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13/12/2019

Dear Sir/ Madam

**Response by the Home Builders Federation to the consultation on the proposed changes to the Windsor and Maidenhead Borough Local Plan**

Thank you for consulting the Home Builders Federation (HBF) on the proposed changes to the Borough Local Plan. 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 proposed changes to the Borough Local Plan. However, we are concerned that the concerns raised in our representations have not been addressed. For example, we remain concerned regarding London's inability to meet its own needs in full.

During the preparation of the Borough Local Plan the Council will have been aware that there would shortfall of some 10,000 homes across the capital between 2018 and 2028 and that needed to be delivered elsewhere. The amount of unmet needs must now be assumed to be some 140,000 units over that same period following the conclusion of the Inspectors examining the plan that the supply of small sites in outer London Borough's had been significantly overestimated leading to the recognition at paragraph 175 of their report<sup>1</sup> that London will fail to meet its housing needs "*by some margin*". Whilst we accept that these conclusions were reached after the submission of this local plan, we would suggest that these findings now need to be taken into account in this consultation given that new evidence has been used to make amendments across this Local Plan during this abeyance in the examination. Indeed, the Council's own evidence in the Wider Area Growth Study shows strong links to West London and we would suggest that further allocations in this plan would address some of the substantial unmet needs arising within the capital.

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<sup>1</sup> <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/inspectors-report>



### **HO3 – Affordable Housing**

We are concerned that the decision to amend HO3 is unsound on the basis that the 30% affordable housing requirement, as submitted, was not unsound and that the viability testing supporting the change is not sufficiently robust to justify the proposed modification. These concerns are set out in more detail below.

#### *Decision to modify HO3*

This consultation has been undertaken in response to concerns raised by the Inspector regarding the soundness of the plan arising from the stage 1 hearing sessions. However, we note that during the time the examination was in abeyance the Council have also made amendments to other aspects of the plan that had not been considered during the stage 1 hearings. We recognise that the Inspector requested that the Council considers other aspects of soundness and that this would seem reasonable but we are concerned that the Council may have looked to make amendments to policies that potentially seek to improve the plan in the eyes of the Council rather than address a specific issue of soundness. As the Council will be aware the plan should be considered sound as submitted and the Council should not seek to use this period of abeyance to amend a plan if that amendment is not a matter of soundness. In particular we are concerned that the Council has amended its policy in relation to affordable housing increasing its requirement from a 30% borough wide requirement to one that will require all greenfield and employment sites being developed for housing to deliver 40% of those homes as affordable homes.

The issue that appears to have resulted in the proposed changes is in relation to the presentation by Slough Borough Council which raises concerns regarding the amount of affordable housing for rent and the mix of affordable housing that will be delivered on residential development. Their representation requests that the mix should be more explicitly stated in the policy rather than the policies 30% affordable housing requirement is unsound. It is also worth noting that the 2012 National Planning Policy Framework states at paragraph 172 that development should not be subject to a scale of obligations that as to threaten the viability of development. The Council's evidence indicates that a 30% target would not place a burden on development and as such cannot be considered unsound on this basis and should not be subject to change during this period of abeyance.

#### *Viability Assessment*

We are concerned that the viability evidence set out in the update note is not sufficiently robust to support the proposed amendment. These concerns include:

- Costs associated with S106 contributions on sites other than those sites defined as being strategic allocations in the viability study appear to be too low. In particular we note that the Council continue to rely on a S106 contribution of £2,500 per unit for these sites compared to the additional £12,300 per unit contribution on the strategic allocations. We consider £2,300 to be a very low level of contribution, especially for larger sites, and would appear to be based

on an assumption made in the 2015 CIL Viability Study. This would appear to be a pragmatic assumption made by the authors and included to take account of a possibility rather than an evidenced assumption, this position is also caveated with the study recognising that this figure will vary considerable between development scenarios. Given that the pooling restrictions on S106 and CIL have now been lifted there is a far greater likelihood that S106 contributions will increase and we are concerned that the Council are underestimating the impact of these contributions.

- The CIL rates are only indexed to 2019. Given that the plan will not be adopted until 2020 at the earliest CIL rates should have been assessed on the basis of the index figure for 2020.
- The viability update has adjusted the developer profit from 20% of GDV to 17.5% based on the latest Planning Practice Guidance. Given that this latest guidance relates to plans submitted under the 2019 NPPF this can not be used as justification for such an amendment especially given that the Council, as set out above, have no reason to amend its position from that set out in the original evidence submitted to support HO2.

As such we do not consider the viability assessment to be sufficiently robust to justify the proposed policy. There is a risk that the new policy will make some of the sites required to ensure the delivery of this plan more marginal with regard to their viability and therefore places at greater risk the deliverability of the plan's overall housing requirement. As such the proposed modification cannot be considered sound.

### *Flexibility*

Finally, the new policy lacks the necessary flexibility required by the 2012 NPPF to take account situations where the cumulative impact of the policies in the local plan make a development unviable. In order to be consistent with paragraph 14 and allow for the plan to respond to and adapt to rapid change we would suggest that the policy is amended as suggested below.

### Recommendation

In short, we do not consider there to be sufficient justification for including the new part 1(a) of HO3 as is being suggested by the Council. Therefore part 1(a) should not be taken forward into the Borough Local Plan.

In addition, Part 1 is amended to read “*The Council will require, where viable, all developments for ...*” to ensure there is sufficient flexibility to adjust contributions where they lead to developments becoming unviable.

## **HO2 – Housing Mix and Type**

Whilst we support the encouragement of self-build housing through the local plan, we do not consider policies such as HO2 that the requires for sites of over 20 units to the provision of serviced plots for self and custom house building to be justified or

consistent with national policy. Such policies merely change the form of delivery and provide no benefit to ensuring there are consequential improvement not supply from the self-build market. Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing, we do not consider the Council to have looked at sufficient options with regard to how it can provide plots to support self-builders. Paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered – including the use of their own land. This is reiterated in para 57-14 of the PPG which sets out the need for Council's to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. There is no evidence as to whether the Council have considered these options which could provide additional supply.

With regard to the Council's evidence on the need for self-build plots we note that the Council states that there are currently 188 individuals and groups 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. There is no indication as to whether secondary data sources or double counting between registers in neighbouring authorities has been examined as part of the justification for this policy.

The consideration of secondary evidence is important as it is difficult to ascertain whether entries on the self-build register are likely to transfer into plot purchases. 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 the Council is looking to require the provision of plots at the level suggested in HO2. We consider that the Council needs to take a more proactive approach where they either identify their own land for such schemes or work with landowners, as set out in PPG, to find and then allocate 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 do not consider the policy to be sound, we welcome the inclusion of a process for unsold plots to be returned to the developer the process. However, we consider a six-month period would be sufficient if the Council are confident that the demand for such plots are present within the Borough. Any longer unnecessarily delays the delivery of much need housing. Such plots should be offered on the open market during that period as well as to those on the register.

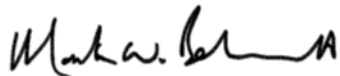
### Recommendation

The proposed modification should not be taken forward into the Borough Local Plan as it is not been justified.

## **Conclusions**

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. Should you require any further clarification on the issues raised in this representation please contact me. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public with regard to these and the other issues raised in previous representations.

Yours faithfully

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

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