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27/07/2022

Dear Sir/ Madam

### **Response by the Home Builders Federation to the consultation on the Bedford Local Plan 2040**

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

#### **Duty to co-operate**

2. Limited evidence as to the actual co-operation that has taken place between neighbouring boroughs have been provided by the Council within the Duty to Co-operate Position Statements. These statements provide an indication as to the potential cross border issue but nothing with regard to how the authorities are working together to address the matters at hand. Whilst the Council note that their intention was not to document every discussion and all the joint working that has taken place it is necessary to provide some evidence as to the discussions and how they have informed the preparation of the local plan. Without more detail any inspector examining the plan could not with any certainty state that the Council have fulfilled their duty to co-operate.

#### **Policy DS2 Spatial Strategy**

The spatial strategy is unsound as it is not consistent with the requirements of national policy.

3. The Council's assessment of housing needs is consistent with the approach set out in Planning Practice Guidance and results in a minimum housing need across the plan period of 27,100 homes. In seeking to meet these needs in full the Council's spatial strategy relies on the delivery of significant development at



Kempston Hardwick (HOU14) and the new settlement at Little Barford which, together, are expected to deliver 7,200 homes over the final 10 years of the plan.

4. Whilst the HBF does not oppose either of these allocations we are concerned that the expected rates of delivery on these two allocations is overly optimistic. The Council expect both these sites to deliver 3,800 homes each between 2030/31 and 2039/40 at an average of 380 dpa, with a peak delivery rate of 600 homes between 2037/38 and 2039/40. Whilst the period between this plan being adopted and these developments commencing is broadly reasonable the average delivery rate and peak delivery rates are high compared to evidence from other similar schemes.
5. The second edition of Lichfields, Start to Finish Feb report published in 2020 provides helpful insight into expected housing trajectories for a range of schemes and we would recommend that the Council uses this evidence to reconsider its delivery trajectories. In particular we would suggest the Council considers the evidence in this report with regard to schemes of over 2,000 new homes. Table 3 of the report sets out that the mean annual delivery rate for schemes of over 2,000 homes is 160dpa, significantly lower than the Council's expectations. However, using the mean can disguise schemes that delivered much higher rates but even here the Council's estimates appear high with figure 3 indicating that the highest average delivery rate seen was under 300dpa.
6. With regard to peak delivery rates the report sets out in Table 5 that schemes of over 2,000 delivery rates can reach 600 dpa citing Cambourne in Cambridge as an example. However, this rate of delivery was significantly higher than other schemes and still only resulted in an average annual build out rate of 223 dpa. Therefore, whilst there may be some years where delivery of 600 dpa is possible this should be seen as an exception and as such we do not consider the delivery estimates for both the sites referred to above, which the Council expect will consistently deliver 600dpa, to be as being justified. The HBF consider it necessary to amend the trajectory for both these sites to deliver at an average rate of circa 280 dpa with a peak delivery rate of no more than 400 dpa. These are still ambitious estimates but are more aligned with the evidence.
7. Ensuring delivery estimates are reasonable is important in considering whether the strategy being proposed by the Council is sound in that it meet the key requirement set out in paragraph 11 of the NPPF that needs are met in full. Adjusting the delivery estimates on these two sites to deliver a more reasonable but still ambitious average delivery rate of 280dpa would result an under supply of 748 homes. As such the Council will need to identify additional sites in order to ensure housing needs are met in full.
8. In addition, the Council will need to ensure that there is sufficient flexibility in their land supply to guarantee the plan is deliverable across its plan period. Whilst the proposed adjustments are more realistic, they are still, as outlined above, at the upper end of what has been delivered on similar schemes elsewhere. With any

large development there can be delays to commencement and slower build out rates. As such ensuring that there is sufficient supply in the early part of the plan period in order to maintain a buffer towards the end will give flexibility in the Council's land supply and guarantee the Council can meet needs and reduce the need for future reviews.

#### *Sites of less than 1 ha*

9. One of the consequences of a spatial strategy that places its reliance on larger sites to meet needs is that there are relatively few smaller sites allocated. As the Council are aware paragraph 69 of the NPPF states that local planning authorities should: "*identify through the development plan and brownfield registers land to accommodate at least 10% of their housing requirement on sites of less than 1ha*". The Council in their Small Sites Topic Paper outline in the table following paragraph that they consider that such sites will deliver well in excess of what is required by the NPPF. However, their estimates are not consistent with what is required by the NPPF. The Council's estimates include the likely supply from windfall and neighbourhood plans whereas the NPPF requires such sites to be identified either in the local plan or in the brownfield register. The likely supply from windfall or Neighbourhood Plans are self-evidently not identified supply and do not address the key purpose of this policy which is to provide the certainty of an allocation or permission in principle that is only available from inclusion in either the local plan or brownfield register.
10. It is important that the Council recognises that the reason behind this policy was the declining number of SME housebuilders and the Government's recognition that if it is to achieve the overarching aims of meeting needs and providing a diverse range of housing it needs to support SME housebuilders. In seeking to ensure more small sites are allocated, sites that are more typically brought forward by SME developers, the Government is seeking to reduce the risks faced by such developers allowing the sector grow. As such the inclusion of windfall sites, which by their very definition are sites not identified by the local plan, in the estimate of delivery on small sites is inconsistent with national policy. Removing both the windfall estimate and estimate of delivery from neighbourhood plans means that delivery on sites of less than 1ha identified in with the local plan or brownfield register is 1,161 homes – some 1,549 homes short of the required level.

#### Recommendation

11. If the Council are to continue with the expected delivery rates on the two largest allocations, it will need to provide more detailed evidence to justify why it considers it possible to deliver homes at the suggest rates. If not, then delivery on these sites will need to be reduced and further sites allocated in order to ensure needs are met in full.
12. Furthermore, the Council will need to identify and allocate additional small sites in this local plan in order to meet the requirement set in paragraph 69 of the NPPF

that at least 10% of the required number of homes to be delivered are on identified sites of less than 1ha.

### **Policy DS3 Amount and timing of housing growth**

#### Policy is unsound as it not consistent with the requirements of national policy

13. As mentioned above the Council's assessment of housing needs, which is set out in DS3, is consistent with the approach set out in Planning Practice Guidance and results in a minimum housing need across the plan period of 27,100 homes. However, on the basis of the necessary adjustments to land supply the local plan is unsound as it will not meet those needs in full.
14. Within this policy the Council are proposing that a stepped requirement is adopted on the basis that the infrastructure necessary to deliver the spatial strategy will not be in place until later in the plan period. PPG is clear in paragraph 68-021 that stepped trajectories may be required where strategic sites have phased delivery or will be delivered later in the plan period. This would appear to be the case for the spatial strategy being proposed.
15. However, even with the proposed stepped requirement it appears from the Council's estimates of supply that they will not a five-year housing land supply on adoption, or indeed across the majority of the plan period. Our estimates of the five-year land supply are set out the rolling trajectory in appendix 1. This assessment uses the Council's proposed approach to shortfalls and applies it to surpluses which we have assumed as being delivered across the remaining plan period. There is an argument that surplus should be ignored but given that national policy is silent on these matters we have taken a proportionate approach. Using this approach, it would appear that if the Council were to adopt this local plan in 2023/24 there will be land supply of 4.84 years. Looking beyond adoption it is also notable that on the basis of their estimates the Council would not have a five-year land supply until 2033/34.
16. One approach to this situation would be to amend the trajectory to engineer a five-year land supply on adoption. However, PPG is clear at paragraph 68-021 that strategic policy makers should "... *not seek to unnecessarily delay meeting identified development needs*" and as such the only appropriate response is to allocate smaller sites that will come forward earlier in the plan period. Indeed, such a response would also be consistent with addressing our concern above with regard to the over estimates of supply on the two largest strategic allocations and the Council's failure to identify sufficient small sites to meet the requirements of paragraph 69 of the NPPF.

#### *Recommendation*

17. That additional small and medium sized sites that could come forward in the first five years of the plan be identified and allocated.

## **DS5 Distribution of Growth**

The policy is unsound as it has not been justified.

18. As set out in our representations on DS2 the level of development over the plan period expected from the new settlement at Little Barford and at Kempston Hardwick (HOU14) are not justified. These should be amended to reflect evidence as to delivery rates on similar sites and additional allocations included to ensure needs are met in full.

## **DM1 – Affordable housing**

DM1 is unsound as it is unjustified

19. The HBF is concerned that the affordable housing requirements set out in DM1 could have a significant impact on viability of development whilst also undermining the Council's ability to deliver a mix of affordable housing tenures. The Council's Viability Assessment acknowledges that development viability across its urban areas is challenging with few typologies being able to show policy compliance. However, the HBF are also concerned that the Council's Viability Assessment of some greenfield development could also be compromised by the additional costs being placed on it through national and local planning policy. It is also important to note that increasing build costs faced by the industry will make meeting the full suite of policies in the local plan in addition to requirements of national policy even more difficult.
20. The conclusions in the Viability Assessment are that there is no single level of affordable housing provision where it can be said most schemes are viable. The HBF would not disagree with this statement and welcome the recognition in DM1 that the requirements of this policy can be varied where they make development unviable. However, one area in which the Council could make a change to DM1 that would potentially improve viability is being more flexible upfront with regard to the tenure mix on development.
21. At present DM1 effectively removes the ability to deliver much needed shared ownership accommodation in order to deliver First Homes and social/ affordable rented properties. We recognise that Councils are required to deliver 25% of affordable housing as First Homes but in areas such as Bedford even with a 50% discount this may not be possible for many of those in housing needs. Currently, shared ownership can be sold at 25% equity share or less compared to the proposed 50% in the proposed First Homes policy meaning a mortgage for families will be more out of reach going forward as many use the 25% initial equity share to get on to the property ladder and eventually work up to more whilst aspiring to come out of affordable housing.
22. The current tenure split in Bedfordshire Borough in Policy 58S of the Local Plan 2030 allows for 78% rent (social and/or affordable rent) and 22% other affordable

tenures (i.e. shared ownership). This means that Registered Providers can offer on the full affordable housing provision, but in the new proposals they would only be able to provide rented tenures reducing much needed and popular shared ownership housing from those in need. We consider the proposed tenure mix that will effectively remove the Council's ability to provide shared ownership products is short sighted. The proposed tenure split will penalise many first-time buyers especially young families who rely on shared ownership to be able to buy their first family home. This could further exacerbate affordable rent waiting lists in the borough and increase the need for this tenure putting more pressure on the Local Authority.

### *Recommendation*

23. The HBF consider a more flexible approach in the tenure requirements set out in the first paragraph of policy DM1 to be necessary. At present these are too rigid and a greater degree of flexibility with regard to the split between affordable/ social rent and shared ownership should be introduced. We would suggest the following wording.

*Sites of 10 or more residential units or 0.5 hectares or more will provide 30% affordable housing. 75% of the dwellings will be expected come forward as social rent, affordable rent or shared ownership properties reflecting the need for such homes in Bedford. The remainder will be delivered as First Homes at a 50% discount.*

24. This would ensure that a mix of affordable tenures can be delivered, in line with paragraph 62 of the NPPF without the need to resort to negotiations on the basis of viability.

### **DM3 – Housing Mix**

#### Parts of this policy are unsound as they are unjustified.

25. This policy sets out that affordable housing will be required from all C3 developments for specialist accommodation despite the Viability Study stating in paragraph 6.25 that the viability of such schemes can be challenging except on sites with high sales values and lower existing use values. However, it is notable that the testing in appendix 5 indicates that even on lower value greenfield sites older people's housing is not viable with a 30% affordable housing contribution and all the other costs arising from policies in the local plan. Therefore, to require contributions from such schemes is not justified by the Council's evidence.
26. With regard to accessible housing the Council will need to provide clarity as to the category 3 requirements as these are split into two separate categories – wheel chair adaptable and wheelchair accessible – with paragraph 56-010 stating that wheelchair accessible homes can only be required where the council is responsible for nominating the person who lives in that house. The Council should

therefore make it clear that for market housing the Council can only requires homes to be built to the wheelchair adaptable optional technical standard.

*Recommendation*

27. The requirement for older people's accommodation to provide affordable housing contributions should be removed from the policy. In addition, policy DM1 Affordable housing should be amended to state that older people's accommodation will not be required to provide an affordable housing contribution.
28. The requirement for M3 housing to provide clarity as to which standard applies to market housing.

**DM5 – Self Build and Custom Housebuilding**

The policy is unsound as the requirement for sites of less than 50 units to provide self-build plots it is not effective

29. Whilst the HBF support the encouragement of self-build housing through the local plan, we do not consider the requirement to provide self-build pots on sites below 50 units to be effective. A 40-unit threshold is relatively low for such a policy which in general tend to be applied to much larger sites in other areas. One key concern with having such a low threshold is that it is impossible to sperate the self-build plots from the rest of the site which creates difficulties with regard to health and safety on a site with self-builders working alongside the main contractors delivering the rest of the development. There are also concerns that the self-build sites will take much longer to complete or could be left undeveloped to the detriment on the other residents.
30. The Council should also state that this policy will not apply to flatted developments where it would not be feasible or practical to deliver self-build plots.

*Recommendation*

31. That the requirement for sites under 50 units to provide plots for self-build and custom housebuilding be deleted and a clear statement indicating that the requirements do not apply to flatted development be inserted in the policy.

**DM6 - Space standards**

The policy is unsound as it has not been justified.

32. It is important to recognise that the optional technical standards can, as set out in footnote 49 of the NPPF and paragraph 56-002 of Planning Practice Guidance (PPG), only be introduced where they are needed. However, the only justification provided by the Council in the local plan is that these standards are now mandatory on new dwellings developed under permitted development rights. This

may be the case, but this does not remove the need to show that these standards are needed.

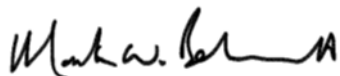
33. Whilst the HBF share the Council desires to see good quality homes delivered within Tendring we also consider that space standards can, in some instances, have a negative impact upon affordability issues and reduce customer choice. In terms of choice, for example, some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards, but which would allow on lower incomes can afford a property which has their required number of bedrooms.
34. Given that no evidence is presented with regard to the need for space standards this policy is unjustified and as such unsound. If the Council wishes to adopt these standards it must provide a robust evidence base supporting its case as set out in PPG.

### **Conclusions**

35. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in the NPPF. In particular we are concerned that the Council have not:
  - Provided sufficient justification that the spatial strategy will ensure needs will be met in full;
  - Shown that there will be a five-year land supply on adoption;
  - Allocated sufficient small sites to meet the requirements of paragraph 69 of the NPPF;
  - Justified the requirement for older people's housing to provide affordable housing; and
  - Given any justification as to the need for nationally described space standards.

I can also confirm that the HBF would like to participate in any hearing sessions held at the examination in public on the matters raised in our representations.

Yours faithfully



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## Appendix 1 – Rolling Five Year Housing Supply

	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	33/34	34/35	35/36	36/37	37/38	38/39	39/40
<b>Req.</b>	970	970	970	970	970	1,050	1,050	1,050	1,050	1,050	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
<b>Cumulative</b>	970	1,940	2,910	3,880	4,850	5,900	6,950	8,000	9,050	10100	11800	13500	15200	16900	18600	20300	22000	23700	25400	27100
<b>Delivery</b>	1,199	966	977	1,089	952	866	1,079	1,167	1,143	1,128	1,641	1,710	1,710	1,835	1,635	1,735	1,860	1,960	1,965	1,735
<b>Cumulative</b>	1,199	2,165	3,142	4,231	5,183	6,049	7,128	8,295	9,438	10566	12207	13917	15627	17462	19097	20832	22692	24652	26617	28352
<b>Surplus/ deficit</b>	229	225	232	351	333	149	178	295	388	466	407	417	427	562	497	532	692	952	1,217	1,252
<b>5-year req.</b>	4,850	4,930	5,010	5,090	5,170	5,250	5,900	6,550	7,200	7,850	8,500	8,500	8,500	8,500	8,500	8,500				
<b>add deficit/ surplus</b>	4,850	4,863	4,940	5,013	5,045	5,122	5,838	6,469	7,053	7,634	8,209	8,209	8,153	8,073	7,798	7,672				
<b>Buffer</b>	243	243	247	251	252	256	292	323	353	382	410	410	408	404	390	384				
<b>Total req</b>	5,093	5,106	5,187	5,263	5,297	5,378	6,130	6,793	7,405	8,016	8,619	8,620	8,560	8,477	8,187	8,055				
<b>5-year supply</b>	5,183	4,850	4,963	5,153	5,207	5,383	6,158	6,789	7,332	8,024	8,531	8,625	8,775	9,025	9,155	9,255				
<b>Surplus/ deficit</b>	91	-256	-224	-110	-90	5	28	-4	-73	8	-88	5	215	548	968	1,200				
<b>5YHLS</b>	<b>5.09</b>	<b>4.75</b>	<b>4.78</b>	<b>4.90</b>	<b>4.92</b>	<b>5.00</b>	<b>5.02</b>	<b>5.00</b>	<b>4.95</b>	<b>5.00</b>	<b>4.95</b>	<b>5.00</b>	<b>5.13</b>	<b>5.32</b>	<b>5.59</b>	<b>5.74</b>				

