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13/12/2017

Dear Sir/ Madam

**Response by the House Builders Federation to the Regulation 19 consultation on the Vale of Aylesbury Local Plan**

Thank you for consulting the Home Builders Federation (HBF) on Vale of Aylesbury Local Plan (VALP). 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.

**We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.**

**Duty to Co-operate**

**We do not consider the Council's approach to the duty to co-operate is consistent with national policy.**

It would appear from the evidence that Aylesbury Vale District Council (AVDC) have met the legal requirements of the Duty to Co-operate in relation to meeting housing needs for the Housing Market Area (HMA). There is a clear agreement between the Council's in the HMA to meet needs in full with the unmet needs from the other authorities in the HMA be provided for by Aylesbury Vale District Council (AVDC). This is set out in policy S2 and we welcome the broad approach that has been taken by the Councils in seeking to meet the needs of the HMA.

However, we are concerned that this co-operation is based on a housing needs assessment that seeks to significantly reduce the overall level of housing need for the HMA compared to official projections. In particular the latest assessment of housing need has reduced the demographic starting point for AVDC, and subsequently its objective assessed housing need (OAN). This has in turn provided greater scope for the needs of the other authorities in the HMA to be met by AVDC. We consider the approach to assessing housing needs is flawed and that there is significantly less capacity in AVDC than is being suggested. In fact if the standard methodology were to be applied across the HMA, and current distributions maintained, there would be even less scope to meet the full needs of the Housing Market Area.

If the full needs of the HMA cannot be met, which would appear to be the case at present then the policy requirements of the duty to co-operate as set out in 178 to 181 of the NPPF will not have been addressed. To ensure the plan is compliant with the policy requirements of the duty to co-operate further consideration as to how the needs of the HMA will be met in full will be necessary.

Our key concerns regarding the assessment of needs is set out below.

### ***Housing needs***

In our earlier comments on housing needs to the AVDC we raised concerns regarding the January 2016 Housing Economic Development Needs Assessment (HEDNA) and the reduction in housing needs compared the 2015 HEDNA. However, since the regulation 18 consultation the HEDNA has been updated again to take into account the latest 2014 based population projections published in the summer of 2016 which has resulted in a significant reduction on the assessment of housing needs. We would support the Council in undertaking such an update which is in line with Planning Practice Guidance, however, we are surprised as to the outcomes of the update. Having examined the 2014 based Household Projections for the HMA we note that between 2013 and 2033 total households were 1,925 higher than those in the 2012 based projections. The updated HEDNA though sets out a distinctly different projection of household growth. Between 2013 and 2033 the updated HEDNA expects the demographic starting point for assessing housing needs to be 2,826 less than the previous HEDNA using the 2012 based household projections. It seems surprising that the updated HEDNA would see the opposite trend to the official projections. Despite this significant discrepancy we cannot find any explanation as to why the upward trend in the official projections leads to a reduction in households using the Council's methodology.

Of particular concern is the fact that the latest HEDNA anticipates that AVDC are expected to see household growth that is significantly lower than that set out in the original HEDNA. The reason why this concern is so important is that AVDC are expecting to meet the unmet needs arising from the other authorities in the HMA. The updated HEDNA shows a reduction in the total number of households expected to form during the plan period in AVDC from 18,144 households using the 2012 based projections to 16,933 using the 2014 based data. However, the 2014 based household projections expected there to be 2,623 more households in 2033 than was expected in the 2012 based projections. So, despite the 2014 based household projections showing an increase when compared to the 2012 projections the updated HEDNA projects a reduction in household growth for AVDC. As mentioned above, there is no explanation as to why this has occurred and given that it has enabled the HMA to meet its needs we would have expected this to be addressed in the evidence supporting the plan. In fact, the most recent HEDNA continues to claim in paragraph 9 that the growth identified for AVDC is "marginally lower" than the CLG starting point. We would suggest that a reduction of 4,095 households is more than "marginally lower".

It is essential that the Council's in the HMA provide a clear justification as to the reason for this significant reduction in the demographic starting point. There are inconsistencies with both previous projections provided by the Council and those provided by the Government and ONS. The approach taken by the Councils is not clear and is one of the reasons why the Government have been looking to apply a standard methodology for assessing housing needs. However, even before the latest consultation Planning Practice Guidance (PPG) sets out that Government considers the official household projections to be robust stating in paragraph 2a-017:

*“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions.”*

The latest consultation 'Planning for the Right Homes in the Right Places' reiterates this position with the standard methodology being based on the household projections. Paragraph 16 of the consultation document states:

*“The Office for National Statistics' projections for numbers of households in each local authority are the most robust estimates of future growth.”*

We recognise that the PPG allows for some sensitivity testing but it also requires these to be based on robust evidence. So whilst our initial response was positive, despite our usual concerns regarding the use of the 10 year trend, there is insufficient justification as to why the latest projections for the HMA have substantially reduced household growth for AVDC from the original HEDNA and, most importantly, why they have moved in the opposite direction to the DCLG household projections.

The latest consultation also sets out that across the HMA the Government would expect the new methodology, if implemented, to require a more significant level of housing delivery. Based on the Standard Methodology the HMA would need to deliver 3,039 dwellings per annum (dpa) compared to the 2,269 dpa that is the Councils' assessment of housing need. With regard to the duty to co-operate and meeting needs across the HMA there must be a concern that AVDC's needs assessment is 534 dpa lower than the standard methodology. Given the constraints expressed by the other authorities there will clearly be a need for AVDC to consider a further increase in its housing requirement in order to address an ever increasing level of unmet need in the HMA.

There have also been wider concerns regarding the tendency of local authorities within this area to underestimate the levels of housing needs. The recent National Infrastructure Commission (NIC) report<sup>1</sup> on the Cambridge-Milton Keynes-Oxford Arc identified the tendency for local planning authorities in this area to run assessments that produce lower level of housing need than official projections. On page 26 of this report the NIC states:

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<sup>1</sup> Partnering for Prosperity: A new deal for the Cambridge-Milton-Keynes Oxford Arc (National Infrastructure Commission 2017)

*“... there is good reason to believe that the methodology used in undertaking assessments of local housing need can be conservative and mask high levels of unmet need.”*

It would appear that the tendency to underestimate housing need is prevalent across this region. If the long term economic growth and infrastructure plans that are required for this area are to be realised then the assessments of housing need must not seek to suppress official demographic projections.

In conclusion we do not consider that the level of housing needs, as set out in the updated HEDNA, to have been sufficiently justified. In particular we do not consider the substantial reduction in household growth using the government's 2014 based data to have been adequately explained. These reduce the overall level of need for the HMA and thus enabling the HMA to meet its needs. If the lower level of need set out in the latest HEDNA cannot be justified then this will have significant implications for the progression of the other Local Plans in the HMA due to the significantly reduced additional development capacity in AVDC.

In addition there is potential for the level of unmet need from the other authorities to be higher than initially considered. Whilst only limited weight can be given to the consultation as a whole it does give the clearest position yet as to the degree to which market signals should be taken into account. This would suggest that housing needs across the other authorities in the HMA could also have been underestimated leaving a more significant degree of unmet needs than has been considered by AVDC and its partners.

So, whilst the co-operation would appear to be effective it is potentially based on erroneous evidence. If there is insufficient justification for the reduction in housing needs resulting from the updated HEDNA then there will be a need for the authorities in the HMA to revisit their collective approach to meeting housing needs.

We would also like to mention that it would have been beneficial for all parties had the authorities in the HMA taken a more strategic approach in preparing their Plans to allow housing needs to be considered by a single inspector. This enables the approach to assessing and meeting housing needs for an HMA to be considered just once and would avoid repetition of debates. We have seen across the Country that a decision on OAN for an HMA at one EIP can make it difficult for any inspector at subsequent EIPs using the same evidence to potentially disagree with a colleague. As such we welcome approaches to strategic planning such as those taken in the North Essex HMA where a strategic plan for the whole area has been prepared and allows housing needs across the three LPAs concerned to be considered at the same time.

## **S2 Spatial strategy for growth**

The policy is unsound as the delivery expectations to support the other authorities in the HMA are unjustified

As set out above we have concerns as to the approach taken by the Council in assessing the housing needs for the HMA and in particular the OAN for AVDC. We do not consider that there is sufficient justification to reduce the demographic starting point for AVDC and that the DCLG household projections remain robust and should be used as the baseline for assessing needs. If the household projections were used as the starting point for considering needs and a 10% uplift were applied, as recommended in the HEDNA, then AVDC's OAN for the plan period would be 23,129 (1,156 dpa). As such the Council would continue to be able to meet its own needs but there would be less capacity to support the other authorities in the HMA. However, given the Government's latest consultation we would suggest that a 10% uplift for AVDC is too low and we would suggest it be reconsidered prior to submission.

So whilst we welcome the approach taken by AVDC to set a housing requirement of 27,400 new homes we do not consider the level of growth to be sufficient to support the other authorities in the HMA to the degree stated. This will require the Council and its partner authorities to reconsider its approach to meeting the needs of the HMA. If current distributions of need are continued then AVDC will need to include additional allocations to offset the limited delivery elsewhere in the HMA. Alternatively the other authorities could seek to increase their own housing requirements to make up for the shortfall. We recognise that not all the LPAs in the HMA are at the same stage of plan preparation and if further allocations cannot be made in this plan the policy must set out the need for an early review based on the final requirements of the other LPAs in the HMA.

The policy should also establish that the housing requirement as the minimum number of homes that will be delivered. This is important in order to ensure that growth beyond the requirement is supported by the Council. This would also be consistent with the positive approach to planning required by paragraph 14 of the NPPF and the Council's own position in table 1 of the VALP, which sets out the expectation that 28,850 new homes will be delivered.

### *Housing trajectory*

The HBF does not comment on the merits or otherwise of individual sites therefore our representations are submitted without prejudice to any comments made by other parties on the deliverability of specific sites included in the overall housing land supply, the five-year housing land supply and housing trajectories. However, we want to stress the importance of having realistic delivery expectations within any allocations to ensure the deliverability of the plan across its lifetime. This is particularly important where there is a reliance on strategic sites to deliver the majority of new homes within the plan period. Delays to the delivery of strategic sites for any number of reasons could lead to the LPA not being able to meet its housing requirement. A more cautious assessment of delivery on strategic sites offset with the allocation of smaller sites will offer a more flexible and sound housing trajectory.

### **H1 – Affordable housing**

The policy is not sound as it is unjustified and inconsistent with national policy

Whilst we appreciate that the Council were looking to test scenarios prior to setting policies, it would appear that full consideration has not been given to the cumulative financial impact of those policies as required by paragraph 173 of the NPPF. For example, the policies on electric vehicle charging and accessible homes have been considered separately and only with regard to a 50-unit mixed scheme. In addition, the requirements in policy H4 concerning the optional accessibility standards have not been tested. The nearest assumption is for 70% M4(2) and 5% M4(3). Significantly lower than the requirements of policy H4. Until further testing is carried out on the cumulative impact of the policies as set out in the Local Plan it is not possible for the Council to state that the Local Plan will not threaten the viability of development in the area.

We consider that the wording of the policy is not consistent with the core planning principles set out in the NPPF and the requirement established in paragraph 17 for Local Plans to:

*“... provide a practical framework within which decisions can be made with a high degree of predictability and efficiency”.*

The policy states that the Council will require “a minimum of 25%” of all homes provided on appropriate sites to be affordable. This suggests that in some circumstances the Council will seek a high proportion of affordable housing provision and increases the uncertainty for the decision maker and applicant as to what the appropriate amount of affordable housing provision should be. This is of increasing concern to our members who, where affordable housing policies are set as minimums, are being asked to provide evidence to justify meeting the minimums. There is a real danger that such policies will generate additional and unnecessary justification for policy compliant schemes.

In order to make this policy consistent with national policy we would suggest that the word “minimum” is removed. This will provide the necessary certainty required of such a policy for both decision maker and applicant.

## **H5 – Self/Custom Build Housing**

The policy is unsound as it is not consistent with national policy and is ineffective.

Whilst we support the encouragement of self-build housing through the local plan we consider the requirement for sites of over 100 to provide an unstated number of self-build plots is not justified and inconsistent with national policy. Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing we do not consider the Council to have looked at sufficient options with regard to how it can provide plots to support self-builders. Paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered – including the use of their own land. This is reiterated in para 57-14 of the PPG which sets out the need for Council’s to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. We cannot find any evidence as to the Council’s consideration of other reasonable approaches to delivery as suggested in PPG. Without

such consideration it would appear that the Council is seeking to place the burden for delivery of self-build plots on house-builders without looking sufficiently at other delivery mechanisms as set out in national guidance.

We also consider the policy to be inconsistent with the third bullet point of paragraph 57-025 of PPG. This outlines that the Council should engage with landowners and encourage them to consider self-build and custom housebuilding. The approach taken by the Council moves beyond encouragement and requires land owners to bring forward plots. We would therefore suggest that the policy be deleted and replaced with a policy that seeks to encourage the provision of self-build plots on developments of over 100 units.

Where plots are not sold it is important that the Council's policy is clear as to when these revert to the developer. At present this policy makes no such provision, as such it is ineffective. We would suggest that the policy state that if a plot remains unsold after 6 months of it being offered on the open market then it should revert back to the developer to be delivered as part of the overall scheme. We would also recommend that if development of a purchased plot has not commenced within three years of purchase that the buyer be refunded and the plot reverts to the developer. It is important that plots should not be left empty to detriment of its neighbours or the development as a whole.

## **H6 – Housing mix**

### Parts of the policy are unsound as they are not justified

We do not consider the Council to have justified the requirement for all homes to be built to part M4(2) and for 10% of market homes and 15% of affordable homes to be built to part M4(3). With regard to Part M4(2), the evidence in the HEDNA suggests that as the population is ageing then all new homes should be made accessible to ensure those older people who do move are able to acquire an accessible home. However, the HEDNA itself outlines that many of the existing older people are unlikely to move from their current homes and as such there is likely to be significantly less need for new homes to be built to part M4(2). It is also likely that many of those who do move will move to accommodation specifically built to meet the needs of older people and not to general market housing. As such we do not think it is justified for all new homes to be built to part M4(2) solely on the basis that there is an ageing population.

The proposal to require 10% of market homes as being M4(3) is contrary to national policy. PPG sets out in paragraph 56-009 that the standard for wheelchair accessible homes only to properties where the local authority is responsible for allocating or nominating a person to live in that dwelling. This means that M4(3) can only be applied to affordable homes and the policy should be amended to reflect this position.

We accept that there may be some need to ensure a proportion of new affordable homes are wheelchair accessible. However, we do not consider there to be sufficient evidence to support a policy requiring 15% of all affordable homes as being built to Part M4(3). Firstly, the Local Plan sets out that nationally 7.1% of households living in

affordable accommodation which suggests that provision at 15% is much higher than the number of wheelchair users requiring such homes. Secondly, no consideration has been given, as required in PPG, to the existing stock of affordable homes that are already accessible to wheelchair users. Without this evidence the Council cannot be certain as to whether there will currently a surplus of such homes within the Borough.

It is also the case that the Council's viability assessment has not tested the viability of providing the level of accessible housing set out in this policy. As set out above in our representation on policy H1 the proportion of homes to be provided as either M4(2) or M4(3) has not been tested. In addition, it has only been tested with regard to one scenario – a 50-unit mixed development. As the full cumulative impacts of the policies set out in the plan have not been tested we do not consider there to be sufficient justification to support the proportion of homes required by the policy to conform to the optional accessibility standards.

### **H7 Dwelling sizes**

#### This policy is unsound as it is not consistent with national policy and is unjustified

The policy is not consistent with the approach to setting internal space standards in PPG. Paragraph 56-018 to 56-023 set out that if a Local Planning Authority has sufficient evidence to support the introduction of minimum space standards they should only do so by reference to the national described space standards. Any other approach taken to setting space standards must, therefore, be considered unsound. However, in addition to this fundamental principle the Council state in paragraph 5.68 there is no evidence to suggest that homes are coming forward below the nationally described space standards. If this is the case then seeking to apply an alternative standard is unjustified and unhelpful as the wording of this policy provides no clear guidance as to what should be considered "sufficient internal space".

Such a subjective assessment could lead to confusion amongst both the decision maker and the applicant. This policy is therefore inconsistent with one of the core planning principles set out in paragraph 17 of the NPPF which states that local plans should provide a:

*"practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency"*

We would also suggest that is inconsistent with paragraph 154 which states:

*"Only policies that provide a clear indication as to how a decision maker should react to a development proposal should be included in the plan"*

Given these clear inconsistencies with national policy and guidance policy H7 should be deleted from the Local Plan.

### **T5 Vehicle Parking and T7 Electric Vehicle Infrastructure**



### These policies are unsound as they are ineffective

Within both these policies the Council will look to set out elements of both these policies as in Supplementary Planning Documents (SPD). However, we do not consider it appropriate to set out in SPD elements of a policy (namely the number of charging points, the minimum internal size of a garage and the level of parking) that will have a direct role in the determination of planning application. As such they must be set out in policy and open for debate at the Examination in Public. Without these details it is impossible to consider the impact of these policies on viability, whether they are justified and ultimately whether they will be effective.

### **Conclusion**

At present we do not consider the plan to be sound. Whilst we are pleased with the significant progress the Council has made in meeting its own needs and those of the HMA we do not consider the Council has met the tests of soundness on the following areas:

- Policy S2 sets out the degree to which AVDC is meeting the needs of other authorities in the HMA but these are based on an unjustifiably low OAN. This potentially impacts on the soundness of this policy and whether the HMA is meeting its needs in full as required by the NPPF.
- The policy on affordable housing has not been adequately justified and does not provide sufficient flexibility
- Policy H5 on self-build housing is inconsistent with national policy and is ineffective as it does not consider how unsold sites will be treated.
- Requirements relating to accessible homes have not been sufficiently justified either on the basis of needs or viability.
- Policy H7 on dwelling size departs completely from the approach set out in PPG and as such is inconsistent with national policy, unjustified and ineffective.
- Policy T5 and T7 on parking and Electric Vehicle Infrastructure set out that the level of provision required will be set out in SPD. These elements of the policy will inform decision makers and should be considered as policy. As such they should be included in the Local Plan.

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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