



Planning Policy  
Newark & Sherwood District Council  
Kelham Hall  
Newark  
Nottingham  
NG23 5QX

SENT BY E-MAIL AND POST

24 February 2017

Dear Sir / Madam

**NEWARK & SHERWOOD CORE STRATEGY AND ALLOCATIONS PLAN  
REVIEW – SITES & SETTLEMENTS PREFERRED APPROACH  
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 Examination Hearing Sessions to discuss these matters in greater detail.

**Objectively Assessed Housing Needs (OAHN) and Housing Requirement**

As set out in the Council's latest consultation document the baseline housing target of 8,807 dwellings is derived from an OAHN of 9,080 dwellings (454 dwellings per annum) for the period 2013 - 2033 discounted by completions since 2013. This baseline housing target is distributed as 5,284 dwellings in the Newark Urban Area, 2,642 dwellings in the Service Centres and 881 dwellings in the Principle Villages.

It is known that house builders making representations to the Council's previous consultation considered an OAHN of 9,080 dwellings for the District as an under estimation. The under-estimation arises from a number of concerns about the validity of the demographic / economic projections and evidence of worsening market signals with alternative OAHN calculations ranging between 500 – 550 dwellings per annum rather than 454 dwellings per annum. The HBF share these same concerns and in representations to

other Outer Nottingham Housing Market Area (HMA) authorities Local Plan consultations the following issues have been raised :-

- whether or not the publication of the 2014 SNHP has identified a meaningful change as set out in the NPPG (ID 2a-016-20140306) ;
- using only one economic forecast prepared by Experian. There is a concern about the circular relationship between the demographic and economic modelling. If the resident population is both an input as well as an output of the model then the resultant housing need figure is just a reflection of the population assumption from which the economic model started because the model flexes variable factors such as commuting, double-jobbing, economic activity rates and unemployment that link population and jobs ;
- using an adjustment to Household Formation Rates (HFR) as a mechanism to compensate for worsening market signals does not properly account for either demographic change or identified worsening market signals ;
- no uplift to assist with affordable housing delivery despite significant identified affordable housing needs.


It is also most likely that the proposal for a standardised methodology for the assessment of housing needs as set out in the recently published Housing White Paper "*Fixing The Broken Housing Market*" will be implemented by the time of the Local Plan Examination. Therefore HBF will submit more detailed comments on OAHN and the proposed housing requirement during future Regulation 18 and 19 consultations.

### **Housing Land Supply (HLS)**

During the Core Strategy and Allocations Plan Review the Council proposes to de-allocate sites that are unavailable and / or undeliverable, allocate the Thoresby Colliery as a Strategic Site and identify reasonable alternatives in case more housing sites need to be allocated to the overall HLS and / or to demonstrate a 5 YHLS on adoption which is maintainable throughout the plan period. As set out above if the proposed housing requirement is increased then the HLS should increase proportionately too.

It is noted that 60% of housing growth is proposed in the Newark Urban Area. Three Sustainable Urban Extensions (SUEs) are proposed at Land South of Newark for 3,150 dwellings (1,790 dwellings delivered in the plan period), Land East of Newark for 1,000 dwellings (all dwellings delivered in the plan period) and Land at Fernwood for 3,200 dwellings (2,095 dwellings delivered in the plan period). 30% of housing growth is proposed in the Service Centres and 10% in the Principle Villages. The Council should re-consider if this proposed housing distribution with only 10% in the rural area is justified given the unaffordability of rural housing. Since all settlements can play a role in delivering sustainable development in rural areas blanket policies restricting housing development in some settlements and preventing other settlements from expanding should be avoided.

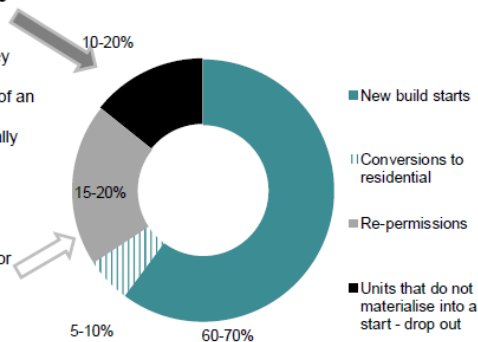
It is agreed that the Council should allocate sufficient housing sites to meet its housing requirement during the plan period including sufficient headroom over and above this requirement as a contingency to provide sufficient flexibility to enable the Council to respond efficiently to changing circumstances. Furthermore the housing requirement should not be seen as a maximum and therefore not treated as a ceiling to overall HLS. The HBF would always recommend as large a contingency as possible preferably at least 20%. The DCLG presentation slide from the HBF Planning Conference in September 2015 illustrates a 10 – 20% non-implementation gap together with a 15 – 20% lapse rate (see below). This slide suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.

 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 Local Plans Expert Group (LPEG) Report March 2016 also recommended 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).

The Council has calculated a HLS in Newark Urban Area of 3,230 dwellings against a residual of 2,324 dwellings but 2,400 dwellings are on the SUEs which have previously not come forward as originally planned. The HBF would not wish to comment on the merits or otherwise of individual sites selected for allocation and included within the Council’s HLS, its 5 YHLS calculation and housing trajectory but it is critical that the Council’s assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates are correct and realistic to provide sufficient flexibility in its HLS. These assumptions should be supported by parties responsible for

delivery of housing and sense checked by the Council using historical empirical data and local knowledge. The Council should also be aware that the Housing White Paper's delivery test is most likely to have been implemented by the time of the Local Plan Examination.

When allocating sites the Council is reminded 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. 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 HBF agrees with the deletion of references to the Code for Sustainable Homes in various Policies.

### **Conclusions**

For the Newark & Sherwood Core Strategy and Allocations Plan Review 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. It is suggested that the Council gives further consideration to the above mentioned concerns in order to produce a sound Local Plan. In the meantime it is hoped that these representations are helpful in informing the next stages of the Newark & Sherwood Core Strategy and Allocations Plan Review. If you require 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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