

Sent by email to: planningpolicy@testvalley.gov.uk

28/08/2020

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the refined issues and options consultation

1. Thank you for consulting the Home Builders Federation (HBF) on the refined options for the next Test Valley Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year and we hope you find these comments helpful in taking forward your local plan.

Plan Period

2. The Council correctly note that the local plan should have at least 15 years from the point at which the plan is adopted. Given the uncertainty over the how long plan take to be prepared and examined we would suggest that the Council plans for a period beyond this minimum in order to ensure it is achieved. As such we would suggest as a minimum the Council plans for at least a 18-year plan period from the point at which the Council fixes its evidence on housing needs using the standard method. The reason for this recommendation is that the standard method effectively creates the starting point in any plan as it uses the current year as the start of the base period for the calculation of the local housing needs assessment. This is set out in paragraph 2a-004 of PPG states that that the first step in calculating need using the standard methodology:

“Taking the most recent projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being the first year).”

3. PPG goes on to state in paragraph 2a-008 that the LHNA can be relied upon for a period of two years from submission. Given that the standard method seeks to wrap up under, or over, delivery from previous years through the affordability adjustment it is not appropriate to include years prior to the base date for the affordability evidence used in the assessment of housing need being undertaken



within the plan period. As such it would be appropriate to start the plan period from the base date of the affordability data used in the LHNA and allow for 2 years for submission, examination and adoption. On this basis an 18-year plan period would ensure that the plan is consistent with the minimum 15-year plan period required by the NPPF and guidance on local housing needs assessments in PPG.

Housing Requirement

4. We would agree with the Council that the application of the standard method results in a local housing need assessment (LHNA) of 550 dpa. However, the NPPF recognises this figure is a minimum and outlines in Planning Practice Guidance that there will be circumstances where local planning authorities may need to plan beyond this minimum. One scenario is where the housing needs of a neighbouring area cannot be met. The consultation document states that at present there is no evidence of any unmet needs in neighbouring local authority areas. The Council will need to ensure that this remains the case. In particular the Council will need to engage closely with Southampton City Council who are currently preparing a new local plan. This local plan will need, on the basis of their current LHNA to increase housing supply above levels of delivery seen in the last ten years. Given that the City's administrative boundary is tightly drawn it may be difficult for it to meet its own needs and it will be necessary for neighbouring authorities such as Test Valley to work with the City Council to ensure their development needs are met.
5. The Council note that the standard methodology is likely to change prior to the publication of future iterations of this plan. The Government's proposals have now been published for consultation and we note that on the basis of the standard method being proposed Test Valley LHNA would increase to just over 800 dpa. It would be prudent for the Council to start considering how it would deliver this higher level of housing need.

Housing distribution and Housing Market Areas (Q1 and 2)

6. When examining the use of housing market areas (HMA) in plan preparation it is important to consider the changed guidance with regard to the assessment of housing needs. The 2012 NPPF introduced HMAs as a means for considering wider cross boundary housing needs as part of the objective assessment of housing need. In the case of Test Valley, it was considered that the Borough fell into two housing market areas with the southern boundary being largely defined by the extent of the Partnership for Urban South Hampshire (now the Partnership for South Hampshire). The 2012 NPPF was clear that the needs of HMA must be met in full and as such required Council's in the same HMA to work together.
7. The 2019 NPPF no longer relies on HMAs for the assessment of housing needs. Unmet need for housing similarly is not based solely on HMAs with Councils being

asked to consider this on the basis of neighbouring areas. In brief the Council can meet its own minimum housing needs anywhere in the Borough as long as that approach is considered to be sustainable, there is no need to base delivery of its own needs on HMAs.

8. The main function of HMAs in the 2019 NPPF is with regard to cross boundary co-operation on strategic matters and the preparation of statements of common ground as set out in paragraph 61-017 and 61-018 of PPG. The HMA is used to ensure that the key issue of housing needs and distribution across boundaries are addressed and met effectively. As such an HMA could indicate that any unmet needs that may arise neighbouring borough, such as Southampton, should be met as close as possible to where those needs arise and in line with commuting and migration patterns. But as outlined earlier it does not need to define how the needs of Test Valley are met.
9. We would, therefore, recommend that the Council does not look to distribute housing on the basis of HMAs but on the basis of the principle of delivering sustainable patterns of development. This would consider evidence on commuting patterns and migration used to identify HMAs but ensures the distribution of development and the spatial strategy is not constrained by using HMAs.
10. Finally, with regard to housing distribution it will be important that the Council ensure that a wide variety of sites, both in terms of location and size, must be allocated. This will ensure that needs can be met consistently over the plan period and avoid a situation where delivery focuses on a small number of larger sites that deliver homes at the end of the plan period. The Council has recognised that the NPPF requires them to ensure that 10% of its housing requirement is delivered on identified sites of less than 1ha. It is important to stress that these must be identified in the plan or brownfield register and not include any element of small site windfall as these by definition are not identified sites.

Settlement Hierarchies (Q4, 5, 6 and 7)

11. Whilst we recognise that the settlement hierarchy can be a useful tool in considering the which settlements are more sustainable options for development on the basis of existing services. However, what such hierarchies often fail to consider is whether development could either increase services in a settlement or secure existing services to maintain the sustainability of a settlement in the long term. We would suggest that as part of any consideration within the settlement hierarchy is a recognition of those smaller settlements where development could offer opportunities for improving or maintaining services such as shops, schools, and public transport links.

12. Similarly, we would support the proposed approach where groups of rural communities are considered together and that the proximity of smaller villages to services in larger settlements is also a factor in the settlement hierarchy. Focussing solely on services in each settlement would fail to recognise that interaction and symbiotic relationships between communities which in many cases would be strengthened by development rather than adding to any perceived additional pressure on services.

Settlement Boundaries (8, 9, 10, 11 and 12)

13. Logic dictates that any settlement boundary should reflect any recent developments and any development with planning permission. In addition, it will be important that the boundary reflects any allocations made in the new local plan. However, in defining the settlement boundary we would suggest that the Council looks at a looser boundary perhaps defining them on physical features which extend beyond the curtilage of buildings and include any elements of open space associated with that settlement. Such an approach may offer opportunities, especially in smaller settlements, for further development to support smaller developers as well as potentially deliver land to support those wanting to build their own home.
14. If the Council decide to maintain a tighter boundary to settlements, we recommend that a policy is included to provide some flexibility for development on the edge of settlements. One approach to supporting development on the edge of settlements that has been recently been found sound is policy HOU5 in the Ashford Local Plan and is set out below.

“Proposals for residential development adjoining or close to the existing built up confines of [list settlements] will be acceptable provided that each of the following criteria is met:

- a) The scale of development proposed is proportionate in size to the settlement and level, type and quality of day to day service provision currently available, and commensurate with the ability of those services to absorb the level of development in combination with any planned allocations in the Local Plan and committed development in liaison with service providers;*
- b) The Site is within easy walking distance of basic day to day services in the nearest settlement and/or has access to sustainable methods of transport to access a range of services*
- c) The development is able to be safely accessed from the local road network and the traffic generated can be accommodated on the local and wider road network without adversely affecting the character of the surrounding area*
- d) The development is located where it is possible to maximise the use of public transport, cycling and walking to access services*

- e) *Conserves and enhances the natural environment and preserves or enhances any heritage assets in the locality; and*
- f) *The development (and any associated infrastructure) is of a high-quality design and meets the following requirements:*
 - i) *It sits sympathetically within the wider landscape*
 - ii) *It preserves or enhances the setting of the nearest settlement*
 - iii) *It includes an appropriately sized and designed landscape buffer to the open countryside*
 - iv) *It is consistent with the local character and built form, including scale, bulk and the materials used*
 - v) *It does not adversely impact on neighbouring uses or a good standard of amenity for nearby residents*
 - vi) *It would conserve biodiversity interests on the site and/or adjoining area and not adversely affect the integrity of international and nationally protected sites in line with Policy.”*

15. This approach allows the Council to take a more flexible approach that is proportionate to the size and nature of the settlement without compromising the integrity of the Council's spatial strategy and settlement hierarchy. In particular such an approach will better support the Council maintaining the vibrancy and vitality of its rural communities by delivering both market and affordable homes to meet the needs of such areas.

Self and custom build housing (Q13, 14 and 15)

16. It is important that the Council consider its approach to supporting those who wish to build their own homes. Whilst we acknowledge it is important for local plans to provide support within policy to self and custom build housing, we do not consider that such policies should seek a proportion of large sites to provide plots for such homes. Firstly, PPG is clear that when seeking to meet the demand for self-build plots Council's should engage with landowners to identify suitable sites for self and custom build housing. Requiring all large sites to provide plots takes no account of whether such sites are suitable or and will provide the type of plots required by self-builders nor does it seek to engage landowners in the process. As such we consider blanket policies to be inconsistent with national policy. We would suggest that the more appropriate approach, and one that is consistent with national policy, is for the Council to be proactive in identifying suitable sites, including the Council's own land, that would be suitable for self-build plots and then engage with landowners with regard to their allocation for such development. Importantly such an approach may identify additional sites and as such provide a greater variety of development opportunity rather than just deliver a unit on a larger site in a different way.

17. Secondly the Council will need to ensure that its evidence is robust. Whilst PPG recognises that the Self Build register will be a key piece of evidence in estimating the need for self-build plots it also notes that consideration will need to be given to the robustness of this data and what alternative sources of evidence is available. In addition, the HBF are concerned that such registers are rarely revisited by local authorities and as such may not provide an accurate assessment of the demand for self-build homes. We have noted that when Councils have revisited their registers in order to confirm whether individuals wish to remain on the register, numbers have fallen significantly. This has been the case at both Hart and Runnymede. In Runnymede for example more stringent registration requirements were applied in line with national policy and saw the numbers of interested parties on the register fall from 155 to just 3. These are not isolated cases with similar falls happening in East Cambridgeshire, Fareham and Basingstoke and Deane when modest fees are required to continue to be on the self-build register. This suggests that the majority of those that sign up to the registers in reality lack the commitment, time, and finances to take on a self-build project.
18. Finally, if the Council do include a requirement for self-build plots on some sites it is important that it includes a clause as to when such plots will be returned to the developer should they remain unsold. We would suggest that should plots allocated for self and custom build housing remain unsold after six months marketing they should be returned to the developer to be built as market housing.

Viability in plan making

19. The viability assessment is still to be published and without this evidence it is not possible to comment on whether the Council's policy requirements, such as those for affordable housing, are viable and the plan as whole is deliverable. The 2019 National Planning Policy Framework (NPPF) requires development viability to be resolved through the local plan and not at the planning application stage. The aim of this approach is to ensure that, as outlined in paragraph 57 of the NPPF, decision makers can assume that development which is in conformity with the local plan is viable and to, ultimately, reduce the amount of site by site negotiation that takes place.
20. As such it will be important that the Council's approach to its viability assessment and the costs it places on development are cautious to take account of the variability in delivering the range of sites that will come forward through the local plan. To support local planning authorities in preparing their viability evidence the HBF has prepared a briefing note, attached to this response, which sets out some common concerns with viability testing of local plans under the latest guidance and how these should be addressed. We trust this note will be of help in defining preparing the viability assessment and please contact us if you have any questions regarding our concerns on this matter.

Conclusion

21. We hope these representations are of assistance in taking the plan forward.
Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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