equivalent home if it can be demonstrated that there is a need for this, and the development will remain viable.

**4.16** First Homes can also be delivered as exceptions sites which are small sites brought forward outside of development plans in order to deliver affordable housing. National planning policy says that councils should support the development of First Homes exception sites unless the need for such homes is already being met within the local authority's area. The local plan will need to consider the need for First Homes and how delivery of this form of affordable housing could be supported.

#### **Rural exceptions housing**

**4.17** People in village communities can face significant housing challenges having an impact on social and economic wellbeing, productivity and infrastructure. Young people who have grown up in village communities are often unable to buy or rent a home there if they wish to stay local. Older residents can face difficulties too, with a shortage of accessible or specialist supported housing making it hard to downsize to suitable homes that meet their evolving needs.

**4.18** One way of helping to meet the need for affordable homes for local people is through the construction of housing on a rural exceptions site. This is land where housing would not normally be given planning permission. NPPF paragraph 82 states that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs, and consider whether allowing some market housing on these sites would help to facilitate this.

**4.19** The current local plan includes a policy for rural exceptions sites (LPS Policy SC 6 'Rural Exceptions Housing for Local Needs') and this places a limit on site size (no more than 10 dwellings) and location – sites must be adjacent to a Local Service Centre or settlements within the Other Settlements tier of the settlement hierarchy. The new local plan will also need to consider how the provision of new homes on rural exceptions sites could be supported.

## **5** Housing standards

**5.1** The Climate Change Act 2008 introduced a legally binding target for the UK to reduce greenhouse gases by 100% (net zero) by 2050 against a 1990 baseline. The council has declared a climate emergency. It is aiming to be carbon neutral by 2025 and for the borough to be carbon neutral by 2045..

**5.2** Most physical standards that new homes must adhere to are addressed through Building Regulations.<sup>31</sup> Significant changes came into effect in June 2022 aimed at improving the energy efficiency of buildings to help the country move to its targets for net zero. These changes include reductions in carbon emissions for new homes, energy efficiency measures and the provision of infrastructure for electric vehicle charging points. These measures are part of the roadmap to the government's Future Homes Standard,<sup>32</sup> which is planned for 2025.

**5.3** However, with appropriate justification, local planning authorities can set optional technical standards<sup>33</sup> and nationally described space standards<sup>34</sup> for housing in their local plans that exceed the minimum standards required by Building Regulations.

## Accessibility and adaptability standards

**5.4** In terms of accessibility and adaptability, two levels of higher standards are allowed through the Optional Technical Standards and implemented through Building Regulations. These are M4(2) 'accessible and adaptable homes' and M4(3) (a) 'wheelchair adaptable homes' and (b) 'wheelchair accessible homes'.

**5.5** Justified by evidence on local need, SADPD Policy HOU 8 'Space, Accessibility & wheelchair housing standards'<sup>35</sup> requires at least 30% of all dwellings on major housing sites to be built to the 'accessible and adaptable' standards and at least 6% to be built to 'wheelchair adaptable' standards. All specialist housing for older people is required to be built to accessible and adaptable standards and at least 25% built to 'wheelchair adaptable' standards.

**5.6** In September 2020 the government launched a consultation on raising accessibility standards throughout England. Their response<sup>36</sup> to the comments received was published in July 2022 and states their intention to implement a requirement for all new homes to be built to M4(2) 'accessible and adaptable' standards unless clear evidence is given on a plot-by-plot basis that it is impractical and unachievable. This will

<sup>31 &</sup>lt;u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/</u> 1141098/The\_Merged\_Approved\_Documents\_Mar23.pdf

<sup>32 &</sup>lt;u>https://www.futurehomes.org.uk/overview-of-changes</u>

<sup>33 &</sup>lt;u>https://www.gov.uk/guidance/housing-optional-technical-standards</u>

<sup>34 &</sup>lt;u>https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard</u>

<sup>35 &</sup>lt;u>https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire\_east\_local\_plan/site-allocations-and-policies/hou-8.aspx</u>

<sup>36 &</sup>lt;u>https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/</u> outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-andgovernment-response

be delivered through an update to Building Regulations. However, if wheelchair adaptable and accessible housing is required this would still need to be locally evidenced and included as a policy in the next local plan.

#### **Nationally Described Space Standards**

**5.7** The Nationally Described Space Standards (NDSS) deal with internal space within new dwellings including those created as a change of use through the prior approval mechanism. It sets out requirements for the minimum gross internal floor area of new dwellings depending on the number of people the home is designed to accommodate as well as floor areas and dimensions for key parts of the home, notably bedrooms, storage and floor to ceiling height. To implement the standards, a policy is required within the local plan.

**5.8** Justified by evidence, SADPD Policy HOU 8 'Space, accessibility and wheelchair housing standards' requires all new residential development to comply with the NDSS from June 2023. If continued compliance with NDSS is to be required in the next local plan, it will have to be evidenced and included as a policy.

## 6 Accommodating the needs of Gypsies, Travellers and Travelling Showpersons

**6.1** National planning policy<sup>37</sup> makes clear the requirement for local authorities to assess the need for traveller sites and to plan for these in a sustainable manner over a reasonable timescale. It is in this context of national planning policy and legal duties placed through the Public Sector Equality Duty that local authorities have a responsibility to develop fair and effective strategies to meet the housing needs of Gypsies and Travellers through the identification of land for sites.

**6.2** The current local plan (SADPD Policy 'HOU 5 'Gypsy and Traveller Site Provision'<sup>38</sup>) identifies a need for 32 additional permanent residential pitches for Gypsies and Travellers and a transit site of between 5 and 10 pitches. These needs were identified in the latest Gypsy and Traveller Accommodation Assessment 2018 (GTAA).<sup>39</sup> To meet this need, the current local plan allocates a number of sites for Gypsy and Travellers and includes criteria to assess windfall proposals.

**6.3** The government recently made changes to the definition of a Gypsy and Traveller in its last update to national planning policy (dated 19th December 2023) following a recent legal case. Alongside these changes, the government has also announced that it intends to review the approach to this area of policy and case law in 2024.

**6.4** Providing permanent sites for good quality pitches and plots for Gypsies, Travellers and Travelling Showpeople can help improve opportunities for access to health care and education to support people in meeting these basic needs. The House of Commons report Tackling inequalities faced by Gypsy, Roma and Traveller Communities (2019)<sup>40</sup> recognised that children from Gypsy or Roma backgrounds or from a Traveller or Irish heritage background had the lowest attainment of all ethnic groups throughout their school years. The report also acknowledged that health outcomes are significantly worse with an average life expectancy of 10-12 years less than members of the settled community.

**6.5** Planned site provision can also help reduce the number of unauthorised sites and encampments which can be a source of conflict between the travelling and settled communities. It will aid in resisting future speculative planning applications which may be in less sustainable locations.

**6.6** The preparation of the new local plan provides an opportunity to review existing allocated sites if no development has taken place and to identify new sites for Gypsy and Traveller accommodation if they are needed. An updated study on accommodation needs for Gypsies, Travellers and Travelling Showpeople will be prepared to help inform both the current nature of provision and the level and type of needs for future provision and this will take account of relevant government policy.

<sup>37 &</sup>lt;u>https://www.gov.uk/government/publications/planning-policy-for-traveller-sites#full-publication-update-history</u>

<sup>38 &</sup>lt;u>https://www.cheshireeast.gov.uk/planning/spatial-planning/cheshire\_east\_local\_plan/site-allocations-and-policies/hou-5.aspx</u>

<sup>39 &</sup>lt;u>https://www.cheshireeast.gov.uk/planning/spatial-planning/research\_and\_evidence/</u> <u>gypsy\_accommodation\_assessment.aspx</u>

<sup>40</sup> https://publications.parliament.uk/pa/cm201719/cmselect/cmwomeq/360/full-report.htm