

Sent by email to: planningpolicy@broxbourne.gov.uk

21/12/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Broxbourne Local Plan Pre-Submission Consultation

Thank you for consulting the Home Builders Federation (HBF) on the Broxbourne 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.

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.

Whole Plan Viability

The plan is unsound as there is no viability assessment supporting the plan and as such is unjustified. Should new viability evidence be prepared and submitted with the plan we would not consider the plan to be legally sound.

We are concerned that the Council has not undertaken a whole plan viability assessment to test the cumulative impacts of the policies in the Local Plan as required by paragraph 173 of the National Planning Policy Framework. It would appear from the evidence base that the Council is relying on the affordable housing viability assessment from 2010 and a CIL economic viability assessment prepared in 2012. Having searched the Council's evidence base we cannot find any more up to date studies and we must assume the Council is relying on these studies. These studies have not tested the cumulative impact of the policy assumptions in the local plan and as such the plan cannot be considered to be sound.

Should the Council update this evidence then it will need to re-consult on the proposed submission local plan. If it submits the local plan with an updated viability study we would not consider the publication stage to have been completed in line with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. Regulation 19(a) states that the local planning authority "*must make a copy of each of*

the proposed submission documents ... available in accordance with regulation 35". Details of what is considered to be a "*proposed submission document*" are set out in Regulation 17. Part (e) of Regulation 17 establishes that supporting documents used in the preparation of the local plan, such as the viability assessment, should be considered as submission documents.

Duty to Co-operate

The Council has undertaken its objective assessment of housing needs on the basis that Broxbourne is its own housing market area (HMA). This would appear to be a largely pragmatic decision on the basis that of the Borough's strongest relationships are with Enfield to the south and East Hertfordshire to the north. As both these authorities consider themselves to be in different HMAs we appreciate that this limited the Council's options. We do not necessarily have an issue with such an approach, especially around London where migration and travel to work patterns are complex. However, it is essential that authorities who take such an approach consider fully the housing needs of surrounding authorities and whether or not these needs have been met.

We note that the Council has signed a memorandum of understanding with Welwyn Hatfield outlining that Broxbourne cannot help in meeting their unmet needs but that no other MOUs have been established with neighbouring authorities. Given that Broxbourne is constrained by the Green Belt it is important that the Council looks to agree MOUs with its neighbours to establish clear working relationships with regard to housing delivery. As well as establishing the relevant position of neighbouring authorities MOUs could also be used to agree shared approaches to plan review and ensure that, in future, plans in the area are better aligned. Such agreements will enable LPAs across this area to provide a consistent approach to housing needs assessments and delivery.

Despite the Mayor of London suggesting that the Capital will be able to meet its housing needs we would also suggest that it is important for the Council to establish whether relevant London Borough's to the south of Broxbourne are able to meet the Mayor's new housing targets. These are significantly higher than in the previous London Plan and most significantly seek to deliver more housing in outer London Boroughs. For example, the Council have identified a significant migratory relationship between Enfield and Broxbourne. In the new London Plan Enfield's housing target will increase from 798 dpa to 1,878 dpa with an expectation that they will deliver 18,760 homes over the next 10 years.

Whether or not London has the capacity to deliver this level of housing will be challenged at the EIP of the London Plan. If it is established that this level of need cannot be met then discussions will need to take place between London Borough's and their neighbours outside of the capital. Whilst the Mayor does not consider that he has a duty to co-operate with regard to the London Plan he has recognised in paragraph 2.2.8 that it will be necessary for individual authorities to co-operate with areas beyond London. The Council will need to establish with Enfield whether this level of housing

delivery is realistic, and whether or not they will need to consider a review of their plan should Enfield be unable to meet their housing requirement.

We would suggest that the Council ensures that it has clear agreements with its neighbouring authorities with regard to their position housing delivery prior to the submission of the plan to ensure that it can be considered sound. It should also consider including triggers within the plan to review delivery should relevant authorities be unable to meet their own housing needs.

Policy DS1: The Development Strategy

The policy is unsound as the housing requirement is unjustified and inconsistent with national policy

The policy indicates that the objectively assessed needs for housing (OAN) to be 7,718 homes between 2016 and 2033, an annual target of 454 dwellings per annum. This OAN uses the Department for Communities and Local Government 2014 based household projections which has been uplifted by 10% to take account of market signals. We would agree the 2014 projections provide a reasonable demographic starting point, however, we consider the proposed uplift for market signals within the Borough to be inadequate and, as such, the housing requirement in DS1 to be unjustified and inconsistent with national policy. We consider the issue of market signals below.

Market signals

Planning Practice Guidance sets out the need for Local Planning Authorities (LPAs) when assessing their housing needs, to consider market signals. Where these signals indicate that there is likely to have been suppression of household growth then an uplift will be required. PPG does not set out any information as to the scale of uplift that should be provided and only establishes that this should be reasonable, and that where indicators of high demand are strongest a larger uplift to supply will be required. Because of this the approach to market signals across the Country has been mixed. However, recently there have been a number of local plans where uplifts of 15% and 20% have been proposed on the basis of market signals similar to those found in Broxbourne. In north Essex for example Braintree and Cheltenham have both proposed uplifts of 15% and 20% respectively where affordability of housing is similar to Broxbourne. To the south of London recent examinations in public have seen Inspectors support uplifts of 20% at Canterbury, Mid Sussex and Waverley.

The lack of clarity on market signals has now been partly addressed with the publication of 'Planning for the Right Homes in the Right Places' early this year. This consultation set out the Government's proposals for assessing housing need using a standard methodology. Whilst this consultation and the methodology cannot be given any significant weight there we consider it to provide evidence as to the degree which the Government thinks market signals relating to affordability should be considered. It is clear from the consultation that where affordability ratios show house prices to be more than four times local salaries then uplifts should be applied. The degree of uplift is also

significant and, for example, where house prices are 8 time median salaries the uplift should be 25%. This approach is more in line with the approach suggested by the Local Plan Expert Group rather than the relatively limited response that has been made in many SHMAs since the introduction of PPG.

The market signals for Broxbourne would suggest that the current uplift of 10% is not sufficient and fails to provide the response to affordability concerns that is expected by Government. Both median and lower quartile resident affordability ratios are high at 10.16 and 10.80 respectively. Affordability is even worse when considered against average earnings within Broxbourne. It would require over 11 times the average lower quartile salary in the Borough to buy a home valued in the lower quartile of local house prices. On the basis of the Government's proposed uplifts in 'Planning for the Right Homes in the Right Places' the Council would be expected to apply uplifts of greater than 25% to their demographic starting point. It is not just affordability ratios that suggests a 10% uplift for market signals is insufficient. House prices have seen rapid increases in recent years. Lower quartile house prices have increased by 60,000 since 2013, rising by £40,000 in the last year. This suggests that affordability is as much to do with rising house prices as to their relative value against the back drop of low wage inflation.

Another contributing factor to the worsening affordability seen within Broxbourne is the low rates of development that have been seen within the Borough. Figure 4.1 of the 2017 Update to the SHMA shows persistent under delivery against previous housing targets. Considering that these targets were capacity constrained when being prepared for inclusion in the Regional Spatial Strategy there has clearly been an undersupply of new homes. This will have contributed to the affordability concerns seen in Broxbourne, and indeed across Hertfordshire with the supply of new homes being unable to meet the high level of need being experienced.

Finally, PPG requires local authorities to consider the likely delivery of affordable housing in terms of the proportion of mixed market and affordable housing schemes. 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*". Where affordable housing need is high we consider this to be a clear validation of the need for a significant market signals uplift. Broxbourne's need for affordable housing is considerable. Depending on the income threshold it is stated in paragraph 4.89 of the SHMA that needs represents between 58% and 110% of the demographic need. The Council consider a 35% income threshold to be appropriate and this would mean a housing need of roughly 70% of the demographic starting point. We consider this to be sufficient evidence to support a higher uplift of 25%.

It is worth noting that other Local Plans have included significant uplifts to meet affordable housing needs for example in Canterbury there is an uplift 30% (paras 20, 25 & 26 Canterbury Local Plan Inspectors Note on main outcomes of Stage 1 Hearings dated 7 August 2015) and in Bath & North East Somerset there is an increase of 44% (paras 77 & 78 BANES Core Strategy Final report 24 June 2014). More recently the Gloucester, Cheltenham & Tewkesbury Joint Core Strategy Inspector's Interim Conclusions proposes a 5% uplift to help deliver affordable housing needs. Elsewhere

in Gloucestershire the Forest of Dean Inspector has also suggested a 10% uplift in his Interim Findings stating:

“... to seek to deliver all of the identified affordable housing need as a proportion of market housing would result in unrealistic and undeliverable allocations. But it does not necessarily follow that some increased provision could not be achieved ...I consider that an uplift of 10%, which has been found reasonable in other plan examinations, would be more appropriate here” (para 63).

Given the level of need it will be possible to meet this level of need but it is important that the Council uplifts total needs in order to improve its delivery of affordable homes.

However, we also recognise that PPG requires any adjustments in relation to market signals to be reasonable, consistent with the principles of sustainable development and could be expected to improve affordability. An uplift of 25% on the demographic starting point of 413 dpa would see OAN increase to 516 dpa. Clearly this, more significant, uplift to the one proposed will have greater impact on affordability and, most importantly, allow for more affordable housing to be provided alongside market homes. In addition to the improvements in affordability it would better reflect the potential impacts arising from London's failure to meet its own housing needs. Given the strong commuting and migratory links between the capital and Broxbourne there is likely to be greater pressure on the Borough arising from London that are not addressed in the household projections but which support a higher uplift.

London is currently failing to meet its housing target of 42,000 dpa. The latest monitoring report published by the GLA indicates delivery of conventional housing (self-contained flats and houses) for the 2015/16 period as being 32,919¹. This degree of under provision in the Capital will also be a driver of further out-migration alongside reducing the amount of in-migration from those areas surrounding the capital as set out above. If the right homes are not available to meet growing needs then there will be little option but for these households to move to those areas surrounding the capital. Even if London were to meet its supply expectations of 42,000 dwellings per annum (dpa) this is still significantly below the Mayor's lowest assessment of need at 49,000 dpa² at that time and it is significantly lower than the 650,000 homes a year that is expected to be delivered in the new London Plan. Whether or not the Mayor will meet his new target is still very much open to debate. As set out above the London Plan seeks to push significant growth to outer London Boroughs and we doubt whether there is sufficient capacity, or political will, to achieve the expected targets in these Boroughs.

In summary there are clear indicators in the market that supply should be increased significantly. We consider a 25% uplift on the demographic starting point would be an appropriate response to market signals and the need to increase the delivery of affordable housing. It would also be consistent with the latest considerations from Government as to the degree of uplift in response to market signals. Alongside these

¹ Para 2.21 London Plan Annual Monitoring Report 2015/16 (July 2017).

https://www.london.gov.uk/sites/default/files/amr_13.pdf

² Short term assessments outlined in the evidence base for the Further Amendments to the London Plan indicated a need of 62,000 for the first ten years.

signals there are also drivers that will mean more people seeking to move out of London to relatively more affordable areas and fewer people able to move to the Capital. In order to make the local plan sound the housing requirement set out in policy DS1 should be increased to reflect the higher OAN of 516 dpa as suggested above. Additional sites should then be allocated to ensure needs are met in full as required by paragraph 47 of the NPPF.

The 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 would agree with the Council's approach to addressing the backlog in housing needs within the first five years of the plan and the correct application of the 20% buffer. There has been persistent under delivery against targets for the last ten years and it is essential that needs are met as soon as possible.

Policy H1: Affordable housing

The policy is unsound as it is unjustified and ineffective

As mentioned above the Council has not undertaken a whole plan viability assessment to consider the cumulative impact on the viability of development of the policies in the Local Plan. As such this policy is unsound as it has not been justified.

In addition we consider part V to be unsound as it is ineffective. The Council already has policies regarding the design of buildings and these are sufficient. To require the exact same external appearance between units of different value and type is inappropriate. Any development scheme will be designed to reflect the different markets that the homes are being built to satisfy. The Council would not expect lower value market housing within a development to be provided at the same specification as those gaining the highest value and this is no different in relation to affordable homes. This part of policy H1 is considered to be ineffective and should be deleted.

Policy H3: Housing mix

The policy is unsound as it is unjustified

This policy requires 5% of homes in schemes of over 20 units to meet Part M4 (2) of the building regulations. PPG requires any LPA seeking to implement this optional standard to justify its adoption of these higher standards. This justification must be with regard to both viability and needs. As mentioned above the Council has not undertaken a whole plan viability assessment to consider the cumulative impact on the viability of development of the policies in the Local Plan. In addition to evidence on viability paragraph 56-005 of PPG also requires LPAs to show that there is a clear need in the Borough for accessible and wheelchair accessible housing. No such evidence has been provided meaning the policy is unjustified and should be deleted from the local plan.

Policy TM4: Electric vehicle charging points

The policy is unsound as it is unjustified and ineffective

As mentioned above the Council has not undertaken a whole plan viability assessment to consider the cumulative impact on the viability of development of the policies in the Local Plan. This policy should be deleted as it has not been justified and therefore is unsound.

Conclusion

At present we do not consider the plan to be sound as considered against the tests of soundness set out in paragraph 182 of the NPPF. We do not consider the Council has met the tests of soundness in the following key areas:

- The plan does not have an up to date viability assessment which tests the cumulative financial impact of the policies in the plan on new development. Without this evidence the plan cannot be considered to be sound as it is unjustified, ineffective and inconsistent with national policy. We would also consider any plan submitted to the Secretary of State with an updated viability study without any additional consultation to not be compliant with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
- The housing requirement is unjustified and inconsistent with national policy as it has not taken sufficient account of market signals in the objective assessment of housing needs.

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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