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Dear Sir / Madam

BROMSGROVE LOCAL PLAN REVIEW – ISSUES & OPTIONS CONSULTATION

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 responses to specific questions in the Council's consultation document.

Strategic Issue 1: Scale and timeframe of the new Plan.

Q. SI 2: Do you think the Plan should cover the Bromsgrove District only and continue to take the form of a District Plan (like the current one) or are there wider geographical areas that the Plan should also take account of?

As set out in the 2018 National Planning Policy Framework (NPPF) the Bromsgrove Local Plan Review (LPR) should be positively prepared and provide a strategy which as a minimum seeks to meet local housing needs and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a). To fully meet the legal requirements of the Duty to Co-operate Bromsgrove District Council should engage on a constructive, active and on-going basis with its neighbouring authorities to maximise the effectiveness of plan making. The LPR should be prepared through joint working on cross boundary issues such as where housing needs cannot be wholly met within administrative areas of individual authorities. The meeting of unmet needs should be set out in a Statement of Common Ground (SoCG) signed by all respective authorities in accordance with the 2018 NPPF (paras 24, 26 & 27). If the LPR is to be deliverable over the plan period it should be based on effective joint working on cross boundary



strategic matters that have been dealt with rather than deferred as evidenced by a SoCG (2018 NPPF para 35c). One key outcome from co-operation between the authorities should be the meeting of housing needs in full. Indeed 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 on adoption of Local Plans. The LPR for Bromsgrove should be prepared in the context of a wider geographical area including the resolution of meeting unmet housing needs arising in the Greater Birmingham Housing Market (HMA) (also see answer to Q. SI 13).

Q. SI 4: What timescale do you think the Plan period should cover and why?

The 2018 NPPF states that strategic policies should look ahead over a minimum 15 year period from adoption to anticipate and respond to long term requirements (para 22). The Council's proposed plan period of 2018 – 2036 should provide an adequate timescale.

Strategic Issue 2: Growing the economy and the provision of strategic infrastructure.

Q. SI 5: Do you think the Council should plan for significant employment growth above previous levels within the District or do you think Bromsgrove's residents should continue the trend of out commuting to access jobs?

The Council should plan for significant employment growth rather than continuing the trend of out commuting.

Strategic Issue 3: Re-balancing the housing market through housing growth.

Q. SI 7: Do you think we have interpreted the standard methodology correctly?

As set out in the 2018 NPPF the determination of the minimum number of homes needed should be informed by a local housing need assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 60). In summary the standard methodology comprises (revised NPPG ID 2a-004) :-

- 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 standard methodology the Council has calculated a local housing need figure of about 6,500 dwellings for the period 2018 – 2036. This calculation is mathematically correct using the 2014-based household projections and 2017-based affordability data if however the 2016-based household projections are used the resultant local housing need figure is higher.

Currently the revised NPPG published in July 2018 confirms that during plan preparation local housing need figures should be kept under review and revised where appropriate. The local housing need figure calculated using the standard methodology may change when the Office of National Statistics (ONS) updates household projections (usually every 2 years) and affordability ratios (annually) which should be taken into consideration by the Council (ID 2a-008 & 009). After submission for examination the local housing need figure calculated using the standard methodology may be relied upon for 2 years (ID 2a-016). It is noted that this guidance may change on completion of the Government's latest consultation concerning the standard methodology which ends on 7th December 2018.

Whatever the final local housing need figure used the Council is reminded that this is only the minimum starting point any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are additional to the local housing need figure. The Government's objective of significantly boosting the supply of homes remains (2018 NPPF para 59). It is important that housing need is not under-estimated.

In Policy RCBD1 : Redditch Cross Boundary Development of the adopted Bromsgrove Local Plan the Council is committed to meeting 3,400 dwellings of unmet housing needs from Redditch by 2030. This existing commitment is in addition to the local housing need for Bromsgrove calculated using the standard methodology. This existing commitment should continue to be met by Bromsgrove District Council.

Q. SI 8: Which of the following options do you consider is most appropriate and why?

- **Option 1: Allocate land for about 6,500 dwellings up to 2036 ;**
- **Option 2: Allocate land for about 8,350 dwellings up to 2041 ;**
- **Option 3: Allocate land for about 10,200 dwellings up to 2046 ;**
- **Option 4: Irrespective of the length of the Plan period, allocate land for more homes than recommended by the standard methodology.**

Option 4 is considered the most appropriate because the Council should meet both its own local housing need and a proportion of unmet needs from neighbouring authorities including Redditch and Birmingham. The local housing need calculated using the standard methodology is a minimum figure. 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, treats the housing requirement as a minimum rather than a maximum and

provides choice as well as competition in the land market. The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but if the LPR is highly dependent upon one or relatively few large strategic sites, settlements or localities then greater numerical flexibility is necessary than if the HLS is more diversified. As identified by the Letwin Review 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. For the Council to maximize housing delivery the widest possible range of sites by size and market location are required so that small local, medium regional and large national house building companies have access to suitable land in order to offer the widest possible range of products. The HBF always suggests as large a contingency as possible (at least 20%) because as any proposed contingency becomes smaller so any in built flexibility reduces. If during the LPR Examination any of the Council's assumptions on lapse rates, windfall allowances and delivery rates become adjusted or any proposed housing site allocations are found unsound then so any proposed contingency erodes.

Strategic Issue 4: Broad options for development distribution and allocating land uses.

Q. SI 10: Which combination of the above options do you feel are the most appropriate and sustainable to meet the District's future needs and why?

A combination of all nine Options for the broad distribution of development and allocating land uses is considered the most appropriate and sustainable approach to meeting the District's future needs.

Q. SI 12: Do you think the Plan Review should remove land from the Green Belt to be designated as 'safeguarded land', to meet longer-term development needs beyond this Plan Review period?

The LPR should remove land from the Green Belt for designation as safeguarded land to meet longer term development needs beyond the LPR plan period.

Strategic Issue 5: Co-operating with the West Midlands conurbation to address wider development needs.

Q. SI 13: What are your views on the approach taken in Greater Birmingham Housing Market Area (HMA) Strategic Growth Study (SGS)?

The Birmingham Development Plan adopted in January 2017 identifies an unmet need of 37,900 dwellings for the plan period 2011 – 2031. The meeting

of this unmet housing need is a strategic cross boundary matter which should be addressed by the Greater Birmingham HMA authorities. The meeting of unmet needs should be set out in a SoCG signed by all respective Greater Birmingham HMA authorities. The Council should not sign any bilateral agreements concerning contributions towards meeting unmet needs because there is no certainty that the overall combined sum of bilateral agreements will meet the unmet needs in full of the HMA. As identified by the Stratford upon Avon Local Plan Inspector's Final Report a "holistic approach" is required. Under the 2018 NPPF tests of soundness the LPR should only be found effective if cross boundary strategic matters have been dealt with and not deferred (para 35c) (also see answer to Q. SI 2). The Greater Birmingham & Black Country HMA Strategic Growth Study published in February 2018 should be taken into consideration by the Council during the preparation of the Bromsgrove LPR. The inter relationship between the LPR and the Greater Birmingham & Black Country HMA Strategic Growth Study should be clearly stated and transparent.

Housing.

Q. H 1: Which of the following options do you consider is most appropriate and why?

- **Option 1: Set a specific minimum density requirement for the District as a whole ;**
- **Option 2: Set different minimum density requirements for different parts of the District ;**
- **Option 3: Rely on local distinctiveness and character within the District so that new housing fits in with its surroundings ;**
- **Option 4: Influence site density through good design.**

The HBF is supportive of the efficient use of land. The setting of any density standards in the LPR should be undertaken in accordance with the 2018 NPPF (para 123) whereby in the circumstances of an existing or anticipated shortage of land to meet identified housing needs then a minimum density in suitable locations such as town centres and those benefiting from good public transport connections may be appropriate. The Council's proposals under Options 2 and 3 are the most appropriate. A blanket approach to a minimum density across all the District as set out in Option 1 is inappropriate and unlikely to provide a variety of typologies to meet the housing needs of different groups. If a minimum density requirement is set out then the Council should carefully consider the inter-relationship between density, house size (any implications from the introduction of optional space and accessible / adaptable homes standards), house mix and developable acreage on viability especially if future development is located in less financially viable areas.

Q. H 3: Do you think that we should continue to try to secure up to 40% affordable housing on development sites?

As set out in the 2018 NPPF the LPR should set out the level and type of affordable housing provision require together with other infrastructure but such policies should not undermine the deliverability of the LPR (para 34). Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on the viability or otherwise of development. The cumulative burden of policy requirements should be set so that most sites are deliverable without further viability assessment negotiations (para 57). It is important that the Council understands and tests the influence of all inputs on viability as this determines if land is released for development. The Harman Report highlighted that “*what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development*”. The Council should undertake an updated viability assessment to determine whether or not up to 40% affordable housing provision together with the cumulative burden of other policy requirements and necessary infrastructure provision remain viable and deliverable.

Q. H 4: Do you think the social rented / intermediate housing split is appropriate?

Housing policies should be underpinned by relevant and up to date evidence which supports and justifies the policies concerned (2018 NPPF para 31). The housing needs for different groups should be assessed to justify the appropriate social rented / intermediate housing split.

Q. H 7: What level of Starter Home provision do you think we need in the District?

Housing policies should be underpinned by relevant and up to date evidence which supports and justifies the policies concerned (2018 NPPF para 31). The housing needs for different groups should be assessed to justify the level of starter home provision needed.

Q. H 11: Which of the following options do you consider is most appropriate and why?

- **Option 1: Be guided by market signals to determine the size and type of homes the District needs ;**
- **Option 2: Set size and type guidance for different parts of the District including Homes for Life.**

Housing policies should be underpinned by relevant and up to date evidence which supports and justifies the policies concerned (2018 NPPF para 31). The housing needs for different groups should be assessed to justify any policies on the size, type and tenure of housing including a need for affordable housing (2018 NPPF paras 61 & 62). The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. As set out in Option 1 market signals are important in determining the size and type of homes needed. 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 families, older people and / or self-build rather than setting a specific housing mix on individual sites. Therefore Option 2 is considered inappropriate. The LPR should ensure that suitable sites are available for a wide range of types of developments across a wide choice of appropriate locations.

Q. H 13: Should we be encouraging a wider range of homes in our rural settlements to ensure their long term vibrancy?

A wide range of homes should be encouraged in rural settlements to ensure their long term vibrancy. The Council should recognise the difficulties facing rural communities such as acute housing supply and affordability issues. In the last twenty years affordability in Bromsgrove has more than doubled from a median household income to house price ratio of 4.64 in 1997 to 10.24 in 2017. The proposed distribution of housing should meet the housing needs of both urban and rural communities. The 2018 NPPF confirms that "*in rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs*" (para 77) and concludes that "*to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services*" (para 78).

Q. H 16: Which of the following options do you consider is most appropriate and why?

- **Option 1: Allocate sites purely to meet the provisions of the self-build market ;**
- **Option 2: Ask developers to provide a number of plots for the self-build market on larger housing sites.**

The HBF supports the encouragement of self / custom build for its potential additional contribution to the overall housing supply. Option 1 is considered as the most appropriate approach. The Council may also wish to consider a form of exceptions policy for self / custom build homes.

Option 2 is inappropriate as this approach only changes housing delivery from one form of house building 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 HLS unless the Council provides a mechanism by which these dwellings may be developed by the original non self / custom builder in a timely manner. Before introducing any such policy the Council should consider the practicalities of health & safety, working hours, length of build programme, etc. as well as viability assessing any adverse impacts. There is the loss of Community Infrastructure Levy (CIL) contributions as self / custom build properties are exempt. Any policy requirement for self / custom build serviced plots on larger

housing sites should be fully justified and supported by evidence of need. The Council should assess such housing needs in the SHMAA as set out in the NPPG (ID 2a-021) collating from reliable local information (including the number of validated registrations on the Councils Self / Custom Build Registers) the demand from people wishing to build their own homes. The Council should analyse the preferences of entries on the Self Build Registers often only individual plots in rural locations are sought as opposed to plots on larger housing sites. The Register may not provide the justification for Option 2.

Q. H 18: Do you think we should be aspiring to achieve higher than minimum design standards?

If so, should this be 100% of all new homes built or just a proportion to make future adaptations easier?

If the Council wishes to adopt the higher optional technical standards as policy requirements then this should only be done by applying the criteria set out in the revised NPPF (para 127f & Footnote 42). 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”*. The optional higher standards should only be introduced on a “need to have” rather than “nice to have” basis.

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 (ID 56-005 to 012). 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 Bromsgrove which justifies the inclusion of optional higher standards for accessible / adaptable homes and the quantum thereof. The District’s ageing population is not unusual and is not a phenomenon specific to Bromsgrove alone. 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.

Likewise 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). The Council should consider the impacts on need, viability and timing before introducing the Nationally Described Space Standards (NDSS).

Climate Change and Water Resources.

Q. CC 1: Which of the following approaches do you think we should adopt as we review the District Plan?

- **Option 1: Leave the policies as they are if they are fit for purpose and only consider amending them when national legislation and planning policy renders them out of date ;**
- **Option 2: Rewrite the policies.**

The LPR should review the adopted Climate Change and Water Resource policies to re-consider if they remain fit for purpose and consistent with national policy. If not then the policies should be rewritten.

Conclusion

It is hoped that these responses will assist the Council in informing the next stages of the Bromsgrove LPR. In the meantime if any further information or assistance is required please contact the undersigned.

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

A handwritten signature in blue ink, appearing to read 'Susan E Green', is written over a light blue horizontal line.

Susan E Green MRTPI
Planning Manager – Local Plans