



Charnwood Borough Council
Plans, Policies and Place-making Team
Southfields
Loughborough
Leicestershire
LE11 2TN

SENT BY E-MAIL ONLY TO
localplans@charnwood.gov.uk

7th June 2018

Dear Sir / Madam

“TOWARDS A LOCAL PLAN FOR CHARNWOOD” 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. This response answers specific questions set out in the Council’s “Towards a Local Plan for Charnwood” consultation document.

How much Development is Needed?

As currently set out in the National Planning Policy Framework (NPPF) the Council should be proactively supporting sustainable development to deliver a significant boost to the supply of housing to meet identified housing needs. The Council should ensure that its Local Plan meets Objectively Assessed Housing Needs (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. The Housing White Paper (HWP) “*Fixing The Broken Housing Market*” also emphasises that the Council should be planning for the right homes in the right places by making enough land available to meet assessed housing requirements.

The Charnwood Core Strategy adopted in November 2015 sets out a housing requirement of 13,940 dwellings (820 dwellings per annum) for the plan period of 2011 – 2028. The new Local Plan will set out a proposed minimum housing

requirement of 24,850 dwellings (994 dwellings per annum) for the extended plan period of 2011 – 2036.

The National Planning Practice Guidance (NPPG) currently 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 defines a HMA as a geographical area reflecting the key functional linkages between places where people live and work. Charnwood Borough Council is part of the Leicester & Leicestershire HMA together with Leicester, Oadby & Wigston, Melton, North West Leicestershire and Hinckley & Bosworth. 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 (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) ;
- Affordable housing need is separately assessed (ID 2a-022 – 028) however the delivery of affordable housing can be a consideration for increasing planned housing provision (ID 2a-029).

The Housing & Economic Development Needs Assessment (HEDNA) 2017 by GL Hearn calculates OAHN of 117,900 dwellings (4,716 dwellings per annum) for the HMA between 2011 – 2036 and 24,850 dwellings (994 dwellings per annum) for Charnwood. The OAHN of 994 dwellings per annum for Charnwood comprises of :-

- Demographic need of 947 dwellings per annum based on 10 year migration trend ;
- Plus an affordability adjustment of 47 dwellings per annum.

However the Government has been critical that honest assessments of housing needs have not been undertaken. The Government has set out proposals for a standard methodology for the calculation of OAHN. This methodology is summarised as :-

- 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.

By the time of the submission of the Charnwood Local Plan for Examination the Government's standard methodology will have been implemented. Using the proposed methodology the minimum OAHN for the Leicester & Leicestershire HMA is estimated as 4,743 dwellings per annum and for Charnwood 1,047 dwellings per annum.

The Council should fully justify its proposed housing requirement which is less than the standard methodology OAHN. It should also be remembered that the standard methodology is only a minimum starting point. Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are not negated by this figure. The Government's objective of significantly boosting the supply of homes remains. The HEDNA identifies a notional housing requirement of 1,280 dwellings per annum to deliver affordable housing in Charnwood. It is important that the Council does not under-estimate the housing needs of the Borough.

To fully meet the legal requirements of the Duty to Co-operate the Council should engage on a constructive, active and on-going basis with the other Leicester & Leicestershire HMA authorities to maximise the effectiveness of plan making. One key outcome from co-operation between the Leicester & Leicestershire HMA authorities should be the meeting OAHN in full across the HMA. In the Leicester & Leicestershire HMA there is a declared unmet housing need in Leicester city. The NPPG states that a key element of examination is ensuring that there is sufficient certainty through formal agreements that an effective strategy will be in place to deal with strategic matters such as unmet housing needs when Local Plans are adopted (ID 9-017). To date the Leicester & Leicestershire HMA authorities have failed to determine where in the HMA the declared unmet housing needs from Leicester City will be met. The non-statutory Draft Leicester & Leicestershire Strategic Growth Plan (SGP) states that "The agreed distribution for the period 2011 – 2036 will be set out in a Memorandum of Understanding (MoU) which will be published in early 2018. This will be used as the basis for preparing or reviewing Local Plans with 2036 as an end date". It was understood that the authorities would be signing this MoU in January 2018 now it is understood that the MoU will not be signed until after the publication of a Draft Local Plan for Leicester which is not anticipated until late 2018. The proposed housing requirement for Charnwood for the plan period ending 2036 should include provision for unmet needs from Leicester city.

What are the reasonable Development Strategy Options?

In this consultation the Council has identified seven Options for Development. There are associated risks with an over reliance on brownfield and infill sites because as a finite resource the availability of such sites will decline over time. Furthermore the artificial constraint of housing on greenfield sites will not ensure delivery of unviable brownfield sites nor will it assist with the delivery of affordable housing meaning that not all housing needs can be met. Similarly large urban extensions and / or new settlements may be a sustainable way to deliver housing but such sites can take a long time to develop and cannot meet OAHN in full nor sustain rural communities. Therefore a combination of the all identified Options for Development should be considered in order to meet future housing needs.

The inter-relationship between the new Local Plan and the non-statutory Leicester & Leicestershire SGP should also be set out. The Draft SGP focuses on strategic locations for housing growth including along transport

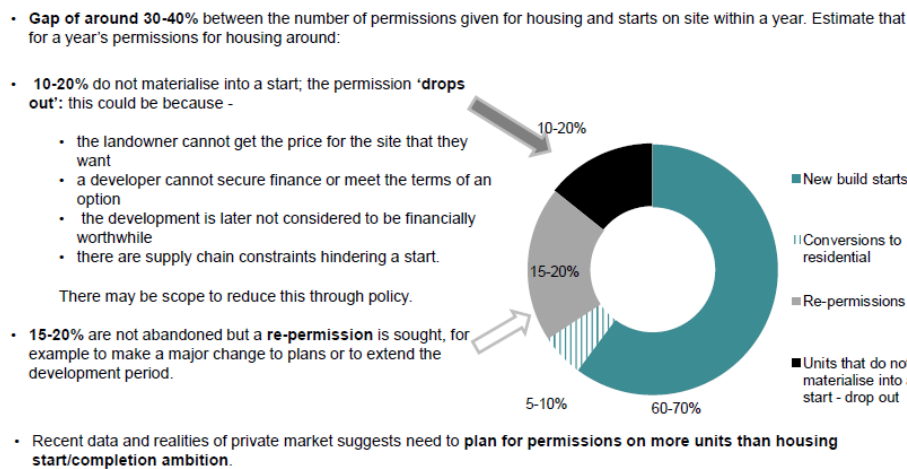
corridors and important employment centres so homes and jobs are located in close proximity. Three strategic locations are identified in Charnwood namely North East of Leicester city as part of the Primary Growth Area for circa 40,000 dwellings, the Northern Gateway as part of the Secondary Growth Areas for circa 10,000 dwellings and in Loughborough as an Area of Managed Growth. Post 2036 the SGP will form the framework for Local Plan preparation. Although the Draft SGP proposals occur beyond the new Local Plan end date given the long lead in times associated with such strategic development proposals this should be considered during current plan preparation.

The new Local Plan also provides the opportunity for the Council to reconsider the principle of continuing with the designation of Areas of Local Separation and Green Wedges. It is also noted that there is no national policy for the provision of strategic gaps or encouragement in Government policy to have such designations. The NPPF and NPPG make no reference to such designations and provide no advice on the detailed definition of boundaries.

Since the start of the plan period 18,500 dwellings have been built and / or consented leaving a residual housing requirement for 6,451 dwellings. The Council is proposing a Housing Land Supply (HLS) including a flexibility contingency of 8,100 dwellings. It is agreed that a flexibility contingency should be applied to the overall HLS in order that the new Local Plan is responsive to changing circumstances and the proposed housing requirement is treated as a minimum rather than a maximum ceiling on overall HLS. It is acknowledged there can be no numerical formula to determine the appropriate quantum of such a flexibility contingency however where a Local Plan or a particular settlement or locality is highly dependent upon one or relatively few large strategic sites greater numerical flexibility is necessary than in cases where supply is more diversified. As identified in Sir Oliver Letwin's interim findings large housing sites may be held back by numerous constraints including discharge of pre-commencement planning conditions, limited availability of skilled labour, limited supplies of building materials, limited availability of capital, constrained logistics of sites, slow speed of installation by utility companies, difficulties of land remediation, provision of local transport infrastructure, absorption sales rates of open market housing and limitations on open market housing receipts to cross subsidise affordable housing. The HBF always suggests as large a contingency as possible of at least 20%. If any of the Council's assumptions on lapse rates, windfall allowances and delivery rates were to be adjusted or any proposed housing site allocations were to be found unsound then the Council's contingency would be eroded. The smaller the Council's contingency becomes so the built in flexibility of the Local Plan reduces. The DCLG presentation slide from the HBF Planning Conference September 2015 (see below) illustrates a 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"*.



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



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

The Council should re-consider the settlement hierarchy and the assessment of settlement limits to development in order to provide additional flexibility. It is important that the Council's proposed housing distribution recognises the difficulties facing rural communities in particular housing supply and affordability issues. The NPPG emphasises that all settlements can play a role in delivering sustainable development so blanket policies restricting housing development in some settlements and preventing other settlements from expanding should be avoided. One of the core planning principles of the NPPF is to *"take account of the different roles and character of different areas ... recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it"* (para 17) and *"to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities"* (para 55). The proposed distribution of housing should meet the housing needs of both urban and rural communities. The Council should consider permitting development adjacent to as well as within settlement boundaries.

Available Sites

The HBF submit no comments on the merits or otherwise of individual strategic / non-strategic sites so our representations are submitted without prejudice to any comments made by other parties. For the Council to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have 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 large strategic sites may have multiple outlets usually increasing the number of sales outlets available inevitably means increasing the number of housing site allocations in the case of Charnwood large existing strategic sites should be complimented by smaller scale non-strategic 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. This approach is also advocated in the HWP 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 new Local Plan should also deliver new housing to meet the full range of local needs including affordable housing and specialist housing. The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. 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 the elderly without seeking a specific housing mix on individual sites. Indeed the housing needs of older people is a diverse sector so the new Local Plan should be ensuring that suitable sites are available for a wide range of developments across a wide choice of appropriate locations.

Conclusion

It is hoped that these representations are of assistance in informing the next stages of the Charnwood Local Plan. If any further information or assistance is required please contact the undersigned.

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



Susan E Green MRTPI
Planning Manager – Local Plans