

**Report of facilitation into  
Huntingdonshire District  
Council's draft  
Supplementary Planning  
Guidance  
'Market Housing Mix'**

Held on Monday 15 December 2003,  
at the Priory Centre, St Neots

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## **Report of facilitation into Huntingdonshire District Council's draft Supplementary Planning Guidance, 'Market Housing Mix'.**

### **A INTRODUCTION**

#### **1 The draft Supplementary Planning Guidance**

1.1 Draft Supplementary Planning Guidance on 'Market Housing Mix' has been prepared by Huntingdonshire District Council. This elaborates on policies HL5 and HL10 of the Huntingdonshire 'Local Plan Alteration', which was adopted in 2002.

1.2 The SPG<sup>1</sup> aims to establish an appropriate mix of dwelling sizes for new market housing and explain how future market housing provision can reflect the full range of the local community's housing needs. A draft document was widely circulated for consultation from 9 May 2003 until 27 June 2003. A total of 45 responses were received. Responses fell into two discrete categories: mainly support from town and parish councils and civic groups, mainly objection from planning consultants, house builders and developers.

#### **2 A facilitated discussion: purposes**

2.1 To help make progress the District Council considered it potentially helpful to bring interested parties together to explore a number of key issues arising from the representations, at a meeting chaired by an independent facilitator. The primary purposes of the discussion were to:

- facilitate better understanding of the objectives of the SPG
- facilitate better understanding of the potential impacts of the SPG, and
- identify potential changes to the SPG which might reconcile the Council's aspirations with the need for developers to produce viable, marketable developments.

2.2 It is noteworthy that this was to be a novel and innovative approach to the production of SPG. Formally, although consultation with the general public should be undertaken, there is no requirement to conduct a hearing or inquiry into a proposed SPG. The approach used would be akin to a subject specific EIP session or a local plan round table hearing, though by using a facilitated process, conducted by an independent neutral, the hearing was to stress a more constructive, rather than the conventional adversarial, approach. Round table sessions of this kind are likely to become the norm under the new planning system currently being considered by Parliament.

2.3 This report has been prepared by the independent facilitator used for the discussion. In accordance with the brief provided to the facilitator, the report aims to:

- "summarise the discussion
- identify areas where a degree of consensus might be achieved

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<sup>1</sup> Referred to hereinafter just as the SPG: the word 'draft' is dropped for simplicity.

- draw general conclusions about the types of change to the SPG that might prove helpful in this respect (the report would not seek to make detailed ‘recommendations’ as such)”.

2.4 For each of a range of ‘topics’ discussed at the meeting, the principle elements of the discussion are outlined and a number of ‘findings’ are provided, together with some suggestions of a general nature for changes to the SPG which might attract a good level of consensus.

2.5 It is important to note that the summary and suggestions can only relate to those groups and individuals represented at the meeting; doubtless others will have different views. However, given the number and mix of participants who attended the meeting a passable level of representation may be inferred.

### **3 The facilitation**

3.1 The facilitated meeting took place on Monday 15 December 2003, at the Priory Centre, St Neots. Eighteen people in all took part and in addition there were a number of observers (a list of participants is provided in Appendix 1). Prior to the discussion a list of questions which would be addressed had been circulated (enclosed at Appendix 2). The questions were used as the basis for the discussion.

3.2 The discussion was divided into four main sessions, focussing on:

- i. the proportion of unmet need for market dwellings, for each of the different dwelling size categories (and especially for smaller dwellings).
- ii. the need for the SPG – and particularly if smaller dwellings would be provided without the SPG.
- iii. whether house builders could viably provide sufficient small dwellings with the SPG in place - and if not, how might the SPG be amended to ensure they could
- iv. whether the SPG would give house builders sufficient flexibility – and if not, how might the SPG be amended to allow them greater flexibility – and other likely impacts of the SPG.

## **B THE DISCUSSION**

### **4 Objectives of the SPG**

4.1 It was apparent at the discussion that there was some confusion, or at least puzzlement, over the Council's aims and objectives for the SPG.

4.2 The Council's officers were able to make clear that the SPG is principally intended to increase the proportion of *one and two bedroom* market priced dwellings being built in the District. It is felt that builders are producing too few of these relative to need and demand (see below, para. 5.1 etc.). Officers also made it clear that it is *not* an objective to produce smaller dwellings as measured in terms of floorspace; nor is it an objective to reduce the average price of dwellings being built and thus increase housing affordability or provide cheaper housing.

4.3 Although the explanations enabled greater clarity there was still some disagreement that these objectives were necessarily the most appropriate in the circumstances. One (at least) of the consultants made the point that the SPG *should* in fact address affordability issues, though it is difficult to tell if this was a view that was widely held. More notably, some argued that 'number of bedrooms' is not a robust measure of dwelling size - and that, for developers, 'floorspace' is actually more relevant.

#### *Findings/suggestions:*

4.4 The objectives as stated in the draft SPG refer (para 4.2) to increasing "the proportion of smaller properties coming forward through new development" and providing "a broad range of housing capable of supporting the economic and social needs of the district". It is reasonably clear that the document is using number of bedrooms as the measure of dwelling size. Yet the term "smaller properties" could also be interpreted as properties that have a smaller floor space as well as smaller number of bedrooms. And dwellings with smaller floorspace do *tend* to be cheaper, as a number of the discussants made clear. In order to avoid any possible ambiguity, and subject to the Council's response on later points, it would help understanding if para. 4.2 were amended to make clear that "smaller properties" refers to properties with a smaller number of bedrooms (i.e. one and two bedrooms). The Council, it appears, wants to shift the size distribution more in favour of smaller dwellings as defined in these terms.

4.5 Having said this, and although Council Officers took great pains to explain that the SPG is meant to have the effect of increasing the proportion of smaller dwellings as measured by number of bedrooms, the Council really needs to be absolutely clear if this is really what it wants – or whether smaller dwellings measured by floorspace would, after all, be appropriate.

4.6 A number of developers and consultants argued that if the aim is really to produce smaller dwellings then floorspace would actually be a better indicator and measure, for in practice house builders tend to use floorspace as the benchmark. In reality the situation in the British housing market is more complicated. Most of the developers agreed that *consumers* tend to relate house size with number of bedrooms. On the other hand, from the developer's perspective, house size tends to be a combination of both measures – a two bed house for example, tends to be within a

particular floorspace range, that range is smaller than for a three bed house, and so on. As one participant put it, “house builders sell properties by the number of bedrooms but cost them according to floorspace”. They aim to achieve a balance between the two which is appropriate to market conditions as they perceive them.

4.7 With the current SPG in place, some of the house builders explained that there is a risk that house builders will simply rearrange the internal layout of the dwellings they are now producing, to provide a smaller number of bedrooms from exactly the same sized dwellings. Certainly, this risk is likely to be high in the short term – builders will have made substantial progress with their plans and designs and so they will try as far as they can to make only marginal adjustments to these, rather than the more fundamental amendments they will need to consider in the longer term. As time goes by, however, as a number of developers acknowledged, this risk is likely to diminish. The demand for large dwellings with a smaller number of larger bedrooms is likely to be different from the demand for smaller dwellings with the same number of bedrooms. This will impact on price and hence profitability and so house builders will start to adjust their building designs. But this may take some time to occur.

4.8 Given all this, it does seem appropriate and practicable to use one or other or even both measures. Using just one at least has the merits of simplicity. However, if it *is* the case, *after all*, that the Council does want to see a higher proportion of smaller dwellings as measured by floorspace as well as number of bedrooms, then amendments to the SPG would be needed. The SPG would need to use floorspace, either in addition to, or instead of, the number of bedrooms, as a measure of dwelling size.

## 5 Evidence of unmet need/demand for one and two bedroom market houses

5.1 In assessing the level of unmet demand for smaller market dwellings, the Council relies on evidence provided in the Housing Needs Study produced by Fordham Research and, in addition, on some less formal evidence.

5.2 The HNS estimated that the need for different sizes of market housing up until 2007 was as follows (included as Table 4 in the SPG):

No. of bedrooms	Numbers of dwellings needed	% of needed dwellings	Cumulative %
One	2330	39.5	39.5
Two	2312	39.2	78.7
Three	270	4.6	83.3
Four or more	984	16.7	100
All	5896	100	100

5.3 The general picture drawn from this table was supported by a survey of estate agents, conducted as part of the HNS, which had revealed that agents had thought there was a shortage of smaller dwellings, and that it was always the smaller dwellings that were sold more quickly and readily. In fact the HNS figures suggest a

higher proportion of small dwelling units is required than that sought by the SPG. The Council's officers argued that this underscores the essential reasonableness of what the Council is trying to achieve.

5.4 In addition, anecdotal evidence was offered by the Council's officers of various schemes that have been built recently, which, they argued, show how schemes with a high proportion of one and two bed properties are popular among consumers and can be provided viably by house builders. These provide accommodation not only for first time buyers but also for those home movers (for example the elderly wishing to release some equity) who are looking to 'downsize' and/ or wish to remain in the locality.

5.5 This evidence base was disputed by many of the developers and consultants. They argued that actually demand in the Huntingdonshire District is skewed more towards larger dwellings than the figures in Table 4 indicate. Larger dwellings, they suggested, provide better accommodation for the expansion needs of local families as they evolve and mature over time (e.g. as they have more children and then their children grow up). They also provide occupiers with greater flexibility over the use of available space (e.g. rooms that can be used for other purposes - live-work, study, hobbies). In addition, the builders and consultants made the point that there is no single housing market in the District and that the size of dwellings demanded varies according to the local area and particular sites. In some parts of the District – and at some sites – demand is for higher levels of larger dwellings than in other parts.

5.6 A few consultants made the point that, even if projections are accurate that a large proportion of the newly formed households will be one or two person households, only a proportion of these will be looking for *new* housing; conditions in the market for existing dwellings will be a factor and should be assessed. In addition, they suggested that we should not be surprised if estate agents feel that smaller dwellings are more saleable or marketable since it is widespread experience that, on new estates, early sales do tend to be of the smaller dwellings since they go to first time buyers who do not have the constraint of selling an existing house. As a result larger houses do tend to take longer to sell<sup>2</sup>.

5.7 On the other hand, some house builders and consultants argued that over time there has been a decrease in the size of new dwellings anyway, especially since the introduction of PPG3 (the increasing densities required by PPG3 having produced more smaller dwellings). Builders have been more innovative in the use of the space inside dwellings, such that, for example, by using the roof space it is now possible to get a 3-bedroom house from a property where previously only a two bedroom home had been achieved. Moreover, past construction of larger dwellings (and at lower densities) had even been positively encouraged by the District Council, often against the wishes of developers to provide smaller dwellings. Currently, the developers argued, strict requirements for the provision of Affordable Housing were forcing them to provide larger dwellings in order to pay for what was being asked of them (with AH requirements dependent on the number rather than size of dwelling units being

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<sup>2</sup> The District Council's officers countered that some house builders have arrangements whereby they purchase a customer's existing property, so buyers of larger houses aren't necessarily less able to move than purchasers of smaller ones.

built)<sup>3</sup>. For these reasons, a number of the discussion participants made the point that the SPG was an overreaction, addressing the wrong causes of the problem.

5.8 There was evidently some confusion of terminology. There was some bemusement that the Council could be saying that the market wasn't meeting demand, for surely, some developers argued, meeting demand is exactly what a market is supposed to do, and what it does. The Council's officers explained that, in their judgment, the market was failing to meet all the community's demands (its needs) for *market* housing. The Council use need and demand, in this context, almost interchangeably. Yet, as some developers pointed out, need has a popular connotation with affordable, special needs and key worker (or social) housing – whilst demand relates to housing only bought and sold in the market.

5.9 On the other hand, the term demand is not used consistently by developers and consultants either. To some builders and developers the term demand means an aspiration or preference for housing of a particular kind (so that the demand for larger housing would refer to a preference for larger housing *over the long term*, as people become wealthier). To others it is more circumscribed, and refers to what economists call 'effective demand', which means willingness to pay for housing backed up by current (or at least foreseeable) ability to pay. This may seem a rather academic point, but it is actually rather important. At times in the discussion the participants were seemingly talking at cross purposes, when really they were attributing different meanings to the same words. This has led to some misunderstanding of what the Council is trying to achieve.

*Findings/suggestions:*

5.10 The only reasonably sound evidential base has been provided by the HNS. The developers and consultants certainly regarded the survey as having been primarily designed to establish the need for non-market housing across the District, though this rather overstates the case since there is much material in the survey that distinguishes market priced from affordable housing and other categories of social housing. There is also some material which looks at the geographic pattern of unmet need/ demand.

5.11 The survey was criticised on methodological grounds. There was tacit agreement that if different questions had been asked the research results would have been different (e.g. different questions on the floorspace 'size' of dwellings required by households, and not just the requirement for dwellings of different numbers of bedrooms; on the demand for rooms for other, non-bedroom, purposes; on whether those demanding smaller homes have a particular locational preference or a preference for new rather than existing dwellings). On the other hand, developers could only provide anecdotal evidence themselves and had little to offer by way of an alternative distribution of effective demand across the different dwelling size categories; except that it would not be as skewed as the District Council's figures towards the smaller properties.

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<sup>3</sup> Payments for public open space are, in contrast, calculated on the basis of the expected number of residents, which increases on a scale according to the number of bedrooms. Since they vary with the size of dwellings they will therefore have less of a distortive effect on the size of dwellings being built.

5.12 Arguments that smaller dwellings were being provided by house builders anyway, especially since PPG3 was revised, are also rather vulnerable, at least at anywhere near the kinds of levels suggested as being required by the District Council. Some data were alluded to as apparently revealing that house builders have been building smaller dwellings, but these were from national rather than local statistics, were largely about smaller dwellings as defined by floorspace, and referred to a much longer time frame than is being addressed by the Council. Local examples were quoted but these were largely anecdotal. Although the latest figures provided by the Council at the discussion, on the proportion of all houses that are one and two bed dwellings refer to dwelling *completions* since PPG3, rather than *permissions*<sup>4</sup>, the figures do seem to indicate that while densities have increased there has not been the marked change being sought in the proportion of smaller dwellings coming forward. We were, moreover, told by Go-East that the ODPM is convinced that the market is not meeting all of the communities needs for market housing. All this adds support to the Council's position that, however one looks at the housing requirement, there is a significant shortfall or deficit of smaller sized market dwellings.

5.13 Nevertheless, the evidential base relied upon by the District in the SPG could be more robust than it is and is somewhat exposed. It is unlikely, for example, that there is no variation in the demand for homes from one part of the District to another. There could, moreover, be better figures on trends subsequent to PPG3<sup>5</sup>. If the District Council was able to give a better indication in the SPG document of the nature and variation of unmet need for market housing across the District its approach would attract greater support. Similarly, where the evidence is less strong, the Council might wish to consider setting out to collect more rigorous data, perhaps using a survey designed specifically to assess aspects of the need for market housing which have not been addressed to date. Such an approach would certainly give greater confidence in the evidential basis of the SPG.

5.14 Issues about which participants at the discussion wished to be more satisfied and confident, and thus which could helpfully be the subject of further research and data collection, include:

- the impact of PPG3 (on densities and thus on house sizes)
- the 'announcement effects' of using the draft SPG prior to its formal adoption
- any geographical variation in the unmet need for market housing
- the extent to which the lack of market housing currently means people have to live further away, and
- the role played by the existing housing sector.

5.15 Some misunderstanding has clearly been caused by the fact that different meanings are assigned to the same words by different groups and individuals. Some

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<sup>4</sup> Such that although built after PPG3 was introduced, they were given permission under the previous policy regime.

<sup>5</sup> In addition, para. 2.3 of the SPG, for example, indicates that the occupancy levels of new homes built recently is low (drawing on a sample of homes built during 1996-2001). It is noted that 66% of all the properties are occupied by just 1 or 2 people. The suggestion by the Council seems to be that this represents an inefficient use of land. However, the figure of 66% misrepresents the situation, being skewed by the low occupancy of small dwellings. A smaller figure, 45%, of properties in the 4 bed range are occupied by just 1 or 2 people – and for the 5 bed range the figure is just 20%. The text could helpfully be amended to more properly reflect this.



words simply defy exact interpretation. This is an unfortunate fact of life but an attempt should be made to limit ambiguity wherever possible. The interchangeable use of the terms ‘need’ and ‘demand’, is not, in a planning context, inappropriate, where it is a lack or shortfall of market housing that is being referred to. The SPG is clearly concerned with *market* housing, not affordable or other more ‘social’ housing. It is concerned with changing the size mix of that market priced housing. In addition, it is concerned with aspirations *backed up by expectations of what consumers might realistically achieve over the next few years*. To that extent the Council’s assessment of unmet need for market housing is more in line with the concept of ‘effective demand’. However, it might reduce the potential for confusion if the two terms are not used together. Use of the word ‘demand’ might usefully be avoided, and the expression *need for market housing* used throughout instead. Alternatively, the word ‘shortfall’ might be better understood by developers, though perhaps this is not widely used in the planning world and could add to the confusion.

## **6 Local Plan vs. SPG**

6.1 Go-East and others argued that, whilst the draft SPG is generally consistent with National, Regional and County planning policies (e.g. PPG3 para. 11, RPG6 policy 10, Structure Plan policy P5/4), the content of the SPG should have been dealt with in a Local Plan. This would have enabled proper consideration and ‘testing’ of the findings of the HNS. It would also permit further policy, plans and information (e.g. from the Census, other surveys) to be taken into account. PPG 12 says that “SPG must not be used to avoid subjecting to public scrutiny, in accordance with the statutory procedures, policies and proposals which should be included in the plan. Plan policies should not attempt to delegate the criteria for decisions on planning applications to SPG” (para. 3.17). A few participants suggested that, in addition, the ‘guidance’ should be made more site specific (e.g. via planning briefs) in order to ensure site specific issues are taken into account.

6.2 The District Council’s officers argued, on the other hand, that it would not be reasonable or prudent to wait. PPG3, RPG 6 and the Structure Plan each says the issue should be addressed now and the current Local Plan needs to be operationalised. They said that PPG3 has been in place for 2-3 years and states that this is a matter which should be addressed. In uncovering evidence of a considerable imbalance in the provision of smaller dwellings they argued that the issue needs to be tackled sooner rather than later, for otherwise the problem will only get worse. Waiting until the next local plan cycle (or even altering the existing Local Plan) would likely mean very considerable delay, especially given the requirements of the new LDF framework, and if the Council is right about the magnitude of the level of unmet need this would mean allowing an already bad situation to get worse. Finally, they argued that site-specific guidance might be appropriate for large sites but for most sites it would not represent an efficient use of planning resources – and more general guidance would be necessary. And an advantage of using SPG is that it can be revised more quickly than a development plan if it is found to be having adverse consequences on the market.

6.3 There was some disquiet expressed by a few of the participants that the Council’s Development Control team were already using the draft SPG in negotiations with housing developers, and were doing so in a very prescriptive way.

The Council Officers agreed that it was being used, but only as one amongst a number of considerations (see further below, para. 7.3).

*Findings/suggestions:*

6.4 An important issue is whether the Council has made new policy here – or more simply supplemented and elaborated existing plan policies and proposals. Crucial to this is whether the SPG is genuinely ‘guidance’. There was widespread agreement, especially among developers and consultants, that the SPG is far too prescriptive given that the document is labelled “Supplementary Planning *Guidance*” – and indeed some recognition of this by the District Council’s officers.

6.5 In order to ensure the SPG keeps firmly within the boundaries of guidance and does not stray over into the territory of policy, and in particular, to the making of policy, there was strong agreement that the language used in the SPG could helpfully be reviewed, and revised where necessary to stress that it is guidance rather than a list of requirements. This is especially important in sections 9 and 10, and Appendix 3. Given that this was probably the single most important issue for developers and consultants at the discussion, there is little doubt that if the District Council could achieve this it would smooth the path of the SPG. Words and phrases like ‘require’, ‘requirement’, ‘should’, ‘to ensure’, all signify policy rather than guidance and it may be helpful if they were substituted with other words more consistent with guidance (e.g. ‘encourage’). This is not to say that guidance cannot be firm but the requirements of certainty need to be balanced with those of flexibility.

6.6 The Council have had legal advice which indicates that they can proceed as they are doing. Interestingly, policy HL5 of the Local Plan was inserted by the Local Plan Inquiry inspector, which suggests that achieving greater clarification of the policy by means of an SPG would be appropriate. It is difficult to see how else is it to be accomplished.

6.7 There was broad recognition at the discussion that the Local Plan alone does not provide an adequate basis for determining planning applications, as far as the size mix of dwellings is concerned. The level of robustness of the evidential basis for the SPG (see above, paras. 5.8-5.10) means that the Council’s arguments on the undesirability of leaving a void in the guidance to developers, are plausible, though did not gain widespread agreement. Prudence suggests therefore that if the SPG is to be adopted it might best be treated as interim guidance until it can more formally be incorporated in a Local Plan. This would provide an opportunity for monitoring of the results and impacts of the SPG in the mean time, and would help provide a more robust statistical base for the LP process.

6.8 For wide-ranging use, the efficiency advantages of general, rather than site-specific, guidance are transparent, as made clear by the Government in its advice published on the use of SPG and planning briefs in PPG 12 (paras. 3,15-3.18) and ‘Planning and Development Briefs: A Guide to Better Practice’ (DETR, 1998). Site specific planning briefs cost time and money and are unlikely to prove cost effective for anything but the largest sites. Even for large sites, if the LPA has no other firm requirements for a site, which developers would be unlikely to meet without persuasion, then a planning brief may not be necessary. However, where planning briefs are prepared their guidance should take precedence.

## **7 Impacts of the SPG - and the particular issue of flexibility**

7.1 A number of developers and consultants argued that the SPG could backfire. By making many housing schemes unviable it would have the effect of reducing the rate of building of new dwellings. This would mean lower housing availability and higher house prices (including for smaller houses). According to the developers, other unintended side effects would mean the impacts of the SPG would be different from what the Council had intended:

- little or no reduction in the floorspace size (and thus price) of dwellings since builders would continue to build the type of dwellings they are building now, and simply change the internal arrangement to reduce the number of bedrooms (see above, para. 5.6)
- reduced ability to attract the workforce needed for local industry and employers, and therefore harm to the local economy (see below, section 8)
- the provision of a greater proportion of apartments and flats, since this would be the only way in which house builders could provide a higher proportion of 1 and 2 bed dwellings in viable schemes, and
- (related to the last point) especially for very small sites (sites of 4 or fewer dwellings), rather odd and unsatisfactory developments in urban design terms.

7.2 A particular issue for many developers and consultants with respect to the impact of the SPG was the related one of flexibility. They argued that the SPG is far too rigid and that in order for the Council to be able to meet its aspirations a much higher degree of flexibility is required. Without flexibility, some (and maybe many) schemes will not be viable. Moreover, without flexibility, if and when planning or market conditions change, as is likely, the SPG will become quickly out of date and thus unworkable.

7.3 The Council's officers argued, in support of the SPG, that the SPG would be a material consideration but likely only one material consideration in most planning applications where it is relevant. No one statement of policy or guidance is to be treated as an absolute constraint and there is no fixed percentage sought of smaller housing (just a minima) in the SPG. The Council's officers argued that the way the planning system works is to ensure that *other* material considerations would be taken into account in instances where the SPG is relevant to a particular planning application, though with primacy given to planning policy. What is important is to provide a clear starting point, before such other material considerations may be taken on board. This, the Council's officers suggested, provides a sufficient level of flexibility which would reduce the risk of developments being made unviable and the risk of other side effects. They made the point that ever since the draft SPG has been used in negotiations there has been no evidence that housing sites are coming forward more slowly than before.

7.4 One or two developers argued that a 'range' should be permissible. The Council propose a minima, and of course this in fact suggests a range (from the minimum point to the upper limit). What the developers were really asking for was a wider range, with particular sections of the range perhaps related to different site and market conditions.

*Findings/suggestions:*

7.5 It is clear that, in general terms, developers and consultants are interested in having a freer hand to provide more larger dwellings because this is where they perceive they will earn greatest profits (though participants at the discussion were keen to point out that this is not always the case and there are exceptions). This is supported, in general, by the recent Barker report on housing supply<sup>6</sup>. Whilst schemes with a higher proportion of smaller dwellings may well be less profitable, however – and profitability will no doubt vary with the nature of the site, the detail of the scheme being designed and local market conditions - this is a long way from providing a convincing argument that they will not be viable. There is anecdotal evidence to suggest that schemes with a relatively high proportion of small dwellings are being built in the local area<sup>7</sup>. The Council mentioned largish schemes at Yaxley, Little Paxton (urban extension sites), St Ives (an infill site) and Holywell (a rural site).

7.6 The key issue is not so much whether an *increased* proportion of smaller dwellings (compared to that pertaining at present) could be viable but rather at what proportion schemes would become unviable locally? But this is complicated by the fact that there can be little doubt that viability will vary across sites and in different parts of the District. Taking at face value the arguments of some of the developers, for some sites the minimum requirement for smaller dwellings currently laid down by the SPG is likely to prove excessive. However, this will not be the case for all sites. In addition, there is the important issue – recognised by virtually everyone - of the impact of the SPG thresholds on the ability of the developer to provide an attractive scheme in design terms. Interestingly, one of the examples the Council's officers gave during the discussion of an acceptable scheme - in terms of size distribution and design - (at Yaxley) would not have passed the SPG's size thresholds.

7.7 Central government policy on the use of SPG makes it clear that “the Secretary of State will give *substantial weight* in making decisions on matters that come before him to SPG which derives out of and is consistent with the development plan and has been prepared in the proper manner” (PPG 12, para. 3.16, my italics). As a result, the exact wording used in the SPG is of some significance, a point that was picked up by a number of the discussion participants. There was widespread agreement among the developers and consultants that at present the SPG is worded far too prescriptively. There is little doubt that if the Council can use a less prescriptive language in the document and provide some examples of site specific considerations that are likely to be important (i.e. upon which they are likely to adopt a more flexible approach) then it would attract a much greater level of support. The Council's fears, that this would open up a floodgate of negotiation and weaken the effect of the policy, could be alleviated if:

- the list is circumscribed (e.g. the examples should be relevant to the issue of dwelling size only, for instance quality of urban design, an identified local

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<sup>6</sup> Barker K, Preview of housing supply: securing our future housing needs (interim report), ODPM/ Stationery Office, 2003.

<sup>7</sup> Examples were mentioned of other local authorities which have an even higher 'target' for the provision of smaller dwellings (e.g. Waverley, where 80% of dwellings are to have less than four bedrooms, and Basingstoke and Dean, with a target of 50%, apparently now reduced to 40%). However, there was general agreement that different local housing circumstances will apply in those other locations and it would not be appropriate to apply the same figures to Huntingdonshire.

need for ‘live-work’ units) and the Council makes clear that the list is not a conclusive one, and

- some carefully selected examples are given of the kinds of best practice which the Council is seeking.

7.8 It almost goes without saying that it is important that the Council gets this right – and more thought needs to be given to it. As the Go-East representative said, it is important that the District Council is able to ‘deliver’ the housing numbers required of it by the Structure Plan. Whilst this term may put it rather too strongly (local authorities don’t actually deliver private housing – that is for private developers), there is a housing requirement and this - together with high quality housing schemes - has to be an important influence on the local authority’s planning decisions.

## **8 Other issues, further impacts – e.g. SPG and the economy**

8.1 Although the impact of the SPG on the local economy did not feature large in the discussion there was concern expressed by some developers and consultants that the SPG might damage the ability of the local area to attract the workforce and entrepreneurs needed for local employers and industry. This, in turn, they argued, could harm the local economy (e.g. by producing less executive style housing and less live-work units than required). There was some discussion about the need for sufficient flexibility for house builders to respond to economic circumstances as they change and for a range and mix of housing, but no one was able to spell out in detail what the appropriate mix should be to cater for economic needs.

8.2 The District Council’s officers explained that the priority was to reduce out-commuting to the Cambridge area, and so provide improved employment and housing opportunities for the existing population, rather than encourage in-movers. The SPG notes that 56% of households moving into recently built homes come from outside the District. The Council wish to meet the local demand for housing and argue that the profile of provision of larger dwellings cannot do this. The Council’s officers also pointed out that computer based work is often done at home, in a bedroom, but that people would have taken this need into account when answering the HNS questionnaire about the number of bedrooms they would like.

### *Findings/suggestions:*

8.3 Given the lack of reliable evidence that was able to emerge during the discussion on the characteristics of new housing that are likely to provide greatest economic advantage, this is another issue which may benefit from some monitoring. This could help to ensure that application of the SPG does not make matters worse (e.g. on levels of out-commuting and home-working among households moving into newly built dwellings).

## 9 SUMMARY OF KEY CONCLUSIONS/ SUGGESTIONS

9.1 The discussion was wide-ranging, with a frank exchange of views and opinions. Judging by their reactions, and as far as one can tell, the participants found it informative and constructive. Given the limited time available and the broad range of topics considered, it was possible to test agreement on just a few matters only. However, there were a number of indications of the kinds of ways forward which would likely attract a good measure of agreement and support. The following suggestions are offered in this spirit:

- i. Although Council Officers made it clear that the SPG is meant to have the effect of increasing the proportion of smaller dwellings as measured by number of bedrooms, the Council really needs to be absolutely clear if this is really what it wants – or whether smaller dwellings measured by floorspace would, after all, be appropriate.
- ii. The robustness of the evidential base for the SPG – and particularly on the unmet need for smaller (1 and 2 bed) dwellings - could be improved. Although new data may not lead to a revision of the District's current understanding of the nature and scale of the unmet need for market housing, such an exercise would give greater confidence in the planning process in Huntingdonshire.
- iii. However, this is not sufficient reason for not having the SPG – as long as it is regarded as an interim document, to be monitored. The adopted Structure Plan urges local planning authorities to provide for a higher proportion of one and two bedroom properties to help meet the locally assessed need. The adopted Huntingdonshire Local Plan makes clear that housing provision in Hunts. should reflect the *full* range of the local community's needs by ensuring a choice in new housing (policy HL 10).
- iv. Further data collection on the unmet need for market housing and monitoring of the effects of the SPG should be considered; and will enable a proper testing of the SPG at the next review of the Local Plan (or whatever replaces it). The SPG could usefully be revised to reveal the way in which the Council will monitor effects and success (e.g. on numbers of dwellings built, by size category; on levels of out-commuting and home-working among households moving into newly built dwellings; on numbers of first time buyers buying existing dwellings and new dwellings).
- v. The Council should carefully amend the language of the SPG so that it reflects better its purpose of offering *guidance*, rather than new policy. It is important that regard is seen to be given to local context and local market conditions. This would attract a strong level of support from interested stakeholders.
- vi. The Council might like to refer to and include more examples in the SPG of what it regards as good practice. This would help illustrate the points it is trying to make and also offer prospective housing developers more practical and helpful guidance. Whilst rules and regulations are necessary to curb poor developments, the best quality developments are more likely to be promoted by specific encouragement of what is best.

**Appendix One: List of participants**

Facilitator: BJ Pearce

Huntingdonshire District Council: Michael Bingham, Clare Bond

Arup: Mark Smith

DH Barford: Martin Page

Bloor Homes: David Joseph

CPRE: Gareth Ridewood

Fordham Research: Phillip Weitzman, Chris Broughton

Go-East: Colin Campbell, Mike Harris

House Builders Federation: Paul Cronk

John Martin Associates: Mark Flood

Kem Mehmed Town Planning Consultancy: Kem Mehmed

McCann Homes: Peter Steel

Stamford Homes: Martin Bagshaw

Twigden Homes: Kate Reid

Woods Hardwick: Bryn Jones

*Observers:*

Huntingdonshire District Council: Julia Wilkinson, Jenny Thomas

East Cambridgeshire District Council: Katie Child

Peterborough City Council: Richard Mapletoft

South Cambridgeshire District Council: Caroline Hunt

## **Appendix Two: Questions used in the discussion**

### **Housing needs and demands**

How robust are the HNS findings on the need for market dwellings?

- what level of unmet need is there for smaller market dwellings (see table 4)?

### **Trends and need for the SPG**

To what extent have PPG3 and other influences led to increased densities and smaller dwellings anyway?

To what extent are policies HL5 and HL10 in the Local Plan sufficient and to what extent does the content of the SPG accord with the Local Plan?

### **Viability**

To what extent *can* housebuilders provide the mix of housing stipulated in the SPG?:

- what level of need can they meet (vis. table 4)?
- to what extent is the market demand for more larger dwellings (as opposed to both lower cost and luxury smaller homes)?:
- to what degree are customers looking for additional rooms to give flexible/ adaptable space (enabling changes in lifestyle without having to move)
- what proportion of larger dwellings is needed in the first phase of a development to make it viable?
- to what extent will land owners not release land (in good time) at the land prices they will receive?

What proportion of market dwellings of ‘no more than 2 bedrooms’ would be viable on sites for

- a) 2/3 market dwellings
- b) 4 or more market dwellings – see para 9.3?

And what proportion of market dwellings of ‘no more than 3 bedrooms’ would be viable on sites for

- a) 3 market dwellings
- b) 4 or more market dwellings – see para 9.3?

In relation to developments which incorporate affordable housing what proportions of market housing would be viable?

To what degree will the SPG mean less support for economic growth of the Cambridge sub-region, or make little difference?

### **Flexibility, and other impacts:**

To what degree will the SPG give housebuilders sufficient *flexibility* to:

- respond to (changes in) local market conditions?
- respond to the environmental or locational characteristics of the individual site?
- provide and market housing in varied, attractive and integrated designs?
- achieve balanced communities?
- achieve infill housing?
- achieve live-work units/ enable home working?

How can the SPG be give adequate flexibility to respond to the above?

To what extent is the approach taken in the SPG reasonable with regard to extensions on new smaller properties?