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SENT BY E-MAIL AND POST

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Dear Sir / Madam

MANSFIELD DRAFT LOCAL PLAN 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 appear at future Examination Hearing Sessions to discuss these matters in greater detail.

Duty to Co-operate

The Duty to Co-operate (S110 of the Localism Act 2011 which introduced S33A into the 2004 Act) requires the Council to co-operate with other prescribed bodies to maximise the effectiveness of plan making by constructive, active and on-going engagement. The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181) and in 23 separate paragraphs of the National Planning Practice Guidance (NPPG). In determining if the Duty has been satisfactorily discharged it is important to consider the outcomes arising from the process of co-operation and the influence of these outcomes on the Local Plan. One of the required outcomes is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the Housing Market Area (HMA) as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182).

It has been determined that Mansfield is part of the Outer Nottingham HMA together with Ashfield and Newark & Sherwood District Councils. At this time the three Outer Nottingham HMA authorities have committed to meeting their own OAHN within their respective administrative boundaries so no unmet housing needs arise in the HMA. It is also noted that Mansfield is bordered by two other neighbouring authorities namely Bassetlaw and Bolsover District Councils. Moreover in the draft Plan there are references to a wider functional economic area and Mansfield as its own self-contained area which are somewhat contradictory statements. It is suggested that the Council provides further clarification on these statements.

It is recommended that when the Mansfield Local Plan is submitted for examination the Council provides a Duty to Co-operate Statement of Compliance including a detailed commentary on the outcomes of the process. When the pre-submission Plan is published the HBF may wish to submit further representations on compliance with the legal requirements of the Duty to Co-operate and the soundness of the Mansfield Local Plan.

OAHN and Housing Requirement

Policy S2 – Scale of New Development of the draft Plan proposes a housing requirement of 7,520 dwellings (376 dwellings per annum) for the plan period of 2013 – 2033.

The OAHN calculation is set out in the Outer Nottingham 2015 SHMA report. This report calculates OAHN for the Outer Nottingham HMA which is then divided between the three District authorities and in the case of Mansfield further sub-divided into Mansfield Urban Area and Warsop Parish sub-markets.

The calculation is set out as follows :-

- The starting point is 2012 SNPP / 2012 SNHP household formation rates which identified household growth of 252 per annum for Mansfield. This household growth was converted into dwellings per annum by the application of 4.4% vacancy & second home allowance which resulted in 263 dwellings per annum ;
- The sensitivity testing of migration trends and UPC assumptions resulted in an increase to 356 dwellings per annum based on 12 year migration patterns and inclusion of UPC ;
- Jobs led modelling which resulted in no further adjustment ;
- An analysis of market signals which demonstrated worsening trends in more than one indicator together with suppressed household formation in younger age groups. This analysis resulted in an uplift to 376 dwellings per annum as the OAHN for Mansfield District Council ;
- A separate assessment of affordable housing needs was calculated equal to only 64 affordable homes per annum which meant no further adjustment to the overall OAHN.

The Council's starting point and adjustments to demographic projections following sensitivity testing are reasonable and consistent with the NPPF and NPPG. The conversion of household growth to dwellings is also reasonable. However the HBF is critical of the Council's approach to no or only modest upward adjustments for economic growth, market signals and affordable housing needs.

The Council's jobs led modelling comprised of :-

- Experian baseline job growth scenario resulting in 308 dwellings per annum ;
- Experian & Nathaniel Lichfield Partners (NLP) Land Forecasting Study "policy on" scenario resulting in 328 dwellings per annum.

On the basis of these figures the Council considered that no further upward adjustment to OAHN was required. However this conclusion seems counter-intuitive in the context that action should be taken to sustain the local economy because of reductions in the future labour force. Indeed in the recent planning appeal decision (APP/X3025/A/14/2222981 – Park Hall Farm Mansfield) dated 28 May 2015 it was indicated that a housing requirement of 391 dwellings per annum would not meet the Council's economic aims which is a figure higher than the proposed housing requirement in the draft Plan.

The HBF notes that the Council has used only one economic forecast prepared by Experian. At other Local Plan Examinations (for example South Worcestershire and Stroud) Inspectors have suggested using more than one forecast. It has been observed at Examinations where more than one forecast has been used that Experian is usually the most pessimistic in its economic growth forecasting. It is also noted that the Experian data dates from 2014 and again from other Examinations more up to date economic forecasts have been seen to be less pessimistic in outlook.

As acknowledged by the Council the use of alternative employment rates in the calculations would have produced different results. In this context the employment rates used for both male and female groups aged over 50 as set out in Table 26 of the SHMA report look very optimistic.

For these reasons the HBF considers that the Council may have underestimated this aspect of its OAHN calculation meaning that housing and economic strategies are no longer aligned.

With regards to market signals the Council's analysis identifies :-

- Increases in overcrowding ;
- Increases in houses in multiple occupation ;
- Increasing affordability pressures despite relatively low house prices due to lower than average wages with lower quartile house prices still 5.1 times lower quartile earnings.

In acknowledging these worsening trends in market signal indicators and to improve affordability for younger age groups the Council has applied an uplift equivalent to 20 dwellings per annum (5%). However this is a very modest uplift considering that worsening trends have been identified in more than one indicator. In comparison for example in the Eastleigh Local Plan Inspector's Preliminary Conclusions on Housing Need a 10% uplift was proposed as a cautious approach to modest pressures on market signals whilst the Uttlesford Local Plan Inspector's Conclusions found an overall increase of 10% was appropriate to achieve the objective of improving affordability. It is noted that the Council is arguing that the overall uplift from the starting to finishing point is 16% however it should be remembered that the adjustment earlier in the calculation was as a result of sensitivity test which demonstrated that the original demographic starting point may have been an under-estimation rather than to address worsening market signals.

Again the HBF considers that the Council may have under-estimated this part of its OAHN calculation.

In assessing affordable housing needs the Council tested a number of scenarios for the percentage (25%, 30%, 35% and 40%) of household income spent on housing. The affordable housing need of only 64 affordable homes per annum is based on the 30% scenario. This figure is a dramatic reduction from the 25% scenario of 180 affordable homes per annum. The Council's choice of the 30% scenario as its assessment of affordable housing needs should be fully justified so the Council is not seen to be under-estimating its affordable housing needs especially given that :-

- Worsening affordability highlights the need for affordable housing ;
- Mansfield has the second highest record of homelessness in the country.

If the affordable housing need is 180 affordable homes per annum equal to 48% of OAHN then the Council should re-consideration whether or not to increase its housing supply to deliver more affordable houses (NPPG ID 2a-029-20140306). In comparison for example in BANES an uplift of circa 30% was applied to help deliver affordable housing.

In conclusion for the reasons set out above the HBF is concerned that the Council has under-estimated the calculation of OAHN with regard to economic growth, market signals and affordable housing needs. Therefore the uplift applied is too modest. It is recommended that the Council re-considers its housing requirement before publication of the pre-submission Plan.

Housing Supply

The draft Plan proposes a three tiered settlement hierarchy of Mansfield Urban Area, Market Warsop and the villages as set out in **Policy S3 - Settlement Hierarchy**. **Policy S4 - Distribution of Development** proposes 6,800 dwellings (90%) in Mansfield Urban Area and 720 dwellings (10%) in Warsop Parish. This proposed distribution of development reflects the existing

settlement pattern whereby 11.5% of the population live in Warsop Parish (para 6.1).

After the deduction of existing planning consents the Council proposes to plan for a further 2,800 dwellings in the draft Plan (para 2.13). Picture 4.2 illustrates 2,370 – 3,040 dwellings located in Mansfield Urban Area which are identified on 32 site as specific allocations in **Policy M3(a) – (af)** and 465 – 570 dwellings located in Warsop Parish which are identified on 4 site specific allocations in **Policy W2(a) – (d)**. The top end of the range of dwellings allocated is based on an assumption of a higher density per site however this intensification of development may not necessarily be a reliable assumption on which to achieve flexibility in plan making.

The Council's latest 5 YHLS calculation is set out in the Housing Monitoring Report 2015. It is agreed that a 20% buffer is required which should be applied to the annualised housing requirement and shortfall together with a Sedgefield approach to recouping shortfalls as soon as possible. Although the HBF would not wish to comment on the merits or otherwise of individual sites contained within the Council's housing trajectory it is critical that the Council's assumptions on lapse rates / non implementation allowance, lead in times and delivery rates contained within its calculations are correct and realistic to provide sufficient flexibility.

If it is determined that the Council's housing requirement should be increased as suggested in the preceding section on OAHN and Housing Requirement then a corresponding increase in site allocations will also be necessary. When allocating sites 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 sustainable urban extensions (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.

Other Housing Policies

The draft Plan proposes on sites of more than 10 dwellings :-

- Affordable housing provision of at least 20% on greenfield sites or at least 10% on previously developed land subject to viability (**Policy S5 - Affordable Housing**) ;
- At least 10% bungalows or M4(2) or M4(3) dwellings (**Policy S6 - Specialist Housing**) ;
- At least 5% self-build plots subject to a cascade mechanism into affordable houses after 12 months (**Policy S7 - Custom & Self-build Dwellings**).

At this draft Plan stage the HBF would contend that the evidence to support the above mentioned policy requirements is incomplete. This incompleteness in evidence is also set out in the Council's own Local Plan Viability Assessment Draft Report. It is suggested that further work undertaken by the Council should include :-

- justification for the change from the previous adopted policy threshold of 30 units to 10 units ;
- justification for adoption of higher optional technical standards relating to accessibility against the criteria set out in the NPPG ;
- publication of Planning Obligations SPD ;
- evidence of self-build need with a positive policy approach to increase the overall amount of new housing development rather than a restrictive policy requirement for inclusion of such housing on larger development sites. The Council should refer to the East Devon Inspector's Final Report which amends a similar policy proposal. Further consideration given to the practicalities (for example health & safety implications, working hours, length of build programmes, etc.) of implementing this policy ;
- consideration of the implications of S106 pooling restrictions for infrastructure delivery if no CIL implemented ;
- an up-date of viability testing in particular the implications of the recently announced rent review on affordable housing tenure split, transfer price and developer profits together with a full assessment of the costs associated with proposals under **Policy S6** and **S7**.

Conclusion

For the Mansfield Local Plan to be found sound under the four tests of soundness as defined by the NPPF (para 182), the Plan should be positively prepared, justified, effective and consistent with national policy. The Council should re-consider its proposals as set out in the draft Plan in order to avoid preparing a Local Plan which is unsound because it is inconsistent with national policy, not positively prepared, improperly justified and so ultimately ineffective. It is hoped that these representations are of assistance to the Council in preparing the next stages of the Mansfield Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

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



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