

Sent by email to: development.plan@bracknell-forest.gov.uk

06/12/2019

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Bracknell Forest – Revised Growth Strategy

Thank you for consulting the Home Builders Federation (HBF) on the revised growth strategy. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year. Outlined below are our comments on the approach taken by the Council to increasing the supply of land for residential development and the policies being proposed with regard to the management of new development in future.

LP3 Provision of Housing

The Council have identified that the application of the standard method results in a housing need for Bracknell Forest of 10,455 homes (615 dpa) for the plan period 2019/20 to 2035/36. We would not disagree with this figure but the National Planning Policy Framework (NPPF) is clear that the local housing needs assessment only represents the minimum number of homes that should be delivered. The Government require Councils to give consideration as to whether more homes are needed to take account of:

- Unmet housing needs within neighbouring areas
- Growth strategies and infrastructure improvements
- Need for affordable housing

Each of these issues and their relevance to Bracknell Forest Council (BFC) are considered below.

Unmet housing needs in neighbouring area

The Government has established in paragraph 60 of the NPPF that in addition to their own housing needs:



“...any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”

The inclusion of this statement within the NPPF means that the Government are not merely requiring Council to consider whether they should address any unmet needs from neighbouring areas but that they must address these needs where possible and where it would be consistent with other policies in the NPPF. In preparing the local plan it is therefore vital that the Council establishes whether there are any areas that are not meeting housing needs in full. The Council have, to some extent, considered this matter within the Housing Topic Paper which examines whether there are any unmet needs in neighbouring authorities and the housing market area (HMA) within which Bracknell Forest is considered to be located. At present we are aware that there is an unmet need of 230 dwellings in Reading that is expected to be delivered in the West Berkshire HMA. However, this has not been acknowledged by the Council in this latest consultation document and it will be important for the Council to either increase its housing requirement accordingly or show where the unmet needs of Reading will be delivered.

In addition to those neighbouring authorities where needs will not be met the Council must also consider whether there are any needs in neighbouring “areas” that will not be delivered. This is an important distinction set out in paragraph 60 of the NPPF and requires Councils to consider meeting needs across a much wider area than the Council has considered as part of the preparation of this plan. In particular we would suggest that the Council examines the ability of those London boroughs in the west and south west of London to meet their housing needs.

As the Council will be aware the inspectors’ examining the new London Plan have submitted their final report to the Mayor of London. Whilst the report considers the approach to assessing housing needs used by the Mayor to be sound the panel did not consider there to be sufficient evidence to show that the plan would deliver the level of homes suggested by the Mayor. Rather than a shortfall of some 10,000 homes across the plan period the inspectors stated that a more realistic level of delivery across London would see a shortfall against housing needs of some 140,000 (14,000 dpa) over the next ten years. This is a substantial shortfall and it will be incumbent on authorities in the wider South East to work with London Borough’s increase supply accordingly.

However, the mechanism through which it works with London at present cannot be considered an effective mechanism through which this situation can be addressed. The Panel’s report stated that the current mechanisms, as set out in SD2 and SD3 of the Draft London Plan, are ineffective. Indeed, the Panel concluded that in the light of the lack of support being provided by the wider South East for delivery of London’s unmet housing needs a strategic review of the Metropolitan Green Belt was called for. With limited agreement for such an approach across London and the wider south east it will be essential for the Council to work with those authorities in the South West of

London to establish the level of shortfall that will occur over the next ten years and to identify how many additional homes could be delivered in TWDC.

Growth strategies and infrastructure improvements

Paragraph 2a-010 outlines those situations where a Council may need to deliver more homes than the minimum established through the local housing needs assessment. It will be important for the Council to consider whether the economic aspirations of the Borough, and Berkshire in general, will place additional pressure on housing needs in the Borough that will require the allocation of further sites within the Local Plan.

Need for affordable housing

Paragraph 2a-024 of Planning Practice Guidance states that an increase in the total housing figure may be required where it could help deliver the required number of affordable homes. The Council state it would have to deliver 227 affordable homes (paragraph 2.4.2 Housing Topic Paper) each year to meet needs. On the basis of the expected levels of affordable housing to be delivered each site the Council will seemingly fall short of this requirement. It is therefore essential that the Council establish the number of affordable homes this plan will deliver and if necessary, increase the overall housing requirement in order to meet the need for affordable homes in BFC.

Need for older person housing

The Council state that at this stage they do not intend to allocate sites to meet the needs of older people. The latest guidance published in the PPG earlier this year notes that allocating sites can provide greater certainty for developers and encourage the provision of sites in suitable locations. Given the ageing population, the limited number of suitable sites that are close to services we would suggest that relying on development management policies to deliver specialist accommodation for older people will not be effective in meeting needs and the Council should, where possible, allocate sites in sustainable locations to specifically meet the needs of older people.

LP8 – Affordable housing

The latest Framework places far more emphasis on the local plan with regard to viability and ensuring that development will be deliverable against the policy requirements being set by the Local Planning Authority. It is therefore essential that the approach taken by Councils is consistent with both policy and guidance and that the Council does not seek to secure contributions at a level that could make development viability marginal and which will, inevitably, lead to site by site negotiations with regard to affordable housing and other contributions. The viability evidence published by BFC was produced in 2017 prior to publication of the latest NPPF and supporting guidance and we would suggest that this document must be updated. To assist Councils in the consideration of viability issues within their local plans the HBF has worked with its membership on how they consider build costs, fees,

profit etc. and have the following recommendations with regard to the approach and the costs it applies:

- *Build costs.* The costs in the current viability evidence will need to be updated to take account of an inflation.
- *Fees.* It is important that a cautious approach is taken with regard to fees. For example, professional fees on larger and more complex sites can be up to 20% of build costs.
- *Developer profit.* The Council proposes 18% on GDV for market housing and 6% on affordable. PPG advises that profit should be 15% to 20% on total GDV for a development and the Councils approach will see profits at around 15%. We would suggest that this is too low given the inherent risks of developing in the current market and the Council should increase the profit on the market proportion of any scheme to a minimum of 20%.
- *Abnormals.* The assessment suggests that any abnormal costs are likely to be reflected in current BCIS figures. However, the BCIS costs reflect the cost of building a unit and will not include abnormal infrastructure costs are all those costs over and above the standard costs outlined above that are required in order to deal with site specific conditions and meeting all planning and technical requirements. If these are significantly higher than expected then the reduction in land value may not be sufficient to incentivise the sale of that land. As we set out in our viability guide there are a huge range of abnormal costs to be accounted for and the Council should engage with housebuilders in Bracknell Forest to consider the amount of abnormal costs, they have faced in bringing sites forward. Evidence submitted by the HBF to the County Durham Local Plan showed that evidence from 14 sites the average level of abnormal costs for a Greenfield site was £495,000 per hectare and £711,000 per hectare for brownfield sites. Whilst we appreciate that these costs will vary between areas it provides an indication that these costs can be substantial and should be considered in more detail; and
- *Other policy costs.* The assessment will need to be updated to reflect the policy costs being introduced in the local plan including the open space standards in LP14. In addition, the Council should include an assessment as to the impact on viability of achieving the biodiversity gains that the Government are proposing to introduce as these could have a significant impact. The Government's Impact Assessment on its proposals for biodiversity net gain published alongside its response to the consultation¹ indicates that it will cost an average of around £20,000 per hectare to achieve a 10% net gain in biodiversity through a 75:25 split between onsite mitigation and offsite contributions. However, the study also recognises that should higher levels of off-site contribution be required the costs will increase substantially. Elsewhere research by Savills² for example, suggests that the costs of meeting bio-

¹ <https://www.gov.uk/government/consultations/biodiversity-net-gain-updating-planning-requirements>

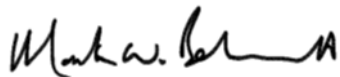
² https://www.savills.co.uk/research_articles/229130/292298-0

diversity gain could be substantially more at between £9,000 and £15,000 per dwelling.

Conclusion

I trust that the Council will find these comments useful. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry. The HBF would like to be kept informed of the progress of the document. Please use the contact details provided below for future correspondence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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