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12/03/2018

Dear Sir/ Madam

### **Response by the House Builders Federation to the Brentwood Local Plan Preferred Site Allocations consultation**

Thank you for consulting the Home Builders Federation (HBF) on the Preferred Site Allocations consultation document. 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 Council consider themselves to be in a self-contained Housing Market Area (HMA). The evidence suggests that there is a high degree of self-containment within Brentwood. However, it must be remembered that housing markets around London are not particularly easy to define. It is often the case that around the capital HMAs overlap and interlink and this will require the Council to consider any unmet needs from Local Planning Authorities (LPA) and HMAs that surround it. In particular, the Council will need to give consideration as to whether or not London will be able to meet its housing needs. Given the fact that London Borough's have consistently failed to meet their collective housing target of 42,000 homes, we would suggest that, despite the Mayor's assertion that the capital will deliver 65,000 each year for the next ten years, there will be a need for LPAs with strong commuting and migratory links with London to consider any unmet needs arising from the capital.

#### *Co-operation with London Boroughs*

Many authorities surrounding London, and indeed across the wider south east, will suggest that the new London Plan will address these pressures. The HBF does not share this optimistic position. The Mayor states in the London Plan that in order to meet housing needs 66,000 homes will need to be built each year across the capital. This level of need is based on the GLAs demographic projections which have then been adjusted to take account of the back log in housing delivery. However, London had its best year for completions since the onset of the recession when in 2015/16 38,553 net completions were secured (however, it should be noted that this figure includes 4,564

non-conventional i.e. C2 use class, bedrooms and homes). In the previous year - 2014/15 - net housing completions (conventional and non-conventional) were 31,894 (London Plan AMR 2014/15).

The HBF have are therefore concerned that the London Plan is not deliverable. As outlined above the 65,000 dwelling per year housing requirement is significantly above anything that has been delivered in the past. The ability of London borough's to significantly increase housing supply to meet such high levels of housing delivery is in doubt with some authorities already indicating that they will be unable to meet the level of housing delivery being proposed. The ability of outer London Borough's to deliver this level of housing need is even further compromised by the fact that the Mayor is seeking to prevent them from reviewing Green Belt boundaries.

Even if the GLA's assessment of capacity in London is correct the Mayor will still be 10,000 homes short of the capital estimated need over the next 10 years. This shortfall could place further pressure on Borough's such as Brentwood and it is important that the Council have engaged, either individually or collectively, with the Mayor on this situation to ensure that these needs are not left unmet.

We recognise the inherent difficulties in co-operating with a regional body such as the GLA, especially when it does not consider itself to be beholden to the same legal duty to co-operate as Local Planning Authorities. However, if London cannot meet its housing needs the pressure will inevitably be placed on those authorities in the wider south east to meet London's housing needs. The question is how can LPAs such as Brentwood ensure that their plans are sufficiently flexible to allow for a situation where London Borough's fail to meet the unrealistic delivery expectations set out in the London Plan?

At present the relationship between Brentwood and the relevant outer London Borough's is not sufficiently robust to enable the Council to answer this question. Whilst the Mayor does not consider the duty to co-operate to apply to the London Plan he has stated that each London Borough will still be required to abide by both the legal and policy requirements of the Duty to Co-operate. Prior to submission we would therefore expect the Council to obtain a clear indication from those London Borough's with strong migration and commuting links to Brentwood that they can meet the housing needs as set out in the new London Plan. If not the Council will need to consider how it could support these council's to meet their housing needs.

#### *Co-operation within Essex*

With regard to co-operation within Essex we welcome what appears to be a good working relationship between officers across the County. However, we are concerned that some authorities such as Castle Point BC and Rochford DC are suggesting that they will struggle to meet housing needs with Basildon Borough Council (BBC) stating in their draft response to this consultation that they will be seeking assistance to meet unmet needs that are likely to occur within their area. We recognise that efforts are being made across the South Essex HMA to improve joint working and this must be welcomed but it is still uncertain as to whether they will be able to meet needs and

Brentwood must consider these requests for support. The Memorandum of Understanding between the South Essex Local Authorities would appear to be a step in the right direction and sets out the principles for improved co-operation. However, it will be important that this co-operation leads to meaningful outcomes and the delivery of development to meet needs. Alongside this we are concerned that LPAs such as Epping Forest BC have significantly underestimated their housing needs. This could result in further unmet housing needs that will have to be addressed by neighbouring LPAs and HMAs. Given the migratory and commuting links between local authorities across this area there will be opportunities for joint working across HMAs in this area that must be explored through the duty to co-operate.

As such the question is whether the mechanisms agreed between the authorities in the adjoining Essex HMAs are sufficient to be able to address any unmet needs should they arise. As part of this process the Essex Planning Officers Association (EPOA) have established a protocol for considering unmet housing needs. This protocol sets out a process as to when and how authorities should request an adjoining authority to take their unmet housing needs. Whilst this protocol offers a process as to when an authority should approach another, it does not establish any agreement as to whether the authority being approached will seek to meet any unmet needs. As such the protocol is a relatively weak agreement that is unlikely to be effective in ensuring effective co-operation in meeting housing needs between HMAs.

Given that the NPPF states in paragraph 179 *“Joint working should enable local planning authorities to work together to meet development requirements which cannot be wholly met within their own areas – for instance because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework”* we would suggest that the Council include a clause within policy to provide for a more effective mechanism supporting co-operation on meeting housing needs. The clause would require the Council to review their local plan should any of its neighbouring authorities, or HMAs, be unable to meet housing needs having undertaken the process identified in the ‘Unmet Housing Needs Protocol’. This would ensure that proper consideration is given to unmet needs rather than the usual request and refusal that has become the hallmark of the duty to co-operate, especially when it comes to considering needs outside of an HMA.

As well as ensuring the housing needs of the HMA are met in full it is also important that the Council ensures its co-operation on the delivery of strategic sites is effective. We are aware that Basildon BC have raised such concerns regarding the Council’s proposals for the Garden Village at Dunston. If the Council are to ensure the plan is sound it must resolve any duty to co-operate issues with its strategic allocations. Unless co-operation is effective in this area the soundness of the plan will be in doubt.

## **Housing needs**

We note that Part One of the Strategic Housing Market Assessment gives little weight to the standard methodology. The authors of the SHMA are not wrong with regard to the status of consultation documents, however, there are two elements arising from the consultation that we consider can be given more weight.

The first insight from the recent consultations is with regard to what Government considers to be the “reasonable” uplift, as required by Planning Practice Guidance (PPG). The Government have been clear that if it is to achieve its target of delivering 300,000 the uplifts being proposed are the minimums required. By capping delivery at 40% they will fall short of their target by 34,000 home each year. On the basis of the consultation it is reasonable to assume that the Government considers uplifts of 40% to be reasonable where affordability is worst. Based on Brentwood’s current median affordability ratio of 12.31, and lower quartile house price to earnings ratio of 14.52, we would suggest that the Council should be considering uplifts at the 40% ceiling proposed by Government.

Secondly the recent consultations confirmed that the most robust assessment of household growth were the official DCLG/ONS projections. We would suggest that the Council uses this data rather than projections based on 10 or 15 year migratory patterns. Whilst we understand the arguments in support of using longer trends it is also important that there is consistency when assessing housing needs. Inconsistent application of the DCLG/ONS projections will lead to some housing needs not being met as, in our experience, the majority of LPAs choose whichever projection is lowest. If the Government considered a longer term migratory trend to be appropriate then it is reasonable to assume that they would have said so.

These aspects of the standard methodology have also been given more weight with the publication of the consultation on the revisions to the NPPF. These revisions update the NPPF to reflect current Government policy established through written ministerial statements and to include new policies proposed in the ‘Housing White Paper’ and the ‘Planning for the Right Homes in the Right Places consultation’ from last year. The amendments to the NPPF have confirmed the Government’s continued intention to introduce the standard methodology for housing needs and we consider it important for Councils to consider these uplifts that better reflect those being proposed.

## **Housing supply**

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. 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 in full. To ensure the plan is effective, as defined by paragraph 182 of the NPPF, a plan must be deliverable over its periods and we would therefore recommend a cautious assessment of delivery on strategic sites.

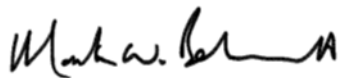
All delivery rates on major sites will need to be fully justified by the Council. Where delivery is considered to be unjustified we would suggest that the timescales for the delivery of strategic sites be extended beyond the plan period. Any undersupply across the period can then be offset with the allocation of small and medium sites that will be deliverable within the plan period. Such an approach ensures that a plan is deliverable across the plan period, provides a mix of development opportunities and in general offer a more flexible local plan that is a requirement of paragraph 14 of the NPPF. At present it is impossible to say whether or not the Council's approach to delivery is sound as there is not up to date Strategic Housing Land Available Assessment or Viability evidence to suggest that the proposed level of supply is deliverable. Whilst we recognise this evidence is being prepared it is essential that the options being put forward even at regulation 18 are deliverable.

## **Conclusion**

In summary we consider the Council's approach to assessing housing needs must be reconsidered to be more consistent with current planning practice whilst also taking into account certain aspects of recent consultations that provide a steer as to how market signals should be considered. In addition the Council will need to ensure that its evidence base is up to date a justifies the option being proposed. At present the Council's options on housing supply are not supported by either a SHLAA or viability study and as such the Council cannot state whether these options are appropriate or sustainable. It will be important for the Council to address these matters for the plan to be found sound.

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



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