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3 December 2018

Dear Sir / Madam

## **PURBECK LOCAL PLAN PRE-SUBMISSION 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 in due course appear at the Local Plan Examination Hearing Sessions to discuss these matters in greater detail.

### **Duty to Co-operate**

As set out in the 2018 National Planning Policy Framework (NPPF) the Purbeck Local Plan 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 Purbeck District Council should engage on a constructive, active and on-going basis with other Eastern Dorset Housing Market Area (HMA) authorities to maximise the effectiveness of plan making. The Purbeck Local Plan 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 Local Plan 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. 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. It is understood that Purbeck District Council will meet its own local housing needs in full. The SoCG between Local Planning Authorities in Dorset dated October 2018 shows a high likelihood of housing needs been unmet across the HMA (see Table 4). The Council should confirm that the other Eastern Dorset HMA authorities namely Bournemouth, Christchurch, East Dorset, North Dorset and Poole are meeting their own housing needs in full so that no unmet needs arise across the HMA. Unless the Council provides further evidence on the resolution of this strategic matter the Purbeck Local Plan risks been found unsound by its ineffectiveness in deferring rather than dealing with identified housing needs (para 35c).

## **Housing Need & Housing Requirement**

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 this methodology based on 2014 household projections and 2017 affordability ratio, the Council has calculated Purbeck's local housing need as 2,688 dwellings (168 dwellings per annum) which is set out in 2018 SHMA Report. 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 (para 59). It is important that housing need is not underestimated. Previously the 2015 SHMA identified an objectively assessed housing need of 238 dwellings per annum to support economic growth and vitality across the District. This higher figure included an uplift of 111 dwellings per annum based on the preferred Local Knowledge scenario in order to sustain a local workforce despite its ageing population. Without such an uplift the economic vitality of the District may be at risk. The 2018 SHMA also identified a significant affordable housing need of 149 dwellings per annum in the District representing 90% of the overall local housing need. It is noted that in Purbeck the median house price to median earnings ratio has increased from 4.75 in 1997 to 11.05 in 2017 which is higher than elsewhere in the South West and England. This means it is unaffordable for many local residents to buy or rent in the District.

**Policy H1 : Local Housing Requirement** proposes at least 2,688 dwellings (168 dwellings per annum) for the plan period of 2018 – 2034. As the Housing Delivery Test is measured against the lowest figure of either the local housing need or housing requirement the HBF encourages the Council to be more ambitious with the housing requirement figure set out in **Policy H1** in order to support economic growth and affordable housing delivery.

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) and this should be taken into consideration by the Council (ID 2a-008 & 009). After submission of the Local Plan for examination the local housing need figure calculated using the standard methodology may be relied upon for 2 years (ID 2a-016). If the local housing need figure is re-calculated using the 2016 based projections and 2017 affordability ratio the resultant figure is higher (210 dwellings per annum). It is noted that this guidance may change on completion of the Government's latest consultation concerning the standard methodology which ends on 7<sup>th</sup> December 2018.

It is recommended that the Council re-considers its housing requirement figure before the Local Plan is submitted for examination.

### **Spatial distribution & Housing Land Supply (HLS)**

As set out in the 2018 NPPF the strategic policies of the Local 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 Local 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 Local 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).

**Policy H2 : Housing Land Supply** sets out an overall HLS of 2,688 dwellings comprising of :-


- 490 dwellings in Moreton Station / Redbridge Pit (1 site allocation in **Policy H4**) ;
- 470 dwellings in Wool (4 site allocations for 320 dwellings, 90 dwellings, 30 dwellings and 30 dwellings respectively in **Policy H5**) ;
- 150 dwellings in Lytchett Matravers (3 site allocations for 95 dwellings, 25 dwellings and 30 dwellings respectively in **Policy H6**) ;
- 90 dwellings in Upton (1 site allocation for 90 dwellings in **Policy H7**) ;
- 300 dwellings in Wareham Neighbourhood Plan ;
- 105 dwellings in Bere Regis Neighbourhood Plan ;
- 150 dwellings in Swanage Local Plan ;
- 933 dwellings from small sites next to settlements and windfall sites within settlements (**Policy H8 : Small sites next to existing settlements** and windfall allowance of 49 dwellings per annum).

When distributing housing across the District it is important to meet the housing needs of both urban and rural communities. Housing affordability is particularly acute in the District. 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). For the Council to maximize housing delivery the widest possible range of sites by both size and market location are required so that small local, medium regional and large national housebuilding companies have access to suitable land in order 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 HBF make no comments on the merits or otherwise of individually identified site allocations.

The Council’s proposed windfall allowance of 49 dwellings per annum should be based on compelling evidence that such sites have consistently become available in the past and will continue to do so. The Council should confirm that there is no double counting between the small sites next to existing settlements and windfall sites.

The Council’s overall HLS is the same as its local housing need therefore there is no flexibility in the Local Plan to respond to changing circumstances, to treat the housing requirement as a minimum rather than a maximum ceiling or to provide with 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 a particular settlement / 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. 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 Local Plan Examination any of the Council’s

assumptions on lapse rates, windfall allowances and delivery rates are adjusted or any proposed housing site allocations are found unsound then any proposed contingency erodes. 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*”.

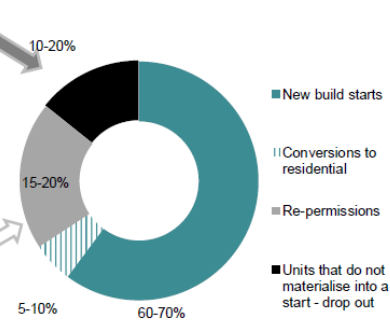


Department for  
Communities and  
Local Government

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

The HBF’s preferences for the calculation of 5 YHLS are the Sedgefield approach to shortfalls as set out in the NPPG (ID 3-035) with a 20% buffer applied to both the annualised housing requirement and any shortfall. As set out in the Housing Background Paper it is noted that the Council estimates that the 5 YHLS position based on its local housing needs figure is only 3.6 years. If the Council cannot demonstrate a 5 YHLS on adoption of the Local Plan nor maintain a 5 YHLS throughout the plan period then the Local Plan cannot be found sound.

## Housing Policies

### Policy H3 : New Housing Development Requirements

Under **Policy H3 Bullet Point (g)** the Council expects new housing development on allocated sites to include charging points for electric vehicles. This requirement should be fully justified by the Council including engagement with the main energy suppliers to confirm existing network capacity to accommodate any adverse impacts if all allocated dwellings 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 inclusion of £500 per dwelling allowance in the Council’s

viability testing may not cover significant infrastructure improvements resulting in an adverse 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. It is recommended that **Bullet Point (g)** is deleted from **Policy H3**.

### **Policy H9 : Housing Mix**

Under **Policy H9** on housing sites of 20 or more dwellings 5% of market dwellings will be offered for sale as serviced self build plots (**Bullet Point (a)**) and 10% as bungalows (**Bullet Point (b)**).

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). 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 rather than setting a specific housing mix on individual sites. The Council should ensure that suitable sites are available for a wide range of types of developments across a wide choice of appropriate locations.

The Council should clarify that the requirement for 10% market housing to be provided as bungalows has been included as a component of the housing mix tested in the Council's viability assessment.

The HBF is supportive of self / custom build for its potential additional contribution to the overall HLS but the Council's approach under this policy is only changing housing delivery from one form of house builder to another without any boost to housing supply. A policy requirement for 5% self / custom build serviced plots on housing sites of 20+ 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 the 88 entries on the Register in June 2018 as often only individual plots in rural locations are sought as opposed to plots on housing sites of 20+ dwellings. There is a risk that self build plots will remain unsold therefore there should be a mechanism for reversion to the original builder in a timely manner and / or an appropriate deduction from the Council's housing trajectory. Before adopting this policy approach the Council should consider the practicalities of health & safety, working hours, length of build programme, etc. as well as viability assessing any adverse impacts. The Council's viability evidence assumes no impacts

without providing any factual supporting evidence for this assumption. It is not clear if the Council has considered the loss of Community Infrastructure Levy (CIL) contributions as self / custom build properties are exempt. If these policy requirements cannot be fully justified by supporting evidence **Bullet Points (a) and (b) of Policy H9** should be deleted.

### **Policy H10 : Part M**

Under **Policy H10** on sites of 10 or more dwellings 10% of dwellings must meet higher optional Building Regulation of Part M Category 2 accessible and adaptable homes. The Written Ministerial Statement (WMS) dated 25<sup>th</sup> 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 standard 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 including many features that are of benefit to less able-bodied residents which are not available in the existing older housing stock. 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 Purbeck which justifies the inclusion of M4(2) and the quantum thereof in **Policy H10**. If this policy requirement cannot be fully justified by supporting evidence it should be deleted.

### **Policy H11 : Affordable Housing**

As set out in the 2018 NPPF the Local Plan should set out the level and type of affordable housing provision required together with other necessary infrastructure but such policies should not undermine the deliverability of the Local 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 Council’s viability evidence is set out in its Viability Report 2018.

**Policy H11** requires on sites of 10 or more dwellings affordable housing provision of 40% on greenfield sites and 30% on brownfield sites. In Designated Rural Areas on sites of 2 – 9 dwellings affordable housing provision of 20% is required on both greenfield and brownfield sites. In the Designated Rural Areas

provision is for equivalent off-site financial contributions. The policy should clarify that such financial contributions are only payable on completion. As evidenced in the Council's Viability Report there should also be a differentiation between contributions for greenfield and brownfield land on sites of 2 – 9 dwellings.

## **Conclusion**

For the Purbeck Local Plan to be found sound under the four tests of soundness as defined by the 2018 NPPF (para 35) the Plan should be positively prepared, justified, effective and consistent with national policy. The Local Plan is unsound (not positively prepared, unjustified, ineffective and inconsistent with national policy) because of :-

- an overly conservative housing requirement which will not support economic growth and delivery of affordable housing ;
- the lack of 5 YHLS on adoption and thereafter ;
- unjustified policy requirements for electric vehicle charging points on allocated housing developments (**Policy H3**), 5% self build serviced plots and 10% bungalows on sites of 20 or more dwellings (**Policy H9**) and 10% M4(2) homes on sites of 10 or more dwellings (**Policy H10**) ;
- no differentiation between greenfield and brownfield off site affordable housing contributions on sites in Designated Rural Areas.

It is hoped that the Council will consider these representations and amend the Local Plan before submission for examination. In the meantime if any further assistance or information is required please contact the undersigned.

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



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