

Sent by email to:

03/02/2022

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the update to the Thanet Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the update to the Thanet 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 which ranges from 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.

Housing needs

2. The Council set out in their paper on the development strategy that it must plan for the delivery of 21,000 new homes between 2020 and 2040 and as such must find land to deliver an additional 4,000 to 4,500 new homes to meet need up to 2040. This is based on a local housing needs assessment requiring the Council to deliver a minimum of 1,085 dwellings per annum from 2020. The HBF would agree with the Council's assessment as to its local housing needs as calculated using the standard method in the Housing Needs Update. However, it will also be necessary for this figure to be updated as the plan progresses.
3. The Housing Needs Update considers whether there are exceptional circumstances supporting the adoption of alternative lower housing requirement. The conclusion on page 74 is that there may be demographic evidence that points to a lower level of need but that this would result in a relatively small reduction over the plan period. It must also be recognised that the latest projections will have been influenced by the much lower level of housing delivery seen in Thanet over the last 10 years which has been below identified needs and in recent years below even the stepped requirement in the recently adopted local plan. This will have reduced population growth as set out in the most recent projections and one of the key reasons why the Government continue to support the use of the 2014 household projections when calculating local housing needs. Therefore, we would suggest that there are no reasons why the Council should adopt a lower housing requirement and should, as a minimum plan for the level of housing need required using the standard method as is being proposed in the consultation document.



Development strategy

4. The future strategy required to meet these needs will depend on the land that is promoted for development and whether these can be delivered sustainably within the proposed plan period. At present SP01 sets out a spatial strategy that focuses development in and on the edge of Thanet's urban areas and it is evident that further development will be required outside of the urban area in order to meet development needs up to 2040. Given the scale of development already being proposed through this strategy the Council will need to carefully consider whether building on this strategy is sustainable or whether it should seek to amend the boundaries of green wedges, identify opportunities on the edge of villages or examine the possibility of delivering a new settlement.
5. The HBF does not have a specific preference as to the development strategy that should be taken forward, however, when assessing the potential options, the HBF consider that a primary objective for the Council is to ensure that the chosen strategy allocates a diversity of sites in terms of both location and size for the following reasons. Firstly, ensuring a mix of new sites both in terms of size and location is the most effective way of supporting a vibrant housing market which supports both large, medium, and small house builders which in turn will ensure a diversity of homes are built that meets the needs of Thanet's residents.
6. Whilst the Council will be aware of the requirement to deliver at least 10% of all new homes on identified sites of one hectare or less to support small housebuilders we would encourage the Council to go beyond this minimum. Up until the 1980s, small developers once accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80% following the introduction of the plan-led system in 1990.
7. The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure with a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or else the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.
8. If the Council are to ensure there is a wide variety of SME house builders operating in its administrative area, and the benefits it brings it must ensure that there is a variety of sites. Therefore, the HBF would recommend that a key part of the

development strategy brought forward through this local plan is an increase in the number of smaller sites it allocates in order to support SME house builders.

9. Secondly, allocating a wider range of sites allows for a more consistent delivery of new homes across a plan period. Whilst Planning Practice Guidance indicates that stepped requirements can be used in some situations it also states that local plans should not unnecessarily delay meeting housing needs. The HBF therefore considers it essential that Councils seek to adopt spatial strategies that do not delay the delivery of new homes in their areas.
10. A balanced strategy allocating a variety of sites both in terms of size and location will not only have far greater potential to deliver a wide mix of housing types and style it will also increase the potential for housing delivery to be consistent across the whole plan period. The adopted Thanet Local Plan includes a stepped requirement which was required in order to ensure a five-year land supply on adoption and recognised the significant increase in housing delivery that was required. However, this approach pushed back housing delivery which will have been a factor in the worsening affordability seen in the Borough. Therefore, the strategy taken forward should look to ensure a consistent supply of new homes and does not push back much need housing delivery. To maintain a consistent supply it is important that, as outlined above, there is a mix of sites being allocated with smaller sites coming forward more quickly to maintain supply in the early years of a plan period and providing the necessary flexibility in supply to ensure housing need are met.
11. Finally, the strategy must ensure that there is a sufficient buffer between housing supply and the housing requirement. It is widely recognised that in order to ensure the minimum housing requirement is met local plans should allocate more land than is required to meet those needs. Such an approach takes account of the potential delays with regard to the commencement of a development or slower rates of delivery. The HBF recommends a 20% buffer above the housing requirement for the plan period is necessary to ensure sufficient flexibility in housing supply guarantee needs are met in full and a five-year land supply can be maintained across the plan period.

Conclusions

12. 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



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