



# THE HOME BUILDERS FEDERATION

Spatial Planning and the Environment,  
Communities and the Environment,  
Civic Centre,  
Regent Road,  
Gateshead, NE8 1HH

Date: 30<sup>th</sup> October 2015

Email: [ldf@gatesead.gov.uk](mailto:ldf@gatesead.gov.uk)

**Sent by Email only**

Dear Sir / Madam,

## **Gateshead Planning Obligations SPD**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Planning Obligations SPD
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. We would like to submit the following comments upon the SPD.

### **General Comments**

4. The Council is reminded that the purpose of an SPD is to assist developers in making successful planning applications. The NPPF (paragraph 153) clearly indicates that SPDs should;

‘...be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development’.

5. The HBF supports the Council in attempting to provide clarity to its policies and in general it is considered that the SPD, as drafted, will assist in this regard. There are, however, a number of elements of the SPD which appear to go beyond this role and where we have specific concerns. These are highlighted in our comments upon specific sections of the SPD, below.
6. The SPD is based upon a combination of saved UDP policies and the recently adopted Core Strategy and Urban Core Plan (CSUCP). We have concerns over the continued use of saved UDP policies which underpin this SPD. The UDP was adopted in 2007 and as such significantly pre-dates the

NPPF and more recent National Planning Practice Guidance (PPG). In such cases paragraph 215 of the NPPF clearly states that policies contained within such plans can only be given weight according to their degree of consistency with the NPPF. It is therefore vital that these policies are brought up to date at the earliest possible opportunity or deleted. This is particularly important given that many play an important role in determining the levels of contributions and, in some cases, without an up to date evidence.

7. The HBF is supportive of the references to viability considerations throughout the SPD. It is, however, considered that an over-arching statement upon viability and the need to ensure the Council is not planning to the margins of viability are made (PPG 10-008). Given the level and amount of potential contributions identified within the SPD the HBF remain concerned that viability may continue to be a significant issue across much of Gateshead. The over-arching statement upon viability should also consider the cumulative effect of obligations and set this against the need for the Council to deliver, as a minimum, the housing requirement. This would not only set the context for the SPD, but would ensure that the delivery of the housing requirement is at the forefront in the mind of decision makers.

## **Part 1: Context and evidence**

### **CIL**

8. The HBF notes that it is the Council's intention that this SPD will only be an interim document until the adoption of a local CIL, anticipated 2016. To provide greater clarity it is considered that the SPD would benefit from a clear statement which indicates it will be withdrawn upon the adoption of the Gateshead CIL. Furthermore the SPD could usefully make reference to the fact that the Government are committed to a further review of CIL.

### **Thresholds**

9. The HBF supports the inclusion of the pooling paragraph as this provides clarity. It would, however, be useful for the SPD to commit the Council to providing an up to date list of infrastructure projects and types which have already received contributions or where contributions are pending. This would not only assist the development industry in determining the likely costs associated with development but would ensure that the process of agreeing infrastructure requirements is more transparent for all involved including the public. A link to such information could be included within the monitoring and implementation section of the SPD (Part 3).

### **Location of contributions**

10. It is recognised that there is a preference for contributions to be on-site, however, this may not be desirable in all cases, for a wide variety of reasons. The current wording, whilst an improvement upon the previous draft SPD, is considered restrictive as it refers to the demonstration of '*why on-site provision is not possible*'. An example of where it may be possible but not desirable could include a community wishing to secure an upgrade to existing community facilities or play areas rather than additional on-site provision. It is therefore recommended that the Council consider amending the wording to read;

*‘Developer contributions should be provided on site. Off-site provision will be acceptable only when the developer can clearly demonstrate why on site provision is not possible or as otherwise agreed by the Council’.*

11. It is noted that Part 2 of the SPD does indicate that in some cases on-site provision will be neither practical nor appropriate. The above amendments would therefore be consistent with this approach.

### **Starter homes exception sites**

12. The Council will no doubt be aware of the recent announcements made by the Government and the publication of the Housing and Planning Bill, introduced into the House of Commons on Tuesday 13<sup>th</sup> October 2015, regarding the extension of the starter homes scheme to all reasonably sized sites. Whilst the full details are not yet available it is considered important that the SPD makes reference to the extension of the scheme. Once enacted the need for starter homes must be taken into account, both within the emerging CIL and through the planning obligations required as part of a development.

## **Part 2: Guidance**

### **Types of obligation: Affordable Housing**

13. The SPD does not reflect the wording of CSUCP Policy CS11 which is clear that the delivery of affordable housing will be subject to viability. This should be made clear within the SPD.
14. The standards for affordable housing identify a specific mix for the social/affordable rented and intermediate housing. Whilst it is recognised this mix has emerged from the SHMA, the percentage requirements do not form part of the adopted CSUCP Policy CS11 or its supporting text and as such were not tested at examination. Furthermore the Council will be aware that RPs are currently facing difficulties due to the pending rent reductions. This is having a significant ‘knock-on’ effect upon housebuilders who are experiencing difficulties in getting RPs to commit to new schemes. A pragmatic solution to this issue would be to enable affordable dwellings to be provided on a market discount basis. The HBF understand Newcastle are already utilising this pragmatic approach. It is therefore recommended that the SPD clearly states that these percentages are only a guide and that the actual percentage requirements will be assessed on a case by case basis.
15. The SPD notes that the phasing of affordable housing will be negotiated on a case by case basis, but identifies a preference for ‘pepper potting’. The HBF support the Council’s acknowledgement that affordable housing delivery and location should be negotiated. However, the SPD still places significant emphasis upon ‘pepper potting’. Whilst the benefits to such an approach are acknowledged, ‘pepper potting’ can often be difficult to implement, due to management and maintenance issues for the RSL. Small clusters of affordable housing are often preferable both to the developer and RSL as well as for tenants. Therefore, whilst the flexibility within the wording

is acknowledged the HBF recommend the reference to 'pepper potting' either be removed or amended to state that 'pepper potting' will be encouraged.

16. The Council should reflect that upon their introduction starter homes will have an impact upon the amount and types of affordable housing required.

**Types of obligation: Training and employment management provision**

17. The HBF is supportive of delivering appropriate employment and training opportunities. The requirement for this to form part of a planning obligation is not, however, supported. The inclusion of additional items to planning obligations not only slows down the process but also adds additional financial burdens to the development industry.

18. In terms of relevant policies it is noted that reference is made to CSUCP Policy CS5. This policy is considered the most appropriate policy base as it is NPPF compliant and has recently undergone examination. The policy does reference the need for recruitment and training but neither it nor the supporting text make reference to the need for a '*Training and Employment Management Plan*' to be provided but rather refers to '*partnership working with developers*' (paragraph 9.12 CSUCP). The SPD appears to take this a step too far by placing a mandatory requirement upon developers, this does not appear consistent with partnership working. The requirement will also place additional burdens upon the development industry which are unjustified and beyond the scope of an SPD. Furthermore it appears unlikely that the inclusion of such a requirement can be justified in relation to the tests set out within regulation 122 of the CIL regulations. It is therefore recommended that the reference to a requirement for a '*Training and Employment Management Plan*' through planning obligations be removed from the SPD.

19. The Council will be aware that many of our members have their own training programmes, this should be recognised. The HBF recommend that the SPD acknowledges this and in the event that a requirement for a '*Training and Employment Management Plan*' can be justified any existing training programmes must form part of the agreement and further burdens not placed upon the developer.

**Part 3: Monitoring and implementation**

20. As previously noted, in paragraph 9 above, this section of the SPD could usefully provide a link to the planning obligations received or pending towards different infrastructure types and projects since 6<sup>th</sup> April 2010.

**Section 106 agreements**

21. The HBF supports the use of template agreements, wherever possible, as this can minimise the time and delays often experienced during the drafting of agreements.
22. I trust the Council will find the foregoing comments useful as it considers amendments to the SPD. The HBF is keen to continue working with the

Council and as such would be open to further discussions with regards these comments if considered appropriate.

Yours sincerely,

*MJ Good*

**Matthew Good**  
**Planning Manager – Local Plans**  
Email: [matthew.good@hbf.co.uk](mailto:matthew.good@hbf.co.uk)  
Tel: 07972774229