

Sent by email to: planningpolicy@portsmouthcc.gov.uk

29/10/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Portsmouth Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Portsmouth 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.

Question 3: Spatial Development Strategy

a. Do you agree with the approach to the proposed Spatial Development Strategy for the new Local Plan?

b. Do you have any further comments or suggestions about the Spatial Development Strategy for the new Local Plan

2. The HBF recognises the constraints faced by Portsmouth with regarding meeting development needs and it is vital that the spatial strategy that is taken forward maximises the amount of developable land in Portsmouth. As such, the proposed spatial strategy as set out in the consultation document, which meets housing needs in full, is a reasonable strategy. However, we are concerned that the proposed strategy may not be the one taken forward given the Councillors latest reservations in its strategic allocation in Tipner. The Council will need to carefully consider its options and whether any unmet needs arising from its decision on the allocation at Tipner could be met elsewhere and the likely impact on the areas ability to address its needs for affordable housing and support the ambitious levels of economic growth outlined by both the Solent LEP and Partnership for South Hampshire.



Question 4: Housing Need

National policy states that the minimum number of new housings to be planned for should be determined in two ways: by local housing need and using the government's standard method, unless exceptional circumstances justify an alternative approach in line with current and future demographic trends, and market signals.

a. Are there exceptional circumstances for Portsmouth that should be considered?

3. Whilst there are no exceptional circumstances to justify a reduction in housing need the Council should consider whether further housing growth may be necessary in order to support the economic growth aspirations for the city and wider South Hampshire area of which Portsmouth is a major driver of growth. It will be necessary for the council to therefore consider, in line with paragraph 2a-010 of PPG whether any growth deals or infrastructure improvements planned for the area could lead to the need for a higher housing requirement than the minimum established using the standard method. The Solent LEP has secured significant funds to support growth across this area and it will be necessary for the Council to understand how this will impact on housing needs moving forward. We note the Partnership for South Hampshire considered this in its 2016 SHMA and we would suggest that a similar exercise is undertaken to assess whether housing growth will be sufficient to address the economic aspirations for the area.

Question 5: Housing Supply

Table 2 sets out the anticipated sources of housing supply from 2020 – 2038.

a. Do you agree with the suggested approach to housing supply for the plan period?

b. Do you have any further comments or suggestions about the suggested approach to housing supply for the plan period?

4. The HBF does not comment on specific sites and their ability to meet housing needs over the plan period. The consultation outlines a land supply that will meet minimum housing needs in full. However, this includes 4,000 homes at Tipner, with which Councillors seemingly now have concerns with regard to its deliverability. Should this strategic site not be deliverable this will leave a significant shortfall that will need to be addressed elsewhere in Portsmouth or in the neighbouring areas as part of the duty to co-operate.
5. However, if this site is eventually considered to be deliverable, it will be important to ensure that the assumptions being made with regard to its delivery are not overly ambitious and recognise that all strategic sites can be subject to delays in securing planning permission and commencing onsite due to circumstances not foreseen at the time the plan is prepared.
6. Alongside pragmatic delivery rates the complexity of delivering schemes such as those proposed at Tipner and the redevelopment of the city centre (which together would deliver over half of the areas total housing supply) it is also important that a buffer is included in the local plan to take into account unforeseen issues that may

arise that slows build out rates. As such the HBF welcomes the fact that the Council have included a delivery buffer within its housing requirement to ensure there is sufficient flexibility in supply to meet the minimum it is required to deliver over the plan period.

Question 6: Housing Types, Mix and Affordability

a. Do you agree with the proposed approach to the provision of the following in Portsmouth?

Family housing

7. The policy as currently worded provides the level of flexibility we would expect to see in a local plan where there are significant constraints on development. Without sufficient flexibility policies on housing mix may prevent some sites from coming forward as the expectation from decision makers is that the prescribed housing mix should be met on all sites.

Self and custom-built housing

8. Again, the significant constraints on development opportunities within Portsmouth and the higher densities that may be required indicate that there must be flexibility in how self-build homes are delivered. The policy should be supportive of such development but not place unnecessary burden on development to provide plots for self-builders and as such the HBF considers the Council's approach to be sound.

Accessible and adaptable homes

9. The Council are proposing that 20% of all new homes are built to part M4(2) and 5% of built to part M4(3). As set out in the NPPF and PPG the decision to apply higher technical standard must be based on the level of need for these standards and the impact of applying these standards on the viability of development. With regard to the evidence of need we would broadly agree with the approach taken though we would suggest that the proportion of those households requiring new home to meet their needs will be substantially lower than is suggested by the Council. As indicated in figure 48 of the current households where there needs are affected by illness or disability only 9% are likely to need to move to a more suitable home. To therefore suggest, as set out in figure 19, that in future over half of those whose needs are affected by a disability or illness will need to move to a more adaptable home does not seem to be a robust or consistent assessment.
10. However, rather than require 46% of all new housing to be delivered as part M4(2) the Council have considered the viability evidence and reduced the requirement to 20%. This would seem a reasonable approach given our concerns above and the broader concerns with viability in Portsmouth.

11. Finally, with regard to M4(3) the Council will need to make the distinction between a wheelchair adaptable homes and wheelchair accessible home under part M4(3) as PPG states that wheelchair accessible home can only be required through the local plan where the council has nomination rights for that house.

Older persons housing

12. Whilst the HBF welcomes the support for older people's accommodation identified in policy H2 the HBF consider it important that local plans look to allocate specific sites to meet the needs of older people. In particular the Council must look, in the first instance, to allocate those sites submitted for older people's accommodation that are in the most sustainable locations close to key services. However, we would suggest that the local plan goes further and looks to set out in policy a target for the delivery of homes for older people and with a commitment to maintaining a supply of land to meet that target. Whilst we recognise that there is not a requirement in national policy for the Council to maintain a specific supply of accommodation for older people identifying the level of need and monitoring supply would aid decision makers in the application of this policy and ensuring needs are met over the plan period. Such an approach would also ensure effective monitoring in relation meeting the needs of older people and encourage positive decision making if there is a deficiency in supply.

Purpose Built Student Accommodation

13. Whilst the HBF agrees that student housing should allow some existing homes currently occupied by students will be brought back into use as family homes it will be important to ensure that there is a robust assessment as to how many bed spaces in student accommodation it will take to release one home. The Housing and Employment Land Availability Assessment indicates that the Council will base their ratio on the national average of 2.5 student bed spaces releases one home. Whilst we recognise this is the position set out in the Housing Delivery Test Rule Book it is a national average and the ratio is likely to differ between areas. In some Local Planning Authorities, the density of students per housing is likely to be significantly higher and will require far more bed spaces to free up one house than is suggested by the national average. As such the Council should have robust evidence to support its approach in assessing the level of housing freed by student accommodation if this is to be included in overall supply.

Affordable housing

Considering the conclusion of the viability assessment of the Local Plan there is a risk that the proposed 30% requirement for affordable housing (which would potentially be viable for less than half of expected developments in Portsmouth), is undeliverable. This would therefore require frequent case by case viability testing.

c. Due to this risk, is there an alternative requirement for affordable housing provision that should be considered?

14. As set out in paragraph 34 of the NPPF, the policies in a local plan should not undermine the deliverability of the development proposed in that local plan. Therefore, if, as indicated in the viability assessment, over half of the typologies tested are unviable at the proposed policy costs then the policies should be adjusted rather than rely on negotiation at the application stage. Whilst negotiation will be a necessary fall-back position, as set out in policy H2, to ensure some sites come forward paragraph 58 of the NPPF makes it clear that this should be the exception not the norm and that decision makers should be able assume that where development meets all policy requirements in a plan then that development is viable. Therefore, national policy and the Council's evidence would suggest that the affordable housing policy be amended to 20% in line with the recommendations in the viability assessment.
15. However, in addition to the above the HBF are concerned that the viability evidence does not full reflect the costs associated with delivering residential development in Portsmouth. Firstly, the impact of the requirement to provide First Homes as an affordable housing tenure does not appear to have been fully considered. Whilst these homes fall under the definition of affordable housing in terms of viability, they cannot be treated the same as an affordable home ownership product as they are developed and sold by the developer. This is fundamentally different to a shared ownership unit or affordable home for rent where the home is bought up front by a housing association with the developer in affect acting as a contractor. The risk is lower as there is no need to put the affordable home on the open market, as such the developer accepts a lower level of profit. However, a First Home would be sold by the developer and as such they retain the risk and the other costs, such as marketing, in the same ways as they would for any home sold on the open market. Therefore, the proportion of new homes delivered as First Homes should be treated in the same way as other market homes for sale.
16. Secondly, the viability study uses the lower quartile BCIS build cost in relation to development in Portsmouth. We would suggest the median would better reflect the cost of development moving forward in Portsmouth given the focus of Government on high quality design. It must be remembered that BCIS costs look at previous costs and as such will not reflect changes in national or local policies.
17. Thirdly, not all policy costs seem to have been included in the viability assessment. We could not find the cost of meeting the Council's electric vehicle charging requirements that C3 states will be set out in the Parking and Transport SPD. The Department for Transport - Electric Vehicle Charging in Residential & Non-Residential Buildings consultation estimated an installation cost of approximately £976 per EVCP plus any costs for upgrading local electricity networks. Under the Government's proposals should such upgrades be higher than £3,600 per EVCP then the delivery of charging points is not considered to be technically feasible, as

such this threshold should be included in the viability assessment as an indication of likely additional costs of delivering policy C3.

18. Finally, the HBF are concerned that the 5% allowance for abnormal costs is insufficient. These are the costs above base construction and external costs that are required to ensure the site is deliverable. Prior to the 2019 NPPF viability assessments have taken the approach that these cannot be quantified and were addressed through the site-by-site negotiation. However, this option is now significantly restricted by paragraph 58 of the NPPF, and it is necessary for abnormal costs to be factored into whole plan viability assessment. We recognise that the very nature of an abnormal costs is difficult to quantify, but it is a fact that they are often substantial and can have a significant impact on viability. Where and how these costs arise is also variable. They can occur in site preparation but can also arise with regard to the increasing costs of delivering infrastructure, such as upgrades to increase the capacity of utilities. It is also the case that abnormal costs are higher on brownfield sites where there can be a higher degree of uncertainty as to the nature of the site and the work required to make it developable.
19. The HBF recognise that abnormal costs are expected to come off the land value. But equally it must be recognised by the Council that if abnormal costs are high then it will result in sites not being developed as the land value will be insufficient to incentivise the landowner to sell. It is therefore important that a significant buffer is identified within the viability assessment to take account of these costs if the Council are to state with certainty that those sites allocated in the plan will come forward without negotiation. If sites, especially brownfield sites, are shown to have marginal viability there is a risk that abnormal costs could lead to such site not being developed.
20. Given the challenging viability faced by development in Portsmouth and the concerns raised above regarding some of the cost assumptions made in the viability assessment we would suggest that the 30% requirement on development is not justified or consistent with national policy. The policy should be reduced as a minimum to 20% as suggested in the Viability Assessment across Portsmouth but potentially lower in some areas.

Due to the national requirement to provide 25% of new affordable homes as 'First Homes' and the viability challenges in Portsmouth, the proposed tenure split is of 70% affordable rent and 30% low-cost home ownership (incorporating the 25% First Homes requirement). e. What tenure split do you believe is most appropriate for Portsmouth?

21. The Council's approach would result in 9% of homes on a major development site as affordable home ownership product which is below the level required by national policy. In order to ensure that 10% of homes come forward as low-cost home ownership products the tenure split should be 65:35 rent to home ownership.

Question 10: Residential Space Standards

a. Do you agree with the approach to space standards for new residential development?

22. The Council's evidence refers to a sample of development and whilst this provides an indication that some developments have come forward below space standards it does not necessarily provide a robust indication as to the proportion of all homes developed are below the nationally described space standards. Should the evidence be considered to be sufficiently robust we would suggest that some flexibility be included within the policy to allow for well-designed development below space standards, but which meets an identified need be delivered. There may be cases schemes could come forward with homes that are slightly below some of the space standards but provide family housing where there is shortage of such homes and where the site is unviable with their inclusion. We would therefore suggest the following is included in policy H6:

Exceptions will be made for well-designed homes that are smaller than these standards that meet the needs of its occupants.

Question 19: Sustainable Transport

a. Do you agree with the proposed approach to Policy C3?

23. This policy requires development to accord with the levels of parking for cycles, cars and electric vehicles in the Parking Standards and Transport Assessment SPD. The Council cannot set policy outside of the local plan and as such it cannot require development to accord with guidance. The relevant legislation defining Local Plans and SPDs and their status as policy documents is the Town and Country Planning Regulations (2012). In particular regulation 5(1)(a)(iv) defines a local development document as being one in which includes: "development management and site allocation policies, which are intended to guide the determination of applications for planning permission". We would therefore suggest that if the Council wishes to set a standard with regard to parking, then this must be set out in the local plan to ensure that any changes to these standards are considered through the proper process of consultation and examination. If the Council wishes to refer to the SPD, then it should be clear that development will need to take account of this guidance but not that it must accord with it.

Question 20: Infrastructure and Community Benefits

a. Do you agree with the proposed approach to Policy C4?

24. The Council state in the supporting text to policy C4 that the cumulative impacts of development will be addressed through the Community Infrastructure Levy and that the list set out in policy C4 will be used to direct the use of CIL receipts. As such the Council state that S106 contributions will be used to secure site specific infrastructure requirements. However, the policy as written could see the Council seek additional S106 contributions to support wider infrastructure improvements

not funded by the Community Infrastructure Levy given that there are now no restrictions on the pooling of S106 contributions as well as the use of such contributions alongside CIL. Whilst such contributions may be necessary to make development acceptable in planning terms, we note that no additional allowance is made for such S106 contributions in the viability assessment. An allowance has been made with regard to contributions for the mitigation of development impact on protected habitats but not, seemingly, for contributions for wider infrastructure, which the viability assessment expects to be solely funded through CIL. The Council should therefore make an assessment as to the potential additional costs this policy may have on development and ensure these are included in the viability assessment.

Question 26: Design

Do you think design quality in Portsmouth would benefit from having a city-wide design guide or code?

25. A city-wide design code would provide clarity for developers as to the expectations of the Council and potentially improve the consistency of decision making. However, it will be important that the Council involves the development industry in the development of any design code to ensure it is both effective and deliverable.

Question 29: Carbon and Lower Carbon Technology

a. Do you agree with the proposed approach to Policy D4?

26. The HBF would broadly agree with the requirements relating to fabric efficiency renewable energy and heating and cooling which are consistent with national policy.

c. Should the Council require major development to offset any residual/unmitigated carbon emissions through a contribution to a Carbon Offset Fund? to the Carbon Offset Fund, do you agree with the suggested rate of £95 per tonne per annum for the required period?

27. Where development cannot achieve the improvement on target emissions rates as set out in the policy then the use of a carbon offset fund would appear to be reasonable. However, we would suggest that the policy amended to read:

On major developments, where there are residual, regulated carbon emissions, as measured against target emissions rates, proposals will be required to make a financial contribution into the council's proposed Carbon Offset Fund where viable.

28. These amendments will ensure that the policy clearly related back to the requirements on development and that viability considerations remains in relation to carbon offsetting which is consistent with paragraph 157 of the NPPF.

Conclusion

We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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

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