

Ashfield District Council
Urban Road
Kirby-in-Ashfield
Nottingham
NG17 8DA

SENT BY E-MAIL AND POST

20th March 2016

Dear Sir / Madam

ASHFIELD LOCAL PLAN PREFERRED OPTION 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.

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. A fundamental outcome 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 Ashfield is part of the Outer Nottingham HMA together with Mansfield 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 Ashfield is bordered by five other neighbouring authorities namely Nottingham City, Gedling, Broxtowe, Bolsover and Amber Valley District Councils. Moreover the preferred option documentation refers to the Hucknall sub area of Ashfield having strong links with Nottingham. It is suggested that the Council provides further clarification

about this relationship and its implications in the next stages of preparing the Local Plan.

It is also recommended that when the Ashfield Local Plan is submitted for examination the Council provides a Statement of Compliance with the Duty to Co-operate including a detailed commentary on the outcomes of the process. When the draft and / or 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 Ashfield Local Plan.

OAHN and Housing Requirement

In Bullet Point (2) of **Policy S2 – Overall Strategy for Growth** of the preferred option Plan the Council proposes a housing requirement of at least 8,268 dwellings plus 400 residential care (C2) bed-spaces for the plan period of 2015 – 2032.

This proposal is based on the OAHN calculation as 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 Ashfield further sub-divided into three local housing markets comprising of North (Sutton in Ashfield & Kirby in Ashfield), South (Hucknall) and the Rural Areas. A summary of the Council's calculation of OAHN follows:-

- The starting point is 2012 SNPP / 2012 SNHP household formation rates (HFR) which identified household growth of 398 per annum for Ashfield. This household growth was converted into dwellings per annum by the application of a vacancy & second home allowance which resulted in 412 dwellings per annum (Table 17 SHMA Report) ;
- The sensitivity testing of migration trends and UPC assumptions resulted in an increase to 469 dwellings per annum based on 12 year migration patterns and inclusion of UPC (Table 19 SHMA Report) ;
- 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 HFR in younger age groups. This analysis resulted in an uplift to 480 dwellings per annum as the OAHN for Ashfield District Council ;
- A separate assessment of affordable housing needs of 164 affordable homes per annum was calculated for which there is no further adjustment to the overall OAHN.

It is agreed that 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 for the following reasons :-

- For economic growth the Council's jobs led modelling comprised of the Experian baseline job growth scenario resulting in 372 dwellings per annum (Table 27 SHMA Report) and the Experian & Nathaniel Lichfield Partners (NLP) Land Forecasting Study "policy on" scenario resulting in 409 dwellings per annum (Table 29 SHMA Report). On the basis of these figures the Council considered that no further upward adjustment to OAHN was required. However the number of jobs generated by the policy on scenario is 9,746 which is below the Policy S2 Bullet Point (5) (a) target of at least 10,725 jobs meaning that the Council's economic growth and housing provision strategies are misaligned. The HBF also 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 under-estimated this aspect of its OAHN calculation resulting in a misalignment of housing and economic strategies.
- With regards to market signals the Council's analysis identifies increases in overcrowding and houses in multiple occupation together with increasing affordability pressures despite relatively low house prices because of lower than average wages in the locality. 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 11 dwellings per annum (2.5%). 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. So 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 164 affordable homes per annum is based on the 30% scenario. This figure

is a dramatic reduction from the 25% scenario of 280 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. If the affordable housing need is 280 affordable homes per annum equal to 58% of the overall 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). By comparison in Canterbury an uplift of 30% to meet affordable housing need is proposed (paras 20, 25 & 26 Canterbury Local Plan Inspectors Note on main outcomes of Stage 1 Hearings dated 7 August 2015), in Bath & North East Somerset the Council applied an uplift of 44% (paras 77 & 78 BANES Core Strategy Final report 24 June 2014) and the pre submission Telford & Wrekin Local Plan proposes a circa 50% increase to its housing requirement above a demographic based OAHN to help deliver affordable housing.

In conclusion the HBF is concerned that the Council has under-estimated the calculation of OAHN regarding economic growth, market signals and affordable housing needs. Therefore the uplift applied in the calculation of OAHN is too modest. It is recommended that the Council reviews its proposed housing requirement before publication of the draft and / or pre-submission Local Plan.

Housing Supply

The preferred option Plan proposes a three tiered settlement hierarchy as set out in **Policy S3 – Settlement & Town Centre Hierarchy**. Under **Policy S3** :-

- Sutton in Ashfield (including Huthwaite, Stanton Hill & Skegby), Kirby in Ashfield (including Kirby Woodhouse, Annesley Woodhouse & Nuncargate) Hucknall and areas adjacent to Mansfield are proposed as the Main Urban Area where the largest scale of growth is proposed ;
- Selston, Jacksdale, Underwood, Annesley, Bestwood & Brinsley are proposed as Named Settlements, where small scale growth is proposed;
- The remainder of the District is designated as Countryside & Green Belt where limited infill development in the Green Belt villages of Bagthorpe, New Westwood, Jubilee and New Selston and in the rural villages in the countryside will be permitted.

The Council proposes to distribute 30% of the housing requirement to the local housing market area of Hucknall. **Policy HA3 – Housing Land Allocations for Hucknall Area** allocates approximately 2,343 dwellings on 21 sites. The Council proposes to distribute 65% of the housing requirement to the Sutton in Ashfield and Kirkby in Ashfield. **Policy SKA3** allocates approximately 5,370 dwellings on 49 sites. The Council proposes 5% of the housing requirement is distributed to the Rural Areas and **Policy RA2** allocates approximately 358 dwellings on 6 sites.

For this consultation the Council has provided only a crude assessment of its housing land supply. **Table 1 – Dwelling Requirement & Provision 2013 – 2032** is confusing in particular the timelines. The Council should provide further

clarification of start and end dates for the plan period. It is noted that these dates differ from those used in technical data in the supporting evidence documents, for example, in the calculation of the OAHN in the SHMA Report.

When the Council does provide a calculation of its 5 Year Housing Land Supply (YHLS) this should be calculated including an appropriate buffer which should be applied to both the annualised housing requirement and any shortfalls together with a Sedgefield approach to recouping shortfalls as soon as possible. It is noted that proposed housing delivery rates per site are set out in **Appendix 10**. 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 headroom and flexibility to maintain a 5 YHLS throughout the plan period.

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. It is noted that the Council is providing a variety of sites in its proposed site allocations ranging from sites of 6 to 900 units. When allocating any additional sites the Council should continue with this approach of maximizing housing supply via the widest possible range of sites, by size and market location 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 being 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.

Under **Policy HG4 – Housing Mix Bullet Point (5)** the Council proposes that the inclusion of self-build and / or custom build plots on sites will be encouraged. The HBF supports self-build / custom build in principle for its potential additional contribution to the overall housing supply where this is based on a positive policy approach by the Council to increase the total amount of new housing development and meet an identified and quantified self-build / custom build housing need. However the HBF is not supportive of a restrictive policy requirement approach for the inclusion of such housing on sites of a specific size. This approach provides no additionality to land supply but merely changes production from one to another type of builder. It is suggested that when encouraging self-build / custom build the Council gives consideration to the practicalities of implementing any such policy. Such considerations should consider the health & safety implications, working hours, length of build programmes, etc. The Council should refer to the East Devon Inspector's Final Report which expresses reservations about the implementation difficulties associated with this sort of policy. Furthermore it is suggested that any policy to encourage self-build / custom build is subject to viability considerations, specific site circumstances and it is based on evidence of an identified demand for such housing.

Housing Standards

It is noted that the Council makes reference to zero carbon, carbon emission and energy use targets in numerous policies in particular :-

- The **Vision** refers to zero carbon targets for housing ;
- **Policy S1 Sustainable Development Principles Bullet Point (4)(f)** requires the demonstration of contributions to energy and water efficiency ;
- **Policy S2 Bullet Point (6)** refers to local targets on reducing carbon emissions and energy use ;
- **Policy CC1 Zero & Low Carbon Developments & Decentralised, Renewable & Low Carbon Energy Generation Bullet Point (1)** states that all new residential development proposals are to achieve the highest level of energy efficiency and carbon reduction measures exceeding National Housing Standards.

It is accepted that the Council can specify the proportion of energy generated from on-site renewables and / or low carbon energy sources but the Council cannot set a local standard for energy efficiency above the current 2013 Building Regulations standard. The Deregulation Act 2015 specifies that no additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings should be set in Local Plans other than the nationally described space standard, an optional requirement for water usage and optional requirements for adaptable / accessible dwellings. The Deregulations Act removed the power of authorities to require residential developments to exceed the energy performance requirements of Building Regulations therefore the Council should not be setting any additional local technical standards or requirements relating to the performance of new dwellings. Therefore the aforementioned Policies are unsound for the reason of inconsistency with national policy. These policies should be deleted.

Policy CC2 Water Resource Management Bullet Point (8) requires that residential development will implement water efficiency measures to achieve a requirement of 110 litres per person per day which the Council justifies in para 8.27. The Written Ministerial Statement (WMS) dated 25th March 2015 confirmed that *“the optional new national technical standards should only be required through any new Local Plan policies if they address a clearly evidenced need, and where their impact on viability has been considered, in accordance with the NPPG”*. As set out in the NPPG (ID 56-015) the need for and viability of opting for a water consumption standard higher than that required by Building Regulations should be fully justified. The Greater Nottingham & Ashfield Water Cycle Strategy 2010 is now somewhat dated. If the Council intends to rely upon this evidence to justify **Policy CC2 Bullet Point (8)** the report should be up dated.

Policy HG4 – Housing Mix Bullet Point (2) requires that all new residential development will contain adequate internal living space in accordance with the

nationally described space standard. With particular reference to the nationally described space standard the NPPG (ID: 56-020) confirms “*where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies*”. If the Council wishes to adopt this standard it should be justified by meeting the criteria set out in the NPPG including need, viability and impact on affordability. At this time the Council has not provided sufficient evidence to justify adoption of the nationally described space standard.

Policy HG4 – Housing Mix Bullet Point (3) also requires developments of more than 10 dwellings to provide 10% accessible / adaptable dwellings. Again the Council has not provided evidence to justify this policy proposal.

As set out by the HBF in the preceding paragraphs there is no evidence justifying adoption of the housing standard as proposed by the Council. Indeed this is acknowledged by the Council in para 13.20 of the preferred option document “*Within the National Standards there is scope for some additional local standards related to access, water and space where there is considered a justified local need. At present such need has not been established by the Council, but further evidence base work may present need and justification at the Publication stage*” (our emphasis). The HBF is concerned that the Council appears to be proposing the aforementioned policy requirements with no supporting evidence for the inclusion of these policies in the preferred option consultation. Therefore there is a perception that subsequent evidence will be a retro fit to justify a pre-determined policy position rather than evidence which informed the initial formulation of any proposed policy.

Viability and Affordable Housing

Policy HG2 – Affordable Housing (including Starter Homes) proposes on sites of more than 4 dwellings 25% affordable housing provision in the Rural Areas, on sites of more than 15 dwellings in Hucknall 25% affordable housing and in Sutton in Ashfield & Kirby in Ashfield 10% affordable housing provision.

If the Local Plan is to be compliant with the NPPF, the Council needs to satisfy the requirements of paras 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 para 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. Therefore it is necessary for any proposed affordable housing policy to be as flexible as possible. It is recommended that the wording “*subject to viability*” is inserted into **Policy HG2**.

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". The Viability Report dating from 2013 is now somewhat dated. It is recommended that the Council undertakes a new Whole Plan Viability Assessment including the implications of the recently announced reductions in social housing rents on affordable housing transfer values and developer profits together with a full assessment of the costs associated with implementing the optional higher housing standards proposed under numerous policies.

Moreover it is possible that as a consequence of the Housing & Planning Bill and other recent Government consultations **Policy HG2** may change before the publication of the draft and / or pre submission Local Plan. If so at that time the HBF may wish to submit further comments on any changes proposed by the Council.

Conclusion

For the Ashfield 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 preferred options consultation 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 Ashfield 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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