



Cornwall Council
Local Plan Team
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SENT BY E-MAIL AND POST

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Dear Sir / Madam

CORNWALL LOCAL PLAN - FURTHER SIGNIFICANT CHANGES 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 appear at the resumed Examination Hearing Sessions to discuss these matters in greater detail.

Housing Requirement & OAHN (Change No. 15)

The HBF welcomes the increase in the housing requirement from 47,500 dwellings in the submitted Local Plan to 52,500 dwellings (2,625 dwellings per annum) in this further significant changes consultation (**Change No. 15**). However the HBF's opinion is that 52,500 dwellings remains on the low side of the calculation of OAHN as set out in our previous Hearing Session Statement it was anticipated that a re-calculation of OAHN would be closer to 60,000 dwellings.

A review of the "Cornwall's Full Objectively Assessed Needs" paper has reinforced this opinion. The HBF's opinion is that the Council has been overly cautious in its calculation of OAHN in particular :-

- HFR for younger age groups. It is agreed that the 2012 SNHP incorporate more of a move back to longer term trends than the interim 2011 SNHP however it is also known that trend based household projections “plan in” deterioration of HFR. So although the 2012 SNHP draw upon long term trends since 1971 the methodology applied by DCLG means that they have a greater reliance upon trends experienced over the last 10 years than to those experienced over the longer term. The implication of this bias is that the latest household projections continue to be affected by recently observed suppressed trends in HFRs associated with the impacts of the economic downturn, constrained mortgage finance, past housing undersupply and the preceding period of increasing unaffordability (see page 19 of the *Household Projections 2012-based: Methodological Report* by DCLG dated February 2015). Therefore given that younger households were particularly affected by these past trends and evidence shows that HFR are likely to recover as the economy improves (Town & Country Planning Tomorrow Series Paper 16, “*New estimates of housing demand and need in England, 2001 to 2031*” by Alan Holman) it is recommended that further sensitivity testing of HFR is undertaken as suggested in “PAS Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition” dated July 2015 by PBA. It is also noted that the Inspector’s Interim Conclusions referred to the use of a mid-point approach to HFR ;
- Uplift of only +500 dwellings for market signals for overcrowding. There are other market signal indicators which suggest an upward adjustment is necessary, for example a rapid rise in house prices, the masking of considerable house price variations in Cornwall’s sub housing markets by county wide trends and an under supply in delivery of housing against housing needs. The Council’s justification that Cornwall is comparable to other areas and has performed no worse ignores the fact that there is a national housing crisis and everywhere should be doing more. In an area of significant affordability challenges further upward adjustments should not be dismissed ;
- There is no uplift for economic growth scenarios because the Council concludes that an OAHN of 49,241 dwellings based on demographic projections plus market signal and second / holiday home adjustments falls within the range of economic scenarios. However this OAHN figure is below the economic growth baseline figures of 51,400 (2012 HRF), 53,560 (2008 HRF) and 52,480 (mid-point) dwellings which is described by the Council as the best fit to its economic strategy and the ambitions of the LEP ;
- An affordable housing need increase of only +1,500 dwellings is modest given the magnitude of affordable housing needs in Cornwall.

For the reasons set out above it is suggested that the housing requirement figure should be higher than 52,500 dwellings proposed by the Council. It is recommended that further consideration is given to addressing the

unaffordability of housing and aligning economic growth and housing provision.

Housing Supply (Change Nos. 15, 23, 24, 25, 41, 42 and 112)

Change No. 15 includes an amended Table of housing allocations by location for the towns and CNAs to meet the proposed housing requirement of 52,500 dwellings. **Change No. 41** confirms existing commitments of 20,400 dwellings as at April 2015 plus 11,500 dwellings completions leaving a residual land requirement of 20,600 dwellings.

Change No. 25 to Policy 3 states that housing delivery will be managed via a Site Allocations Plan and / or Neighbourhood Plans. **Change No. 23** states that if a Neighbourhood Plan is not at submission stage after 2 years of adoption of the Local Plan then a Site Allocations Plan will be prepared. However given the importance of the role of Neighbourhood Plans and / or a Site Allocations Plan in the delivery of housing it is suggested that this proposed delayed timetable is too long and may prejudice the Council's ability to maintain a 5 YHLS throughout the plan period.

Change No. 24 states that 5 YHLS is calculated for Cornwall as a whole and a deficiency in supply in an individual CNA is met within the CNA where it arises and not elsewhere. However for this statement to work is it not necessary to do calculations at the CNA level too? The Council should provide further details on the practical workings of any proposed mechanisms which will implement this proposal.

Under **Change No. 42** it is agreed that the Council's 5 YHLS calculation should meet any shortfalls in the next 5 years. It is also expected that the buffer is applied to the shortfall as well as the annualised housing requirement.

It is noted that the Council is using only 5% buffer in its 5 YHLS calculation. However there is an argument that the 5 YHLS should be calculated on the basis of a 20% buffer because the annualised requirement has not been achieved since the start of the plan period in 2010. Therefore the Council has been under-performing for over 5 years.

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 in its land supply.

If it is determined that the Council's housing requirement should be increased because of an under-estimation of OAHN 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.

Change No. 112 prioritises previously developed land which is contrary to the NPPF. The core planning principle set out in Paragraph 14 of the NPPF is to “*encourage the effective use of land by re-using land that has been previously developed (brownfield land)*” such encouragement is not setting out a principle of prioritising brownfield before green-field land. Similarly Paragraph 111 of the NPPF states that “*Local Planning Authorities may continue to consider the case for setting a locally appropriate target for the use of brownfield land*” again there is no reference to prioritising the use of brownfield land. The JPU references to prioritisation relates back to previous national policies which are now inconsistent with current national policy. In Paragraph 17 of his determination of the Planning Appeal at Burgess Farm in Worsley Manchester (APP/U4230/A/11/215743) dated July 2012 (4 months after the introduction of the NPPF) the Secretary of State confirms that “*national planning policy in the Framework encourages the use of previously developed land but does not promote a sequential approach to land use. It stresses the importance of achieving sustainable development to meet identified needs*”. It is suggested that the wording of **Change No. 112** is amended to encourage rather than prioritise the re-use of previously developed land.

Viability (Change Nos. 56, 60, 88 and 91)

It is agreed that the Council’s proposed modifications to its Affordable Housing Policy are reflective of the latest viability testing (**Change Nos. 56 and 60**).

However it is not apparent if all proposed changes have been properly viability tested such as **Change No. 88** on accessible homes and **Change No. 91** which introduces the nationally described space standard.

Other Policies (Change Nos. 46, 88 and 91)

Under **Change No. 46** to Policy 6 on housing mix 5% self build plots are proposed on sites of 100+ dwellings. The HBF supports self build and / or custom build in principle for its potential contribution to overall housing supply if this is based on a positive policy approach which increases the overall amount of new housing development and meets a justified and evidenced self-build / custom build housing need. However the Council’s proposed approach is a restrictive policy requirement that “*must provide*” for the inclusion of such housing on larger development sites. This approach provides no additionality to land supply but merely changes production from one to another type of builder. It is suggested that further consideration is

given to the practicalities of implementing this policy such as the health & safety implications, working hours, length of build programmes, etc. The Council should also refer to the East Devon Inspector's Final Report which expresses reservations about the implementation difficulties associated with this sort of policy. It is recommended that **Change No. 46** is re-considered and modified to encourage self-build / custom build if there is an identified demand for such housing and the amended policy is subject to viability considerations and specific site circumstances.

Change No. 88 proposes that 25% of houses are built as accessible homes. However it is noted that this change is in supporting text rather than policy. If this is a policy requirement it should be set out in policy which should be fully justified and viability tested as set out in the NPPG (ID 56-003 and ID 56-007).

Change No. 91 to Policy 14 introduces the nationally described space standard. If the Council wishes to adopt this standard it should be justified by meeting the criteria set out in the NPPG (ID 56-020) on need, viability and impact on affordability.

Conclusions

For the Cornwall 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 suggested that the Council gives due consideration to the above mentioned matters in order to produce a sound Local Plan. Of particular concern are :-

- A housing requirement of only 52,500 dwellings based on an overly cautious calculation of OAHN ;
- A potential problem of maintaining a 5 YHLS by the delayed preparation of the Site Allocations Plan ;
- A prioritising of previously developed land rather than promoting sustainable development ;
- A number of burdensome policy requirements which have not been properly justified and may not have been viability tested.

It is hoped that these representations are of assistance to the Council and the Inspector in informing the next stages of the Cornwall 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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