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Dear Sir / Madam

BOLSOVER PRE SUBMISSION 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 representations and appear at future Examination Hearing Sessions to discuss these matters in greater detail.

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 in 23 paragraphs of the National Planning Practice Guidance (NPPG). 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).

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).

The NPPG defines a HMA as a geographical area reflecting the key functional linkages between places where people live and work. It has been determined that Bolsover District Council is a constituent part of the North Derbyshire & Bassetlaw HMA together with North East Derbyshire, Chesterfield and Bassetlaw District Councils. It is understood that Bolsover received a request from North East Derbyshire to accommodate unmet housing needs but no assistance was available. As a consequence each HMA authority will meet its own housing needs in full within its own respective administrative boundary. However there is also an identified overlap between the North Derbyshire & Bassetlaw HMA and the Sheffield City HMA where interconnecting economic relationships and commuting patterns have been identified. 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 important that these wider inter relationships are taken into account in both defining the relevant HMA and the OAHN. It is not unreasonable to expect that the North Derbyshire & Bassetlaw HMA authorities consider their relationship with the Sheffield City Region and any unmet needs therein. Whilst the linkages between Sheffield and Bolsover are the weakest of the North Derbyshire & Bassetlaw HMA authorities Bolsover may encounter a "ripple effect" as authorities closest to the city such as Bassetlaw assist in meeting unmet needs. This unresolved strategic matter should be addressed sooner rather than later.

It is understood that Bolsover is a member of the D2N2 Local Enterprise Partnership (LEP) and there are future proposals for a North Midlands Combined Authority which may prepare a strategic spatial plan. It is important that the Local Plan sets out its relationship with any future sub regional spatial plan and its associated growth agenda which may be prepared by the proposed Combined Authority.

It is noted that the proposed plan periods for the respective Local Plans of the Derbyshire & Bassetlaw HMA authorities are not aligned. Currently the proposed plan periods are 2014 – 2034 for North East Derbyshire, 2016 – 2033 for Chesterfield, 2019 – 2034 for Bassetlaw and 2014 - 2033 for Bolsover. The NPPG advises that plan dates should be co-ordinated. There is concern that inconsistencies in plan period start and end dates may result in identified housing needs been "missed out".

If further evidence and / or a Statement of Common Ground (SoCG) are prepared before or after submission of the Bolsover Local Plan for examination the HBF may wish to submit further comments on the Council's legal compliance with the Duty and any implications for the soundness of the Local Plan in Written Hearing Statements and / or orally during Examination Hearing sessions.

OAHN and the Housing Requirement

Currently under the NPPF the Council should be proactively supporting sustainable development to deliver needed homes by identifying and then meeting housing needs (para 17) in particular the Council should be significantly boosting the supply of housing (para 47). The Council should also ensure that its assessment of and strategies for housing, employment and other uses are fully integrated (para 158). The NPPG currently advises that housing need should be assessed in relation to the relevant functional area known as the HMA (ID 2a-008). An OAHN should be unconstrained (ID 2a-004) and the NPPG recommends the use of its standard methodology (ID 2a-005). This 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 consider undersupply relative to demand) (ID 2a-019 & 020) ;
- Affordable housing need is separately assessed (ID 2a-022 – 028) but delivering affordable housing can be a consideration for increasing planned housing provision (ID 2a-029).

Policy SS2 – Scale of Development proposes a housing requirement of 5,168 dwellings (272 dwellings per annum) for the plan period 2014 - 2033. The HBF recommend that this housing requirement is expressed as a minimum figure.

In November 2013 the Council estimated its OAHN as 235 – 240 dwellings per annum (North Derbyshire / North Nottinghamshire SHMA 2013). In March 2014 an updated estimate of OAHN was 222 – 251 dwellings per annum (Report on further sensitivity testing of HFR, migration trends and employment assumptions). The Council updated these original OAHN estimates following publication of 2014 SNPP and SNHP. The latest OAHN for the North Derbyshire & Bassetlaw HMA is 1,211 dwellings per annum and 272 dwellings per annum for Bolsover (North Derbyshire & Bassetlaw SHMA – OAN Update Report 2017 by G L Hearn). This latest OAHN is summarised as follows :-

Demographic :-

- 227 dwellings per annum based on 2014 SNPP plus an adjustment for 10 year migration trend (due to concern that lower population growth was partly influenced by under delivery of housing) ;
- 247 dwellings per annum after an adjustment for “part return to trend model” (due to concern about falling HFR in younger age groups) ;

Economic :-

- 249 dwellings per annum using the Experian economic baseline forecast. This forecast predicts economic growth of 3,000 jobs which is lower than achieved in previous economic cycle ;
- 386 dwellings per annum using Economic Growth Scenario based on historic economic trends of 0.5% per annum in the HMA and 0.9% per annum in Bolsover which links job growth of 6,500 jobs to the resident labour force ;

Market Signals :-

- No market signal adjustments ;

Affordable Housing Need :-

- An affordable housing need of 126 dwellings per annum ;
- 272 dwellings per annum as a “policy on” housing requirement which includes a 10% uplift (+25 dwellings) above demographic need to support affordable housing delivery.

The Council concludes that a housing requirement of 272 dwellings per annum will meet demographic needs, support economic growth and help deliver affordable housing. Whilst the Council’s latest OAHN addresses previous HBF’s criticisms there remain the following concerns about an under-estimation of housing needs :-

- Whether or not economic and housing strategies are aligned and support the economic growth ambitions of the LEP as set out in the NPPF (para 158). The proposed housing requirement is only 272 dwellings per annum compared to the Economic Growth Scenario of 386 dwellings per annum ;
- if 10% uplift is sufficient to deliver the sizable identified affordable housing need given viability constraints across the District (see HBF comments under Whole Plan Viability & Affordable Housing) ;
- if account has been taken of any unmet needs from elsewhere such as Sheffield City and / or the potential to miss out housing needs due to inconsistencies in plan periods across the North Derbyshire & Bassetlaw HMA (see HBF comments under Duty to Co-operate).

For comparison purposes the Government’s proposed standardised methodology comprises of :-

- 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 standard methodology the OAHN for Bolsover is 254 dwellings per annum. This is a higher figure than the equivalent number of 247 dwellings per annum using the Council's calculation. It should be remembered that the standard methodology is only a minimum starting point so ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are additions. The Government's objective of significantly boosting the supply of homes remains. It is important that meeting housing needs is not under-estimated or undermined by unnecessarily restricting any proposed uplifts.

Housing Land Supply (HLS)

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). 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 (HWP) "*Fixing the Broken Housing Market*" the Council should be planning for the right homes in the right places by making enough land available to meet assessed housing requirements.

Policy SS3 – Spatial Strategy & Distribution sets out the spatial distribution across the District based on a five tiered settlement hierarchy comprising of :-

- small urban towns of Bolsover (1,769 dwellings) & Shirebrook (786 dwellings) ;
- emerging towns of Clowne (1,494 dwellings) & South Normanton (380 dwellings) ;
- large rural villages of Creswell, Pinxton, Whitwell, Tibshelf & Barlborough (1,028 dwellings) ;
- fourteen named small rural villages (233 dwellings) and ;
- twenty nine named small rural settlements in the countryside.

Future development is focussed on the more sustainable towns and large villages in the first three tiers of the settlement hierarchy. In the small rural villages only limited development will be supported. Whilst in the rural settlements in the countryside there is a single infill plot development restriction.

The Local Plan proposes three strategic site allocations for circa 2,100 dwellings. These are Bolsover North for circa 950 dwellings (**Policy SS4**), Clowne Garden Village for circa 1,000 dwellings (**Policy SS5**) and Former Whitwell Colliery site for circa 200 dwellings (**Policy SS6**). There are also two Priority Regeneration Areas at former Coalite Chemical Works Site (**Policy SS7**) and Pleasley Vale (**Policy SS8**). Other site allocations provide circa 2,455 dwellings. **Policy LC1 – Housing Allocations** sets out non-strategic site allocations on twenty two sites (listed as a to v).

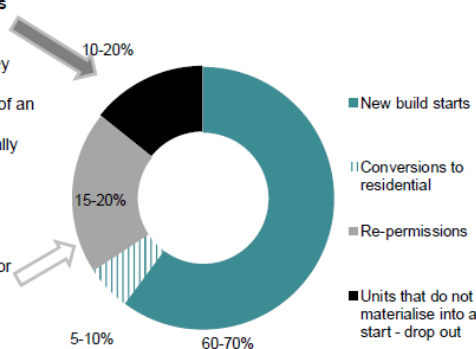
The Council should allocate sufficient housing sites to meet its housing requirement during the plan period including sufficient headroom over and above this requirement as a contingency to provide enough flexibility to enable the Council to respond efficiently to changing circumstances. Moreover the housing requirement should not be seen as a maximum and therefore not treated as a ceiling to overall HLS. The Council's overall HLS is 5,730 dwellings (including completions 2014/15 – 2016/17 of 872 dwellings and expected completions 2017/18 of 303 dwellings) which includes a 10% flexibility contingency (housing requirement of 5,168 dwellings plus 10%). The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum of such a flexibility contingency but 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 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”*. The Council should provide a robust justification for proposing a contingency of only 10%.



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

It is also critical that in the Council's housing trajectory set out in Appendix 5.1 any assumptions on lead-in times and delivery rates are 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. As the HBF do not comment on the merits or otherwise of individual sites our representation is submitted without prejudice to any further comments made by other parties on the deliverability of specific sites included in the Council's housing trajectory.

The Council's HLS assumes that all of the allocations will be found sound. However the soundness of individual allocations will be discussed throughout the course of the Local Plan Examination. If any are found to be unsound these will need to be deleted from the deliverable supply accordingly. Further alternative site allocations may be needed. When allocating additional sites the Council should be mindful that 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 some SUEs may have multiple outlets inevitably 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. This approach is also advocated in the HWP which states that 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 suggests that the Council also considers providing greater flexibility by varying **Policies SS3 and SC1 – Development within the Development Envelope** to include sustainable development which is adjacent to as well as within development envelopes. It is important that the Council 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.

Furthermore the Council should re-consider whether or not the level of protection proposed in **Policy SS11 – Development in Important Local Breaks** is justified. There is no national policy for the provision of strategic gaps and no 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. In these circumstances the

Council should re-consider the principle of continuing with the designation of such areas of local separation.

It is noted that the Council is not proposing any reserve sites. Under monitoring (see Appendix 10.2) the Council proposes that if housing delivery is below projected targets for 3 consecutive years or more than 20% of sites are not meeting trajectories then the Local Plan will be reviewed. However review is not the optimum mechanism by which to resolve unmet housing need because of the slow response time of such reviews. It is suggested that the Council re-considers the allocation of reserve sites to provide greater flexibility and a speedier response. The Local Plans Expert Group (LPEG) Report March 2016 recommended 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).

The 5 YHLS calculation is a snap shot in time which can change very quickly. Therefore the following comments address matters of principle rather than detailed site specific analysis. The HBF preferences for the calculation of 5 YHLS include 20% buffer applied to both annualised housing requirement and any shortfalls which should be recouped as quickly as possible using the Sedgefield approach (NPPG ID 3-035). The Council’s 5 YHLS position in August 2017 is calculated as 7.96 years for the period 2017/18 – 2022/23 using an annualised housing requirement of 272 dwellings per annum, 5% buffer and Sedgefield approach. The 5 YHLS of 2,418 dwellings includes 2,098 dwellings on consented sites (including resolutions to grant) and 320 dwellings on allocated sites. As discussed above 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. Without reasonable certainty that the Council has a 5 YHLS on adoption the Local Plan could not be sound as it would be neither effective nor consistent with national policy rendering relevant policies for the supply of housing instantly out of date on adoption (NPPF para 49).

Whole Plan Viability and Affordable Housing

If the Bolsover Local Plan is to be compliant with national policy then the Council must satisfy the requirements of the NPPF whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened (paras 173 & 174). **Policy LC2 – Affordable Housing Through Market Housing** proposes 10% affordable housing provision on sites of 25+ dwellings subject to viability. The Council’s up to date viability evidence is set out in Whole Plan Viability Assessment for Bolsover Local Plan dated March 2018 by Bailey Venning Associates.

The Council’s latest evidence shows that viability across the District is challenging. The evidence demonstrates that policy compliant (10% affordable housing provision) residential development is only deliverable if a minimum selling price of £230 per square foot is achieved (identified as Value

Point 4) which occurs in a relatively small portion of the District and on very few allocations because generally Bolsover is a low value area.

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. In Bolsover policy compliant residential development only becomes viable if BCIS build costs are reduced. The theoretical reduction in build costs is achieved by using the lower quartile rather than the median cost as well as applying a discount for economies of scale and efficiency on sites of more than 40 dwellings. Such assumed lower build costs may not happen and therefore is not an appropriate evidential justification for the policy requirements set out in **Policy LC2**. Even after this assumed reduction in BCIS build costs development in Shirebrook, Hodthorpe, Tibshelf and Bolsover remains unviable. Indeed the Council's own evidence states that the aforementioned settlements should be specifically excluded from **Policy LC2** (see para 1.28).

The Council should clarify the proportion of sites with the benefit of planning permission and signed Section 106 Agreements in order to assess the extent to which delivery of the Local Plan is threatened by an unviable affordable housing policy. It is known that when the Council waived the requirement for affordable housing provision there was an increase in housing delivery (see para 1.25). The cumulative burden of policy requirements should not be set at a level which results in routine rather than occasional negotiations because development is unviable. It is recommended that **Policy LC2** is amended to reduce the policy compliant requirement for affordable housing in accordance with the Council's own viability evidence.

Housing Policies

Policy LC4 – Custom & Self Build Dwellings proposes at least 5% self build dwellings on sites of more than 10 dwellings. The HBF is supportive of proposals to encourage self / custom build for its potential additional contribution to the overall housing supply. It is noted that policies which encourage self / custom build have been endorsed in a number of recently published Inspector's Final Reports for East Devon Local Plan, Warwick Local Plan, Bath & North East Somerset Place-making Plan and Derbyshire Dales Local Plan. The HBF is also supportive of the allocation of specific sites for self / custom build.

However the HBF is not supportive of restrictive policy requirements for the inclusion of such housing on residential development sites as proposed by the Council. This approach only changes housing delivery from one form of house building company to another without any consequential additional contribution to boosting housing supply. If these plots are not developed by self / custom builders then these undeveloped plots are effectively removed from the housing land supply unless the Council provides a mechanism by which these dwellings may be developed by the original non self / custom builder in a timely manner. The Council's proposed release mechanism in the event of self / custom builders not coming forward is unworkable. The proposed marketing period of at least 12 months is too long and offering for sale to the

Council or housing association is unrealistic option. Before introducing any such policy the Council should also give consideration to the practicalities of health & safety, working hours, length of build programme, etc. as well as viability assessing any adverse impacts. 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).

Any policy requirement for self / custom build serviced plots on residential development sites should be fully justified and supported by evidence. If the Council wishes to promote self / custom build it should do so on the basis of evidence of need. The Council should assess such housing needs in its SHMA work as set out in the NPPG (ID 2a-021) collating from reliable local information (including the number of validated registrations on the Council’s Self / Custom Build Register) the demand from people wishing to build their own homes. The Council’s own evidence states that it is *“difficult to demonstrate concrete evidence of demand at a local level”* in August 2017 there were only 7 entries on the Self Build Register (see Table 86 of North Derbyshire & Bassetlaw SHMA 2017) concluding that it *“would expect most new delivery on small windfall sites”*. Therefore there is no justification for **Policy LC4** which should be delete.

Other Policies

Policy SC6 : Renewable and Low Carbon Energy

The Council should not expect major new developments to connect to or be designed to connect in the future to district or community heating networks thereby limiting future consumer choice to that particular provider of heat. This expectation should be deleted.

Policy II2 : Employment and Skills

The Council should not be seeking to approve Employment and Skills Plan on significant (defined as housing developments of more than 30 dwellings) developments. The effectiveness of the policy is not clear if an Employment and Skills Plan was not approved is planning consent refused. Until the Council has provided advice and guidance necessary to assist applicants to meet this proposed policy requirement **Policy II2** should be removed.

Conclusions

For the Bolsover 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). The Plan is unsound in respect of :-

- an under-estimation of housing need due to misalignment of housing and economic strategies, insufficient uplift to deliver affordable housing need given viability constraints, unmet needs from elsewhere or arising from inconsistencies in plan periods across the HMA. Furthermore any

proposed housing requirement should be expressed as a minimum figure ;

- a lack of contingency in the Council's HLS ;
- an unviable affordable housing policy which should be amended ;
- no justification for policy requirements for self / custom build plots, connection to district heating networks and approval of Employment & Skills Plans which should be deleted.

It is hoped that these representations are of assistance to the Council in informing the next stages of the Bolsover 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**



Susan E Green MRTPI
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