

Home Builders Federation

Matters 1, 2 and 11

BEDFORD BOROUGH LOCAL PLAN EXAMINATION

Matter 1– Legal compliance and Overarching Issues

Matter 1a: Legal Compliance

1.1 In preparing the plan did the Council engage constructively, actively and on an on-going basis with neighbouring authorities and other relevant organisations on cross-boundary issues, in respect of the Duty to Cooperate?

It would appear from the Council's Duty to Co-operate Statement (SD56) that Bedford Borough Council (BBC) have engaged with its neighbours and other strategic partners as part of this plan. We note that the Council has engaged with the GLA but declined to become a willing partner to provide additional housing to meet the unmet needs arising within the capital. We remain concerned that authorities in this region are not seeking to become "willing partners" with the GLA in order to ensure that the unmet needs of the capital are addressed. It is inevitable that the identified unmet needs of 1,000 homes per annum arising from the capital will increase the pressure on housing within the Borough as people are required to look further afield to meet their accommodation needs. At present we are unaware of any local authorities that have agreed to become willing partners and as such the unmet needs of the capital will remain unmet. From the statements put forward by many London Borough's, in particular those in suburban outer London, the unmet need for housing will be much higher. Estimates by the GLA of the capacity that can be achieved on small sites are much higher than those authorities expect to be able to deliver and unless these matters are actively considered by authorities such as Bedford the pressure on housing markets will inevitably increase.

Matter 1b: Overarching Matters

1.8 Is the plan period (2015 – 2030) justified, effective and consistent with national policy? If so, should the requirements/timescales for the review of the plan be set out in policy?

No. Paragraph 157 of the NPPF states that local plan should be drawn up over an appropriate time frame, preferable 15 years, to take account of longer-term requirements. This plan will have an effective time span of 10 years and as such is



inconsistent with the long-term planning that the Government is expecting local authorities to undertake to provide certainty as to where development will take place in the Borough. The reason for this decision is due to the Council considering the proposed Garden Village at Colworth to be deliverable. If such a site is undeliverable the Council should have allocated other sites in BBC that could deliver sufficient homes to meet needs over a 15-year plan period.

The Council have stated in the plan that an immediate review will be undertaken once the plan is adopted. However, such reviews should not be used to as a panacea to address the soundness issues with respect of the reduced plan period and the inability to plan to at least a 15-year time frame. In our experience reviews seldom come forward at sufficient pace, if at all. There must be a real concern that the decision to reduce the time frame in this manner was to avoid submitting the plan under the 2019 National Planning Policy Framework which would require the Council to plan for more than 1,300 homes each year rather than the 970 dwellings that will be planned for in the submitted local plan. However, if a review is considered to be an appropriate way forward then it should be included as a policy commitment

1.9 Does the plan take appropriate account of the 'Cambridge– Milton Keynes – Oxford Arc'?

Earlier this year the Government published a joint declaration of ambition¹ between the Government and local authorities across the Oxford to Cambridge Arc. This declaration recognises the need to deliver significantly more homes in this area and that this increase is required in order to address issues of affordability and provide places to live as part of the expected economic expansion of the Arc. Whilst we recognise that this is along term vision for growth that extends to 2050 but it is important that local authorities across this region start to plan for this growth in those local plans currently being prepared. However, minimal consideration seems to have been given within this plan towards making a more positive contribution to the substantial increases in housing supply expected across the Arc. Instead the Council have continued with a housing requirement in its plan that is substantially lower than the Government's expectations and looks to push back making decisions with regard to housing supply beyond 2030 through an early review of the local plan.

¹ <https://www.gov.uk/government/publications/the-oxford-cambridge-arc-government-ambition-and-joint-declaration-between-government-and-local-partners>

Matter 2– Objectively-Assessed Need for Housing

2.1 Is the objectively-assessed need for housing (OAN) of 14,550 homes during the 2015-2030 period (para 6.5 of the plan) based on robust and up-to-date evidence? And in particular:

Are the assumptions of the 2018 Strategic Housing Market Assessment and Addendum (Doc SD01) appropriate, particularly in relation to:

(a) Definition of Bedford Borough as the Housing Market Area;

We do not have any specific concerns regarding the definition of the Housing Market Area (HMA) for Bedford. Taking a best fit approach is pragmatic given the complexity of clearly defining HMAs. However, this should not detract from the fact that housing is a cross boundary strategic issue and that as part of their duty to co-operate the Council must ensure it continues to engage with neighbouring authorities in order to ensure housing needs are being met in full.

(b) The demographic starting point; (c) Adjustments for local demographic factors and migration trends (including the 2016-based household projections); and (d) Adjustment for suppressed household formation rates;

As set out in our representations we have some concerns regarding the approach taken by the Council in establishing its OAN which made significant adjustments to the demographic starting point and made only minimal adjustments to take account of market signals. The outcome of the SHMA is an OAN that is nearly 350 homes per annum² below what would be expected to be planned for under the standard method. Whilst we recognise that the standard method is not a material consideration the Government's objective of delivering 300,000 homes per annum from the mid-2020s must be taken into account with regard to the soundness of the adjustments being made by the Council.

Demographic starting point and the 2016-based household projections

We accept that the latest household projection published by ONS indicate that household growth is expected to be lower than was projected in the 2014-based household projections. This is due to a range of factors including a reduction in international migration, a levelling off of the ageing population and lower levels of household formation that reflect more recent trends. The outcome of these adjustments is a level of household growth that is very similar to the projections in the Council's SHMA. The 2016-based projections show an increase between 2015 and 2030 of 13,553 households compared to the Council's projected increase of 13,204. Whilst the similarity of these projections is undeniable there are concerns with regard to the use of these figures as the demographic starting point.

The first concern reflects our comments in relation to the wider objectives of the Government with regard to boosting housing supply. The Government clearly consider the 2016-projections to be at odds with their aspirations and for this reason have

² Applying the standard method to the 2014 based projections and latest median ration results in a local housing need figure of 1,319 dpa.

chosen, in the short term, to require the use of the 2014-based projections when using the standard method. The Government clearly set out within the Technical Consultation that was published last year why they consider the latest projections are not a justification for lower housing needs and state in paragraph 27 that the latest projections would not support the Government's objective's of significantly boosting the supply of homes. So, whilst the technical consultation was undertaken with regard to the standard method the Government are clear that the level of growth suggested in the latest projections do not achieve the boost to housing supply that is required by paragraph 47 of the NPPF.

Secondly, the Government's Technical consultation highlighted their concern that the level of household growth established in the 2016-based projections will continue the trend of lower household formation rates and larger household sizes. The consultation also highlights comments from ONS on this matter. They are quoted as stating that the household projections:

"... do not take account of how many people may want to form new households but for whatever reason aren't able to, such as young adults wanting to move out of their parents' house, or people wanting to live on their own instead of in a house share. Therefore, household projections are not a measure of how many houses would need to be built to meet housing demand; they show what would happen if past trends in actual household formation continue".

ONS go on to state that

"although the latest household projections are lower than the previously published projections, this does not directly mean that fewer houses are needed in the future than thought. This is because the projections are based on recent actual numbers of households and are not adjusted to take account of where homes have been needed in recent years but have not been available"

Given that the Council's demographic starting point matches that in the 2016-based projections raises concerns that the proposed OAN could constrain household formation.

A small adjustment is made to take account of suppressed household formation rates with an increase of 344 households based on the number concealed families and homeless households in the Borough. However, this adjustment to the demographic starting point is then subtracted from the market signals adjustment. Paragraph 2a-015029140306 of PPG sets out a distinction between demographic adjustments and those for market signals stating:

"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example,

formation rates may have been suppressed historically by under-supply and worsening affordability of housing.”

As such we do not consider the decision to subtract the adjustment for the suppression of household formation from other uplifts to be consistent with PPG. There must also be some concern that this adjustment is insufficient to address the Government's concerns. For example, Peter Brett Associates published data showing the impact of applying the household representative rates (HRR) used in the 2014-based projections to the 2016-based sub national population projections (SNPP) for 2016 to 2026. For Bedford this results in an increase of 10,023 households over 10 years. The 2016-based projections, which anticipate lower levels of household formation, results in a growth of 9,083 households – nearly 1,000 fewer households than if the 2014 HRRs are applied to the same population growth expectations.

Given the similarity between the Council's evidence and that of the 2016-based projections this raises concerns that the demographic starting point used in the SHM will not deliver the necessary boost to housing supply envisioned by the Government, especially when combined with the limited adjustments being proposed in response to the market signals seen in the area. We would suggest that the Council uses the unadjusted 2014-based household projections as that these are considered by Government to provide the boost to housing supply required to achieve their national target for housing delivery.

(f) Adjustments in response to market signals:

We note that the Council's consultants did not present any new evidence concerning market signals in the addendum published in August 2018 and continues to apply the 5% adjustment made in the 2016 SHMA. Given that the 2016 assessment used data on house prices and affordability ratios relating to 2015 we would have expected a further analysis of more recent data and consideration given as to whether a 5% uplift remained appropriate. For example, the data on affordability in 2017, published by ONS in March 2018, shows a lower quartile house price to income ratio of 10.55, up from 8.62 in 2016. This higher ratio continued into 2018 with the latest lower quartile house price to income ratio of 10.61. This is ten year change 37%, significantly higher than the 13% change set out in figure 94 of the 2016 SHMA. Similarly, lower quartile house price over the last ten years have increased by 57%, significantly higher than the 33% increase set out in the 2016 SHMA. These changes should have been considered by the Council and indicate that a more substantial uplift is required than the 5% suggested in SHMA.

Matter 11 – District-wide Housing Policies (Policies 59S – 64 and 66 – 71)

11.1 Policy 59S – Affordable Housing

Is the policy justified and consistent with national policy? Are the requirements of the policy clear, and would they be effective?

(a) In particular, are the policy's requirements justified by evidence of need?

(b) Does the policy take appropriate account of viability?

(c) Is the policy sufficiently flexible?

Firstly, the policy is inconsistent with national policy in that developments in that development providing 3 or more additional homes in villages will be required to provide affordable housing. This is inconsistent with Written Ministerial Statement of the 28 November 2014 and paragraph 23b-017-20160519 where a lower threshold of 5 units is applied in rural areas. We do not consider there to be sufficient justification to depart from national policy with regard to the proposed threshold within policy 59S.

Secondly, and as highlighted in our representation that the concern raised in paragraph 6.8 of the Council's Local Plan Viability Assessment with regard to the need for flexibility in the consideration of the policy requirements for wholly flatted or mixed residential developments coming forward within the urban area of Bedford. Whilst we recognise that the local plan is being examined against the 2012 NPPF it will be delivered under the 2019 NPPF, which places far greater emphasis on the viability testing of the local plan. The Government's position, as established in paragraph 57 of the NPPF, is that the cumulative burden of policy requirements should be set so that most development is deliverable without further viability assessment and negotiation.

Given the concerns set out in regarding development within Bedford the Council's single 30% affordable housing target must be considered an aspirational target in these circumstances that will require negotiation where necessary and will potentially result in more frequent negotiations. Given that the Council's own evidence is suggesting that there will need to be negotiation indicates that in delivering this plan decision makers will not be able to assume that development in the town of Bedford that complies with the local plan is viable. Therefore, it is highly likely that viability negotiations will be routinely rather than exceptionally undertaken. The plan will rely on negotiation to deliver such sites and, if decision makers are minded to apply paragraph 57 and assume that all development should be viable at 30%, this could result in unnecessary viability assessments and appeals. We would therefore recommend that the policy is amended to provide a differential policy for affordable housing that reduces the affordable housing requirement in relation to flatted or mixed schemes in the urban area of Bedford.

Similarly, we consider the requirement for accommodation that is provided specifically to meet the needs of older people within the urban area of Bedford to contribute 30% of their homes as affordable accommodation to be unjustified. Such developments are not only predominately flatted schemes, which have been highlighted as being marginally viable at 30% affordable housing, but also have communal areas which do not contribute to the sellable floorspace within such schemes. This will reduce their

viability and to avoid unnecessary negation on such contributions in line with the 2019 NPPF we would recommend that contributions from residential schemes for older people are limited to a financial contribution towards off site provision.

Finally, the requirement in 59S that requires affordable housing clusters should not exceed 15 dwellings is unjustified as it is an unrealistic and as such ineffective expectation that all sites achieve such clustering. There may be benefits to affordable housing providers with regard to the management of their properties from delivering affordable housing in larger clusters than have been suggested. We would recommend that the policy is deleted in order to ensure there is flexibility in how affordable housing is provided on a site by site basis to ensure the most effective approach to the delivery and management of affordable housing

11.2 Policy 60S – Housing Mix

Is the policy justified and consistent with national policy? Are the requirements of the policy clear, and would they be effective?

(a) In particular, are the policy's requirements justified by evidence of need?

(b) Does the policy take account of viability?

(c) Is the policy otherwise effective and consistent with national policy?

(d) Is the policy sufficiently flexible?

(e) Is the Council's proposed modification to the policy necessary for soundness?

Accessibility standards

Whilst we recognise that some new homes should be built to the part M4(2) and M4(3) we remain of the opinion that that Council has not provided sufficient evidence to justify the need for 60% of all new homes to be provided to the optional part M4(2) of the building regulations. The only evidence that seems to have been presented by the Council is in the SHMA which states that 55% of the growth in population will be older people and a such may have the need for a more accessible home. However, there is no further analysis in this document that is in line with the evidence suggested Council's should examine in paragraph 56-007-20150327. Nationally the English Household Survey highlighted that in 2014/15 9% of all households in England required an adaptation due to an occupant with long-term limiting disability with 19% of those households in need of adaptations considering their current accommodation unsuitable for their needs, around 2% of all households in England. Whilst such national level data cannot provide a direct indicator as to local needs it does suggests that the Council is potentially overestimating the number of new homes that will need to be adapted in future given that local data on disabled facilities grants are about 17% of future annual needs. Higher level of accessibility seen in all new homes resulting from the mandatory application of Part M4(1) will also meet that the needs of the majority of people who move into such homes across their lives and the Council should reduce the number of homes required to meet the higher optional accessibility standard. We would also recommend that further flexibility is included within the policy with recognition that where it is not possible to meet this standard due to it being unviable then it will not be applied. This would ensure consistency with paragraph 56-010-20150327 of PPG.

Finally, clarity is needed with regard to the provision of Part M4(3) of the Building regulations, and the distinction between wheelchair accessible and wheelchair adaptable accommodation. The Council makes no distinction despite paragraph 56-009-20150327 outlining that standards for wheelchair accessible homes should only be applied to dwellings where the local authority can nominate a person to live in that dwelling.

11.4 Policy 62 – Self-build and custom homebuilding

Is the policy justified and consistent with national policy? Are the requirements of the policy clear, and would they be effective?

(a) In particular, would the policy be consistent with the aim of securing the delivery of housing?

(b) Are the policy's requirements justified and supported by up to date evidence of need?

(c) Have the implications of the policy in relation to viability been appropriately tested?

(d) Is the policy sufficiently flexible?

(e) Are the Council's proposed modifications necessary in the interests of clarity?

We note that the Council's 2017/18 AMR states that there are currently 160 individuals and 1 association on the Self-Build and Custom Housebuilding register. However, we are concerned that such registers are rarely revisited by local authorities and as such may not provide an accurate assessment of the demand for self-build homes. We have noted that when Councils have revisited their registers in order to confirm whether individuals wish to remain on the register numbers have fallen significantly. This has been the case at the EIP for both the Hart and Runnymede Local Plans. In Runnymede for example more stringent registration requirements were applied in line with national policy and saw the numbers of interested parties on the register fall from 155 to just 3.

Given that there is potential for such fluctuation within self-build registers we are concerned that local planning authorities are looking to require the provision of plots. We consider the approach that is more consistent with national policy which clearly involves a far more proactive approach from the Council where they either identify their own land for such schemes or work with land owners to find appropriate sites. We therefore do not consider the Council's approach to identifying land for self-build and custom housebuilding to be consistent with national policy.

Whilst we welcome the inclusion of a process for unsold plots to be returned to the developer the process has been unnecessarily extended. There is no justification for a marketing period solely to those individuals on the register (either part 1 or 2). Such plots should be offered on the open market during that period as well as to those on the register. If after 12 months these plots are not sold, they should then revert to the developer to be built out as market housing.

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