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Local Strategy Service
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Dear Sir / Madam

DAVENTRY DRAFT SETTLEMENT & COUNTRYSIDE LOCAL PLAN (PART 2) PRE-SUBMISSION CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course appear at the Local Plan Part 2 Examination Hearing Sessions to discuss these matters in greater detail.

Spatial distribution & Housing Land Supply (HLS)

The Local Plan Part 2 will establish a local strategy for the settlements and countryside across Daventry in accordance with the adopted West Northamptonshire Joint Core Strategy (WNJCS). It is noted that **Policy SP1 Bullet Point (H)** prioritises development on previously developed land (PDL) contrary to national policy. The HBF is supportive of the efficient use of land. The 2012 National Planning Policy Framework (NPPF) (para 111) encourages the effective use of land by re-using land that has been previously developed (brownfield land) but it does not prioritise the use of such land against sustainable development on non-brownfield land. The revised NPPF published in July 2018 states that the Council should make as much use as possible of PDL (para 117). It is recommended that the word "prioritising" is deleted from **Policy SP1 Bullet Point (H)** because it is inconsistent with national policy.

The Council has acknowledged that the North East Daventry Sustainable Urban Extension (SUE) has not progressed as expected with still no planning application submitted therefore as set out in Table 4 the Council has revised downwards its expected number of completions resulting in a residual housing requirement of 1,266 dwellings. The Local Plan Part 2 proposes four site



allocations in Daventry for circa 1,570 dwellings as set out in **Policy HO1 – Daventry South West** (about 1,100 dwellings), **Policy HO2 – Daventry Micklewell Park Extension** (approximately 250 dwellings), **Policy HO4 – Middlemore** (at least 100 dwellings) and **Policy EC3 – North & West Daventry Town Centre** (120 dwellings). There are no site allocations in the rural area.

The Daventry Local Plan Part 2 also proposes a settlement hierarchy comprising of Primary Service Villages, Secondary Service Villages, Other Villages and Small Settlements / Hamlets. It is proposed that a confine or development boundary for each settlement is established. The permissibility of development in the context of these established settlement confines are set out in **Policies RA1 – RA5**.

The Local Plan Part 2 should provide both a clear framework that ensures policies can be effectively applied and enough development opportunities to allow identified housing needs to be met in full. The Council's spatial strategy should be as permissive as possible by allowing development adjacent to as well as within established settlement confines which will provide additional flexibility to the overall HLS. It is important that the Council's settlement hierarchy and proposed housing distribution recognises the difficulties facing rural communities such as acute housing supply and affordability issues. In 2017 the median house price to median earnings affordability ratio for Daventry was 10.11. The proposed distribution of housing should meet the housing needs of both urban and rural communities. The revised NPPF asserts that "*in rural areas, planning policies and decisions should be responsive to local circumstances and support housing developments that reflect local needs*" (para 77) and concludes that "*to promote sustainable development in rural areas, housing should be located where it will enhance or maintain the vitality of rural communities. Planning policies should identify opportunities for villages to grow and thrive, especially where this will support local services*" (para 78). This approach should be reflected in the spatial strategy, distribution of development and settlement hierarchy proposed by the Council.

The HBF's preferences for the calculation of 5 YHLS are the Sedgefield approach to shortfalls as set out in the NPPG (ID 3-035) with a 20% buffer applied to both the annualised housing requirement and any shortfall. It is noted that the Council's 5 YHLS position is 6.1 years as set out in the 2016/17 Monitoring Report. Nevertheless it is recommended that a flexibility contingency is incorporated into the Council's HLS in order that the Local Plan Part 2 is responsive to changing circumstances and the housing requirement set out in the WNJCS is treated as a minimum rather than a maximum ceiling. The HBF acknowledge that there can be no numerical formula to determine the appropriate quantum for a flexibility contingency but where a Local Plan or specific settlement or locality is highly dependent upon one or relatively few large strategic sites greater numerical flexibility is necessary than in cases where supply is more diversified. As identified in Sir Oliver Letwin's draft analysis large housing sites may be held back by numerous constraints including discharge of pre-commencement planning conditions, limited

availability of skilled labour, limited supplies of building materials, limited availability of capital, constrained logistics of sites, slow speed of installation by utility companies, difficulties of land remediation, provision of local transport infrastructure, absorption sales rates of open market housing and limitations on open market housing receipts to cross subsidise affordable housing. The HBF always suggests as large a contingency as possible (at least 20%) because as any proposed contingency becomes smaller so any in built flexibility reduces. If during the Local Plan Part 2 Examination any of the Council's assumptions on lapse rates, windfall allowances and delivery rates as shown in Appendix J : Housing Trajectory were to be adjusted or any proposed housing site allocations were to be found unsound then any proposed contingency would be eroded. The Department of Communities & Local Government (DCLG) presentation slide from the HBF Planning Conference September 2015 (see below) illustrates a 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also suggests “*the need to plan for permissions on more units than the housing start / completions ambition*”.



Department for
Communities and
Local Government

In recent years there has been a 30-40% gap between permissions and housing starts

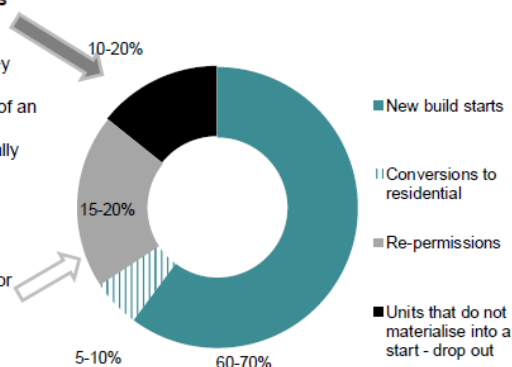
- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:

- **10-20%** do not materialise into a start, the permission ‘**drops out**’: this could be because -

- the landowner cannot get the price for the site that they want
- a developer cannot secure finance or meet the terms of an option
- the development is later not considered to be financially worthwhile
- there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.

- **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.



- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition**.

Extract from slide presentation “DCLG Planning Update” by Ruth Stanier Director of Planning - HBF Planning Conference Sept 2015

Housing Policies

Policy HO8 – Housing Mix & Type

The HBF recognise that all households should have access to different types of dwellings to meet their housing needs. Therefore planning for a mix of housing needs should focus on ensuring that there are appropriate sites allocated to meet the needs of specifically identified groups of households without seeking a specific housing mix on individual sites as proposed in **Policy HO8 Bullet Points B & C**. The housing needs of older people is a diverse

sector so the Local Plan Part 2 should be ensuring that suitable sites are available for a wide range of developments across a wide choice of appropriate locations. The proposals on housing mix in **Policy HO8** are too prescriptive. **Bullet Points B & C** should be deleted.

Policy HO8 Bullet Point D(i) proposes that 50% of all dwellings are accessible & adaptable compliant homes in the case of market homes 45% M4(2) and 5% M4(3) and for affordable homes 40% M4(2) and 10% M4(3). The Written Ministerial Statement (WMS) dated 25th March 2015 stated 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 higher optional standards for accessible & adaptable homes then the Council should only do so by applying the criteria set out in the NPPG (ID 56-005 to 56-011). All new homes are built to Building Regulation Part M standards. If the Government had intended that evidence of an ageing population alone justified adoption of the higher optional standards then such standards would have been incorporated as mandatory in the Building Regulations which the Government has not done. It is incumbent on the Council to provide a local assessment evidencing the specific case for Daventry which justifies the inclusion of M4(2) & M4(3) optional higher standards in **Policy HO8 Bullet Point D(i)**. The Council is also reminded that the requirement for M4(3) should only be required for dwellings over which the Council has housing nomination rights as set out in the NPPG (ID 56-008). Any requirement for accessible and adaptable homes especially M4(3) should be thoroughly viability tested. In September 2014 during the Government’s Housing Standards Review EC Harris estimated the cost impact of M4(3) per dwelling as £15,691 for apartments and £26,816 for houses. **Bullet Point D(i)** should be deleted.

Policy HO8 Bullet Point D(iii) proposes adoption of the Nationally Described Space Standard (NDSS). The WMS 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 NDSS this should only be done by applying the criteria set out in the NPPG. The NPPG sets out 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*” (ID: 56-020) :-

- **Need** - It is incumbent on the Council to provide a local assessment evidencing the specific case for Daventry which justifies the adoption of the NDSS in the Local Plan Part 2. If it had been the Government’s intention that generic statements justified adoption of the NDSS 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. Indeed the Council’s evidence identifies that average house sizes are exceeding standards so there is no systemic problem to resolve.

- **Viability** - The impact on viability should be assessed in particular the cumulative impact of policy burdens. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. Table 6.1 and the conclusions of the 2017 Viability Study demonstrated it is not viable. The Council cannot simply expect home buyers to absorb extra costs in a District where severe affordability pressures exist. There is also an impact of larger dwellings on land supply. 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 / existing use plus land values which determines if 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. The Council should undertake an assessment of these 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. Consequentially 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.

Bullet Point D(iii) should be deleted.

Policy HO8 Bullet Point D(iv) proposes adoption of the higher optional water efficiency standard. The WMS 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 higher optional standard for water efficiency the Council should only do so by applying the criteria set out in the NPPG. The

Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas. The NPPG (ID 56-013 to 56-017) refers to “*helping to use natural resources prudently ... to adopt proactive strategies to ... take full account of water supply and demand considerations ... whether a tighter water efficiency requirement for new homes is justified to help manage demand*”. The evidence from Anglian Water anticipated a need for improvements to the existing water supply network to enable development of proposed sites which is not the same as categorising Daventry as a water stress area. **Bullet Point D(iv)** should be deleted.

Other Policies

Policy ENV9 – Renewable Energy and Low Carbon Development

Policy ENV9 Bullet Point (B) states that where appropriate new development should utilise the availability of any local energy network such as combined heat and power system or generate their own energy from low carbon technology. Where district heating schemes are proposed and it is reasonably practical all properties will be expected to be connected to them. The Council should not expect new developments to connect to or be designed to connect in the future to district or community heating networks thereby limiting future consumer choice to that provider of heat. **Bullet Point (B)** should be deleted.

Policy CW1 – Health and Wellbeing

Policy CW1 Bullet Point A(iv) states that in support of major developments a Health Impact Assessment (HIA) should be submitted identifying the health implications, mitigating potential negative effects and maximising the opportunities to promote health and wellbeing and active lifestyles. This goes beyond the general expectations of the 2012 NPPF that planning will promote healthy communities. The NPPG (ID53-004) confirms that a HIA can serve a useful purpose at planning application stage and consultation with the Director of Public Health as part of the process can establish whether a HIA would be a useful tool. The submission of a HIA for all major residential developments (presumably sites of 10+ dwellings) without any specific evidence that an individual scheme is likely to have a significant impact upon the health and wellbeing of the local population is not justified by reference to the NPPG. **Bullet Point A(iv)** should be deleted. If it is not deleted, then a HIA Screening Report should be submitted in support of major developments and only if significant impacts on health & wellbeing arise should a full HIA be required.

Local Green Spaces (LGS)

In Appendix I there are 118 proposed LGS allocations in addition to those LGS designated in Neighbourhood Plans. The 2012 NPPF (para 76 – 78) sets a significantly high bar for LGS designation stating that it “*...will not be appropriate for most green areas or open space*” and post designation ruling out development of such sites “*other than in very special circumstances*” and managing LGS in line with Green Belt policy. Accordingly LGS designation

should be viewed as an exception rather than the norm. The Council's approach in designating 118 sites across the District in addition to sites designated in Neighbourhood Plans results in the designation becoming commonplace rather than of a limited and special nature. It is recognised that many proposed LGS will be important to local communities for informal recreational uses. The proposed LGS may also contain varying levels of wildlife, beauty and tranquillity however it is not evident that all proposed LGS are "*special*" and of "*particular local significance*" to distinguish them from other green open spaces in order to reach the high bar necessary for LGS designation.

Conclusion

For the Daventry Local Plan Part 2 to be found sound under the four tests of soundness as defined by the 2012 NPPF (para 182) the Plan should be positively prepared, justified, effective and consistent with national policy. The Local Plan Part 2 is unsound (not positively prepared, unjustified, ineffective and inconsistent with national policy) because of :-

- a lack of flexibility in the HLS ;
- overly prescriptive housing mix proposals under **Policy HO8** ;
- the introduction of higher optional housing standards for accessible & adaptable homes (M4(2) & M4(3)), NDSS and water efficiency in **Policy HO8** ;
- the expectations for connection of residential properties to renewable / low energy networks under **Policy ENV9** ;
- the submission of HIA for all major developments under **Policy CW1** ;
- the proposed allocation of 118 LGS.

We hope that the Council will consider these representations and amend the Local Plan Part 2 before submission for examination. In the meantime if any further assistance or information is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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