



Planning Policy
Planning & Regeneration
Borough of Poole
Civic Centre
Poole
Dorset
BH15 2RU

SENT BY E-MAIL AND POST

8th August 2016

Dear Sir / Madam

POOLE CORE STRATEGY REVIEW ISSUES & OPTIONS 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 comments and in due course attend the Examination Hearing Sessions to discuss these matters in greater detail.

The Scope of Core Strategy Review

Currently the Council has three separate Development Plan Documents (DPD) comprising of the Core Strategy adopted in 2009, the Site Allocations & Development Management DPD adopted in 2012 and the Infrastructure DPD adopted in 2012 the HBF is supportive of the Council's proposal to amalgamate these documents into one single Local Plan document as part of this review process.

Plan Period

As previously suggested in the HBF response to the Issues & Options consultation in 2015 the HBF is supportive of the proposed change to the plan end date from 2031 to 2033. It is noted that this longer plan period end date will also be applied by the neighbouring authority of Purbeck District Council in the review of its Local Plan representing a co-ordinated approach by two authorities in the Eastern Dorset Housing Market Area (HMA).

Objectively Assessed Housing Needs (OAHN) & Housing Requirement

The Council is proposing a housing requirement of 14,200 dwellings (710 dwellings per annum) for the period 2013 – 2033 based on the latest OAHN set out in Eastern Dorset SHMA Final Report dated October 2015 by G L Hearn. The OAHN for Poole is calculated as 665 dwellings per annum representing the demographic starting point (using 2012 Sub National Household Projections (SNHP), 2013 mid-year Sub National Population Projections (SNPP) and a vacancy / second homes conversion rate from 2011 Census data) plus 45 dwellings per annum uplift to improve affordability (representing 7% increase by an upward adjustment to Household Formation Rates (HFR) in the 25 – 34 age group).

The HBF would submit the following initial observations on the Council's assessment which may under estimate OAHN for the following reasons :-

- It is agreed that 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 particularly affected younger age groups. It is also agreed that these groups 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). Therefore an adjustment to HFR in younger age groups is appropriate. However as suggested in the recently published Local Plans Expert Group's (LPEG) Report in its recommendations for a standard methodology for the calculation of OAHN adjustments to HFR in younger age groups and for worsening market signals are separate and both are required (see Flowchart Steps A & B in Appendix 6 of the Report) ;
- The 7% uplift to improve affordability is relatively modest in comparison to uplifts applied elsewhere especially given the long standing issue of housing affordability in the Borough. It is identified that median house price to median income ratio is 10 times. In comparison 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. The LPEG recommendations also propose up to 25% uplift to improve affordability dependant on house price and rental affordability ratios (see text in Appendix 6 of the LPEG Report) ;
- No uplift to the overall housing requirement to help deliver affordable housing despite the identification of a significant affordable housing need of 660 dwellings per annum representing 93% of total OAHN. As set out in the NPPG an increase in the total housing included in a Plan should be considered where it could help to deliver the required number of affordable homes (ID : 2a-029-20140306). In comparison

other Local Plans have included significant uplifts to meet affordable housing needs for example in Canterbury there is an uplift of 30% (paragraphs 20, 25 & 26 Canterbury Local Plan Inspectors Note on main outcomes of Stage 1 Hearings dated 7 August 2015) and in Bath & North East Somerset there is an increase of 44% (paragraphs 77 & 78 BANES Core Strategy Final report 24 June 2014). Most recently the Gloucester, Cheltenham & Tewkesbury Joint Core Strategy Inspector's Interim Conclusions proposes a 5% uplift to help deliver affordable housing needs Elsewhere in Gloucestershire the Forest of Dean Inspector is also suggesting a 10% uplift in his Interim Findings stating *"to seek to deliver all of the identified affordable housing need as a proportion of market housing would result in unrealistic and undeliverable allocations. But it does not necessarily follow that some increased provision could not be achieved ...I consider that an uplift of 10%, which has been found reasonable in other plan examinations, would be more appropriate here"* (para 63). The use of uplifts to meet in full OAHN for affordable housing is also recommended in the LPEG Report (see Flowchart Steps C & D in Appendix 6 of LPEG Report) ;

- The sensitivity testing to support economic growth based on the preferred Local Knowledge scenario identified a figure of 694 dwellings per annum. This figure is disregarded in the final OAHN figure of 710 dwellings per annum ;
- In setting its housing requirement the Council has ignored housing deficiencies from the previously adopted plan effectively the Council is re-setting the position in 2013 and ignoring housing needs which have been unmet in the preceding period. It is noted that the adopted Core Strategy sets out a housing requirement of 500 dwellings per annum for the plan period 2006 – 2027 but average completions have been 434 dwellings per annum. The reviewed plan should take into account the deficit between the planned and delivered housing requirement for the period 2006 – 2013.

For the reasons set out above it is suggested that the Council re-considers its OAHN. At the same the Council should also consider if there are any implications arising from the publication of the 2014 SNPP and 2014 SNHP. As set out in the NPPG (ID 2a-016-20140306) a re-assessment of OAHN is only necessary if a meaningful change has been identified by these projections.

Furthermore the Eastern Dorset SHMA Report identifies a need for 769 C2 bed-spaces over and above 710 dwellings per annum to which the Council makes no separate reference.

Therefore the housing requirement figure should be set out clearly in the reviewed document including a separate reference to C2 housing needs. The housing requirement should be expressed as a minimum to ensure that full housing needs are planned for in accordance with the NPPF.

At this time the Council is proposing to meet its own OAHN in full and it is not meeting any unmet needs arising elsewhere in the HMA or beyond. There have been no formal requests from neighbouring authorities seeking assistance with meeting OAHN under the Duty to Co-operate.

At later stages of the formal consultation process the HBF will submit further detailed comments on OAHN, the housing requirement and the Duty to Co-operate.

Housing Land Supply (HLS)

The Council is proposing a HLS for the provision of 14,200 dwellings however this housing requirement figure is a minimum and it should not be treated as a maximum nor a ceiling to restrict sustainable development from happening. Moreover as discussed above the Council may need to consider a HLS for a housing requirement figure greater than currently proposed due to an under-estimation of OAHN.

As currently set out the Council has identified brownfield land within the urban area capable of accommodating 9,200 dwellings therefore there remains a residual requirement for a minimum of 5,000 dwellings to be found on new sites. Accordingly the Council is considering 40 possible new sites with an individual capacity of more than 20 dwellings. These sites comprise of 31 sites in the urban area and 9 green-field sites of which 8 are in the Green Belt. The Council's initial review of Green Belt shows that different parcels of land contribute to the five purposes of the Green Belt to varying degrees.

The Council believes that 1,000 dwellings from the shortfall could be accommodated by increasing densities or building higher within the urban area. However the dependence on brownfield land within the urban area and the high costs associated with its re-development are important considerations in determining the deliverability of such sites.

It is the HBF's opinion that Option C a combination of Option A (increasing urban capacity) and Option B (expanding the town outwards) is the best solution to a deliverable / developable HLS over the plan period. It is suggested that when the Councils is identifying locations for growth and site allocations to meet the Boroughs OAHN the widest variety of sites by size, location and market type is considered to maximise housing delivery.

A plan led system must be planned including contingency planning therefore the HLS over the plan period should not be planned to a minimum and provide insufficient flexibility to respond to changing circumstances. Moreover the HBF is doubtful that the Council's windfall allowance will be as high as proposed given the extensive work undertaken to identify future sites so there should be sufficient headroom provided (see below DCLG presentation slide from HBF Planning Conference September 2015). This slide illustrates 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also suggests "the need to plan for permissions on more units than the housing start / completions ambition". Whilst it is acknowledged that this

presentation slide shows average percentages across England the Council should be planning sufficient headroom into its HLS.

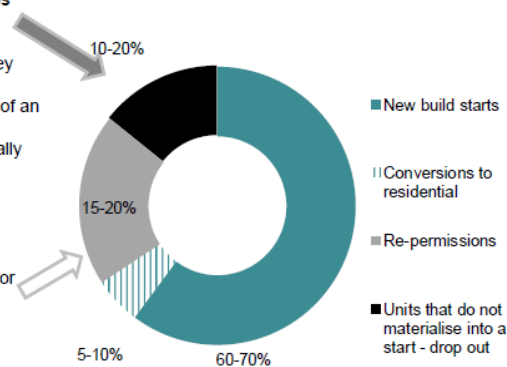


Department for
Communities and
Local Government

In recent years there has been a 30-40% gap
between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
- **10-20%** do not materialise into a start; the permission 'drops out': this could be because -
 - the landowner cannot get the price for the site that they want
 - a developer cannot secure finance or meet the terms of an option
 - the development is later not considered to be financially worthwhile
 - there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.
- **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.
- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition.**



Extract from slide presentation "DCLG Planning Update" by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

The LPEG Report also recommends that "*the NPPF makes clear that local plans should be required not only to demonstrate a five year land supply but also focus on ensuring a more effective supply of developable land for the medium to long term (over the whole plan period), plus make provision for, and provide a mechanism for the release of, developable Reserve Sites equivalent to 20% of their housing requirement, as far as is consistent with the policies set out in the NPPF*" (para 11.4 of the LPEG Report).

With reference to the Council's 5 YHLS it is noted that the Council uses only a 5% buffer in its calculations. However since 2006/07 average completions have been less than the annualised requirement. The Council should re-consider whether or not a 20% buffer is more appropriate.

At later stages of the formal consultation process the HBF will submit further detailed comments on overall HLS and 5 YHLS.

Development Management Policies

There are a number of Development Management Policies requiring amendment and up-dating either because national policy has changed or new evidence has emerged including the Council's most recent whole plan viability testing which demonstrates development is not viable.

The residual land value model is highly sensitive to changes in its inputs therefore an adjustment or an error in any one assumption can have a

significant impact on the residual land value. Therefore it is important that the Council understands and tests the influence of all inputs on the residual land value as this determines whether or not land is released for development. It is noted latest viability evidence recommends reductions in both affordable housing provision and the Community Infrastructure Levy (CIL) rates. The HBF is supportive of both these recommendations.

As set out in our previous response to the Issues and Options consultation in March 2015 Development Management Policies requiring modification include Policies PCS6, PCS37 , PCS8, PCS31, PCS32, PCS33, PCS35, DM1 and DM6. At later stages of the formal consultation process when the detailed wording of proposed policies are available the HBF will provide further comments.

Conclusion

For the Poole Local Plan to be found sound under the four tests of soundness as defined by the NPPF (para 182), the Local Plan should be positively prepared, justified, effective and consistent with national policy. We trust that our comments will be helpful in informing the next stages of the Council's plan preparation work. In the meantime if the Council requires any further assistance or information please contact the undersigned.

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



Susan E Green MRTPI
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