



Joint Core Strategy  
Cheltenham Borough Council  
Municipal Offices  
Promenade  
Cheltenham  
GL50 9SA

SENT BY E-MAIL AND POST

10<sup>th</sup> April 2017

Dear Sir / Madam

## **GLOUCESTER CHELTENHAM & TEWKESBURY JOINT CORE STRATEGY (JCS) MAIN MODIFICATIONS 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.

The HBF acknowledge that the proposed main modifications (**PMM007, PMM010, PMM015 & PMM017**) concerning the objectively assessed housing needs (OAHN) and the housing requirement reflect the Inspector's conclusions in the Interim Report dated 26<sup>th</sup> May 2016. It is noted that **PMM010** and **PMM017** both refer to 5% uplift for affordable housing delivery but there are differences in the wording of these modifications which should be reconciled. Furthermore the wording in Policy SP1 (**PMM013**) should be changed from "*approximately*" to "*at least*" 35,175 dwellings. The Inspector's interim conclusion was that the housing requirement figure should be expressed as a minimum figure. The proposed wording is also inconsistent with the figures set out later in Policy SP1 for each Council respectively which are expressed as "*at least*".

It is noted that **PMM067a** refers to 1,500 bed spaces of student accommodation and **PMM070a** refers to 1,558 C2 residential institutional bed

spaces which are additional to the housing requirement. It is suggested that these identified housing needs should be cross referenced earlier in the JCS.

**PMM020, PMM026, PMM028 & PMM029** deal with the distribution of new development, apportionment of housing needs to urban extensions and sources of housing land supply (HLS) which again reflect the conclusions contained within the Inspector's Interim Report. However **PMM028** sets out that the proposed HLS provides for only 31,100 dwellings against a housing requirement of approximately 35,175 dwellings. Therefore there is an overall deficit of 4,075 dwellings of which 1,300 dwellings are in Gloucester and 2,800 dwellings are in Tewkesbury. It is stated that Gloucester is only able to meet its housing needs in the short term up to 2028 / 2029 whereas Tewkesbury's inability to meet its housing needs is almost immediate. Therefore the meeting of housing needs in full over the plan period is reliant on HLS reviews for each authority respectively (**PMM123a & PMM123b**) and then the JCS itself (**PMM123**). In the context of this existing deficit in the overall HLS it is suggested that Policy SD11 as modified by **PMM061** should be less restrictive in order to provide more flexibility and potentially some additionality from sustainable development adjacent to settlements as well as in-filling on previously developed land.

The references to space standards in **PMM066 & PMM068** are unsound for inconsistency with national policy. The Councils should not be referring to Homes & Community Agency standards. These standards have been replaced by the nationally described space standards which are not proposed for adoption as a JCS policy. Therefore the wording "*However until such standards are adopted the JCS authorities will refer to the minimum space standards employed by the HCA and apply these to all types of housing*" should be deleted. Furthermore the wording "... or potentially adopt locally-specified space standards" should also be deleted. If as proposed "*the District Plans may in the future include such a policy*" for the adoption of the nationally described space standard then the Written Ministerial Statement dated 25<sup>th</sup> March 2015 confirms 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*". So if one of the JCS Councils wishes to adopt the nationally described space standard then that Council should only do so by applying the criteria set out in the NPPG. The NPPG sets out that "*Where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies. Local Planning Authorities should take account of the following areas need, viability and timing*" (ID: 56-020-20150327) :-

- Need - It is incumbent on the Council to provide a local assessment evidencing the specific case justifying the inclusion of the nationally described space standard in its Local Plan policy. If it had been the Government's intention that generic statements justified adoption of the nationally described space standards then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. The nationally described space standards should only be introduced on a "need to

have” rather than a “nice to have” basis. The identification of a need for the nationally described space standard must be more than simply stating that in some cases the standard has not been met it should identify the harm caused or may be caused in the future ;

- Viability - The impact on viability should be considered in particular an assessment of the cumulative impact of policy burdens. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council cannot simply expect home buyers to absorb extra costs in an area where there exists severe affordability pressures. There is also an impact of larger dwellings on land supply. The requirement for the nationally described space standard would reduce site yields or the number of units on a site. Therefore the amount of land needed to achieve the same number of units must be increased. The efficient use of land is less because development densities have been decreased. At the same time the infrastructure and regulatory burden on fewer units per site intensifies the challenge of meeting residual land values which determines whether or not land is released for development by a willing landowner especially in lower value areas and on brownfield sites. Alternatively it may undermine delivery of affordable housing at the same time as pushing additional families into affordable housing need because they can no longer afford to buy a nationally described space standard compliant home ;
- Timing - An assessment of impacts should be undertaken. The Council should take into consideration any adverse effects on delivery rates of sites included in its housing trajectory. The delivery rates on many sites will be predicated on market affordability at relevant price points of units and maximising absorption rates. An adverse impact on the affordability of starter home / first time buyer products may translate into reduced or slower delivery rates. As a consequence the Council should put forward proposals for transitional arrangements. The land deals underpinning the majority of identified sites will have been secured prior to any proposed introduction of nationally described space standards. These sites should be allowed to move through the planning system before any proposed policy requirements are enforced. The nationally described space standards should not be applied to any outline or detailed approval prior to the specified date and any reserved matters applications should not be subject to the nationally described space standards.

The reference to Lifetime Homes in this policy is also out of date. It should be deleted.

With reference to Starter Homes in **PMM069** the Councils should consider the Government’s revised proposals for Starter Homes as set out in the recently published Housing White Paper whereby the Councils may deliver Starter Homes as part of a mixed package of affordable housing alongside other affordable home ownership and rented tenures determining the appropriate level of provision for the locality in agreement with developers.

Bullet Points (iii) and (iv) in Policy SD13 - Affordable Homes set out in **PMM070 & PMM071** are contradictory. The lower thresholds for affordable housing provision are only applicable in specific locations in the case of the JCS authorities in the Cotswold Area of Outstanding Natural Beauty (AONB). If the lower site threshold is sought in the AONB only financial contributions are payable on completion of the development. The modification as currently worded is misleading which should be clarified and revised.

Under **PMM071** the provision of affordable gypsy and traveller pitches in Policy SD13 is confusing. This proposed policy requirement should have been incorporated into the Council's whole plan viability testing to assess its impacts on net developable areas, land values and house prices. Such a requirement should also be agreed with the respective landowners / developers of any housing sites effected.

The requirement under **PMM070** (Bullet Point 9), **PMM099** Policy INF8 - Developer Contributions & **PMM100** for the full disclosure of viability evidence and publication of viabilities in full is unacceptable. Site viability assessments contain confidential and commercially sensitive information which developers should not be required to make publically available.

**PMM123** sets out two mechanisms (HLS buffer and rate of completions on sustainable urban extensions) which will "*trigger the need for the consideration of a review*". As set out in the recently published Housing White paper the Government expects Local Plans to be kept up to date and reviewed at least once every five years. In the circumstances of the inability of two out of three JCS authorities (Gloucester & Tewkesbury) to meet the housing requirement in full over the plan period the Councils should be committing to an early review within five years of adoption of the JCS rather than just "*consideration of*" the need for a review. This policy commitment to an early review should include specified dates for the start and finish of the review process. The reviewed JCS should be submitted for examination before the fifth anniversary of the adoption of the JCS.

There should also be greater clarity between **PMM123** and **PMM123a** – Gloucester Housing Supply Review and **PMM123b** – Tewkesbury Housing Supply Review. With regard to Gloucester there should be clear evidence that the shortfall in HLS will only occur in years 11 – 15 and not before. If the shortfall occurs earlier then the JCS is neither positively prepared nor effective in meeting housing requirements in Gloucester.

**PMM124, PMM125** and **PMM126** set out the latest housing trajectory for each JCS authority respectively. The HBF do not comment on the merits or otherwise of individual sites therefore our representation is submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the Council's HLS. However it is essential that the Council's assumptions on lead-in times, lapse rates and delivery rates for sites in the HLS are realistic. 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.

In 5 YHLS calculations the HBF's preferences are 20% buffer applied to both the annualised housing requirement and any shortfalls, which are recouped within five years (Sedgefield) as set out in the NPPG. It is known that the Inspector's Interim Report concluded on the appropriateness of 5% or 20% buffer and the Liverpool or Sedgefield approach for each respective authority. However the recently published Housing White Paper proposes to introduce a Housing Delivery Test from November 2017. It is likely that the GCT JCS authorities will fail this test and therefore in the case of Cheltenham a 20% as opposed to 5% buffer would become applicable which would reduce the Council's 5 YHLS position. The HBF also disagree with the proposed extra step in the Tewkesbury housing trajectory as well as the Liverpool approach to shortfalls (**PMM127**). This additional step in the trajectory further delays the delivery of housing in the Borough. It should always be remembered that this is not just a mathematical exercise but delaying the provision homes for households in housing need. This proposed additional step in the housing trajectory should be removed. All these proposed modifications are compromises attempting to demonstrate 5 YHLS positions on adoption of the JCS. Such compromises are not robust and unjustifiable resulting in 5 YHLS positions that are unlikely to be maintainable either in the short or long term.

## **Conclusions**

For the Gloucester, Cheltenham & Tewkesbury JCS to be found sound under the four tests of soundness set out in the NPPF the JCS must be positively prepared, justified, effective and compliant with national policy (para 182). The HBF consider that without further changes the main modifications identified in this representation are unsound.

It is hoped that these representations are of assistance to both the Councils and Inspector in preparing the final stage of the JCS. If any further information or assistance is required please contact the undersigned.

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



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