



Teignbridge District Council
Local Plan Review
Spatial Planning & Delivery
Forde House
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SENT BY E-MAIL ONLY TO
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Dear Sir / Madam

TEIGNBRIDGE LOCAL PLAN REVIEW - ISSUES 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 Teignbridge Local Plan Review (LPR) issues consultation document.

Q1. How can the Council best ensure that Neighbourhood Plans are reflected through the Local Plan Review?

The relationship between Neighbourhood Plans and the LPR should be clearly set out and accord with the revised National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG).

Q2. Do you agree that the Local Plan Review should focus on allocating for small to medium sites to encourage smaller builders and increase housing delivery?

It is understood that the Greater Exeter Strategic Plan (GESP) (see Issues Consultation dated 10th April 2017) will set out the overall housing requirement and its distribution across the Greater Exeter Housing Market Area (HMA) authorities together with strategic housing site allocations (defined for Teignbridge as sites of more than 500 dwellings). Therefore it is

inevitable that the LPR will be focussed on allocating non-strategic housing sites (less than 500 dwellings) because strategic sites will be allocated in the GESP. It is important that the housing needs of the sub region are met in full over the plan period by ensuring that strategic allocations of the GESP together with the smaller scale development allocations in Local Plans are sufficient to meet these housing needs.

Housing delivery should be maximised by allocating the widest possible range of non-strategic sites, by size and market location 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 increasing housing delivery is the number of sales outlets whilst strategic sites allocated in the GESP may have multiple outlets usually increasing the number of sales outlets available inevitably means increasing the number of housing site allocations so that strategic sites are 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 Housing White Paper "*Fixing the Broken Housing Market*" 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 (also see HBF answer to Q7).

Q3. Do you think the Council should consider providing additional support for modern methods of construction as a way to speed up housing delivery?

Modern methods of construction are only one of many ways of speeding up housing delivery. The Council should clarify the sort of support for modern methods of construction proposed.

Q4. Do you think the current spatial strategy's distribution of housing should be maintained through the Local Plan Review?

The current spatial strategy distribution should be reviewed in the context of the GESP and the meeting of a higher housing requirement for the District (756 dwellings per annum compared to 620 dwellings per annum). The spatial distribution of housing should provide sufficient opportunities to allow identified housing needs to be met in full. It is important that the Council's proposed housing distribution recognises the difficulties facing rural communities in particular housing supply and affordability issues (in 2016 household income to house price ratio was 9.34). The proposed distribution of housing should meet the housing needs of both urban and rural communities (also see HBF answer to Q7).

Q5. Should the Local Plan Review include a Main Villages category as an additional tier of the hierarchy?

The Council should reconsider the settlement hierarchy and whether or not to include an additional tier for Main Villages as an integral part of the LPR. The

settlement hierarchy should provide sufficient opportunities to allow identified housing needs to be met in full.

Q6. Are there any settlements that you think should be added, removed or moved into a different category?

The addition, removal or moving of settlements into different categories should be considered as part of the LPR.

Q7. Which of the above options or combination of options would best address meeting the District's additional housing requirement of up to or around 6,457 dwellings?

The Teignbridge Local Plan adopted in May 2014 sets out a housing requirement of 12,420 dwellings (620 dwellings per annum) for the plan period of 2013 – 2033.

It is understood that the GESP will set out the overall housing requirement and distribution across the four constituent HMA authorities and allocate strategic housing sites. The NPPG defines a HMA as a geographical area reflecting the key functional linkages between places where people live and work (ID 2a-008). Teignbridge District Council is part of the Greater Exeter HMA together with Exeter, Mid and East Devon. The GESP should make provision for the housing needs in full of the HMA.

By the time of the submission of the Teignbridge LPR for Examination the Government's standard methodology will have been implemented. The Government's proposed standard methodology for the calculation of OAHN 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.

Using the proposed methodology the minimum OAHN for the Greater Exeter HMA is estimated as circa 2,599 dwellings per annum and for Teignbridge 756 dwellings per annum (using 2014 based data) which is higher than the adopted Local Plan housing figure. The LPR will set out a proposed minimum housing requirement of 15,120 dwellings (756 dwellings per annum) for the plan period of 2020 – 2040. However 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 additional. The Government's objective of significantly boosting the supply of homes remains. It is important that the Council does not under-estimate the housing needs of the District.

Currently in the Greater Exeter HMA the focus for housing growth is Exeter and the new community at Cranbrook. The GESP proposes a variety of options to accommodate anticipated housing growth including the more efficient use of land in Exeter, Sustainable Urban Extensions (SUEs), dispersed non-strategic scale development to sustain rural areas and new communities. The LPR will be in conformity with the GESP by allocating non-strategic housing sites to meet the residual housing requirement of 6,457 dwellings as well as setting out District specific policies. In this consultation the Council has identified four Options to address meeting additional housing requirements in Teignbridge. These are :-

- (a) Urban Area & towns ;
- (b) Urban Area, towns & main villages ;
- (c) some growth to all villages with settlement boundary ;
- (d) new settlement.

A combination of the all identified Options for Development should be considered in order to meet future housing needs. There are associated risks with an over reliance on any one Option because :-

- brownfield / infill sites are a finite resource and the availability of such sites will decline over time ;
- the artificial constraint of housing on greenfield sites does not ensure delivery of unviable brownfield sites or assist with the delivery of affordable housing ;
- large urban extensions and / or new settlements take a long time to develop and do not sustain rural communities.

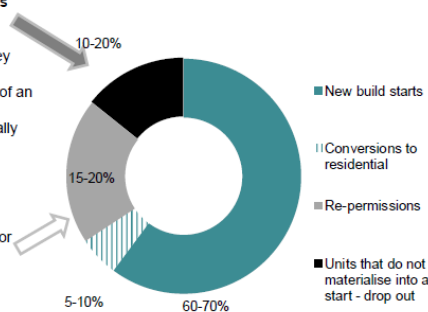
It is also recommended that a flexibility contingency should be applied to the Council's overall Housing Land Supply (HLS) in order that the LPR is responsive to changing circumstances and the proposed housing requirement is treated as a minimum rather than a maximum ceiling. The DCLG presentation slide 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*". The HBF always suggests as large a contingency as possible of at least 20%. It is acknowledged there can be no numerical formula to determine the appropriate quantum of such a flexibility contingency however where a 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.



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

If during the LPR Examination 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 any proposed contingency would be eroded. The smaller the Council's contingency becomes so the built in flexibility of the LPR reduces.

The Local Plans Expert Group (LPEG) Report also 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 HBF suggests that the Council also considers the allocation of reserve sites as a means of providing greater flexibility (also see HBF answers to Q2 & Q4).

Q10. Do you have any general comments on the Draft Settlement Boundary Review Paper?

At this time the HBF have no general comments on the Draft Settlement Boundary Review Paper.

Q11. Should the Local Plan Review consider one of the above alternative approaches to settlement boundaries?

The Council has proposed two alternative approaches to settlement boundaries :-

- (a) sustainable development adjacent to settlement boundaries or ;

- (b) remove settlement boundaries and replace with criteria based policy.

Whichever of these Options is chosen by the Council a clear framework should be provided to ensure that policies in the LPR can be effectively applied. The chosen Option should provide sufficient opportunities to allow development needs to be met. 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 Council should consider permitting development adjacent to as well as within settlement boundaries.

Q12. Which of the above options or combination of options would best address meeting an appropriate mix in the District’s additional housing requirement?

The LPR should 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, the elderly and gypsy & travellers 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.

Q13. What impacts should the Local Plan Review consider in the application of the optional standards for adaptable homes in planning policy?

The Written Ministerial Statement dated 25th 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. All new homes are built to Building Regulation Part M standards. So it is incumbent on the Council to provide a local assessment evidencing the specific case for Teignbridge which justifies the inclusion of optional higher standards for accessible / adaptable homes and quantum thereof. The District’s ageing population is not unusual and is not a phenomenon specific to Teignbridge. If it had been the Government’s intention that generic statements about an ageing population justified adoption

of higher optional accessible / adaptable standards then the logical solution would have been to incorporate the standard as mandatory via the Building Regulations which the Government has not done. The optional higher standards should only be introduced on a “need to have” rather than “nice to have” basis. The Council should also consider the potential unintended consequence of encouraging the under-occupation of its housing stock by discouraging older households from moving.

Q14. Can you suggest improvements to the Local Plan Design policies?

If the Council wishes to adopt the Nationally Described Space Standard (NDSS) as a policy requirement then this should only be done by applying the criteria set out in the Written Ministerial Statement (WMS) dated 25th March 2015 and the NPPG. The WMS confirms 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”*. The NPPG sets out that *“Where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local Planning Authorities should take account of the following areas need, viability and timing”* (ID: 56-020) :-

- Need - It is incumbent on the Council to provide a local assessment evidencing the specific case for Teignbridge which justifies the inclusion of the NDSS as a policy requirement. The Council’s evidence in Appendix 2 GI floor areas of affordable and market housing which identifies the number of bedrooms but not bedspaces (persons) is inconclusive and does not demonstrate a problem. The identification of a need for the NDSS must be more than simply stating that in some cases the standard has not been met it should identify the harm caused or may be caused in the future.
- Viability - The impact on viability should be considered in particular an assessment of the cumulative impact of policy burdens. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council cannot simply expect home buyers to absorb extra costs in a District where there exists severe affordability pressures. There is also an impact of larger dwellings on land supply. The requirement for the NDSS would reduce site yields or the number of units on a site. Therefore the amount of land needed to achieve the same number of units must be increased. The efficient use of land is less because development densities have been decreased. At the same time the infrastructure and regulatory burden on fewer units per site intensifies the challenge of meeting residual land values which determines whether or not land is released for development by a willing landowner especially in lower value areas and on brownfield sites. It may also undermine delivery of affordable housing whilst at the same time push additional families into affordable housing need because they can no longer afford to buy a NDSS

compliant home. The Council should undertake an assessment of these impacts.

- **Timing** - The Council should take into consideration any adverse effects on delivery rates of sites included in its housing trajectory. The delivery rates on many sites will be predicated on market affordability at relevant price points of units and maximising absorption rates. An adverse impact on the affordability of starter home / first time buyer products may translate into reduced or slower delivery rates. As a consequence the Council should put forward proposals for transitional arrangements. The land deals underpinning the majority of identified sites may have been secured prior to any proposed introduction of the NDSS. These sites should be allowed to move through the planning system before any proposed policy requirements are enforced. The NDSS should not be applied to any outline or detailed approval prior to the specified date and any reserved matters applications should not be subject to the NDSS.

Q15. How can the Local Plan Review best ensure high standards of design and quality of new developments?

The review of any policy in the LPR should be undertaken in accordance with the Government's proposed changes to both the NPPF and NPPG. The LPR policy requirements should not be more onerous than national policy. The HBF is supportive of the Council's current approach of using Building for Life 12 as guidance but not as a mandatory policy requirement.

Q16. Which of the above options or combination of options would best meet the growing demand for Custom & Self Build plots?

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 HBF is supportive of proposals to encourage self / custom build for its potential contribution to overall housing supply. Such encouragement may include the allocation of specific sites for self / custom build, exception sites and support for infill development. 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.

However the HBF is not supportive of proposals to seek a proportion of self / custom build plots on all or certain sized residential development sites. 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 should 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).

In Teignbridge it is understood that there are currently 113 consented self build plots and 267 entries on the Self Build Register. During the LPR the Council should provide evidence of the build out rate of self build plots consented under the current policy requirement for 5% on sites of more than 20 dwellings. If consented plots do not marry with the preferences of self builders then these plots will remain undeveloped and the policy is ineffective in delivering self build homes.

Q28. What implications should the Local Plan Review consider when drafting a policy to require electric charging point infrastructure on new developments?

At this time it may be premature for the Council to introduce a specific policy for electric vehicle charging points in residential developments. Before pursuing such a policy requirement the Council should engage with the main energy suppliers in order to determine network capacity to accommodate any adverse impacts if a proportion of dwellings are to have a re-charge facility. If re-charging demand became excessive there may be constraints to increasing the electric loading in an area because of the limited size and capacity of existing cables and new sub-station infrastructure may be necessary. The cost of such infrastructure may adversely impact on housing delivery. If electric vehicles are to be encouraged by the Government then a national standardised approach implemented through the Building Regulations would be more appropriate. The Council should be wary of developing its own policy and await the outcome of the Government’s proposed future consultation to be undertaken by the Department of Transport later this year.

Conclusion

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

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



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