



Local Plans Team
South Staffordshire Council
Council Offices
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South Staffordshire
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SENT BY E-MAIL AND POST

27th February 2017

Dear Sir / Madam

SOUTH STAFFORDSHIRE PRE SUBMISSION SITE ALLOCATIONS DOCUMENT (SAD) 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.

Further to the HBF representations submitted to the Council's consultation on the SAD preferred options ended on 12th February 2016 the HBF wish to submit the following comments to this pre submission consultation and in due course attend the Examination Hearing Sessions.

Policy SAD1 – Local Plan Review

As set out in our previous representations the context for the South Staffordshire SAD is based on pre-National Planning Policy Framework (NPPF) adopted Plans. The Black Country Core Strategy was adopted in 2011 focussing on a strategy of urban regeneration. The South Staffordshire Core Strategy adopted in December 2012 is described by the Council as a counter point to the Black Country Core Strategy by focussing on rural regeneration for local needs only to reduce out migration from the urban conurbation to the rural Shires. The South Staffordshire adopted Core Strategy provides for at least 3,850 dwellings (175 dwellings per annum) between 2006 – 2028. However both Core Strategies were prepared pre-NPPF and in the case of the Black Country adopted pre-NPPF therefore neither Plan is based on evidence which calculates objectively assessed

housing needs (OAHN) instead housing figures are derived from the former Regional Spatial Strategy (RSS) figures which are now revoked.

The NPPF requires that :-

- a Local Planning Authority (LPA) should prepare a Local Plan for their area (para 153). The Local Plan should be positively prepared (para 157) including policies to deliver the homes needed in their area (para 156) ;
- a LPA should have a clear understanding of housing needs (para 159) based on up to date evidence (para 158) ;
- the Local Plan should preferably be drawn up over a 15 year time horizon to take account of longer term development requirements (para 157).

Furthermore the National Planning Practice Guidance (NPPG) sets out that :-

- the Local Plan should be informed by evidence which is kept up to date. If key studies on which the Plan is reliant are a few years old then evidence should be up dated using the latest information available. If necessary as a consequence of this evidence the Plan should be changed before submission for examination (ID 12-014-20140306) ;
- the Local Plan should be updated in whole or in part at least every five years because for example a revised Strategic Housing Market Area Assessment (SHMAA) effects all authorities in that Housing Market Area (HMA) irrespective of the status of an individual Local Plan (ID 12-008020140306).

It is acknowledged that South Staffordshire is part of the Greater Birmingham HMA. The latest evidence on OAHN is set out in “Greater Birmingham & Solihull Local Enterprise Partnership and Black Country Local Authorities Strategic Housing Needs Study Stage 3 Report” by Peter Brett Associates dated August 2015. The latest demographic projections for South Staffordshire identify an OAHN of 208 dwellings per annum (2011 – 2031). As these demographic projections represent just the starting point for the calculation of OAHN (NPPG ID 2a-015-20140306) the figures may be even higher after further consideration of other factors such as supporting economic growth, worsening trends in market signals and meeting affordable housing needs (NPPG ID 2a-018-20140306 - 2a-020-20140306). This latest figure of 208 dwellings per annum is for South Staffordshire only excluding any unmet needs from Birmingham and / or the Black Country. From 2011 there is the potential for at least 33 dwellings per annum of unmet needs from South Staffordshire accruing. If South Staffordshire is not meeting its own needs there are implications of failing to meet in full OAHN in the HMA for other authorities in the Greater Birmingham HMA.

Furthermore as South Staffordshire Council forms part of the Greater Birmingham HMA the Council also has a role to play in the resolution of 37,500 dwellings of unmet housing needs arising from Birmingham city over the period 2011 – 2031. 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. In satisfactorily discharging the Duty 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 OAHN for market and affordable housing in a 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).

Policy SAD1 is too ambiguous. The quantum of unmet need in the Greater Birmingham HMA arising from Birmingham is known. A timetable for the review of the Council's DPDs should be set out. As proposed the Council will not review the Core Strategy until 2022 which is 10 years after adoption of the Core Strategy rather than 5 years recommended in the NPPG. By the time the SAD is adopted only circa 10 years will remain before the end of the plan period rather than the 15 year time horizon specified in the NPPF. Under **Policy SAD1** the Council is not positively planning for new housing development and its longer term housing needs. It is recommended that **Policy SAD1** is re-considered.

The Government's recently published Housing White Paper "*Fixing The Broken Housing Market*" reiterates the need for up-to-date plans stating that even where plans are place they may not be fulfilling their objective to recognise and plan for the houses that are needed which is exactly the position in South Staffordshire as described above. As a consequence the Government wants to ensure that every part of the country has an up to date sufficiently ambitious plan with the review of Plans at least every five years and sooner if the authorities housing target can no longer be justified.

Policy SAD2 – Housing Allocations and Policy SAD3 – Safeguarded Land for Longer Term Development Needs

The SAD seeks to deliver by site specific proposals and policies for the use of land the vision and objectives of the adopted Core Strategy which is based on constrained RSS figures rather than OAHN. However as set out in the NPPF and NPPG the Council cannot just ignore new evidence on OAHN which demonstrates a figure higher than 175 dwellings per annum for South Staffordshire is needed plus unmet needs arising in Birmingham city.


The adopted housing requirement of the Core Strategy is a minimum of 3,850 dwellings for the period 2006 – 2028. The Council calculates that there is a residual housing land requirement of 1,012 dwellings to meet this minimum housing figure. The SAD allocates 19 residential sites for 1,070 dwellings providing a contingency of only 58 dwellings over and above the minimum housing figure which is itself based on a constrained and out of dated RSS housing number that is lower than the latest OAHN estimate.

The SAD also seeks to identify safeguarded land for the period 2028 – 2038. The SAD allocates 86.8 hectares of safeguarded land on 16 sites equivalent to approximately 1,750 dwellings (175 dwellings per annum multiplied by 10 years) distributed as 1,575 dwellings in the Main Service Villages and 175 dwellings in the Local Service Villages. The Council proposes to retain the

status of this safeguarded land until after a review of the adopted Core Strategy which is not expected to be in place until 2022.

The Council's proposed allocation of sites to meet a housing figure of only 175 dwellings per annum and not to release safeguarded land until post 2022 will not meet OAHN of South Staffordshire nor contribute to unmet needs arising elsewhere in the HMA. This approach will not fulfil the objectives of the Government's White Paper's to plan for the right homes in the right places in particular making enough land available to meet assessed housing requirements.

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. Moreover the housing requirement should not be seen as a maximum and therefore not treated as a ceiling to overall housing land supply. 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*”.

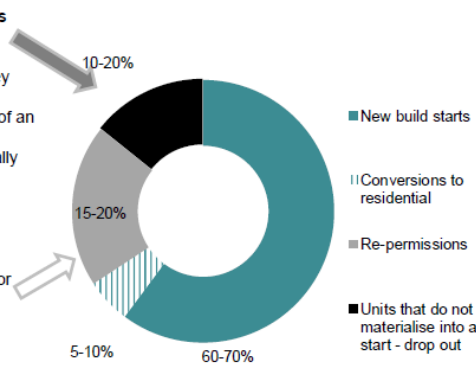


Department for
Communities and
Local Government

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 HBF would not wish to comment on the merits or otherwise of individual sites allocated in the SAP which are in the Council's housing trajectory and its 5 YHLS calculation but it is critical that the Council's assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates contained within its calculations are correct and realistic to provide sufficient flexibility in its land supply. 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.

It is also noted that the Council's latest 5 YHLS calculation is 5.11 years based on the Core Strategy constrained housing figure of 175 dwellings per annum using 5% buffer and no shortfalls. If during the Examination other parties were able to demonstrate that the Council's 5 YHLS position was less than 5 years on adoption of the SAD then the Plan would be unsound because it would fail the soundness tests of positively planned and consistent with national policy.

The Council should consider allocating more sites and / or the release of safeguarded land ahead of the Core Strategy Review in order to significantly boost housing supply. 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.

Policy SAD9 – Key Development Requirements

This policy states that "*the housing mix should reflect the requirements of existing Core Strategy Policies H1, H2 and H4*". However it is noted that these policies are out of date and no longer consistent with national policy in particular Policy H1 refers to Lifetime Homes standards and Policy H2 affordable housing site thresholds are contrary to the Written Ministerial Statement of 28th November 2014.

The policy continues "*housing mix must have regard to any need for self-build plots as indicated on the Council's Self-Build Register*". 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 all housing sites as proposed by the Council. This approach provides no additionality to land supply but merely changes production from one to another type of builder. If the Council wishes to promote self build / custom build it should do so on the basis of evidence of such need. It is not evident that the Council has assessed such housing needs in its SHMA work as set out in the NPPG (ID 2a-021-

20140306) which states that the Council should collate from reliable local information the local demand for people wishing to build their own homes. Furthermore it should be viability tested the NPPG confirms that “*different types of residential development such as those wanting to build their own homes ... are funded and delivered in different ways. This should be reflected in viability assessments*” (ID 10-009-20140306). At the time of this consultation there was no information available on the Council’s website about the self-build needs registered to which developers must have regard. The Council should demonstrate that its Register is a reliable data source identifying genuine needs in specific locations which is regularly monitored and up dated so persons no longer interested in self build / custom build are removed.

Policy SAD9 also requires that all allocated sites must provide Transport Assessments for sites over 80 dwellings and Transport Statements for sites less than 80 dwellings. The Council’s requirements are not clear if the intention is to assess transport impacts then as set out in the NPPF such assessments should only be requested where there is evidence of an identified significant impact.

Conclusions

In conclusion for the South Staffordshire SAD 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 compliant with national policy. The Council should re-consider :-

- the wording of **Policy SAD1** which is imprecise and not in accordance with timescales set out in the Government’s Housing White Paper ;
- the HLS as set out in **Policy SAD2** provides too little contingency therefore safeguarded land identified in **Policy SAD3** should be released sooner ;
- **Policy SAD9** refers to Core Strategy Policies which are out of date and inconsistent with national policy as well as introducing additional onerous policy requirements which are not justified and not properly accounted for in whole plan viability testing.

It is considered that the above mentioned policies are unsound by failing to be consistent with national policy, positively prepared, properly justified and so ultimately ineffective. It is hoped that these representations are of assistance to the Council in preparing the next stages of the South Staffordshire SAD. 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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