

Sent by email to: local.plan@hertsmere.gov.uk

30/11/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Hertsmere Local Plan Issues and Option Consultation

Thank you for consulting the Home Builders Federation (HBF) on the Issues and Options consultation. 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.

Our comments have looked to address the broad questions that the council is seeking answers to within the consultation, namely – how much growth is required and where should it go? We trust you will find these comments helpful and if you require any clarification please contact me.

How much growth?

We note that in your consultation you raise the Government's consultation with regard to the standard methodology for assessing housing needs. As we have mentioned to other local planning authorities whilst we agree that the standard methodology has limited weight it does give a better understanding as to the Government's direction of travel with regard to both the robustness of the ONS projections and the degree of uplift required to respond to market signals.

At present the approach taken by the Government effectively caps Hertsmere to 40% above its Core Strategy housing requirement due to that plan being adopted less than 5 years ago. However, I am sure the Council are aware in January 2018 the Plan will be older than 5 years and the standard methodology would be based on the Government's household projections. These are likely to be much higher and the Council should seek to plan for a requirement of significantly over 600 dwellings per annum on the basis of the latest household projections and data on market signals.

What is most concerning with regard to the Council's current assessment of housing needs is the response to market signals. Affordability is clearly a concern both in Hertsmere and across the HMA and this issue now appears to be significantly worse than when the SHMA was prepared. One example of this is the Lower Quartile

affordability ratios. The SHMA identifies that in 2014 these stood at 10.98 having increased significantly from their 2009 low of 8.73. The latest data for 2016 shows that these have increased to 15.13. This is a substantial worsening of the affordability situation in Hertsmere and one that needs to be better addressed in the Council's housing requirement. We appreciate that the Council's housing needs are likely to be set using the standard methodology but given the most up to date information the positive approach would be to starting considering how it can meet a much higher number than is currently set out in the SHMA.

It will also be essential for the Council to work closely with other authorities in its HMA to ensure that housing needs are met. At present this co-operation has largely been ineffective and more must be done to ensure effective delivery across the HMA. We would also suggest that the Council considers whether or not it can support neighbouring authorities that are not in the HMA in meet their needs. In particular the Council should consider the fact that London Boroughs are struggling to meet their current housing requirements. In addition, the Mayor has recently stated the capital's annual housing needs are over 60,000 and we would suggest that it will prove difficult for the capital to meet this need and will require the Council to have early and detail discussions with the relevant London Borough's and the Mayor of London.

Whilst the Council have had a requirement for 35%-40% affordable housing target in the past it is essential that when establishing this position, the full costs of policies in the plan are taken into account. The most recent data on housing delivery set out in the Authority Monitoring Report 2013/14 suggests that the Council have only been able to deliver 26% of homes as affordable housing. This would suggest that the Council may have set its policy too high in the past and that viability testing has in the past not been reflective of the costs of house building within the area. Until the full parameters are considered the Council cannot accurately establish their policy position with regard to affordable housing. For example, the impact of any new policies in relation to self-build homes, and optional technical requirements, additional infrastructure requirements will need to be taken into account.

Where should new development be built?

The approach taken by the Council in delivering new development is likely to require a combination of each of the approaches highlighted. What is most important is for the Council to ensure that it has a mix of sites that will deliver across the plan period. The Government have set out in recent consultations their intention to create a more diverse housing market that supports both large and small housebuilders. For this to happen Council will need to allocate a range of sites both in terms of size and location. An improved mix of sites will also allow the Council to deliver homes more evenly across the plan period. If the Council chooses to rely on strategic sites this will inevitably delay delivery until later in the plan period meaning a delay in meeting housing needs. Such an approach is also riskier with delays in delivering strategic sites leading to the Council failing to meet its housing needs. We would therefore suggest that the Council seeks to develop a balanced approach to its new local plan that seeks deliver new homes evenly across the plan period from a range of sites.

As part of this section the Council outlines the type of infrastructure expected to come forward in the different development scenarios. We were surprised to see that the Council would expect developments as small as 100 homes to provide on-site primary school places and additional healthcare provision. There may be some additional needs in these areas but the Council must be clear as to what the existing capacity of the local infrastructure is first. Ageing populations, especially in rural communities, can see school roles falling with new development providing the necessary increase in population to ensure a school's future is secured. It is also unlikely that an individual development of 100 homes would, on its own be sufficient to support infrastructure such as additional healthcare provision. The Council will need to consider the cumulative impacts of such development in one location in partnership with the Care Commissioning Group to establish an increase in provision.

In general, we would expect smaller developments to support infrastructure through the Community Infrastructure Levy where there is limited scope for more meeting infrastructure requirements on-site. On larger sites there may be scope for development to deliver strategic infrastructure on site and for these developments to "consume their own smoke". In such case the Council will need to be clear as to what is being delivered through S106 contributions and what is being paid for through CIL. The Council will need to be clear whichever approach it takes to meeting housing needs that it takes full account of the infrastructure required and how this is going to be delivered and ensure that it does not place undue financial burdens on development.

Yours faithfully

Mark Behrendt
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 020 7960 1616