



Local Plan Consultation
Forward Planning Team
Cotswold District Council
Council Offices
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SENT BY E-MAIL AND POST

21st December 2015

Dear Sir / Madam

COTSWOLD LOCAL PLAN REG 18 CONSULTATION – DEVELOPMENT STRATEGY AND SITE ALLOCATIONS

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 comments and in due course attend the Local Plan Examination Hearings Sessions to discuss matters in greater detail.

Housing Need and Supply

With reference to objectively assessed housing needs (OAHN) and the housing requirement the Council is referred to the HBF's representation submitted in response to the Local Plan consultation ended on 27th February 2015. As previously set out in the HBF representations the 7,600 dwellings referred to in paragraph 3.1.4 is considered too low.

In summary the HBF's concerns are :-

- no sensitivity testing of demographic projections which may have necessitated an upward adjustment ;
- no adjustments to support economic growth ;
- no adjustments for worsening market signals ;

- no adjustment to meet affordable housing needs

The Council will also be aware of the HBF's representations to other Gloucestershire Housing Market Area (HMA) authorities Local Plan Examinations. It should be noted by the Council that the housing requirement for Stroud was increased from 9,500 dwellings (in the submitted Plan) to 11,400 dwellings following extensive debate at the Examination. The Gloucester, Cheltenham & Tewkesbury Joint Core Strategy Examination is ongoing but the latest work on OAHN indicates the housing requirement will increase. There is also concern that the Forest of Dean is not meeting its apportionment of full OAHN for the HMA which has implications for the other Gloucestershire HMA authorities under the Duty to Co-operate.

It is recommended that the Council reconsiders the OAHN and consequentially its housing requirement before submission of the Local Plan for Examination.

The Local Plan proposes development boundaries around the seventeen most sustainable settlements in the District identified as Cirencester and sixteen named Principle Settlements. **Policy DS1 – Development within Development Boundaries** and **Policy DS2 – Residential Development outside Cirencester and the Principal Settlements** set out the Council's approach to proposed development.

It is noted that 40% of the District's population lives in rural locations. So it is particularly important that the Council's proposed housing distribution recognises the issues facing rural communities including housing supply and affordability. The NPPG emphasises that all settlements can play a role in delivering sustainable development in rural areas so blanket policies restricting housing development in some settlements and preventing other settlements from expanding should be avoided. One of the Core Planning Principles of paragraph 17 of the NPPF is to *"take account of the different roles and character of different areas ... recognising the intrinsic character and beauty of the countryside and supporting thriving rural communities within it"*. This principle is re-emphasised in paragraph 55 of the NPPF which states *"to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities"*. As a rural District it is imperative that the proposed distribution of housing will meet housing needs of rural communities outside as well as inside the seventeen most sustainable settlements.

If after reconsidering OAHN and spatial distribution of housing needs the Council determines that more housing land should be allocated the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. Whilst some SUEs may have multiple outlets, in general increasing the number of sales outlets available means increasing the number of housing sites. So for any given time period, all else been equal, overall sales and build out rates are faster from 20 sites of 50 units than 10

sites of 100 units or 1 site of 1,000 units. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand. In summary a wider variety of sites in the widest possible range of locations also ensures all types of house builder have access to suitable land which in turn increases housing delivery.

At this time it has not been possible to assess the Council's 5 YHLS position. If there is not reasonable certainty that the Council has a 5 YHLS the Local Plan cannot be sound as it would be neither effective nor consistent with national policy. Moreover if the Plan is not to be out of date on adoption it is critical that the land supply requirement is achieved as under paragraph 49 of the NPPF "*relevant policies for the supply of housing will not be considered up to date if the LPA cannot demonstrate a five year supply of deliverable housing sites*".

Other Policies

If the Local Plan is to be compliant with the NPPF, the Council needs to satisfy the requirements of paragraphs 173 and 174 whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. The Council should be mindful that it is inappropriate to set unachievable policy obligations. Under paragraph 174 of the NPPF the Council must properly assess viability. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery making **Policy H1** ineffective. Therefore site by site negotiations should occur occasionally rather than routinely.

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. Therefore 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*".

Policy H1 – Affordable Housing proposes 50% affordable provision subject to viability. At this time no comments are submitted on this proposal as the Council has not yet provided a whole plan viability assessment.

With regards to **Policy INF2 – CIL & Developer Contributions** the HBF also reserves its right to make further representations after publication of the Council's whole plan viability assessment.

Policy H2 – Housing Mix & Tenure proposes 5% self-builders on sites of more than 20 dwellings. If the Council wishes to promote self build it should do so on the basis of evidence of such need. It is not evident that the Council has assessed such housing needs in its SHMA work in accordance with

advice set out in the NPPG. Moreover such proposals should also be subject to appropriate viability testing which has not been undertaken by the Council.

Whilst HBF supports self build in principle for its potential contribution to overall housing supply the Council's approach to self-build should be positively undertaken to increase the total amount of new housing developed rather than by a restrictive policy requirement for inclusion of such housing on large allocated development sites. Such an approach only changes the delivery mechanism of allocated plots from one form of house building company to another without any consequential additional contribution to boosting housing supply. If these plots are not developed by self builders then the Council has effectively caused an unnecessary delay to the delivery of these homes. The Council should also give detailed consideration to the practicalities (for example health & safety implications, working hours, length of build programme, etc.) of implementing any such policy.

Conclusion

For the Cotswold Local Plan to be found sound under the four tests of soundness as defined by paragraph 182 of the NPPF, the Plan should be positively prepared, justified, effective and consistent with national policy.

It is recommended that the Council re-considers the Local Plan in respect of co-operation with neighbouring authorities, OAHN, the housing requirement, housing land supply and whole plan viability testing as outlined above and set out in previously submitted HBF representations. If the Council fails to do so the Local Plan should be considered unsound for failing to be consistent with national policy, positively prepared, properly justified and so ultimately ineffective.

It is hoped that these responses are of assistance to the Council in preparing the next stages of the Cotswold Local Plan. In the meantime if the Council requires any further information or assistance please contact the undersigned.

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



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