

Home Builders Federation

Matter 4

BRENTWOOD LOCAL PLAN EXAMINATION

Matter 4 Housing needs and requirement

Issue 5 – Is the identified housing need supported by robust and credible evidence, justified and consistent with national policy? Is the housing requirement figure of 7,752 new dwellings within the Plan soundly based? (Policy SP02)

30. Is the requirement of 7,752 new dwellings consistent with the standard method in the National Planning Policy Framework and does it accord with the methodology set out in the Planning Practice Guidance? Is the uplift from 350 dwellings per annum in the SHMA to 456 dwellings per annum justified and consistent with the evidence and national policy?

The approach to undertaking the local housing needs assessment required for all local planning authorities by paragraph 60 of the NPPF is set out in paragraph 2a-004 of Planning Practice Guidance. The first step is to set out the baseline for per annum household growth over the next ten years using the 2014-based household projections with the current year as the baseline. This results in annual growth of 323 households per annum. Step 2 requires this figure to be adjusted to take account of affordability using the formula as set out in PPG. For Brentford this results in an adjustment factor of 1.6625 and a housing need of 536 dwellings per annum (dpa). Step 3 of the process is to apply a cap where necessary. As the current Brentwood Plan is more than five years old, having been adopted in 2005, then the housing need figure is capped at 40% above whichever is the higher of:

- The projected household growth over ten years using the 2014-based projections
- The average annual requirement in the most recently adopted local plan.

The 2005 local plan set a target (based on the Essex Structure Plan) of 1,450 dwellings between 1996 and 2011, 103 dpa. As such the 40% cap is applied to the 2014-based household projections. This results in a local housing needs assessment for Brentwood of 452 dpa. However, paragraph 60 of the NPPF states that this is the minimum number of homes that must be delivered and notes that any unmet needs in neighbouring areas must also be taken into account in establishing the amount of housing to be planned for.



However, this is the minimum amount of homes that should be planned for. Paragraph 60 of the NPPF also sets out that requires Local Planning Authorities to take into account any needs that cannot be met in neighbouring areas. As we note in our matter 1 statement there are unmet needs in neighbouring areas, and these have not been adequately considered with regard the housing requirement in Brentwood.

31. To what extent does the housing requirement of 7,752 new homes in the plan period allow the Council to achieve its economic ambitions and deliver the employment growth in line with the overall strategy for the borough?

No comment

32. Does provision have to be made for all of the 7,752 new homes to be delivered within the borough or could some of this need be provided in a neighbouring authority area?

This is principally for the Council to answer. However, the evidence provided through the duty to co-operate would suggest that there is no scope for the housing needs of Brentwood to be provided elsewhere.

33. Does the housing requirement fully take account of Brentwood's strategic location within Essex and the wider South East and does it appropriately reflect the impact of infrastructure opportunities such as the Elizabeth Line?

No comment

34. Policy SP02 proposes that the 7,752 dwelling requirements be split in to two stages i.e. 310 dwellings per year to 2022/23 and then 584 dwellings per year from 2023/24-2033. The Council is proposing that Policy SP02 be modified to depart from this approach. However, does the evidence justify that the non-stepped policy is sound and consistent with the evidence?

The default approach to land supply is a flat trajectory with paragraph 68-021 of PPG outlining when a stepped approach "may be appropriate" (our emphasis). As such it is for the Council to justify whether a step is appropriate rather than justify the use of flat trajectory if this is the approach being proposed. Therefore, the flat trajectory being in the proposed main modifications is consistent with national policy and most importantly does not seek to unnecessarily delay meeting identified development needs. It is important to remember that the use of a stepped trajectory will push back the delivery of both the current housing needs and any backlog until later in the plan. This must be avoided wherever possible in order to not only ensure people have homes but to maximise the potential for new supply to limit any worsening in affordability. As such where a flat trajectory leads to housing supply on adoption the local plan to be less than five years the first consideration to secure a five-year land supply should be via the identification of sufficient sites to meet needs and not the automatic use of a stepped trajectory.

The five-year land supply will be discussed at later sessions but based on the Council's latest estimates of supply in their response to the inspectors' initial questions 43 to 49 (F5D) the Council will need to find additional supply to address the shortfall in the first year following adoption. As set out in appendix 1 of this statement the five-year land supply should the Council adopt the local plan in 2021 would be less than five years.

Issue 6 - Is the Council's approach to the requirements and provision of affordable housing consistent with national planning policy and is it justified, effective and supported by the evidence?

(Policy HP05)

18. Is the approach towards the provision of affordable housing in the Plan sound? Are the requirements set out in Policy HP05 justified, effective and consistent with national policy? Does the evidence support a requirement for 35% affordable housing for all new residential development that meets the criteria in the policy? On what basis has the 35% figure been chosen and does the evidence support a lower or higher figure? Has consideration been given to different figures?

Broadly we would agree that the evidence on need supports the Council's 35% affordable housing requirement. However, with the potential for increased and inflexible additional policy costs being placed on development in future we would suggest that consideration be given to further flexibility being provided within the policy wording in particular relating to the tenure mix. We would suggest that wording be amended to show that the Council are seeking rather than requiring the tenure mix that is being proposed and that consideration will be given to the most up to date SHMA and Authorities Monitoring Report.

19. Can the Council confirm what proportion of sites may not deliver affordable housing or deliver at a reduced rate and explain whether the higher 35% target will make up the difference in order to meet the identified needs?

For the Council to answer

20. In accordance with paragraph 65 of the NPPF does the Plan contain strategic policies which clearly set out the housing requirement for designated neighbourhood areas, and if so, is this based on robust evidence?

No comment

21. Has the impact of affordable housing requirements on the viability of schemes been robustly assessed?

We have two areas of concern with the viability study the first is brownfield land values and the second is the lack of clarity as to whether all potential policy costs have been considered. With regard to land values we think the viability study may underestimate the value of brownfield sites. The study uses a benchmark land value for brownfield sites as £1.2m per hectare. This seems relatively low when compared to the industrial

land value estimates in this area as set out in the most recent land value estimates for policy appraisal produced by MHCLG. We note that the 2017 based appraisal published in March 2018 has this value as £3m per hectare for the Redbridge area of the South East.

In relation to policy costs, the local plan looks to place many policy requirements on developers that will increase the cost of developing new homes in the Borough. In addition to these, new nationally dictated policy costs such as net gains in biodiversity and the installation of electric vehicle charging points are likely to place further costs in future. It is important that all costs are properly and clearly reflected within the Council's viability study to fully understand their cumulative impact. For example, the significant additional costs for biodiversity gain should be fully accounted for in the Council's viability assessment. The DEFRA Biodiversity Net Gain & Local Nature Recovery Strategies: Impact Assessment Table 14: Net Gain Delivery Costs (Residential) sets out regional costs (based on 2017 prices) in the East of England of £18,329 per hectare of development based on a central estimate but there are significant increases in costs to £62,983 per hectare for off-site delivery under Scenario C.

Whilst such future costs are not included in the Council's viability assessment, we note that the viability study considers scenarios where development costs are increased above the base requirements tested. These show that development remains viable where costs are higher. However, our concern remains that as more and more costs are placed on development it will be important to ensure there is sufficient flexibility not only within policy HPO5 but also other policies within the local plan to allow development to come forward that may be made unviable by these increasing costs.

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Appendix 1 – Rolling five-year housing land supply

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33
Requirement	456	456	456	456	456	456	456	456	456	456	456	456	456	456	456	456	456
Cumulative	456	912	1,368	1,824	2,280	2,736	3,192	3,648	4,104	4,560	5,016	5,472	5,928	6,384	6,840	7,296	7,752
Delivery	150	213	246	70	318	653	815	989	812	790	723	608	499	459	439	359	359
Cumulative	150	363	609	679	997	1,650	2,465	3,454	4,266	5,056	5,779	6,387	6,886	7,345	7,784	8,143	8,502
Surplus/deficit	-306	-549	-759	-1145	-1283	-1086	-728	-195	0	0	0	0	0	0	0	0	0
5-year req	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280	2,280				
add deficit/ surplus	2,280	2,586	2,829	3,039	3,425	3,563	3,366	3,008	2,475	2,280	2,280	2,280	2,280				
Buffer	114	129	141	152	171	713	673	150	124	114	114	114	114				
Total req	2,394	2,715	2,970	3,191	3,596	4,276	4,039	3,158	2,598	2,394	2,394	2,394	2,394				
5-year supply	997	1,500	2,102	2,845	3,587	4,059	4,129	3,922	3,432	3,079	2,728	2,364	2,115				
Surplus/deficit	-1,397	-1,216	-869	-346	-9	-217	89	764	834	685	334	-30	-279				
5YHLS	2.08	2.76	3.54	4.46	4.99	4.75	5.11	6.21	6.60	6.43	5.70	4.94	4.42				

