

Sent by email to: planningpolicyteam@breckland.gov.uk

28/09/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Breckland Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the draft Breckland Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Duty to Co-operate

The Plan is not sound as there is no effective mechanism in the Local Plan for maintaining co-operation and as such is not effective

We are pleased to see that the Norfolk districts and boroughs alongside the County Council have prepared a strategic framework for the county. Whilst this framework is only in draft, it is a reasonable starting point from which to ensure improved co-operation across the County regarding housing delivery. However, we have concerns regarding the long-term effectiveness of this framework and the fact that its commitments have not been translated into policies within the Local Plan. As such whilst the Council would appear to have met the legal duty to co-operate we do not consider the local plan to offer an effective approach to ensuring that co-operation continues beyond adoption of the Local Plan as required by paragraph 181 of the National Planning Policy Framework.

The NPPF sets out that Local Plans should meet the housing needs of the HMA in full and in order to be effective the plan must consider how it supports delivery of these needs. As such it must be recognised in the Plan the needs arising within other authorities. Without recognition of wider HMA needs and the inclusion of monitoring and contingency measures in the plan there is little certainty of maintaining co-operation once the plan is adopted. At present the Breckland Local Plan makes little mention of delivery across the HMA and has no monitoring framework for considering delivery across the HMA. Unless such policies are included the plan cannot be considered sound. To achieve this the Council must set out in the Local Plan the housing needs for the Housing Market Area and how these needs are distributed and include shared contingency measures that will set out how under performance across the HMA will be addressed.

The approach taken by the Council's within the HMA will mean that if one authority is unable to meet their needs, for whatever reason, then there is no mechanism to ensure that the other authorities in the HMA consider how to address this collectively. This is an important approach to co-operation and ensures that the expectations set out in paragraph 181 of the NPPF, that co-operation is on-going and extends into implementation, is achieved.

We are also concerned that Breckland has decided to prepare a plan to different timescales to the other authorities. Every other authority in the HMA has considered it appropriate to prepare a plan starting in 2016. For the purposes of effective evidence gathering and monitoring across the HMA the Council should have prepared a plan that is in line with its partner authorities. Whilst not a soundness issue in its self, it does indicate an unwillingness to conform with the rest of the HMA and does not suggest a willingness to co-operate should another authority be unable to meet their own needs.

Policy HOU 01 Development Requirement

The policy is unsound as the housing requirement is not justified and is inconsistent with national policy

The Council state that their housing requirement is for a minimum of 15,928 new homes between 2011 and 2036 at 612 dwellings per annum. We consider this assessment of needs to be unsound on the basis that it:

- fails to take adequate consideration of market signals; and
- fails to justify the use of a stepped trajectory

Whilst we have concerns regarding the Council's decision to move away from the published population and household projections and apply a ten-year migration trend, these concerns are minimal given this has had negligible impact on the projections for Breckland. However, we would note that the PPG considers the published projections to be robust and that whilst sensitivity testing is important where there is no indication that the official projections are inappropriate they should be used. The Central Norfolk SHMA provides no justification for moving away from the official projections and the use of a ten-year migration trend. No evidence is given, as outlined in 2a-017 of the PPG, as to any specific local circumstances that would support the Council in deviating from the published projections and as such this approach is unjustified. However, as highlighted above, the difference for Breckland between projections based on the ten and five year migratory trend is ultimately minimal.

The SHMA's response to the market signals for the Central Norfolk HMA is to propose an uplift of 10% across the entire area. This is then reduced to 8.5% as it is considered that the demographic amendment for concealed households represents an element of this uplift. We would agree that the market signals set out in chapter 4 of the 2017 SHMA indicate that an uplift is required. However, we would disagree with the level of uplift that has been proposed. Affordability across the HMA is poor with lower quartile ratio house prices to income being well above the national average. It is also significantly worse in those areas outside of Norwich where ratios are close to or over 9.

There has also been a worsening trend over the last ten years. In Breckland the Lower Quartile (LQ) affordability ratios are now higher than they were prior to the financial crises of 2008 (8.76 in 2015 and 8.52 in 2007). On this indicator alone the Local Plan Expert Group considered an uplift of between 25% and 30% would be appropriate. Other authorities experiencing similar signals have also looked to uplift their OAN by a greater amount than has been recommended for Breckland. Most recently Canterbury uplifted their OAN by 20% on the basis of a LQ affordability ratio of just over 9 and significant long term increases in house prices.

We also consider it necessary for Council to consider an uplift to take account of the high need for affordable housing that has been identified in the SHMA. At paragraph 3.5 of the Local Plan the Council outline that 35.7% of all new homes must be affordable to meet the level of needs identified in the SHMA. Given that PPG states that: *“An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes”* and the Council has indicated that viability limits delivery to just 25% of qualifying developments then an uplift of more than 10% would be appropriate. We would therefore suggest that this level of affordable housing need is also justification for increasing the Council’s total housing requirement.

The approach taken by the Council in offsetting the adjustment made to the demographic base for concealed families and homeless households against market signals uplift is not consistent with paragraph 2a-015 of PPG. This paragraph considers adjustments for suppressed household formation to be part of the demographic starting point rather than an uplift relating to market signals. As described in paragraph 4.109 of the 2015 SHMA these are households that exist but that have not been captured by the household projections and are households that are currently in need of new homes. We consider such households to form part over the baseline need and to subtract them from the market signals uplift is inconsistent with national policy. However, we do not disagree with the Council that the level of concealed and homeless households should be considered an indicator show that a market uplift is required. This indicator alongside affordability ratios, delivery rates and housing costs should all be considered when deciding the degree of uplift. This uplift should be made to the demographic starting point, which would include any demographic adjustments related to suppressed household formation. As such the subtraction of this demographic element from the market signal is not appropriate and is unjustified.

In conclusion we would consider an uplift in excess of 20% to be more appropriate to provide any meaningful adjustment. This would require an annual delivery rate of 682 new homes. This level of uplift is also in line with the level of delivery being proposed in the Government’s latest consultation on the standard methodology of housing needs. Using the proposed standard methodology Breckland would be required to deliver 680 dwellings per annum. Whilst this can only be given limited weight as it is still a consultation and could change, it does give a reasonable indication of the level of uplift in relation to market signals that the Government consider to be reasonable.

Housing trajectory

The Council propose within HOU 01 to use a stepped trajectory in relation to housing delivery in order to extend the period over which the back log in housing will be met. PPG has established that the backlog in housing needs should be met within the first five years of the Plan where possible. The Council have indicated that the stepped trajectory is necessary to reflect the delivery times of the Sustainable Urban Extensions however this does not mean it would not be possible to address the backlog within the first five years of the plan. As such we do not consider the stepped trajectory to be justified and further sites should be allocated for delivery in the first five years of the plan. In particular we would suggest the Council allocate smaller sites which will not only deliver housing within five years but also help smaller developers, a sector the Government is keen to support.

Five-year land supply

The plan is unsound as it cannot show a five-year housing land supply upon adoption

We would agree with the Council that past delivery indicates that a 20% buffer is required. However, we do not support the Council's proposed use of the "Liverpool" methodology for assessing the five-year housing land supply. This is in addition to the stepped trajectory and would further extend delivery of the housing back log across the plan period. As outlined above this approach does not conform with national policy and the five-year supply should be calculated on the basis of meeting the backlog of housing needs within the first five years of the Plan. Concerns were also raised by the Local Plan Expert Group with regard to what they saw as double counting when using a stepped trajectory and the Liverpool methodology. In Appendix 13 of their report to Government they state in relation to the use of the Liverpool methodology "... *this might also be addressed by in a stepped trajectory so the application of the 'Liverpool' rather than 'Sedgefield' might represent double counting*".

However, even if the back log is spread across the whole plan period the Council does not have a 5-year housing land supply. Using the Council's 'Statement of Five Year Housing Land Supply 2017' we calculate that on adoption there would only be a 4.9-year land supply using the Council's proposed approach. Using the stepped trajectory and the Sedgefield methodology results in an even worse position with the Council only having a 4.2-year land supply. If the Council were to follow PPG with no stepped trajectory and backlog being met in the first five years then the position is even worse as they would only have a 4-year housing land supply.

Five year supply with stepped trajectory

	Liverpool with 20% buffer	Sedgefield with 20%
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Basic five year requirement 2017/18 to 2021/22	2920	2920
Backlog 2013/14 to 2016/17	176	669
total 5 year requirement 2017/18 - 2021/22	3096	3589
20% buffer applied	3715	4307
Supply 2017/18 to 2021/22	3605	3605
surplus/shortfall	-110	-702
Years supply in first five years	4.9	4.2

Without a five-year land supply on adoption the plan cannot be considered sound and even using a stepped approach and the Liverpool methodology the Council do not have sufficient supply to meet needs. All this indicates that the on the basis of the five-year housing land supply the Plan is not sound. As set out above the Council must allocate more sites that can be delivered in the first five years of the Local Plan in order to secure a more robust housing land supply.

HOU 02 – Level and Location of Growth

This policy is unsound as it is unjustified

As set out above the level and location of growth set out within HOU 02 cannot be justified as the Council cannot show that there is a five-year housing land supply. Consideration will need to be given to increasing allocations Local Service Centres and identifying those Villages with Boundaries which are able to support additional allocations. In particular the villages of Beetley, Carbrooke, Mundford, Saham Toney and Yaxham have all been identified as villages with boundaries and as such have not been identified specifically for a housing allocation despite being accessible by public transport, containing a school and having community facilities, with Yaxham containing all the services expected of Local Service Centre. In addition, these settlements are of the same scale as many of those identified as local service centres and further allocations could be supported by service improvements allowing these settlements to perform in the higher tier of the hierarchy. We consider each of these settlements could support further development and should have a housing target and allocations set out in the Local Plan.

HOU 07 Affordable Housing

This policy is unsound as it is unjustified and not effective

The Viability Assessment has not taken into account all the costs associated with the policies set out in the Local Plan. The impact of the requirements on residential development in HOU 10 – Technical design standards and policy ENV 04 - Open space, sport and recreation have not been considered as part of the whole plan viability testing as is required by both the NPPF and PPG. The Viability Assessment sets out a very marginal picture of viability across the Borough. This assessment has led to a reduction in the affordable housing contribution from the Council's initial policy of a 36% contribution and shown that the impact of even rates of CIL as low as £50 per square metre as having an impact on viability and the ability of development to deliver the 25% affordable housing requirement. The combination of both HOU 10 and ENV 04 could have a significant impact and must be tested if this policy is to be effectively justified.

Part iv of this policy requires affordable rented accommodation to be provided in perpetuity, however, given the Government's drive to widen the scope of the right to buy to include homes provided by Housing Associations there must be questions as to the effectiveness and legality of this policy. Whilst this is a Voluntary Right to Buy scheme there are provisions support this in the Housing and Planning Act 2017 and this policy could limit the involvement of Housing Associations in this scheme and the objective of Government to widen home ownership. Therefore, to require this policy is not consistent with Government policy on the right to buy.

HOU 10 - Technical design standards

Policy is unsound as it has not be justified

Paragraph 56-007 sets out the evidence required in order to justify the implementation of the optional technical standard for accessible buildings. One of the key elements of this policy is the need to ensure that the Council has considered the impact of this standard on viability. There is a considerable cost impact relating to these higher standards and it is essential that these are assessed as part of the whole plan viability assessment. Having examined the Local Plan and CIL Viability Assessment 2017 we cannot find any reference to the optional standards for accessible homes and therefore the inclusion of these standards in HOU 10 is unjustified. We note that the Council have mentioned that further supporting evidence is set out in the "Optional Technical Standards" Topic Paper however this has not been published under the Council's evidence base.

COM 02 – Healthy Lifestyles

This policy is unsound as it is not justified or effective.

We recognise the importance of ensuring new development supports the wider aims of local authorities and their partners to improve the health and well-being of their residents and workforce. However, the requirement for all large and complex applications to undertake a Health Impact Assessment (HIA) and all applications to demonstrate how they have mitigated any potential negative effects on health is unnecessary and an additional burden on applicants. The PPG sets out that HIAs "*may be a useful tool to use where there is expected to be significant impacts*" but it also

outlines the importance of the local plan in considering the wider health issues in an area and ensuring policies respond to these. As such Local Plans should already have considered the impact of development on the health and well-being of their communities and set out policies to address any concerns. Where a development is in line with policies in the local plan an HIA should not be necessary. Only where there is a departure from the plan should the Council consider requiring an HIA.

Conclusion

For the Breckland Local Plan to be found sound it must pass the four tests set out in paragraph 182 of the NPPF. At present we consider the Publication Local Plan to be unsound due to:

- Under-estimation of objectively assessed housing needs
- Inflexible housing delivery with no five-year housing land supply
- An unjustified affordable housing requirement
- Unjustified policies in relation to housing standards
- Unjustified and Ineffective requirement for HIAs

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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