



Planning Policy
North Devon Council
Civic Centre
Barnstaple
EX31 1EA

SENT BY E-MAIL AND POST

3rd December 2015

Dear Sir / Madam

NORTH DEVON & TORRIDGE JOINT LOCAL PLAN AFFORDABLE HOUSING AND STARTER HOMES POLICY CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course attend the Joint Local Plan Examination Hearing Sessions to debate these matters in greater detail.

Policy ST18 - Affordable Housing

It is disappointing that the Councils wish to revert to a threshold whereby all residential development will be subject to the requirements of Policy ST18 rather than the previously proposed higher thresholds which aligned with the Written Ministerial Statement (WMS) dated 28th November 2014. Although paragraphs of the National Planning Practice Guidance (NPPG) were withdrawn as a consequence of the West Berkshire District Council & Reading Borough Council v DCLG High Court Judgement it is noted that the WMS itself was not quashed and the Government is now appealing against this Judgement. Moreover at the Conservative Party Conference 2015 the Planning Minister Brandon Lewis reaffirmed the Government's commitment to reduce the burden of planning obligations on small sites (Planning Magazine 5/10/15). It is also noted that other Council's namely Herefordshire and North Dorset have chosen to retain the thresholds as set out in the WMS.

The Councils decision to revert to the threshold of 1 unit will make development more expensive for the small and medium sized housebuilding companies, custom builders and self-builders that the Government is seeking to unshackle from the burdens of unviable policy obligations. Whilst it is accepted that developers can negotiate lower affordable housing provision on the grounds of viability such negotiations inevitably incur additional costs in terms of both time and money which impairs housing delivery. The cumulative impact of policy requirements together with lower threshold figures risks more rather than less schemes been individually negotiated. The purpose of whole plan viability assessment is to ensure that the bar of policy expectations is not set unrealistically high. If the bar is set too high then the majority of schemes instead of the exception will be subject to site by site viability negotiations.

If the North Devon & Torridge Joint Local Plan is to be compliant with national policy, the Council must satisfy the requirements of paragraphs 173 and 174 of the National Planning Policy Framework (NPPF) whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. So it is important to understand and test the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that *“what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development”*. As previously stated in HBF representations to the Joint Local Plan consultations the Councils must carry out an up to date whole plan viability assessment to test Policy ST18.

Starter Homes Policy

As currently drafted the proposed Starter Home Policy is consistent with the Government’s proposals under the Starter Homes Initiative. However further details and / or changes may emerge as the Housing & Planning Bill 2015 progresses through Parliament. Therefore as a consequence the HBF and other interested parties may wish to make further comments on this policy in the future.

Conclusion

It is hoped that these responses are helpful in informing the next stages of the North Devon & Torridge Joint Local Plan. If any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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