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SENT BY E-MAIL AND POST

10th November 2017

Dear Sir / Madam

BOURNMOUTH LOCAL PLAN REVIEW 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 in response to specific questions in the Council's consultation document.

ISSUE 1 : LOCATION AND TYPE OF NEW RESIDENTIAL DEVELOPMENT

Where should we put the new dwellings that Bournemouth needs and how do we provide an acceptable mix of dwelling types to try to meet people's requirements?

Before determining where the new dwellings should be put the Council has to establish its full objectively assessed housing needs (OAHN). The current Bournemouth Local Plan was adopted in 2012 so the Plan and its evidence base pre-date the requirements of the National Planning Policy Framework (NPPF). The housing target of 14,600 dwellings (730 dwellings per annum) for the period 2006 – 2026 is not based on an OAHN as required by the NPPF.

The National Planning Practice Guidance (NPPG) advises that OAHN should be unconstrained (ID 2a-004) and assessed in relation to the relevant functional area known as the Housing Market Area (HMA) (ID 2a-008). The NPPG methodology is a three stage process comprising :-

- Demographic (based on past population change and Household Formation Rates (HFR)) (ID 2a-015 – 017) ;
- Economic (in order to accommodate and not jeopardise future job growth) (ID 2a-018) ;
- Market signals (to counter-act worsening affordability caused by undersupply relative to demand) (ID 2a-019 & 020).

Whilst affordable housing need is separately assessed (ID 2a-022 – 028). The delivery of affordable housing can be a consideration for increasing planned housing provision (ID 2a-029).

It has been determined that Bournemouth Borough Council is part of the Eastern Dorset HMA together with Poole, East Dorset, Christchurch and Purbeck. The latest calculation of OAHN is set out in the Eastern Dorset SHMA Final Report dated October 2015 by G L Hearn. The OAHN for Bournemouth is assessed as 730 dwellings per annum.

The establishing of OAHN is not an exact science and there is no one methodological approach that provides a definitive assessment. The SHMA is now somewhat outdated based on pre 2014 SNPP and 2014 SNHP data. As set out in the NPPG (ID 2a-016) a re-assessment of OAHN is necessary if a meaningful change has been identified by these projections. In the Housing White Paper the Government was also critical of Council's not undertaking an honest assessment of housing needs. The Government is proposing a standard methodology for the calculation of OAHN which is currently subject to consultation (ending 9th November 2017). In summary the Government's proposed methodology is :-

- Demographic baseline based on annual average household growth over a 10 year period ;
- Workplace-based median house price to median earnings ratio ;
- Adjustment factor = $\frac{\text{Local affordability ratio} - 4}{4} \times 0.25$;
- Local Housing Need = (1 + adjustment factor) x projected household growth.

Using this methodology the Government estimates a minimum OAHN for the Eastern Dorset HMA as 2,764 dwellings per annum and for Bournemouth 1,459 dwellings per annum (this is an uncapped figure because after 2017 the adopted Local Plan will be more than 5 years old). The Council should give consideration to the implications of the Government's proposal for a standardised methodology for OAHN which will be applicable by the time of the examination of the Local Plan Review. It is important that Bournemouth's OAHN is not under-estimated.

As set out in the NPPF the Council should be proactively supporting sustainable development to deliver a significant boost to the supply of housing to meet identified housing needs (paras 17 & 47). Therefore the Council should use its evidence base to ensure that its Local Plan meets OAHN in full as far as is consistent with the NPPF including identifying key sites critical to

the delivery of the housing strategy over the plan period (para 47). As set out in the Housing White Paper the Council should be planning for the right homes in the right places by making enough land available to meet assessed housing requirements.

The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. Therefore when planning for an acceptable mix of dwellings types to meet people's housing needs the Council should focus on ensuring that there are appropriate sites allocated to meet the needs of specifically identified groups of households such as self / custom builders and / or the elderly without seeking a specific housing mix on individual sites. Indeed the housing needs of older people is a diverse sector so the Local Plan should be ensuring that suitable sites are available for a wide range of developments across a wide choice of appropriate locations.

A broad portfolio of housing sites maximises housing delivery because a wide variety of sites by size, location and market type provides house builders of all types with 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. Although large strategic sites may have multiple outlets usually increasing the number of sales outlets available means increasing the number of housing sites whereby large strategic sites are complimented with smaller scale non-strategic sites. This approach is also promoted in the Housing White Paper because a good mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

The HBF do not comment on the merits or otherwise of individual sites therefore our representations are submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the overall HLS, 5 YHLS and housing trajectories. However it is essential that the Council's assumptions on lead-in times, lapse rates and delivery rates for sites are realistic. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council using historical empirical data and local knowledge. If other parties are able to demonstrate that the Council's assumptions about its HLS are not robust the Council's 5 YHLS may reduce below 5 years on adoption. The HBF's preferences for the calculation of 5 YHLS are the Sedgfield approach to shortfalls as set out in the NPPG (ID 3-035) with a 20% buffer applied to both the annualised housing requirement and any shortfall. Without reasonable certainty that the Council has a 5 YHLS the Local Plan Review cannot be sound as it would be neither effective nor consistent with the NPPF and on adoption its policies for the supply of housing would be instantly out of date (para 49).

A plan led system should include contingency planning therefore the HLS over the plan period should not be planned to a minimum with no flexibility to respond to changing circumstances. Therefore sufficient headroom should be provided within the overall HLS (see below DCLG presentation slide from HBF Planning Conference September 2015). This slide illustrates 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also

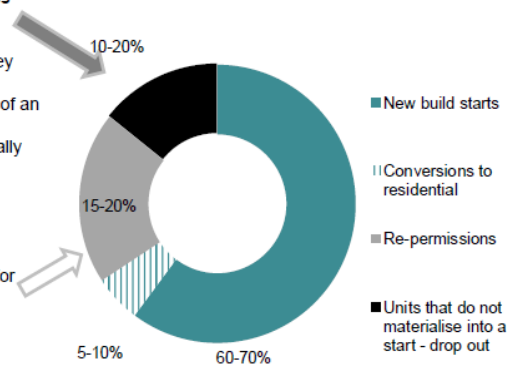
suggests “the need to plan for permissions on more units than the housing start / completions ambition”. Whilst it is acknowledged that this presentation slide shows average percentages across England the Council should be planning some headroom into its HLS.



In recent years there has been a 30-40% gap between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
 - **10-20%** do not materialise into a start; the permission 'drops out': this could be because -
 - the landowner cannot get the price for the site that they want
 - a developer cannot secure finance or meet the terms of an option
 - the development is later not considered to be financially worthwhile
 - there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.
 - **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.
- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition.**



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

ISSUE 2 : ENSURING THE ADEQUATE SUPPLY OF AFFORDABLE HOUSING

The Council’s Affordable Housing Development Plan Document adopted in 2009 pre-dates the requirements of NPPF. The Council’s affordable housing policy is out of date and the requirement for affordable housing provision on all sites is no longer consistent with site thresholds set out in the Written Ministerial Statement dated 28 November 2014. The definition of affordable housing should also accord with the latest definitions as set out in the NPPF. When the NPPF is revised in 2018 this may include tenures such as starter homes, discount market sale housing and affordable private rent housing.

If the Bournemouth Local Plan is to be compliant with national policy then development should not be subject to such a scale of obligations and policy burdens that viability is threatened (NPPF paras 173 & 174). The residual land value model is highly sensitive to changes in its inputs therefore an adjustment or an error in any one assumption can have a significant impact on the residual land value. 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. If viability is proven to be challenging within the Borough then policy trade-offs between affordable housing provision and infrastructure may be required. The Council should be mindful that the cumulative burden of policy requirements are not

set so high that the majority of sites are only deliverable if these sites are routinely rather than occasionally negotiated on the grounds of viability. Any new affordable housing policy should be properly viability tested after which a target of 40% affordable housing provision subject to viability may or may not remain valid.

ISSUE 3 : THE FUTURE OF GREEN BELT LAND IN BOURNEMOUTH

What should the future be for Bournemouth's part of the South-East Dorset Green Belt?

It is agreed that the formal review of the Green Belt and any subsequent release of sites including the allocation of specific strategic sites for development by 2036 should be part of the Local Plan Review. The proposed Green Belt Review should be undertaken at a strategic level and used to inform the review of Green Belt boundaries and the "exceptional circumstances" test for Green Belt release as part of the Local Plan Review. The Council's neighbouring authority the Borough of Poole has undertaken such a review and is proposing to adjust Green Belt boundaries to accommodate its housing needs in particular to boost the supply of affordable housing and family housing. The Borough of Poole Council's evidence is set out in "Exceptional Circumstances to amend South East Dorset Green Belt Boundary" Report dated July 2017. The HBF is supportive of the Borough of Poole Council's approach to its Green Belt review but make no comment on specific sites selected.

If after such a review the Council is still unable to meet its OAHN in full then under the Duty to Co-operate the Council should seek assistance from other Eastern Dorset HMA authorities as set out in the NPPF (paras 156, 178 – 181). It is the HBF's opinion that housing needs should be met where those needs arise if this is not possible then there should be a bigger than local approach involving cross boundary collaboration throughout the wider HMA so the distribution of housing needs is led by a strategic planning process. By the time of the examination of the Local Plan Review a Statement of Common Ground (SoCG) explaining cross boundary working as proposed in the Housing White Paper "*Fixing The Broken Housing Market*" and "Planning for the Right Homes in the Right Places" consultation document will be required. The Government proposes that all Councils will have a SoCG (in draft form in place in six months and final version in place twelve months) from the publication of the revised NPPF.

ISSUE 6 : TRANSPORT AND PARKING POLICIES

How do we ensure adequate parking provision to meet the need for public and private spaces?

The existing Local Plan policy is now out of date. This policy should be superseded therefore **Policy CS16** – Parking Standards should be updated.

ISSUE 10 : PROTECTING THE QUALITY OF THE BUILT AND NATURAL ENVIRONMENT

Are the policies in place adequate to ensure the quality is maintained?

Policy CS20 – Encouraging Small Family Homes, **Policy CS23** – Encouraging Lifetime Homes Standards and **Policy CS41** – Quality Design are out of date. These policies should be reviewed and updated.

The Local Plan Review should be prepared using new up to date evidence. Any new policy proposals for the adoption of optional higher housing standards should be fully justified by supporting evidence. Such optional higher housing standards should only be introduced in accordance with the criteria set out in the NPPG (ID 56-001 to 56-022).

ISSUE 11 : ENSURING LONG TERM RESILIENCE TO THE EFFECTS CLIMATE CHANGE INCLUDING FLOODING

Are our existing policy approaches adequate and effective in dealing with the effects of climate change into the future?

Policy CS2 – Sustainable Homes & Premises is out of date which should be updated.

Conclusion

It is hoped that these representations are of assistance to the Council in preparing the next stages of the Bournemouth Local Plan Review which to be found sound under the four tests of soundness as defined by the NPPF (para 182) should be positively prepared, justified, effective and consistent with national policy. In the meantime if the Council requires any further assistance or information please contact the undersigned.

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



Susan E Green MRTPI
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