

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

03/09/2024

Dear Sir/ Madam

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.

Strategic Policy PLP16: Housing Target.

The policy is inconsistent with national policy as it lacks the necessary clarity required with regard to the unmet needs arising from the plan or include a housing trajectory in the plan.

Housing requirement

2. This policy sets out the council's capacity-based housing requirement as 680 dwellings per annum (dpa) which would result in 13,603 homes being built over the plan period 2020-2040. This is circa 3,500 homes short of the level of need arrived at using the standard method of 897 dpa and a housing need across the plan period of 17,940 homes. HBF recognises that Portsmouth City is constrained with a tight boundary to its urban edge making it difficult to identify new development opportunities to meet its housing needs in full. The Council state that they have left no stone unturned in seeking to find development opportunities. However, given the shortfall in housing needs the council will need to be able to fully justify the exclusion of any sites submitted for development and that other

opportunities that may present themselves following this consultation or prior to submission are included in the local plan.

3. HBF is pleased to see that 800 homes will be provided in Fareham to address some of Portsmouth's unmet needs, but it is disappointing to see that the entirety of the unmet needs has not been addressed in neighbouring areas. While it would appear from the evidence presented Portsmouth to have actively engaged with its neighbours on the issue of unmet housing needs as part of the Partnership for South Hampshire (PfSH), it is troubling that this work has not led to further homes being identified to ensure the city's housing needs will be met in full.
4. In order to support future co-operation on this matter it is essential that a clear statement is included within the local plan as to the number of unmet needs. The council suggest in paragraph 6.10 of the local plan and in paragraph 3.1.6 in its Duty to Co-operate Statement that the housing requirement in the plan exceeds the 655 dpa suggested by the HEDNA as being required to meet future housing needs in full. However, it should be noted that in paragraph 3.1.6 of the DtC statement that the Council acknowledge that it does not consider there to be exceptional circumstances to support an alternative method for assessing housing need, a position the HBF would agree with. The level of housing need suggested by the HEDNA is also much lower than that arrived at by applying the proposed standard method for assessing housing need in the latest NPPF which would result in a local housing need for Portsmouth of 1,098 homes.
5. While the transition arrangements would mean that the Portsmouth Local Plan is not likely to be examined under the new NPPF, it is important to note that the level assessed need is expected to be much higher than that set out in the HEDNA and the current standard method and should be recognised in PLP16. This will ensure that there is no doubt as to the number of homes that should be delivered elsewhere to address the needs of the city which allows neighbouring areas to make provision for these as they prepare new or reviewing existing local plans. HBF therefore recommend that section 2 of PLP16 is amended to set out the short fall in housing needs that must be met elsewhere.

Housing trajectory

6. While the council have included a housing trajectory on page 16 and Appendix 5 of the Housing and Economic Land Availability Assessment (HELAA) the Council do not appear

to have include one in the local plan itself as required by paragraph 75 of the NPPF. This will need to be addressed prior to submission. However, prior to this the HBF would recommend that the council revisit the evidence supporting this trajectory and provide annualised trajectories for each site that contributes to the council's housing supply for this plan. Currently the HELAA sets out expected delivery rates for each site in five-year tranches which provides insufficient detail as to when a site will come forward and the rate at which it will deliver. It is not clear whether allocated sites will commence at the start or towards the end of the five-year period to which they are assigned. Given the robustness of the council's assumptions on housing supply, and whether or not the council will have a five-year land supply on adoption, will be a key consideration of the examination of the local plan. HBF recommend that this is addressed prior to submission and reserves the right to comment on the Council's updated housing trajectory at the examination.

Plan period

7. The plan period is expected to run to 2040. If the plan is submitted by the end of the year, it is likely to be adopted at the start of 2026 at the earliest. Therefore, the plan period will on adoption be less than the 15 years minimum required by paragraph 22 of the NPPF. This is unsound will need to be rectified prior to submission to ensure consistency with the national policy.

PLP17: Affordable Homes

The policy is unsound as it is unjustified.

8. This policy proposes a 30% affordable housing requirement across the city with tenure mix of 70% affordable/social rent and 30% home ownership. However, the evidence on viability set out in the Development Viability Assessment (DVA) indicates that even in the high value areas the many of the development typologies test are unviable with the residual value being below the benchmark land value. As the DVA states at paragraph 12.45 "*It is clear from the above that, in most cases, the Residual Value does not exceed the BLV. The majority of development cannot be considered viable when subject to the policies set out in the latest iteration of the draft Pre-submission Local Plan*". While the HBF appreciate that the Council has a significant need for new affordable housing it is also necessary to ensure that the policies included in the plan are necessary and do not lead to viability testing on a case-by-case basis. As is noted in paragraph 58 of the NPPF decision makers should be

able to assume that development that complies with all the policies in the local plan are viable. The evidence presented by PCC would suggest that this is not the case. Indeed, PPC acknowledge in paragraph 6.21 of the Local Plan that there is an expectation that viability will be tested on a case-by-case basis.

9. The difficulty faced by the council is that many of the cost faced by development are fixed requirements with the only room for manoeuvre that will have sufficient impact being the reduction of affordable housing requirements. As such it is vital that those '*fixed*' policies such as biodiversity net gain and Future Homes Standard are properly costed with sufficient contingency to ensure that they can be delivered. However, HBF are concerned some of the costs faced by development in relation to these policies may be higher than those included in the DVA. For example, the cost of meeting the 10% net gain in biodiversity appears to have been underestimated. While many of the sites in Portsmouth are brownfield sites it is often wrongly assumed that such sites will have a relatively low baseline level of biodiversity.
10. Some brownfield sites can fall into the category of a biodiversity rich habitats classified as Open Mosaic Habitat (OMH) where species can be rarer than those found on farmed countryside. These are considered to be areas of high distinctiveness and would result in the loss of 6 units/ha rather than 2units/ha for bare ground. Such habitats are also difficult to create and as such require 1ha of OMH to be replaced with 1.9ha of the same habitat of the same quality. A higher level of biodiversity could in turn require more offsite delivery than has been assumed in the council's evidence base or require a reduction in the developable area of the site or through the purchase of offsite credits adding significant additional costs to the development.
11. If credits are required, the council's evidence has also underestimated their cost. The DVA uses the 2019 DEFRA Impact Assessment, and it is widely acknowledged to underestimate the cost of offsite delivery to meet net gains. The IA applies a cost of £11,000 per offsite credit. This is much lower than current prices in the market which are in the region of £30,000 to £50,000 per offsite credits for a variety of habits (though this is substantial higher for water habitats).
12. These costs could also be higher still if there are insufficient credits locally as the spatial risk multiplier in the BNG Metric will increase the number of credits that are required to be delivered if credits are bought outside of the local area or National Character Area.

However, until the baseline assessment is undertaken it is not known what habitats occur and the difficulty of meeting the required level of BNG in site. It is therefore important that the council have some idea as to the level of biodiversity on their allocated sites if they are to make an assessment as to the amount of affordable housing, or and other policies, that can be viably delivered.

13. Where development at full policy costs is marginal, which on the basis of the DVA will be a regular occurrence, the uncertainty arising from new policies and standards such as BNG or the Future Homes Standard need to be fully recognised and understood. Without significant margin in the residual land value, higher costs may well impact on the deliverability of development and its ability to meet all the policy costs placed on it by the Council. On that basis the evidence does not support a minimum of 30% affordable homes on all qualifying sites as set out in section 1a of PLP17 given that it cannot be assumed all development can achieve this. The HBF therefore recommend that the Council look to set a lower rate across the whole city, or a differential rate based on value areas, which would mean allow more site to meet the policy and reduce the number of applications where a negotiation on affordable housing provision is required.
14. If it is decided to move forward on the basis of a site-by-site negotiation on affordable housing contributions HBF would suggest that part 1a needs to be rewritten to reflect this. Rather than seeking a minimum of 30% the council should be looking to set 30% as the starting point for a negotiation based on what development can afford. For example section 1a could state: "*Seeks to deliver 30% of the units on site as affordable homes where viable*". This would ensure from the first instance that 30% is the starting point for a negotiation and ensure the policy is consistent with the evidence and with section 3 of the policy which establishes the process for negotiating a lower affordable housing requirement.

PLP22: Space Standards

Policy is unsound as insufficient evidence of need has been produced to support, the adoption of space standards.

15. The Council state in paragraph 6.123 that they have undertaken analysis of past completions. However, HBF could not find where this analysis in the evidence base and whether it was an assessment of all applications or a sample. This will need to be provided

upon submission of the local plan if the council is to include this policy within the local plan. As well as considering whether the space standards are needed – i.e. is there evidence that there is an endemic issue of housing being well below acceptable standards, the council will also need to consider whether this will impact on the affordability of some homes. While HBF and our members support the delivery of well-designed homes we also recognise that this can be achieved in a home built below space standards and that such homes can meet the needs of many households with regard to both cost and the number of rooms required.

PLP33: Sustainable construction and Onsite Renewable Energy.

Policy is unsound as it currently lacks the clarity required by NPPF and is insufficiently justified.

16. HBF have a number of concerns with this policy. Firstly, part 1 makes a very broad statement that development will be permitted where it is designed to reduce their impact on the environment during construction and the scope of this policy. Does it refer to reducing carbon emissions during construction or are there wider environmental considerations that must be taken into account. Vague policies such as this are neither helpful to the developer or decision maker and as such are unsound as they are inconsistent with paragraph 16d of the NPPF. More clarity is needed if part 1 is to be included in the local plan.
17. Secondly part 3 of the policy in effect requires development to take a fabric first approach to building design that minimises energy demand with any residual demand for energy being delivered from renewable energy technologies. While the policy does not state this, in effect it requires developments to be zero carbon in operation. HBF recognise the importance of reducing the carbon emission from new homes. However, we consider the most effective approach is through the application of national standards through building regulations. The Future Homes Standard will achieve this within the required deadlines and as such we do not consider it necessary for the local plan to include a policy requiring developers to further minimise energy use.
18. It must also be recognised in part 3 that there will be circumstances, even where energy demand has been minimised, when a development cannot meet all of its energy demands from renewable energy technologies, either due to viability or that it is simply not possible to achieve on site. As is noted above the viability of many sites in Portsmouth would appear to be marginal and the Council will therefore need to be flexible in how this policy is applied in order to ensure the development remains deliverable across the plan period. If part 3 of

the policy is to be retained HBF would recommend that the policy is amended to read: *“Once energy demand is minimised and efficiency design measures are in place renewable energy technologies will be used to meet as much residual energy demand as possible, taking into account both viability and feasibility”*.

PLP40: Biodiversity Net Gain

19. The approach taken by the council to BNG is consistent with legislation and national policy. HBF recommend, as outlined above, that the Council revisit the costs of BNG in the DVA and the potential impact of BNG on allocated sites. In addition, we would suggest the Council reconsiders one aspect policy - the 20% requirement on strategic sites in Portsmouth City Centre. While paragraph 9.54 states that this will only apply on council owned sites HBF consider it necessary for this to be overtly stated in the policy itself to ensure that their full clarity as to the council’s policy and that it is not applied to other sites in the city.

PLP48: Access and Parking

The policy is unsound as it inconsistent with national policy.

20. While it is a relatively small point the Council should not be requiring development to accord with an SPD. As the Council will be aware the Council cannot set policy standards outside of local plan itself to ensure that standards are not amended without the full and proper scrutiny afforded to the amendment of a local plan policy. The Council can either include the standards within the local plan itself or that development should have regard to the parking standards in an SPD. Either approach will ensure that the policy is sound.

Conclusion

21. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in the NPPF. I can therefore 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 and that we would like to be kept informed of the submission and examination of the local plan.

Yours faithfully

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

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