

Sent by EMAIL ONLY to localplan@wolverhampton.gov.uk

10/04/2024

Dear Sir/ Madam

Response by the Home Builders Federation to the Wolverhampton Local Plan Issues and Preferred Options (Reg 18) consultation, Feb 2024

1. Please find below the Home Builders Federation (HBF) response to the Wolverhampton Local Plan Issues and Preferred Options (Reg 18) consultation.
2. 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.
3. HBF have not commented on every policy only those of relevance to our members.

Question 1: Do you agree with the proposed scope of the Wolverhampton Local Plan?

4. No. HBF welcomes the Council's efforts to ensure that they have an up to Local Plan. Plan-making is a fundamental part of a Local Authority's role and is essential to support the delivery new homes and jobs. HBF agree that there are many factors that support the need for a new Local Plan for Wolverhampton. However, we remain concerned that the lack of joined up plan-making across the West Midlands regional poses additional challenges for Local Plans in seeking to ensure the housing needs of Wolverhampton Borough and the wider West Midlands region are met in full.
5. Therefore, although we welcome the Council's effort to continue plan-making following the failure of the Black Country Plan, we remain disappointed that wider collaboration and cross-boundary planning on key strategic issues and plan-making has yet to be successful in the West Midlands area, despite this being greatly needed.



6. HBF notes there is a significant interaction between housing issues across the wider Birmingham and Black Country housing market(s), which are not being adequately addressed. We note the protracted and unfortunate history of unsuccessful collaboration around plan-making, which has led to the housing needs of the City Region remaining unmet and unplanned for. In the midst of a housing crisis, such an approach seems entirely unacceptable and will lead to significant negative impacts on both Wolverhampton and the wider area.
7. The Government has made it clear that it still supports the national target of 300,000 new homes per year. Therefore, in the midst of a housing crisis and in light of the level of high housing need in Wolverhampton, HBF are very disappointed that the Council has chosen not to review the Green Belt to address the housing and employment development shortfalls arising from the Wolverhampton Local Plan, choosing instead to leave a significant amount of their housing need as unmet. Such an approach fails to adequately plan for the future development of Wolverhampton.
8. HBF are very concerned that this plan will not deliver against the national, regional and local housing objectives, which are even more important as we are in the midst of a housing crisis. As such there is a danger that the Plan will be unsound and fail to meet the Duty to Cooperate requirements.
9. HBF would therefore request the Council revisit its decision to refuse to consider the role that the Green Belt may be able to play in meeting housing needs of Wolverhampton.

Question 2:

Do you agree with the “big issues” identified for the Wolverhampton Local Plan to address?

Meeting Housing Need

10. HBF agree that meeting the housing needs of Wolverhampton must be a key objective of the Plan, it is therefore surprisingly that having recognised the importance of this issue the Preferred Option does so little to seek to achieve this critical objective.
11. HBF agrees with the points identified in Issue 2, particularly that a growing and changing housing population compounds local housing needs pressure, a point that further underlines the need for the Council to take action in this area. Its failure to do so will undermine its vision for Wolverhampton and hold back growth and other opportunities.
12. HBF would expect the Wolverhampton Plan to be an ambitious plan that plans for the future development of Wolverhampton, detailing where new housing will go, meeting housing needs, providing certainty for the house building industry and setting out a long-term vision for the area, in accordance with the NPPF. Instead, the Council merely acknowledges the importance of

housing, and then fails to use the policy and delivery policy mechanisms available to them to meet that need, including a Green Belt review and additional housing allocations.

Housing and the Economy

13. HBF would also suggest that a failure to adequately plan for new housing will impact on the delivery of Issue 4- economic recovery and growth. This section should explicitly recognise the importance of new housing in helping to meet both open market and affordable housing needs in supporting economic growth and recovery. It is important for the council to recognise the role that housebuilder plays in the local economy, both when the houses are under construction and when the houses are occupied as people's homes.

Question 3:

Do you agree that the evidence and background documents listed in Table 1 are sufficient to support the Wolverhampton Local Plan?

The Need for a Green Belt Review

14. No, in light of the housing crisis and the level of unmet housing need in Wolverhampton, HBF believe a full Green Belt review is needed, before a decision on what development strategy is most appropriate can be taken.

The Need for Small Sites

15. The NPPF also requires Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why this cannot be achieved. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.
16. In order to be effective and justified the Plan's policies and evidence base should set out how the plan will deliver 10% of homes on sites of less than one hectare, as required by the NPPF. Indeed, HBF would advocate that a higher percentage of small sites are allocated if possible. Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers once accounted for the construction of half of all homes built in this country resulting in greater

variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80%.

Biodiversity Net Gain

17. HBF note the introduction of Biodiversity Net Gain which came in for large sites on Feb 12th 2024, and for small sites from 2nd April 2024 HBF request that this policy is reviewed and revised in light of the new DLUHC and DEFRA guidance to ensure it fully reflects all the new legislation, national policy and guidance.
18. HBF has been involved in a significant amount of work, being led by the Future Homes Hub, on BNG preparedness for some time, including feeding into the BNG Planning Practice Guidance from DLUHC and the DEFRA BNG Guidance. HBF note that this represents a lot of new information that the Council will need to work through and consider the implications of, in order to ensure that any policy on Biodiversity Net Gain policy complies with the latest policy and guidance now it has been published. It should also be noted that the PPG is clear that there is no need for individual Local Plans to repeat national BNG guidance.
19. HBF therefore suggest that significantly more information, assessments and analysis around BNG, and Viability (for BNG and viability more generally) is needed to support the new Wolverhampton Local Plan.
20. It is the HBF's opinion that the Council should not deviate from the Government's requirement for 10% biodiversity net gain as set out in the Environment Act. The Plan should provide certainty for developers and a clear BNG policy with a fixed 10% figure, rather than the policy including the phrase "at least 10%" would help to provide this.
21. There are significant additional costs associated with biodiversity gain, which will need to be fully accounted for in the Council's viability assessment. It is important that BNG does not prevent, delay or reduce housing delivery. Although the national policies requiring 10% BNG cannot be subject to site specific viability discussions, any policy requirements over 10% can be. Any policy seeking more than 10% BNG needs to reflect this position.
22. It is also important to note that for large and complex sites where the development is phased, the guidance is clear that the 10% must be delivered at the end of the development, and this may not result in 10% BNG on each phase. Additional advice on phased development has been provided in the new BNG PPG.
23. The costs of BNG must also be considered as part of the whole plan viability assessment and should be specified as a single specific item, not combined into a generic s106 costs item. There are significant additional costs associated with biodiversity net gain, which should be fully accounted for in the Council's viability assessment, some of which are unknown at this time. It is important that BNG does not prevent, delay or reduce housing delivery.

The costs relate both the financial costs and also land take- which will impact on densities achievable if BNG is provided on site.

24. As this is still a new policy area and the market for off-site provision, and statutory credits are not yet known, any figure used for BNG costs will need to be kept under review as BNG implementation progresses and a greater understanding of actual costs become available. The Whole Plan Viability Assessment should clearly set out how it considered the implications of mandatory BNG and how it was arrived at using the most up to date BNG costs information available.
25. HBF suggest that there is also a need for this policy and supporting text to say more about Local Nature Recovery Strategies. As the LNRS emerges it will be important for this Local Plan to be kept under review and further public consultation on the interaction between the two documents and/or changes to Local Plan policy to reflect the LNRS may be needed.
26. HBF would also encourage the Council to ensure the Local Plan fully considers the new BNG requirements in relation to site allocations. This is likely to require undertaking an assessment of the baseline to support the allocation to enable an understanding the BNG requirements for a site to be allocated and the impact this may have on viability and other policy requirements and considerations. It will be important to understand the BNG costs of mandatory BNG as this is non-negotiable and as such may impact on the viability of the site and its ability to deliver against other policy requirements such as affordable housing or other s106 asks.
27. HBF also notes that there seems to be significant potential for confusion around environmental hierarchy, and suggest particular care is needed to avoid any confusion between the well-established mitigation hierarchy and the new BNG hierarchy. There is need for the policy wording and/or supporting text to be clearer about the differentiation between the mitigation hierarchy (which seeks to avoid harm in the first place, then mitigate and only then compensate it in relation to protected habitats) and the BNG delivery hierarchy (which prioritises on-site BNG delivery, then off-site units and finally allows for statutory credits). There seems to be significant potential for confusion between the two difference hierarchies. HBF therefore suggest that the Council should take particular care to explain how the requirements of the two-part BNG hierarchy work in different ways and that they seek to achieve different aims.
28. Reference could also usefully be made within the Plan to the small sites metric. This is intended to be a less complex statutory metric that can be used to set out how 10% BNG will be secured on small sites. It can only be used for on-site BNG delivery. The national mandatory 10% BNG policy will apply to small sites from April 2024.
29. The new DEFRA and DHLUC guidance is clear that going beyond the mandatory 10% requires evidence and there is a need to show that this will not impact viability. No such evidence exists to support a higher figure in

Wolverhampton. However, the introduction of mandatory BNG is significant new requirement and it will be important for the viability implications of this new policy is considered in the whole plan viability assessment on the Wolverhampton Local Plan. It will be important to understand if this non-negotiable national policy requirement has any knock-on implications for other policy areas 'asks', notably the amount of affordable housing that can be delivered.

30. BNG will also impacts on the density of housing schemes that can be provided, as land used for on-site BNG is not be available for housing.

Question 4: Do you agree with the proposed approach to the Vision and Strategic Priorities for the Wolverhampton Local Plan?

31. HBF supports the continued inclusion of a Strategic Priority Five on housing. It is important that the Plan continues to provide an appropriate mix of housing types, sizes and tenures to meets housing the needs of all residents in Wolverhampton. However, this should make reference to housing needs of Wolverhampton being met in full.
32. HBF believe that both Council and the Plan should be doing much more to ensure the objectives to support growth of new homes and employment are fulfilled.

Question 5: Do you agree with the Preferred Housing Growth Option (H3) for the Wolverhampton Local Plan and the proposed apportionment approach to housing contributions from neighbouring authorities?

The Housing Requirement

33. No. Paragraph 5.14 of the document states that "The total identified housing supply is 9,722 homes. This means that there is a significant unmet need for 11,998 homes over the Plan period." Para 5.15 continues that "There are very limited options available to address this considerable unmet housing need". HBF strongly disagrees with this conclusion as the Council have failed to undertake a Green Belt review or consider what role any housing at all in the Green Belt could play in meeting the housing needs of Wolverhampton.
34. HBF are concerned that the Council should in fact be planning for a higher housing requirement within its Plan. The NPPF requires that the Plan should use the Standard Method calculation as a starting point for establishing the housing requirement for Wolverhampton.
35. Indeed, HBF would support more housing than the standard method housing requirement in order to support economic growth, provide a range and type of sites and to support small and medium house builders. There is a need to provide a range and choice of sites, a need for flexibility and viability considerations to be taken into account and a need for the Council to

consider whether higher levels of open-market housing are required in order to secure the delivery of affordable housing and/or support economic growth.

36. NPPF para 60 still requires that in order “to support the government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay”.
37. HBF recommends that the plan allocates more sites than required to meet the housing requirement as a buffer. Any buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach is consistent with the NPPF requirements for the plan to be positively prepared and flexible. HBF is therefore supportive of the housing allocations ensuring there is a housing supply buffer but would question if the buffer needs to be bigger, especially as HBF are of the view that the housing requirement itself should to be increased.
38. The deliverability of high and super high density residential development in Bristol will be dependent upon the viability of brownfield sites and the demand for high density city centre living post Covid-19. It is important that delivery of the housing requirement in Wolverhampton does not rely overly ambitious and un-realistic intensification of dwellings within the City, that results in any under-provision and/or under delivery of housing numbers.
39. The housing requirements for Wolverhampton should be established before any consideration is given to any constraints that may affect the housing land supply.

Unmet needs

40. In relation to the neighbouring authorities, HBF are very aware of the challenges facing the Local Planning Authorities in the West Midlands and the Black Country to meet their own housing requirements. The issue of unmet needs has proven problematic with many neighbouring West Midlands authorities all saying they cannot meet their own needs because they are constrained and then asking each other to take their unmet needs, without success. This situation is completely unacceptable and results in the housing needs of Wolverhampton and the wider area remaining unmet with the resulting negative social, economic, and environmental consequences.
41. HBF strongly support the need for more housing in Wolverhampton for a variety of reasons including addressing the current housing crisis, meeting housing need, providing affordable housing, supporting employment growth, but recognise the constrained nature of the area due to the amount of Green Belt. However, reviewing the Green Belt boundary is one tool that the Council could, and should use, to enable it to do more to meet its own housing requirement. The NPPF is clear that start with need and only then consider capacity.

42. Any departure from the standard method can only be justified in exceptional circumstances. The Government has made it clear that it still supports the national target of 300,000 new homes per year. The standard method housing requirement has always been the minimum starting point for setting the housing requirement, and HBF support more housing than the standard method housing requirement in order to support economic growth, provide a range and type of sites and to support small and medium house builders.
43. HBF would therefore also expect the Wolverhampton Plan to clearly set out agreed approach to meeting its housing need within the context of the wider Region, or at the very least include a Statement of Common Ground on Housing Need setting out where agreement has been reached and where there remain disagreements and issues outstanding.
44. HBF are aware that contributing to the unmet housing and employment needs of the Birmingham and the Black Country is one the issue amongst those currently troubling the Shropshire Local Plan Examination in Public. HBF have also responded positively to Telford and Wrekin's recently Local Plan consultation when they also acknowledged that they may have a role to play in meeting the wider housing needs of the West Midlands.
45. None of this proactive work elsewhere negates the need for the Council to do much more than simply stating it cannot meet its own housing need and assuming that this unmet need can, and will be 'exported', and therefore their housing need will be addressed. Such thinking is naive and unrealistic.
46. HBF also note that exporting local housing needs to neighbouring areas, also means that the housing need are not being met where there occur. This will be to the detriment of local economies and local communities.
47. In other areas, such as Leicestershire, joint working on the issue of housing needs has resulted in a clearly agreed approaches, Statements of Common Ground and Memorandums of Understanding around the challenges Leicester City faces in seeking to meet its own need within its tightly drawn boundary. There is an agreement amongst most Leicestershire authorities that they should play their part in meeting this need, and discussion have been ongoing as to the re-distribution of this unmet need between the partners.
48. Perhaps even more significantly emerging Local Plans in Leicestershire are including an element of unmet housing need from Leicester within their housing requirement. Such an approach is an essential part of the case Leicester City are trying to make to demonstrate their plan is deliverable. HBF is disappointed that such joint working has proved impossible within the wider Bristol area, and this has served to undermine both positive plan-making and meeting housing need. The failure to do address housing needs

in the midst of a housing crisis is having, and will continue to have, social, economic and environmental consequences for the region.

49. It is currently unclear from the information available if the approach of asking neighbouring authorities to help to meet Wolverhampton's housing needs, is realistic, deliverable and/or supported by partners. HBF would be supportive of additional green belt release for housing. HBF believe the current housing crisis and scale of housing need create the 'exceptional circumstances' that are needed to justify such releases.
50. HBF suggests that before seeking to export Wolverhampton's housing needs to other areas the Authority must assure itself that it has done all it can to meet its own needs. This warrants the Council revisiting its approach to housing delivery to ensure it is doing everything it can to meet its own needs. HBF strongly suggest the Council could do more to meet its own needs and minimise, or eliminate, the amount of unmet need, so that it does not need to rely on neighbouring authorities to meet it for them. The revision to the NPPF give further support to the HBF's suggestion more needs to be done within Wolverhampton for the Council to meet its own housing needs in full.

Question 6: Do you agree with the Preferred Gypsy and Traveller Pitch Option (G2) for the Wolverhampton Local Plan?

51. No comments

Question 7: Do you agree with the Preferred Employment Land Growth Option (E3) for the Wolverhampton Local Plan?

52. The Council should consider whether the implications of its plan for economic growth generate the need for an additional housing requirement for Wolverhampton, and if so, how this can be delivered. HBF suggest both unmet housing and employment needs can justify the need for Green Belt release, and at the very least justify the need for a full Green Belt review.

Question 8: Do you agree with the Preferred Spatial Option (G – Balanced and Sustainable Growth) for the Wolverhampton Local Plan?

53. HBF believes the Wolverhampton Plan needs to do a lot more to try and meet its own housing needs. HBF would be supportive of additional green belt release for housing. HBF believe the current housing crisis and scale of housing need create the 'very special circumstances' that are needed to justify such releases. HBF suggest both unmet housing and employment needs can justify the need for Green Belt release, and at the very least justify the need for a full Green Belt review.

Question 9: Do you agree with the preferred approach to policies in the Wolverhampton Local Plan (that the policies and Policies Map designations should repeat those in the Draft Black Country Plan (2021),

subject to the amendments set out in Appendix 2 and summarised in section 5 C)?

54. HBF would caution that there is need for the Council to ensure that any policy decisions suggested in the draft Black Country Plan that are being rolled forward remain appropriate, are supported by the evidence base and fully meet the requirements of good plan-making, the NPPF and PPG.
55. It will be important for that any policies being rolled forward both from the draft Black Country Plan, and the evidence supporting them, to be subject to full public consultation as the Plan progresses. It is disappointing to the HBF that all these policies have not been included within this consultation, as the issues they cover will be an essential part of good plan-making in Wolverhampton, and need to be reviewed and subjected to viability testing.

Question 10:

Do you agree with the proposed site allocations for the Wolverhampton Local Plan (housing, gypsy & traveller pitch, employment development, waste and minerals)?

56. Although HFB do not comment on individual sites allocations, HBF is of the view that Wolverhampton faces the exceptional circumstances required to justify the allocation of land for housing within the green belt. HBF would support additional allocation in the Green Belt to meet the housing requirement. Indeed, HBF support the need for a comprehensive Green Belt review, and the need for greenfield and Green Belt releases within Wolverhampton's boundary and beyond.

Question 11:

Do you have any other comments to make about the Wolverhampton Local Plan?

Future Engagement

57. I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.
58. HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours faithfully

A handwritten signature in blue ink that reads "R. H. Danemann". The signature is written in a cursive, slightly slanted style.

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