

Sent by email to: plan@rushmoor.gov.uk

21/07/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Draft Submission Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the Draft Submission Rushmoor Local Plan May 2017. 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.

Duty to co-operate

We have concerns that the mechanism for co-operation are insufficient to address the potential unmet need that will arise in the Housing Market Area (HMA) if Surrey Heath Borough Council (SHBC) continue to delay the preparation of a new Local Plan. It is clear from their most recent Authority Monitoring Report (AMR) that their current supply of housing land will not be sufficient to meet the requirements of the Strategic Housing Market Assessment (SHMA). Given the significant constraints that exist in Surrey Heath (designations and geographical size) we feel that a shared strategy to addressing this shortfall is necessary.

The focus for co-operation on cross boundary housing issue within the HMA has been on the preparation of a joint SHMA and a shared methodology for preparing SHLAAs. The expectation has been that each of the authorities in the HMA would then meet their own housing needs. This expectation is clearly set out by the Council in the Duty to Co-operate Statement 2017 in relation to the proposed Memorandum of Understanding. In paragraph 4.23 the Council states that:

“We expect this MOU to set out that the Council has maximised opportunities to deliver OAHN in the Borough and the Council will not be in a position to assist in meeting the remaining OAHN assigned to the other authority areas”

We would argue that such a position is uncooperative. There is no evidence or contingency policy setting out how the authorities will work together to address any unmet need within the HMA should it arise. Given that it is unclear as to whether Surrey Heath will be able to meet its unmet need consideration should

have been given in the first instance as to how the needs of the HMA could be met rather than how each authority could meet its own needs. A key part of effective strategic and cross border planning for housing is setting out a shared strategy for the HMA and the contingency measures should that strategy become undeliverable.

We recognise and welcome the commitment Rushmoor have made to meet their housing needs but paragraph 181 of the NPPF is clear that the duty is a continuous process of engagement from initial thinking through to implementation. As such there must be a clear, and shared commitments from each Council on the necessary actions should any one of the authorities in the HMA be unable to supply sufficient land to meet their development needs. Any agreed actions should be clearly set out within the Local Plan.

Housing need and delivery

The SHMA sets out the Council's housing need as being 436 dwellings per annum (dpa) over a plan period of 2014 to 2032. We agree with the general approach taken by the Council. In relation to assessing the level of uplift required to address market signals the consultants preparing the SHMA have examined the uplift with a view to securing improvements in household formation among a specific cohort of the population. Whilst this evidence gives an indication as to the need for an uplift we would caution using it as the basis for any calculation. The proposed uplift of 15% however is significantly less than the LPEG recommendations for any area with affordability ratios on a par with Rushmoor. Our concern is that this level of uplift may prevent the current situation from worsening with regard to household formation but it is unclear whether it would improve affordability. We are aware that the examinations of the Mid Sussex and Waverley local plans the inspector concerned has recommended market signals increases of 20-25%.

In addition, we would have expected consideration to be given to increased out-migration from London to the rest of the South East. The SHMA prepared by the Mayor to support the Further Amendments to the London Plan indicated that migration was likely to move closer to pre-2008 levels and this should have been considered during the preparation of the Council's joint SHMA.

However, these concerns may be moot given the amount of housing required to support expectations around jobs growth within the HMA. It is evident that the Council needs to deliver significantly more housing to support job growth when compared to the initial demographic starting point and any additional uplifts. The housing requirement set out in the Plan is a significant increase on the 2012 household projections which form the basis for assessing Rushmoor's OAN and represents a boost to housing supply in the Borough. However, as outlined above we remain concerned as to whether a further uplift is required to address unmet needs arising from Surrey Heath.

With regard to delivery, we welcome the Council's balanced approach to meeting needs across the Plan period. Using the Sedgefield methodology it is evident that the Council has a five-year housing land supply. The Council can

address its backlog and meet its annual housing targets within the first five years of the Plan. We urge the Council to continue this generally positive approach to development. In this respect, the Council could seek to allocate more small sites within the local plan to provide certainty for small and medium sized house builders to further secure the Council's housing land supply. The Government have been clear in the Housing White Paper that Local Plans need to support small and medium sized house builders. One proposal was the requirement to allocate at least 10% of all housing through small sites of half a hectare or less and this is an approach we would advocate. The allocation of such sites will also provide a consistent supply of new homes should any of the larger allocations be delayed.

Internal space standards

There is no evidence to support the introduction of internal space standards and as such the policy is not justified.

Planning Practice Guidance requires Councils to provide justification for their use on the basis of need, viability and timing. Whilst the Council's viability study did consider the national described space standards we cannot find any evidence in relation to the need for these standards as required by Planning Practice Guidance (Paragraph: 020 Ref ID: 56-020-20150327). This paragraph is clear that:

“evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.”

Without this evidence, the policy cannot be justified and is therefore unsound and should be deleted.

Optional technical standards

Policy LN1 Housing Mix sets out the Council's intention to require 15% of market dwellings to be built to option standard M4(2). The Council have not provided the necessary evidence to support the implementation of optional building regulations M4(2) and M4(3)(b). Planning Practice Guidance is clear that evidence on both need and viability are required in order to justify the implementation of these optional standards. National Planning Practice Guidance is clear that:

“Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations.” Paragraph: 007 Reference ID: 56-007-20150327

We are therefore concerned that this part of policy LN1 is not justified and should be deleted.

Affordable housing

The affordable housing policy is unsound on the basis that it is ineffective and not consistent with national policy.

We consider part a and b of the Council's current affordable housing policy to be unsound as they are not consistent with national policy. Paragraph 17 of the NPPF is clear that local plans should provide:

"... a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency."

However, policy LN2 affordable housing seeks to require that a minimum of 30% of all dwellings on sites of more than 11 are provided as affordable housing and a minimum of 20% in Aldershot and Farnham Town Centres. In setting out this target as a minimum the Council are creating unnecessary uncertainty for the house building industry. Developers should be able to cost schemes with a high degree of predictability and this policy does not support this position. At present this policy could be considered to be the starting point of a negotiation and that the Council will seek higher contributions. In order to make this policy sound we would recommend that the words "a minimum" be removed from points a and b.

Part h of the policy is unsound as it is not justified. It is not clear as to why the Council have decided to require all affordable dwellings to be provided at Building Regulations M4(2), with an unspecified proportion being M4(3). There is no evidence presented in the local plan to suggest that there is a need for all affordable homes to meet this requirement nor that there is any difference between market and affordable homes in this respect. In addition, whilst the viability study suggests that the impact on viability from implementing M4(2) is minimal it is not clear as to whether this has been tested on the viability of delivering affordable housing. This concern is exacerbated by not specifying the proportion of affordable homes to be delivered to M4(3) specifications. The cost of this higher standard is significant and without any clear specification it would not have been possible for its impacts to have been assessed effectively. As the Viability Study sets out in paragraph 3.2.3 the cost of providing an affordable unit is *"essentially the same to develop as market housing but produces a much lower level of revenue"*. Given the lower revenue derived from affordable housing we are concerned that this could put the viability of such homes at risk. In order to ensure policy LN2 is sound we would recommend that this policy be deleted.

Part g of policy LN2 requires developers to provide on-site provision of affordable housing unless there are exceptional circumstances. The Council must clarify what these circumstances are in order to provide predictability in the application of the policy to both applicant and decision maker as established in paragraph 17 of the NPPF. Whilst we would expect this to include viability due to the opening sentence to this policy it would be significantly improved if the Council outlined what other circumstances would support the use of a

commuted sum or off-site provision of affordable housing on development of 15 units or more.

I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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