

Sent by email to: local.plan@spelthorne.gov.uk

20/01/2020

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Preferred Options for the Spelthorne Local Plan

Thank you for consulting the Home Builders Federation (HBF) on this preferred options consultation. 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.

ST1: Presumption in favour of sustainable development

When the presumption in favour of sustainable development was first introduced the Planning Inspectorate (PINS) recommended that a policy reflecting this approach should be included in all local plans. This approach is no longer considered necessary by PINS and they have rescinded their original advice on this matter. Given this position and the fact that paragraph 16(f) of the National Planning Policy Framework (NPPF) states that policies in local plans should serve a clear purpose and avoid any unnecessary duplication we would suggest this policy is deleted.

ST2: Planning for the Borough

Housing requirement

Whilst we would agree that the local housing needs assessment (LHNA) for Spelthorne using the standard method is 603 dwellings per annum (dpa) we would disagree that this is the housing requirement for the Borough. Paragraph 60 of the NPPF states that this is the minimum number of homes that are needed and goes on to say that:

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



Whilst we could not find any evidence presented at this stage as to whether the Council has contemplated the unmet needs of neighbouring areas we assume that the Council is aware of the significant levels of unmet needs that are present in London neighbouring authorities in Surrey that will need to form part of the Council consideration with regard to its housing requirement.

With regard to London it is evident from the Panel's report on the London Plan that the evidence supporting the Mayor's delivery expectations in outer London were flawed and that the number of homes provided in these Borough's will be significantly lower. On the basis of the Panel's report it is estimated that the shortfall will be some 140,000 homes between 2018 and 2028, a significant increase on the 10,000-home shortfall initially estimated by the Mayor. This level of unmet need is substantial and must not be ignored by those Boroughs adjoining the capital. If a collective response cannot be developed, something that has not so far occurred and we doubt ever will, then it is the responsibility of individual local authorities to address this matter. It will be important that Statements of Common Ground are prepared with all neighbouring areas in order to establish what their level of unmet need is and how some the homes needed will be delivered in Spelthorne.

Given that there are unmet needs in neighbouring areas the Council will need to consider an alternative housing requirement in excess of 603 dpa. At present the Council's consideration of its requirement has not gone beyond the minimum level established by the application of the standard method and no reasonable alternative beyond this figure has been considered in the Council's Sustainability Appraisal. We would recommend that the Council considers reasonable options that could deliver a higher housing requirement to meet some of the unmet needs that are present in the capital and elsewhere. This should in the first instance be considered through the Council's Sustainability Appraisal. As the Council will be aware regulation 12 of the Environmental Assessment of Plans and Programmes Regulations 2004 require the Council to describe and evaluate the impacts of "*reasonable alternatives*" with regard to the preparation of the local plan and as such a failure to consider a higher figure would be failure of this legal requirement.

We recognise that the NPPF allows, at paragraph 11, for the situation where needs, including the unmet needs of neighbouring areas, may not be met. However, it is important to note that the presumption in favour of sustainable development has been amended in the 2019 NPPF. The latest wording in the presumption states that the application of the policies that protect areas or assets must provide a strong reason for not meeting objectively assessed needs - which as stated in both paragraphs 11 and 60 of the NPPF includes unmet needs in neighbouring areas. It is therefore not the case that the presence of Green Belt or other constraints provide sufficient justification for not meeting the needs of other areas, there must be strong reasons why they should be used to restrict development. Given that the Council have failed to consider alternatives that would deliver more homes than the minimum required they cannot say whether or not there are strong reasons for restricting development through this local plan.

It is therefore essential that the Council considers development strategies that will deliver more homes than the minimum requirement resulting from the standard method. A failure to even consider the possibility of delivering more homes will be a significant flaw within the process of preparing the local plan and the requirements of both national policy and legislation.

Housing supply

Table 1 sets out the sources of supply the Council expect to come forward during the plan period 2020 to 2035. The expectation is that in the 15-year plan period the Council will deliver 9,057 homes – 12 dwellings more than the proposed housing requirement. However, we are concerned that the Council has:

- a) insufficient flexibility within its land supply to ensure it meets its minimum housing requirement and
- b) overestimated the expected delivery of new dwellings over the plan period.

Flexibility

The development strategy being proposed does not provide any buffer between the housing requirement and planned supply. Such a position takes no account of the fact that development is unlikely to be delivered as expected by the Council nor the requirement in paragraph 11 of the NPPF for Councils to prepare flexible plans that can take account of rapid changes. If the plan is to achieve its housing requirement it stands to reason that additional sites are essential to enable the local plan's development requirements to be surpassed. For this reason, the HBF recommends that a 20% buffer in the Council's overall housing supply is necessary to ensure its housing requirement is met. The importance of deliver a substantial buffer even in authorities with substantial Green Belt designations was considered in the recent judgement in the in Compton Parish Council & Ors v Guildford Borough Council & Ors. [Case Number: CO/2173/201. This judgement recognises at paragraph 91 that providing headroom against slippage and for flexibility to meet changes can also be considered as contributing to the exceptional circumstances supporting the amendment of Green Belt boundaries with Ousley J stating:

"However, in my judgement, once meeting the OAN is accepted as a strategic level factor contributing to "exceptional circumstances", as it has for the purposes of this issue ... it follows that the provision of headroom against slippage and for flexibility to meet changes, "future proofing" the Plan, as the Inspector put it, would also contribute to such circumstances."

Overestimate of supply

Firstly, the Council have included 405 homes that are currently under construction as of 1st of April. Given that the plan period is set to start from 2020 there can be no justification for including homes that are under construction and likely to be delivered in 2019. The Council's justification would also appear to support our concern which

states that the reason these homes are identified is because they are included within the 16-year plan period accounted for from 2019. Any homes that are built outside of the plan period cannot be included in expected delivery and must be removed from any assessment of supply for the 2020-2035 plan period. Alternatively, the Council could adjust its plan period to start in 2019 increasing the minimum housing requirement by 603 homes and delivering the shortfall in the first five years of the new plan.

Secondly, we note that sites have been included within the Council's supply expectation despite there being no confirmation from the owner that the site is available. Evidence in appendix 5 of the Strategic Land Availability Assessment (SLAA) would suggest that some 255 homes are expected to come forward on sites without an indication that the site is available during the plan period. Such sites should not be included in the Council's land supply until confirmation is received as to its availability the point envisioned by the Council.

Conclusion on ST2

As a matter of urgency, the Council will need to proactively engage with neighbouring areas to identify any unmet needs. It will be important that the Council in particular engage with London Boroughs such as Richmond and Hillingdon as both these authorities expressed concerns that they would not be able to meet the housing targets set out in the new London Plan. In addition, the Council will need to review its land supply expectations and remove any sites where the landowner has not stated that the site is available. As such the Council will need to identify additional sites for allocation in the local plan to both meet the needs of neighbouring areas and improve the flexibility of the plan.

Viability

We note that the Council has not published any evidence relating to the impact of the Council proposed policy requirements on development. This is a concern given the increased focus of the latest NPPF on ensuring viability of development at plan making rather than through a negotiated solution at the plan application stage of the development cycle. As such the expectation is that the viability evidence would be available to inform the development of policies being proposed as part of the preparation of the local plan not after the Council has consulted on such policies. It is therefore not clear how the Council can have published their preferred policies without any understanding of the viability of these policies.

Given the increased focus on viability at plan making the HBF has worked with its members to prepare a guidance note on viability for local authorities to provide an improved picture of how the different variables will impact on a development. However, whilst this guidance provides a general overview of how the house building industry approaches viability it will be important for the Council to engage with developers locally to ensure the inputs into the viability assessment are realistic and the cumulative cost of all relevant policies in the plan will not compromise development in Spelthorne.

H1: Homes for all

Housing mix

We consider the approach taken does not provide sufficient flexibility and seeks to impose a Borough wide mix of housing on a significant number of sites. The HBF considers the most effective approach to ensuring a mix of housing is to allocate a wide variety of sites both in terms of size and location. Different sites delivered by a range of house builders will inevitably deliver a better mix of housing. Whilst it is important to provide an indication of the mix the Council is expecting to achieve across the Borough it is not appropriate to limit the scope of house builders to meet the needs of the market by requiring development to providing a mix as set out in the Strategic Housing Market Assessment (SHMA). The SHMA only provides a snapshot in time as to the mix of homes required that will change as new development comes forward. Those developing sites are best placed to understand the need of the market and ensure the most effective mix is provided for that maximises the viability of a site in order to try and meet other policy requirements set by the council.

For this reason, policies such as H1 should state that the applicants should have regard to the SHMA and not require the specific mix set out in this document and any subsequent iterations. Such an approach, if coupled with the allocation of a range of sites will ensure an appropriate mix of housing comes forward across the Borough whilst also allowing the market to determine the type of housing provided on a specific site and the demand for homes in that location.

We would therefore recommend that part 3 of HO1 is amended to read:

“Development proposals will be expected to contribute to meeting identified housing needs ~~by providing a~~ having regard to the housing mix as set out in the Strategic Housing Market Assessment or any similar evidence for market and affordable units”

Space Standards

The Council will have to provide the evidence to support the adoption of space standards as set out in Planning Practice Guidance. It is important to note the NPPF, at footnote 46 to paragraph 127, states that Council's must justify that these are “*needed*”. This suggests that it is not sufficient for these standards to be adopted because they are desirable but that they are genuinely required to address a chronic issue. Given that the annual customer satisfaction surveys undertaken by the HBF in partnership with the NHBC¹ show that 93% of those purchasing a new build home in 2018/19 were very or fairly satisfied with their internal layout of their home would suggest that the application of space standards not needed in every area.

¹ https://www.hbf.co.uk/documents/8389/CSS_HBF_Brochure_2019_with_table.pdf

If the Council can provide appropriate justification, we welcome the inclusion of part 5 to ensure flexibility in the application of space standards. However, we would suggest that this should be widened beyond studio developments as there are likely to be other types of development where there is demand for smaller than standard accommodation. For example, some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but allow those on lower incomes to afford a property which has their required number of bedrooms. Essentially the overzealous application of space standards could mean that those families on lower incomes requiring a higher number of bedrooms will not be able access the home they need.

Accessible homes

PPG (ID 56-07) identifies the type of evidence required to introduce a policy for accessible and adaptable homes, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. We could not find any such evidence and the Council will need to provide the necessary justification to support all new homes being built to part M4(2).

Self-build and custom housebuilding

Whilst we support the encouragement of self-build housing through the local plan, we do not consider the requirement for sites of over 100 to provide at least 5% service plots for self and custom house building to be justified or consistent with national policy.

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. The Council must investigate other means by which to promote self-build custom house-building opportunities, including the use of its own land, and we would suggest that it should conclude these investigations before requiring the provision of serviced plots on larger sites.

The Council will also need to carefully consider their evidence to ensure that it is sufficiently robust to support the proposed requirement. Paragraph 67-003 of PPG requires Council's to review their registers to ensure that those individuals or groups who are on the list are still interested and that there is no double counting with other registers. In some instances, reviews of the register have led to the number of self-build plots to be planned for reducing significantly.

Finally, we would suggest that part 13c) of HO1 is amended and that plots should only be required to be marketed for 6 months. If the Council are certain that there is a strong market for self-build plots and their register is a robust reflection of demand then a 6-month marketing period should be more than sufficient.

HO2: Affordable housing

Without the necessary evidence on viability we cannot comment in any great detail on the soundness of the proposed 40% affordable housing requirement. It will be important that the Council carefully considers the viability of its proposed policy in combination with its other requirements and takes a cautious approach given that paragraph 57 of the NPPF outlines that it can be assumed that all developments that comply with the local plan are viable. This may require a more variable approach to affordable housing requirements based on geography or type of development rather than a blanket policy that relies heavily on a negotiated outcome. However, we welcome the Council's recognition that there will need to be some element of negotiation given that not all development circumstances can be accounted for within the whole plan viability assessment.

We note that part 13g) states that all C3 accommodation will be required to provide affordable housing including sheltered accommodation for older people. Given the generally higher cost of providing sheltered accommodation, due to the need for communal areas, and the generally incompatible nature of affordable housing within such developments the Council must consider in more detail the requirement for sheltered and retirement accommodation to make on site provision for affordable housing. We would suggest that if a contribution is viable on such development that this be limited to a commuted sum.

E1: Green Belt

As set out above in relation to policy ST1 paragraph 16(f) of the NPPF seeks to limit the inclusion of unnecessary policies in Local Plans. Given that this policy merely repeats national policy there is no need for its inclusion on the local plan and as such it must be deleted.

E5: Open space

This policy requires applicants to have regard to the standards for open space as set out in the Open Space Assessment. Whilst we welcome the fact that the Council are not setting rigid standards in policy for open space, we are concerned that there is minimal guidance as to how the overarching standards for open space relate to individual developments. We would welcome clarification as to what open space is expected in each development and for this level to be tested through the viability study.

DS2: Sustainable design and renewable/low carbon energy

The HBF support moving towards greater energy efficiency via a nationally consistent set of standards and a timetable for achieving any enhancements which is universally understood and technically implementable. The HBF acknowledges that the Government has not enacted its proposed amendments to the Planning & Energy Act and that they have recognised that additional energy efficiency requirements up to level 4 of the now abolished Code for Sustainable Homes can form part of planning policies if it is justified. The Council will therefore need to ensure that part 4 of this policy is included within the viability assessment. An indication of the cost of such a proposal is provided in the recent Future Homes Standard consultation. The Governments preferred Option 2 proposes 31% reduction in carbon emissions compared to current standards (Approved Document L 2013) delivered by installation of carbon saving technology and better fabric standards and would increase costs for housebuilders by an estimated cost between £2,500 - £4,900 per dwelling.

In addition, the Council should not stipulate that the improvement in energy efficiency should be achieved through the provision of renewable or low carbon technologies. The Government advocate a fabric first approach and any improvements that can be made through design and orientation should be a priority. Such a position would also be more consistent with the approaches being suggested in the Future Homes Standard which promotes a fabric first basis for improving energy efficiency. As such we would recommend that points a) and b) in part 1 of this policy should be deleted and included within an amended part 4 which would read:

“All new buildings on greenfield sites are required to reduce carbon emissions by 20 per cent below the relevant Target Emission Rate (TER) set out in the Building Regulations 2010 (as amended) (Part L). This should be achieved through a fabric first approach which should maximise opportunities to reduce energy efficiency through the design, orientation and lay out of any development.”

However, given the stage at which this plan is at it is likely that national standards will supersede the proposed policy. The Future Homes Standards that the Government consulted on towards the end of 2019 outlined its intention to future proof new homes with low carbon heating and world-leading levels of energy efficiency. This paper also indicates that the Government will not allow for higher standard sot be adopted through local plans and should the Government provide a clear indication that they are seeking to adopt a nationally applicable standard the Council should delete this policy from the proposed submission local plan.

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.

Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 020 7960 1616