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Planning Policy Team  
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SENT BY E-MAIL AND POST

9th December 2016

Dear Sir / Madam

## **BASSETLAW INITIAL DRAFT LOCAL PLAN CONSULTATION**

### **Introduction**

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following comments on the Initial Draft Bassetlaw Local Plan.

### **Duty to Co-operate**

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Council to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181) and 23 paragraphs of the National Planning Practice Guidance (NPPG) provide more detail about the Duty. In considering if the Duty has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Plan. A fundamental outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in a Housing Market Area (HMA) as set out by the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (para 182).

It has been determined that Bassetlaw District Council is part of the North Derbyshire / North Nottinghamshire HMA together with North East Derbyshire, Chesterfield and Bolsover District Councils. However there is also an identified overlap between the North Derbyshire / North Nottinghamshire HMA and the Sheffield City HMA. At this time it is not known if Sheffield can fully meet the city's OAHN within its own boundaries and therefore whether or not unmet needs will have to be accommodated elsewhere. It is also understood that Bassetlaw District Council is a full constituent member of the Sheffield City Region Combined Authority and a non-constituent member of the D2N2 Local Enterprise Partnership (LEP) and its proposals for a North Midlands Combined Authority. It is possible that in the future these Combined Authorities may prepare strategic spatial plans for growth in their respective areas. When the pre submission Bassetlaw Local Plan is published for consultation a Statement of Co-operation should clearly explain these complex relationships and the impacts associated with overlapping HMAs and the Combined Authorities growth agendas on the Local Plan.

## **OAHN and the Housing Requirement**

The **Proposed Policy Approach** proposes a housing requirement of 6,525 dwellings (435 dwellings per annum) for the plan period 2019 - 2034. It is recommended that this housing requirement is expressed as a minimum figure.

The Background Paper "How much housing does Bassetlaw need?" refers to a number of alternative OAHN contained in various Reports. These are summarised as :-

- 435 – 500 dwellings per annum in the North Derbyshire / North Nottinghamshire SHMA dated November 2013 ;
- 367 – 476 dwellings per annum after further sensitivity testing of Household Formation Rates (HFR), migration and employment assumptions undertaken in March 2014 ;
- 629 dwellings per annum from the Sheffield City Region SEP to align with an ambition for 3,670 jobs in Bassetlaw.

At this time the HBF is not convinced that the Council's OAHN and proposed housing requirement adequately deal with :-

- supporting economic growth in particular the upper end of OAHN of 500 dwellings per annum identified in the original SHMA and alignment with the ambitions of the Sheffield City Region SEP for 3,670 jobs rather than 1,780 jobs in Bassetlaw resulting in 629 dwellings per annum ;
- affordability in particular the decline in HFR and increases in overcrowding between 2001 – 2011 ;
- delivering affordable housing needs which are estimated between 443 – 646 dwellings per annum depending on whether 25% or 30% of household income is spent on housing ;

- the meeting of any unmet housing needs from elsewhere possibly from Sheffield.

It is also noted that the Council's proposed housing requirement is at the bottom end of the ranges of OAHN identified and the Interim Sustainability Appraisal only tests 435 dwellings per annum rather than testing both the lower and upper figures from the identified OAHN range. The Council should provide a robust justification for a proposed housing requirement at the lower end of the range and only testing this figure in its Sustainability Appraisal.

It is suggested that the Council's current evidence on OAHN will be somewhat dated by the anticipated time of the Local Plan Examination. Therefore it is recommended that the Council undertakes a comprehensive up date of OAHN in the HMA before the pre submission Local Plan consultation with particular reference to the recently published 2014 Sub National Household Projections (SNHP). During the Local Plan pre submission consultation the HBF may provide further commentary on the Council's OAHN and housing requirement.

## **Land Supply**

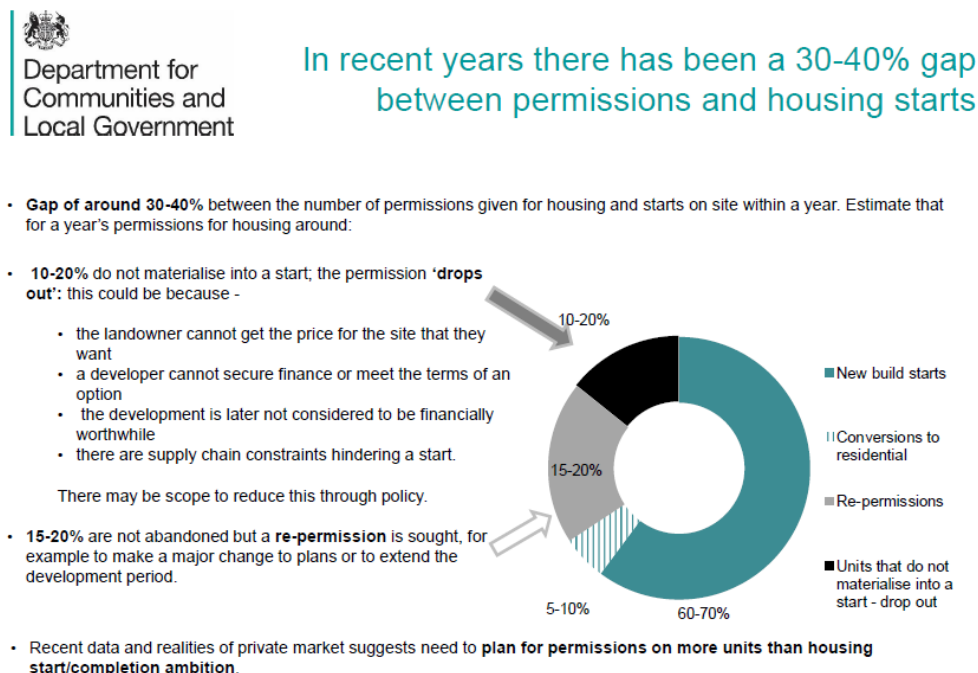
The **Proposed Policy Approach** sets out the spatial hierarchy comprising of Worksop as a sub-regional centre, Retford as a rural hub town, Harworth & Bircotes as a local regeneration centre, rural functional clusters / sustainable rural settlements and dispersed settlements. The majority of development is proposed for the higher tier settlements. In rural functional clusters / sustainable rural settlements development will be restricted to 10% increase in the number of dwellings in any one development and 20% cumulatively over the plan period excluding Local Plan allocations but including Neighbourhood Plan allocations.

The **Proposed Policy Approach** will allocate a mix of housing sites. The Council has calculated a residual housing land supply of 3,700 dwellings against the proposed housing requirement after the deduction of actual and estimated completions from existing planning consents and a windfall allowance of 975 dwellings.

The HBF welcomes the Council's intention to allocate a mix of housing sites which should assist in maximising housing supply as the widest possible range of sites, by size and market location will be available to house builders of all types and sizes providing access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. Whilst some large strategic sites may have multiple outlets, in general increasing the number of sales outlets available means increasing the number of housing sites. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand.

It is agreed that the Council should allocate sufficient housing sites to meet its housing requirement during the plan period including sufficient headroom over

and above this requirement as a contingency to enable the Council to respond quickly to changing circumstances. Moreover the proposed housing requirement should not be seen as a maximum and therefore not treated as a ceiling to overall housing land supply. The HBF would always recommend as large a contingency as possible preferably at least 20%. The DCLG presentation slide from the HBF Planning Conference in September 2015 illustrates a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate (see below). This slide suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

The Local Plans Expert Group (LPEG) Report March 2016 also recommends that “*the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF*” (para 11.4 of the LPEG Report).

In the Council’s housing trajectory any assumptions on lead-in times and delivery rates should be realistic. These assumptions should be supported by parties responsible for the delivery of housing but also sense checked by the Council based on local knowledge and historical empirical data.

The Council’s 5 Year Housing Land Supply (YHLS) calculation accords with the HBF’s preference for the Sedgfield approach to recouping shortfalls in the first 5 years, 20% buffer for under-performance against the adopted Local Plan housing target of 350 dwellings per annum and the application of the buffer to both the annualised housing requirement and shortfall. However on adoption the Council must demonstrate a 5 YHLS because without

reasonable certainty that the Council has a 5 YHLS the Local Plan could not be sound as it would be neither effective nor consistent with national policy and by virtue of the NPPF (para 49) all housing policies in the Plan (see Court of Appeal Judgement Richborough Estates Partnership LLP v Cheshire East Borough Council & SoS CLG (C1/2015/0894)) would be instantly out of date on adoption. Currently the Council's latest 5 YHLS calculation results in only 3.4 years.

## **Whole Plan Viability, CIL & Affordable Housing**

The **Proposed Policy Approach** on affordable housing will set out site thresholds compliant with Court of Appeal decision and national policy in particular the Written Ministerial Statement dated 28<sup>th</sup> November 2014 and a percentage provision evidenced by viability testing.

If the Bassetlaw Local Plan is to be compliant with the national policy, the Council must satisfy the requirements of the NPPF (para 173 & 174) whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The Council acknowledges that viability across the District is marginal so it is essential that the Council's assessment of viability is kept up to date. The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. Therefore it is important that the Council understands and tests the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that "*what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development*". The HBF considers the Council's viability study originating from 2012 to be out of date. Therefore it is suggested that up dated viability testing is completed before the pre submission Local Plan consultation is held. As the Council has an adopted CIL any viability work should take full account of existing CIL charges.

## **Housing Standards**

The **Proposed Policy Approach** proposes to require the M4(2) optional standards.

The Written Ministerial Statement dated 25<sup>th</sup> March 2015 stated that "*the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG*". If the Council wishes to adopt the higher optional standards for accessible & adaptable homes the Council should only do so by applying the criteria set out in the NPPG. The Council's evidence should be specific to Bassetlaw rather than generic. If it had been the Government's intention that generic arguments justified adoption of the higher optional standards for adaptable / accessible dwellings then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. Therefore it is incumbent on the Council to provide a local



assessment evidencing the specific case for Bassetlaw which justifies the inclusion of the higher optional standard in its Local Plan policy.

The HBF would wish to see more details about the Council's **Proposed Policy Approach** on Design & Energy Efficiency before further commenting. It is noted that under the Deregulation Act 2015 the Council should not be setting any energy performance standards that exceeded the energy requirements of Building Regulations.

## **Housing Mix**

The **Proposed Policy Approach** will include provision for serviced self build and custom build on large scale developments.

The HBF supports self-build / custom build in principle for its potential additional contribution to the overall housing supply where this is based on a positive policy approach by the Council to increase the total amount of new housing development and meet an identified and quantified self-build / custom build housing need. However the HBF is not supportive of a policy requirement for the inclusion of such housing on sites of a specific size. The Council should refer to the East Devon Inspector's Final Report which expresses reservations about the implementation difficulties associated with this sort of policy. In para 46 the Inspector states "*However, I don't see how the planning system can make developers sell land to potential rivals (and at a reasonable price)*". This approach provides no additionality to land supply but merely changes production from one to another type of builder.

If the Council wishes to promote self build / custom build it should do so on the basis of evidence of such need. It is not evident that the Council has assessed such housing needs in its SHMA work as set out in the NPPG (ID 2a-021-20140306) the Council should collate from reliable local information the local demand for people wishing to build their own homes. Furthermore it should be viability tested the NPPG confirms that "*different types of residential development such as those wanting to build their own homes ... are funded and delivered in different ways. This should be reflected in viability assessments*" (ID 10-009-20140306). The Council should also give consideration to the practicalities of implementing any such policy. Such considerations should consider the health & safety implications, working hours, length of build programmes, etc. An appropriate cascade mechanism should be incorporated into any policy in case self build demand is not forthcoming and the original builder has to build out the development in its entirety. Therefore it is suggested that any policy to encourage self-build / custom build is subject to viability considerations, specific site circumstances and it is based on evidence of an identified demand for such housing.

## **Other Matters**

It is noted that there are nine Neighbourhood Plans and thirteen Neighbourhood Plan area designations in the District. The Local Plan should provide a clear indication of its strategic policies and the relationship between the Local Plan and Neighbourhood Plans.

## Conclusions

For the Bassetlaw Local Plan to be found sound under the four tests of soundness as defined by the NPPF it should be positively prepared, justified, effective and consistent with national policy (para 182). It is suggested that the Council gives due consideration to the above mentioned matters in order to avoid producing an unsound Local Plan. It is hoped that these representations are of assistance to the Council in informing the next stages of the Bassetlaw Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

Yours faithfully  
for and on behalf of **HBF**



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