

Planning Policy
Tewkesbury Borough Council
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SENT BY E-MAIL ONLY TO
localplanconsultation@tewkesbury.gov.uk

30 November 2018

Dear Sir / Madam

TEWKESBURY BOROUGH PLAN – PREFERRED OPTIONS 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 make the following responses to the above mentioned consultation.

Housing Land Supply (HLS)

The objectively assessed housing needs and housing requirement for the Borough are set out in the adopted Gloucester Cheltenham & Tewkesbury (GCT) Joint Core Strategy (JCS). In Tewkesbury Borough there is a housing requirement for 9,899 dwellings between 2011 – 2031 of which at least 7,445 dwellings will be provided from existing commitments and future development in Tewkesbury as the market town and smaller scale development at Bishop's Cleeve and Winchcombe as rural service centres and other service villages.

There is an existing shortfall of 2,450 dwellings in the Council's overall HLS measured against the adopted housing requirement of the GCT JCS. This shortfall will be planned strategically as part of the immediate review of the GCT JCS for which a consultation has commenced ending on 11th January 2019. There are no proposed site allocations in Northway / Ashchurch in the Tewkesbury Borough Plan preferred options.

The Borough Plan and the GCT JCS Review will both be examined under the 2018 NPPF and revised NPPG. As set out in the 2018 NPPF the Borough Plan should provide a clear strategy for bringing sufficient land forward and at a sufficient rate to address housing needs over the plan period by planning for



and allocating sufficient sites to deliver strategic priorities (para 23). The Council should have a clear understanding of land availability in the plan area by preparing a Strategic Housing Land Availability Assessment (SHLAA) which should be used to identify a sufficient supply and mix of housing sites taking into account availability, suitability and economic viability. The policies of the Borough Plan should identify a supply of specific deliverable sites for years 1 – 5 of the plan period and specific developable sites or broad locations for growth for years 6 – 10 and where possible years 11 – 15 (para 67). The identification of deliverable and developable sites should accord with the definitions set out in the 2018 NPPF Glossary. The Council should also identify at least 10% of the housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68). The Borough Plan should include a trajectory illustrating the expected rate of housing delivery over the plan period. A minimum 5 years supply of specific deliverable sites including a buffer should be maintained (paras 73 & 74).

In **Policy RES1 : Housing Allocations** 23 preferred non-strategic housing sites are identified which comprise :-

- 3 sites for circa 170 dwellings in Tewkesbury town ;
- 2 sites for circa 61 dwellings in Bishop’s Cleeve ;
- 2 sites for circa 120 dwellings in Winchcombe ;
- 15 sites for circa 505 dwellings in service villages ;
- 1 site for circa 10 dwellings in Forthampton.

These sites are subject to site specific development principles. In **Policy RES5 : New Housing Development** the preferred option sets out 8 general principles for residential development.

In **Policy RES2 : Settlement Boundaries** the preferred option sets out that residential development in principle is acceptable within defined settlement boundaries of Tewkesbury Town Area, Rural Service Centres, Service Villages and Urban Fringe Settlements. In **Policy RES3 : New Housing outside Settlement Boundaries** the preferred option sets out 7 forms of development acceptable outside settlement boundaries. In **Policy RES4 : New Housing at Other Rural Settlements** the preferred option sets out that in the rural area small scale residential development is acceptable in principle within and adjacent to the built up area (except in Green Belt locations) subject to specified criteria.

For the Council to maximize housing delivery the widest possible range of sites by both size and market location are required so that small, medium and large housebuilding companies have access to suitable land to offer the widest possible range of products. As advocated in the Housing White Paper (HWP) “*Fixing the Broken Housing Market*” a mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector. The preferred options provide a variety of proposed non-strategic sites by both size and location. It is noted that there are 6 sites of less than 25 dwellings, 11 sites of 26 – 50 dwellings, 2

sites of 51 – 75 dwellings and 2 sites of more than 100 dwellings spread across 11 locations.

It is also important that the proposed distribution of housing meets the housing needs of both urban and rural communities. Often affordability is particularly acute in rural communities. In Tewkesbury Borough the median house price to median earnings ratio has increased from 3.84 in 1997 to 7.92 in 2017. The 2018 NPPF asserts 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).

The preferred housing sites identified in **Policy RES1** provide in excess of the requirements set out in Policy SP2 of the adopted GCT JCS for 1,860 dwellings in rural service centres and 880 dwellings in service villages. The HBF note that Policy SP2 figures are not ceilings therefore any excess above minimums will help provide flexibility to respond to changing circumstances, maintain a 5 YHLS and create choice and competition in the land market.

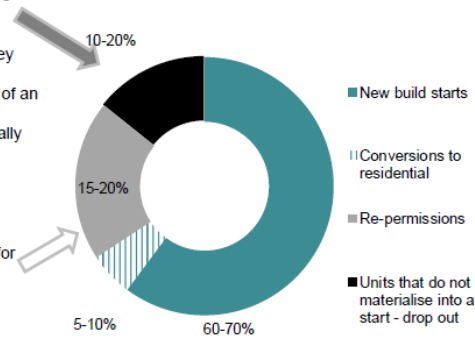
The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but where a Local Plan or specific settlement or locality is highly dependent upon one or relatively few large strategic sites greater numerical flexibility is necessary than in cases where supply is more diversified. As identified in the Letwin Review large strategic housing sites as allocated in the adopted GCT JCS 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 (at least 20%) because as any proposed contingency becomes smaller so any in built flexibility reduces. If during the Borough Plan Examination any of the Council’s assumptions on lapse rates, windfall allowances and delivery rates in the housing trajectory were adjusted or any proposed housing site allocations were found unsound then any proposed contingency would be eroded. The Department of Communities & Local Government (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

- **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

Housing Policies

Policy RES12 : Affordable Housing

In **Policy RES12** the preferred option proposes to vary affordable housing provision as set out in Policy SD12 of the adopted GCT JCS so that :-

- commuted sums equivalent to 20% on site provision are provided by sites of 6 – 9 dwellings in Designated Rural Areas (Bullet Point 1) ;
- on sites of 10 or more dwellings 40% on site affordable housing provision is rounded to the nearest whole dwelling and any remaining fractional provision is provided as off-site financial contributions (Bullet Point 2) ;
- affordable housing tenure and tenure split will be negotiated on a site by site basis based on latest evidence of need (Bullet Point 3).

As set out in the 2018 NPPF the Borough Plan should set out the level and type of affordable housing provision required together with other infrastructure but such policies should not undermine the deliverability of the Plan (para 34). The cumulative burden of policy requirements should be set so that most development is deliverable without further viability assessment negotiations (2018 NPPF para 57). 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. 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 viability assessment undertaken for the GCT JCS examination did not fully test smaller non-strategic sites. The adopted GCT JCS explicitly states that to ensure smaller residential development remains viable while contributing towards essential infrastructure needs affordable housing is not required on sites of 0 – 10 dwellings (see para 4.12.8). The Council should undertake an update of its viability evidence to justify proposals set out in **Policy RES12**.

Policy RES13 : Housing Mix

In **Policy RES13** the preferred option proposes that the appropriate housing mix is based on the most up to date evidence of housing need negotiated on a site by site basis depending upon size and characteristics of the site and the viability of the scheme. The 2018 NPPF sets out that housing policies should be underpinned by relevant and up to date evidence which supports and justifies the policies concerned (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 (paras 61 & 62). In its evidence the Council should also recognise that market signals are important in determining the mix of housing needed.

There is no necessity for the cross referencing to **Policies RES15 & RES16** in **Policy RES13**. The reference to house size should also be deleted as this is covered under **Policy DES1**. The Council should avoid unnecessary repetition and duplication which may lead to inconsistencies in interpretation. It is recommended that such repetitions are removed.

Policy RES15 : Accessible & Adaptable Homes

In **Policy RES15** the preferred option requires a minimum of 50% of all dwellings to meet M4(2) accessible / adaptable homes standards and where a local need has been identified a proportion of dwellings on sites of 10 or more dwellings to meet M4(3) wheelchair user standards.

The Written Ministerial Statement (WMS) 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 then the Council should only do so by applying the criteria set out in the NPPG (ID 56-005 to 56-011). All new homes are built to Building Regulation Part M standards. If the Government had intended that evidence of an ageing population alone justified adoption of the higher optional standards then such standards would have been incorporated as mandatory in the Building Regulations which the Government has not done. It is incumbent on the Council to provide a local assessment evidencing the specific case for Tewkesbury which justifies the inclusion of M4(2) optional higher standards and the quantum thereof. The Council's evidence in its Housing Standards Background Paper (September 2018) is insufficient to justify the proposed

policy requirements in **Policy RES15**. The requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008). Any requirement for accessible / adaptable homes especially M4(3) should be thoroughly viability tested. In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. This costing was not included in the viability testing undertaken during the GCT JCS examination. The Council should update its viability evidence.

Policy RES16 : Self Build

In **Policy RES16** the preferred option proposes that sites of 20 or more dwellings shall provide 5% serviced plots for sale to self / custom builders subject to identified demand on the Council's Self & Custom Build Register. Such plots shall be appropriately marketed for at least 12 months after which if unsold may either remain on the market or be built out by the developer or landowner.

Self build is encouraged in Policy SD11 Bullet Point 1 (ii) of the adopted GCT JCS. The HBF is also supportive of self / custom build for its potential additional contribution to the overall supply of housing but **Policy RES16** as proposed only changes housing delivery from one form of house builder to another without any boost to housing supply. A policy requirement for a minimum 5% self / custom build serviced plots on housing sites of 20 or more dwellings should be fully justified and supported by evidence of need. The Council should assess the demand from people wishing to build their own homes from data on its Self-build & Custom Housebuilding Register and other secondary sources (revised NPPG ID 2a-020). The Council should analyse the preferences of entries as often only individual plots in rural locations are sought as opposed to plots on housing sites of 20 or more dwellings. Before introducing the preferred option in **Policy RES16** 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 to consider too. The impact of plots remaining unsold indefinitely should also be considered in the updated viability testing and excluded from the Council's 5 YHLS and housing trajectory. If retained the Council's proposed mechanism of reversion to the original builder after a 12 months marketing period is too long which should be shortened to 6 months.

Policy DES1 : Housing Space Standards

In **Policy DES1** the preferred option proposes adoption of the Nationally Described Space Standard (NDSS) as a minimum on all dwellings. **Policy DES1** also expects adequate provision for private outdoor amenity space appropriate to the size and potential occupancy of the proposed dwelling.

The WMS dated 25th March 2015 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*”. If the Council wishes to adopt the NDSS this should only be done by applying the criteria set out in the NPPG. The NPPG sets out that “*Where a need for internal space standards is identified, Local Planning Authorities (LPA) should provide justification for requiring internal space policies. LPA 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 Tewkesbury which justifies the adoption of the NDSS in the Borough Plan. If it had been the Government’s intention that generic statements justified adoption of the NDSS then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. The NDSS should only be introduced on a “need to have” rather than a “nice to have” basis. 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. The Council’s evidence in its Housing Standards Background Paper (September 2018) is insufficient to justify the proposed policy requirements in **Policy DES1** ;
- **Viability** - The impact on viability should be assessed especially 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 full impact of NDSS on build costs, selling prices, relevant price points and affordability should be assessed. Usually the greatest impact from the introduction of NDSS is on 2 bed / 4 person and 3 bed / 5 person dwellings. The Plan Viability CIL & Affordable Housing Study February 2016 did not test the actual NDSS. In Tewkesbury the median house price to median earnings ratio has increased from 3.84 in 1997 to 7.92 in 2017. The Council cannot simply expect home buyers to absorb extra costs. An unintended consequence of **Policy DES1** may push additional families into affordable housing need because they can no longer afford to buy a NDSS compliant home. There is also an impact of larger dwellings on land supply. The adoption of NDSS would reduce site yields so a greater amount of land would be needed to achieve the same number of units. The efficient use of land is less because development densities decrease. At the same time the infrastructure and regulatory burden on fewer units per site intensifies the challenge of meeting residual or existing use plus land values which determines if land is released for development by a willing landowner especially in the low and medium sub market value areas and on brownfield sites. So unconsciously the Council may simultaneously worsen affordability and undermine affordable housing delivery.

- **Timing** - The Council should take into consideration any adverse effects on delivery rates of sites included in the housing trajectory. The delivery rates on many sites will be predicated on market affordability at relevant price points and maximising absorption rates. An adverse impact on the affordability of starter home / first time buyer and family sized products may translate into reduced or slower delivery rates. Consequentially the Council should put forward proposals for transitional arrangements. Some 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.

Policy ENV2 : Flood Risk and Water Management

The reference in **Policy ENV2** to the Council's adopted Flood and Water Management Supplementary Planning Document (SPD) is not compliant with the Regulations by conferring development plan status onto a document which does not have statutory force and has not been subject to the same process of preparation, consultation and examination. The Council is referred to the recent High Court Judgement between William Davis Ltd, Bloor Homes Ltd, Jelson Homes Ltd, Davidson Homes Ltd & Barwood Homes Ltd and Charnwood Borough Council Neutral Citation Number : [2017] EWHC 3006 (Admin) Case No. CO/2920/2017. This reference should be deleted from **Policy ENV2**.

Policy HEA1 : Healthy & Active Communities

In **Policy HEA1** the preferred option requirement for a full Health Impact Assessment (HIA) for all residential developments of more than 100 dwellings without any specific evidence that an individual scheme is likely to have a significant impact upon the health and wellbeing of the local population is not justified by reference to the NPPG. The NPPG (ID53-004) confirms that a HIA can serve a useful purpose at planning application stage and consultation with the Director of Public Health as part of the process can establish whether a HIA would be a useful tool for understanding the potential impacts upon wellbeing that development proposals will have on existing health services and facilities.

It is suggested that **Policy HEA1** is amended as follows :-

All major development will be required to demonstrate that the potential impacts on health have been considered and addressed through a Design and Access Statement to a level proportionate to the scale of the development. ~~For developments of 100 or more units and non-residential developments of 10,000m² or more will be required to submit a Health Impact Assessment.~~

Conclusions

For the Tewkesbury Borough Plan to be found sound under the four tests of soundness as defined by the 2018 NPPF, the Plan must be positively prepared,

justified, effective and compliant with national policy (para 35). It is hoped that these comments are helpful to the Council in informing the next stages of the Tewkesbury Borough Plan. In the meantime if any further assistance or information 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', written in a cursive style.

Susan E Green MRTPI
Planning Manager – Local Plans