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26/03/2018

Dear Sir/ Madam

## **Response by the House Builders Federation to the Draft Bracknell Forest Local Plan**

Thank you for consulting the Home Builders Federation (HBF) on the Draft 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 Duty to Co-operate (S110 of the Localism Act 2011 which introduced S33A into the 2004 Act) requires the Council to co-operate with other prescribed bodies to maximise the effectiveness of plan making by constructive, active and on-going engagement. The high level principles associated with the Duty are set out in the National Planning Policy Framework (NPPF) (paras 156, 178 – 181) and in twenty three separate paragraphs of the National Planning Practice Guidance (PPG). In determining if the Duty has been satisfactorily discharged it is important to consider the outcomes arising from the process of co-operation and the influence of these outcomes on the Local Plan. One of the required outcomes is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the housing market area (HMA) as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (NPPF para 182).

We note that the Council has worked collaboratively in preparing its evidence on housing needs and considers itself to be in an HMA covering “West Berkshire” which includes Reading Borough Council, Wokingham Borough Council and West Berkshire Council. We would not disagree with this HMA though it will be important that the Council continues to work with other neighbouring HMAs given the complex patterns of migration and commuting that are a feature of those authorities that are strongly influenced by their proximity to London.

The preparation of the West of Berkshire Spatial Planning Framework and the Memorandum of Understanding agreed between the authorities shows that the Council

has been working within the HMA to consider housing delivery. However, as the Council have noted, the issue of unmet needs within Reading have not been addressed. It will be important for these needs to be addressed by the LPAs in the West Berkshire HMA before the Council submits its local plan for examination. We are concerned that the Council has stated in paragraph 6.7 of the Local Plan that the unmet housing need from Reading may not be an issue given the lower OAN suggested by the standard methodology.

We would disagree with this statement as Reading's OAN is driven by the need to support its economic growth expectations rather than demographic projections and market signals, a key principle that appears likely to remain even if the standard methodology is introduced. The recently published Draft Planning Policy Guidance, which sets out the amendments required to support the draft NPPF, indicates on page 26 that the outcome of the standard methodology should be considered as a minimum. The draft PPG goes on to establish that there may be circumstances where uplifts above the standard methodology may be necessary, such as where there are growth strategies, strategic infrastructure improvements or funding is in place to facilitate growth. This would suggest that given Reading's growth aspirations its OAN should not be reduced to match the standard methodology and any unmet needs will have to be addressed by the other LPAs in the HMA.

### **The Housing Requirement**

We would agree with the Council's decision plan for the an OAN based on the standard methodology. The latest consultation on the Draft PPG indicate the Government's continued support for the introduction of a standard methodology for assessing housing needs. The approach taken in the Draft PPG to the standard methodology takes forward the methodology set out in "Planning for the Right Homes in the Right Places" and therefore provides the most reasonable approach for the Council to take if it wishes to ensure its new Local Plan is sound.

### **Meeting the housing needs**

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.

As a significant amount of the development being proposed in this plan will be delivered on strategic sites it will be essential that the Council's development strategy is based on realistic delivery expectations. Where delivery is considered to be unjustified we would suggest that the timescales for the delivery of sites be regularly reviewed with the option of bringing forward other sites which would be deliverable within the plan period. Any undersupply across the period can then be offset and provide a mix of development opportunities and in general offer a more flexible local plan that is a requirement of paragraph 14 of the NPPF.

### *Windfall*

The amount of windfall across the plan is relatively modest. However, we would recommend that the Council considers the amount of windfall it expects to come forward on medium sites. We note that the Council is allocating a number of medium sized sites within the Local Plan which would have in the past formed part of any windfall supply. If these types sites are now allocated the windfall supply from such sites is likely to be lower than it has been in the past.

### *Other forms of residential accommodation*

We note that paragraph 6.52 of the draft Local Plan outlines that there will be an increase in older people living in the Borough and that housing provision will need to meet these needs. Whilst we recognise that these needs will fall within the overall housing target would recommend that a clear indication of these needs are set out in the local plan. Retirement homes in particular form a key part of any areas housing needs and must be specifically recognised and supported. It will be important that relevant policies are included supporting their delivery in suitable sites are allocated to meet identified needs.

### **Internal Space Standards**

The Written Ministerial Statement dated 25th 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”.*

If the Council wishes to adopt the Nationally Described Space Standards (NDSS) this should, therefore, only be done by applying the criteria set out in PPG which states in paragraph 56-020 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”*

**Need.** It is incumbent on the Council to provide a local assessment evidencing the specific case for Chelmsford which justifies the inclusion of the NDSS as a Local Plan policy. If it had been the Government’s intention that generic statements justified their adoption then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations which the Government has not done. The NDSS should only be introduced on a “need to have” rather than a “nice to have” basis. The identification of a need for the NDSS 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. At present we can find no evidence as to the need to introduce the NDSS.

**Viability.** The impact on viability of this policy must be considered as part of an assessment of the cumulative impact of all policy burdens. Whilst the Viability study

mentions space standards it is not clear how these have informed the viability assessments. The requirement for the NDSS 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. It may also 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 NDSS compliant home. We note that the Council has considered the NDSS in its Viability Assessment but we recommend that the Council undertake a more in depth assessment of the impacts.

**Timing.** The Council should take into consideration any adverse effects on delivery rates of sites included in the 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 NDSS. These sites should be allowed to move through the planning system before any proposed policy requirements are enforced. The NDSS 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.

### **Affordable housing**

The importance of ensuring all policies in the Council's local plan do not, when considered as a whole, place development at risk is established in paragraph 173 of the NPPF. Further detail is then set out in paragraphs 10-001 to 10-024 of PPG. There is a real danger that the Council's approach to its affordable housing requirements will lead to developments becoming unviable or push more development to the margins of viability, making investment decision more difficult which will ultimately slow or stop many developments. It is important that when setting affordable housing targets the Council does not push at the margins of what is viable and ensure that changes in costs or values do not require frequent changes to policies (paragraph 10-008 of PPG).

The Council's Viability Assessment shows that in a number of scenarios the 35% affordable housing requirement will make development unviable or push it to the margins of viability in lower value areas. In particular typologies 4 and 5 are affected in this manner with only higher value development being considered viable across all land values. The Viability Assessment indicates that such development is only taken beyond marginal viability at values of over £4,200 per sqm. On the basis of the average values across the Borough set out in table 3.4.1 this would affect development across the Borough and in particular the larger strategic sites that are required to meet the Council's housing requirement. The Viability Assessment suggests in paragraph 6.5 that in these situations increases in values will improve viability on such sites, but given that the Council is seeking to improve affordability it should not be seeking to rely on increased average

values within an area in order to ensure the delivery of more affordable housing. We would recommend that the Council looks to reduce its affordable housing requirement to better support the deliverability of the proposed levels of development across the Borough.

### **Housing Mix – Tenure, size and accessibility**

The HBF have concerns regarding the requirement relating to the optional technical standards on accessible and adaptable homes. Paragraph 56-007 of PPG requires local authorities to demonstrate the need for the optional technical standards to be applied to new homes. This evidence should include the likely future need for housing for older and disabled people, the accessibility and adaptability of existing stock, the different needs across tenure and the overall impact on viability. Whilst the Council have set out in part iii of this policy of the Local Plan that they will require for all new homes to achieve M4(2) we can find no analysis within the Council's evidence base as to whether they have considered the full range of evidence required by PPG to justify this policy. We note that the viability study has included within its costs the requirement for Parts M4(2) and M4(3) to be applied, however we could find no analysis of the need for more accessible homes and how this will vary across tenures nor the numbers of homes that are already accessible or are likely to be made accessible using the disabled facilities grant.

When seeking to apply the optional standards for accessibility it must be remembered that the Government have not made this standard mandatory. They clearly do not consider it necessary for all homes to be built to part M4(2). Therefore there would need to be very strong evidence from the Council to justify their position. It cannot be sufficient to state that there is an ageing population who are more likely to require such homes. Our aging population is a national concern and one faced by all areas. If this were sufficient justification then the Government would have made the standard mandatory. Therefore we do not consider the Council to have provided the evidence required by national policy to justify all new homes being built to the optional standard M4(2). Without this evidence it is not possible to determine an appropriate level at which to set this requirement.

Part iv of the policy is not consistent with national policy as it requires all homes to be wheelchair accessible and meet part M4(3) of the Building Regulations. PPG is clear that the requirement for wheelchair accessible homes should only applied to those dwellings: *“where the local authority is responsible for allocating or nominating a person to live in that dwelling”* (Paragraph 56-010)

### **Self-Build and Custom Housebuilding**

Whilst we support the encouragement of self-build housing through the local plan we do not consider the requirement for sites of over 200 to provide up to 5% service plots for self and custom house building to be justified or consistent 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 larger sites 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 larger sites.

We do not consider part iii of the second paragraph and the principle at such sites be offered to the Council or housing association prior to them being built out by the developer to be sound. The Council expect affordable housing requirements on site to include self-built and custom housebuilding units and as such they should not be offered to the Council or housing association prior to being built out by the developer. Such an approach is not sound as it is not justified.

## **Parking**

The Local Plan does not contain the relevant standard and instead suggests that these will be set out elsewhere. As these standards will impact on the form and viability of development they should not be established outside of the Local Plan. This principal was most recently tackled in *William Davis Ltd & Ors v Charnwood Borough Council* [2017] EWHC 3006 (Admin) (23 November 2017) where supplementary planning document strayed into an area that should be considered by a development plan document. This decision quashed an SPD that contained policies that clearly encouraged and imposed development management policies against which a development could be refused. By setting the actual parking standards outside of the Local Plan they cannot be challenged at examination despite the clear impact they could have on viability and decision making. We recommend that should the Council wish to adopt parking standards these are set out in the local plan to ensure a full and proper examination of their impacts.

## **Standards for Open Space of Public Value**

The policy does not provide enough clarity on when onsite provision of open space will be required and when an offsite contribution will be acceptable. The Council state in the policy that they will agree such contributions on a case by case basis. Whilst we accept that on larger sites there will be a need for a degree of negotiation as to the level of provision required, for smaller developments the Council should indicate the size at which sites will under no circumstances be required to provide on-site provision. This would enable smaller sites to come forward more quickly and with greater certainty as to the contributions they will be expected make.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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