

Wyre Forest District Council
Wyre Forest House
Finepoint Way
Kidderminster
Worcestershire
DY11 7WF

SENT BY E-MAIL ONLY TO
LPR@wyreforestdc.gov.uk

17 December 2018

Dear Sir / Madam

WYRE FOREST 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

To fully meet the legal requirements of the Duty to Co-operate Wyre Forest District Council should engage on a constructive, active and on-going basis with its neighbouring authorities to maximise the effectiveness of plan making. The Wyre Forest Local Plan should be prepared through joint working on cross boundary issues such as where housing needs cannot be wholly met within the administrative areas of individual authorities. As set out in the 2018 National Planning Policy Framework (NPPF) the Wyre Forest Local Plan should be positively prepared and provide a strategy which as a minimum seeks to meet its own local housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a). 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). The Local Plan 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 (para 35c). One key outcome from co-operation between authorities should be the meeting of housing needs in full. A key element of Local Plan Examination is ensuring that there is certainty through formal agreements that an effective strategy is in place to deal with strategic matters such as unmet housing needs when Local Plans are adopted.



It is understood that Wyre Forest District Council will meet its own local housing needs in full. The Council should confirm that neighbouring authorities namely Shropshire, South Staffordshire, Bromsgrove, Wychavon and Malvern Hills are also meeting their own housing needs in full so that no unmet needs arise. Presently all of Wyre Forest's neighbouring authorities are in the process of reviewing adopted Plans. At the time of this pre-submission consultation no SoCG was available. If post consultation a SoCG is prepared and signed the HBF may wish to submit further comments on legal compliance with the Duty to Co-operate and the soundness of the Local Plan in any subsequent written Examination Statements or orally at Hearing Sessions.

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 National Planning Practice Guidance (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 2016 household projections and 2017 affordability ratio, the Council has calculated Wyre Forest's local housing need as 5,520 dwellings (276 dwellings per annum) which is set out in Wyre Forest District Council Housing Needs Study dated October 2018 by Arc4. **Policy 6A : Development Needs** proposes a housing requirement of 5,520 dwellings (276 dwellings per annum) for the plan period of 2016 – 2036 together with 487 C2 bed spaces.

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.

The Council has identified a significant affordable housing need of 158 dwellings per annum in the District representing 57% of local housing need. It is noted that in Wyre Forest median house prices have increased from £69,000 in 2000 to £174,000 in 2017. In 2017 the median house price to median earnings ratio was 7.79 meaning that it is unaffordable for many local people to buy or rent in the District. The delivery of affordable housing is an important consideration in determining the Council's housing requirement figure.

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). 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. If the Wyre Forest local housing need figure is re-calculated using the 2014 based household projections and 2017 affordability ratio the resultant figure is 4,920 dwellings (246 dwellings per annum). The affordable housing need of 158 dwellings per annum in the District represents 64% of this lower local housing need.

If the Council decides to re-consider its local housing needs calculation before submission of the Local Plan for examination then the Council is encouraged to retain the proposed housing requirement as a minimum 276 dwellings per annum. As the Housing Delivery Test is measured against the lowest figure of either the local housing need or housing requirement the HBF recommends that the Council is as ambitious as possible with its housing requirement figure in order to support economic growth and affordable housing delivery. If post consultation the local housing need calculation and / or housing requirement change the HBF may wish to submit further comments of the soundness of the Local Plan in any subsequent written Examination Statements or orally at Hearing Sessions.

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 to bring 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).

When distributing housing across the District it is important to meet the housing needs of both urban and rural communities. Housing affordability varies across the District with median house prices disguising higher house prices in the more rural parts of 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).

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). 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 Local Plan should ensure that suitable sites are available for a wide range of types of developments across a wide choice of appropriate locations.

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.

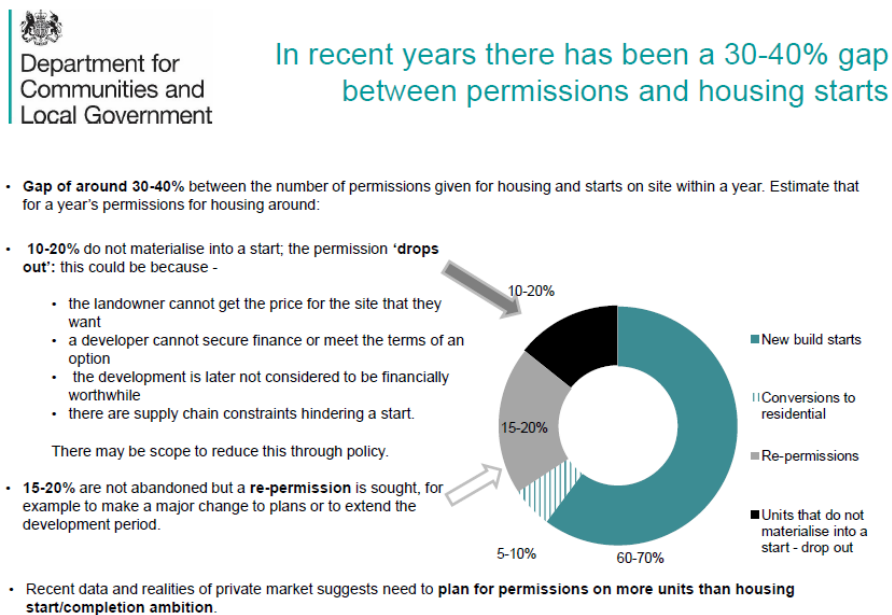
The Council’s overall proposed HLS is 6,341 dwellings comprising of :-

- Completions 617 dwellings ;
- Existing commitments 537 dwellings ;
- Lea Castle Village (**Policy 31**) 1,400 dwellings ;
- Kidderminster Eastern Urban Extension (**Policy 32**) 1,440 dwellings ;
- Development sites in Kidderminster (**Policy 30**) 988 dwellings ;
- Development sites in Stourport (**Policy 33**) 1,069 dwellings ;
- Development sites in Bewdley (**Policy 34**) 225 dwellings ;
- Development sites in Rural Settlements (**Policy 36**) 65 dwellings ;
- TOTAL 6,341 dwellings.

Policy 7B also proposes five further Reserved Sites (safeguarded land) which subject to certain qualifying criteria may be released if the Council could not demonstrate a 5 YHLS.

The Council’s overall HLS provides some flexibility to respond to changing circumstances, to treat the housing requirement as a minimum rather than a

maximum and to provide 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 is highly dependent upon one or relatively few large strategic sites or a specific settlement / locality greater numerical flexibility is necessary than in cases where HLS 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 built-in 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 contingency reduces. 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*”.



Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

In the 5 YHLS Report dated September 2018 the Council identifies a 5 YHLS of 5.75 years based on a housing requirement of 276 dwellings per annum and using a Sedgfield approach to shortfalls, 10% buffer, 5% lapse rate to unimplemented planning consents and a windfall allowance of 55 dwellings per annum over 3 years for sites of less than 10 dwellings. It is noted that the start dates and delivery rates of deliverable sites set out in Appendix E appear somewhat optimistic. It is important that these assumptions are supported by parties responsible for delivery of these sites and sense checked by the Council using local knowledge and historical empirical data. The deliverability of sites in the 5 YHLS should be tested against the 2018 NPPF Glossary definition.

If post consultation the Council's overall HLS or 5 YHLS change the HBF may wish to submit further comments of the soundness of the Local Plan in any subsequent written Examination Statements or orally at Hearing Sessions.

Housing Policies

Policy 8B : Affordable Housing

Policy 8B requires on sites of 10 or more dwellings a minimum affordable housing provision of 25%. If this level of provision is not achievable then this will need to be evidenced by the applicant through an independently verified financial viability assessment.

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 (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 the Viability Report dated October 2018 by HDH Consultants. It is noted that the Council has not tested the cumulative impact of all proposed policy requirements such as 1% Part M Category 3, self / custom build plots, electric vehicle charging points and 10% renewable / low carbon energy. The viability evidence confirms that Wyre Forest is not a high value area. There are identified viability challenges associated with brownfield and strategic sites but the Council has not pursued a differentiated approach to affordable housing provision. The Council should have set out different policy requirements for the provision of affordable housing by site typology and market value area rather than the proposed District wide approach. Furthermore the Council's evidence does not support the "minimum" prefix to the 25% requirement for affordable housing provision.

It is recommended that the Council re-considers this policy.

Policy 8D : Self Build & Custom Housing

Policy 8D requires on sites of 10 or more dwellings that the developer demonstrates how the need of self / custom builders has been taken into consideration and on sites of more than 50 dwellings self / custom build plots are to be made available and marketed appropriately for at least 12 months which if not sold may then be built out by the developer.

The HBF is supportive of self / custom build for its potential additional contribution to the overall HLS but **Policy 8D** is not clear, robust or effective for development management purposes especially for sites of 10 – 50 dwellings. Furthermore the HBF is not supportive of the proposed restrictive policy requirement for self / custom build serviced plots on housing sites of more than 50 dwellings which only changes housing delivery from one form of house building to another without any consequential additional contribution to boosting housing supply.

Any policy requirement for self / custom build serviced plots on housing sites of more than 50 dwellings should be fully justified and supported by evidence of need. The Council should assess such housing needs 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. In March 2018 only 60 people had registered indicating preferences for plots in rural locations and larger dwellings with 3 or more bedrooms. This evidence does not support the Council's proposed requirements under this policy.

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. The proposed minimum 12 month offered for sale period is too long. If self / custom build plots remain unsold there should be an appropriate deduction from the Council's housing trajectory. The Council should also 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.

It is recommended that the Council re-considers this policy.

Policy 8E : Housing for Older People and others with special housing requirements

Under **Policy 8E** on sites of 10 or more dwellings 20% of dwellings must meet higher optional Building Regulation of Part M Category 2 accessible and adaptable homes and 1% Part M Category 3 wheelchair user homes.

If the Council wishes to adopt the higher optional standards for Part M Category 2 and 3 then this should only be done in accordance with the 2018 NPPF (para 127f & Footnote 42). 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*". The Council should apply the criteria set out in the NPPG (ID 56-005 to 56-011).

All new homes are built to Building Regulation Part M Category 1 standards which include level approach routes, accessible front door thresholds, wider internal doorway and corridor widths, switches and sockets at accessible heights and downstairs toilet facilities usable by wheelchair users. These standards are not usually available in the older existing housing stock (if built circa more than 10 years ago) and benefit less able-bodied occupants. If the Government had intended that evidence of an ageing population alone justified adoption of the higher Part M Category 2 and 3 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 Wyre Forest which justifies the inclusion of optional higher standards and the quantum thereof in **Policy 8E**. The Council's evidence set out in set out in Wyre Forest District Council Housing Needs Study dated October 2018 by Arc4 does not justify the proposed policy requirements. The Council's evidence is based on national data not locally derived data (see Footnote 27). The population aged 65+ in Wyre Forest is increasing but at a level below the West Midlands and England between 2016 – 2036. The analysis is based on adapting existing dwellings rather than newly constructed dwellings and there is no consideration of new dwellings as a proportion of the total housing stock. The Council's evidence also confirms that there is no data on the currently available housing stock to meet the needs of wheelchair users.

The Council is reminded that the requirement for Part M Category 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 higher optional standards especially Category 3 should be thoroughly viability tested. In September 2014 during the Government's Housing Standards Review EC Harris estimated the cost impact of Part M Category 3 per dwelling as £15,691 for apartments and £26,816 for houses. These costs are not included in the Council's viability testing.

It is recommended that the Council re-considers this policy.

Other Policies

Policies 11A & 27A : Quality Design & Local Distinctiveness

The reference to a Supplementary Planning Document (SPD) in **Bullet Point (c)** of **Policy 11A** and **Bullet Point (b)** of **Policy 27A** is not in compliance with the Regulations by conferring development plan status to 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.

It is recommended that these references are deleted.

Policy 15A : Water Conservation & Efficiency

Bullet Point (i) of **Policy 15A** sets out the expectation to achieve the higher optional standard for water efficiency of 110 litres per person per day. All new dwellings achieve a mandatory level of water efficiency of 120 litres per day per person under Building Regulations which is higher than that achieved by much of the existing housing stock. The WMS dated 25th March 2015 confirmed 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 Council should justify this requirement in accordance with the criteria set out in the NPPG (ID 56-013 to 56-017). The Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas.

The Wyre Forest District Council Water Cycle Study Final Report dated May 2017 by JBA Consulting and the Addendum dated October 2018 confirm that *“Overall, there are no major identified issues which indicate that the planned scale, location and timing of planned development within the District is unachievable from the perspective of supplying water and wastewater services and preventing deterioration of water quality in receiving waters”*. Wyre Forest is not identified as a water stress area.

The requirement for the higher water efficiency standard should be deleted.

Policy 18A : Financial Viability

Policy 18A states that where an applicant considers that it is not viable to meet the requirements as set out in **Policy 8**, the District Council will require robust evidence to demonstrate that the requirements are not viable.

As set out under **Policies 8A, 8D & 8E** above the Council has not robustly viability tested the cumulative burden of its proposed policy requirements as set out in **Policy 8**. It is highly likely that most future development will not be policy compliant and viability negotiations will be routinely rather than exceptionally undertaken. Before an applicant is required to demonstrate that policy compliant development is not viable it is the Council's responsibility to robustly viability test the Local Plan in order that the cumulative burden of policy requirements are set so that most development is deliverable without further viability assessment negotiations (2018 NPPF para 57) and the deliverability of the Local Plan is not undermined (para 34).

It is recommended that the financial viability impacts of all policy requirements set out in the Local Plan are re-assessed and re-considered.

Policy 20C : Open Space

Under **Bullet Point (iii)** of **Policy 20C** it is inappropriate for the Council to require development to correct existing local deficiencies in existing open space provision. The Council should only seek contributions to meet requirements originating from new development.

It is recommended that **Bullet Point (iii)** is amended as follows :-

iii. Contributions towards the enhancement and creation of new areas of open space and / or sports facilities where ~~a local deficiency has been identified and/or where~~ the development will lead to a deficiency ;

Policy 24B : Renewable & Low Carbon Energy

Policy 24B states that all new developments should include electric vehicle charging points. 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. Such costs have not been included in the Council's viability testing which may have an adverse impact on housing delivery. It is the HBF's opinion that the promotion of electric vehicles should be undertaken nationally in a standardised way implemented via Building Regulations after the Government's proposed future consultation to be undertaken by the Department of Transport. The HBF is wary of Council's seeking to impose locally derived policy requirements for the provision of electric charging points.

It is recommended that this requirement is deleted.

Policy 24B also states that to reduce carbon emissions and secure sustainable energy solutions, all new developments of one or more dwellings should incorporate energy from renewable or low carbon sources equivalent to at least 10% of predicted energy requirements, unless it has been demonstrated that this would make development unviable. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards (para 150b). The Government has sought to set standards for energy efficiency through the national Building Regulations and to maintain this for the time being at the level of Part L 2013. Under the 2018 NPPF new development should be planned to help reduce greenhouse gas emissions by its location, orientation and design. The starting point for the reduction of energy consumption should be an energy hierarchy of energy reduction, energy efficiency, renewable energy and then finally low carbon energy. From the start a 'fabric first' approach should be emphasised which by improving fabric specification increases thermal efficiency and so reduces heating and electricity usage.

It is recommended that this requirement is deleted.

Conclusions

For the Wyre Forest 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 :-

- no SoCG with neighbouring authorities ;
- uncertainty about the local housing need calculation ;
- insufficient flexibility in the overall HLS and overly optimistic assumptions in the 5 YHLS and housing trajectory ;
- incomplete viability assessment ;
- unjustified policy requirements for minimum affordable housing provision, M4(2) & (3) standards, self / custom build plots, water efficiency standards, electric vehicle charging points, open space and renewable / low carbon energy ;
- inappropriate references to SPDs.

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

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



Susan E Green MRTPI
Planning Manager – Local Plans