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Dear Sir / Madam

## **WEST DORSET, WEYMOUTH & PORTLAND JOINT LOCAL PLAN REVIEW – PREFERRED OPTIONS 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 responses to specific questions in the Councils consultation document.

**Q1-i. The Local Plan Review will cover the period from 2016 to 2036. The start date reflects when the most up to date household projections (2014 based) were published and the end date is as recommended by the Inspector of the currently adopted Local Plan. Do you agree that the Local Plan Review should cover the period from 2016 to 2036?**

As set out in the revised National Planning Policy Framework (NPPF) published in July 2018 strategic policies should look ahead over a minimum 15 year period from adoption (para 22). A plan period of 2016 – 2036 would provide an appropriate timeframe for the Local Plan Review. Although at the start of this plan making process the Councils have calculated a local housing needs figure derived from the 2014 based household projections as set out in the recently updated National Planning Practice Guidance (NPPG) local housing needs figures should be kept under review and if necessary revised. The local housing need figure calculated using the standard methodology may change when the Office of National Statistics updates household projections (usually every 2 years) and affordability ratios (annually) (ID 2a-008 & 009).

**Q1-ii. The section on "the plan context" has been revised to bring it up to date. The revised section draws on much of the contextual information**



**included in the Initial Issues & Options Consultation Document for the Local Plan Review. Does this revised section adequately capture the key environmental, social and economic issues facing the plan review area?**

The updated and revised “plan context” section provides adequate coverage of the key environmental, social and economic issues in West Dorset, Weymouth & Portland.

**Q1-iii. A single vision is proposed for the Local Plan Review area and the Local Plan’s “strategic objectives” have been re-named “strategic priorities”. The role of the vision, strategic priorities and strategic approach in plan-making and decision-taking has also been clarified. Do these changes provide a clearer strategic policy direction for the Local Plan Review and any other planning policy documents?**

As set out in the revised NPPF the Local Plan Review should include strategic policies which address the Councils identified strategic priorities for the development and use of land in the plan area (para 17). These strategic policies should set out an overall strategy for the pattern, scale and quality of development (para 20). Such strategic policies should be clearly written and unambiguous (para 16d).

**Q1-v. Policy INT1 and supporting text have been revised to reflect the proposed changes to “the presumption in favour of sustainable development” set out in the draft revised NPPF. Does revised Policy INT1 (and its supporting text) provide clarity on how the revised “presumption” in national policy will be applied locally?**

The presumption in favour of sustainable development is clearly set out in the revised NPPF (para 11). The revised NPPF confirms that Local Plans should avoid unnecessary duplication including repetition of policies in the NPPF itself (para 16f). The necessity for Policy INT1 is questioned as it replicates the revised NPPF. In attempting to repeat national policy there is a danger that some inconsistencies creep in and lead to small but critical differences between national and local policy causing difficulties in interpretation and relative weighting.

**Q2-xi. Should the Councils gather more evidence with a view to including policies in the Local Plan Review which would apply the additional accessibility and adaptability standard and the optionally described space standard?**

If the Councils wish to adopt the Nationally Described Space Standards (NDSS) and / or accessible / adaptable homes M4(2) & M4(3) as policy requirements then this should only be done by applying the criteria set out in the revised NPPF (para 127f & Footnote 42). The Written Ministerial Statement (WMS) dated 25<sup>th</sup> 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 Councils wish to adopt the higher optional standards for the NDSS and / or M4(2) & M4(3) homes the Councils should only do so by applying the criteria set out in the NPPG (ID 56-001 to 003).

With regards to M4(2) & M4(3) standards all new homes are built to Building Regulation Part M standards. If the Councils wish to adopt the higher optional standards for M4(2) & M4(3) homes the Councils should only do so by applying the criteria set out in the NPPG (ID 56-005 to 008). A local assessment should evidence the specific case for West Dorset and Weymouth & Portland which justifies the inclusion of these standards as a Local Plan policy requirement and the quantum thereof. An ageing population is not unusual and is not a phenomenon specific to West Dorset and Weymouth & Portland. If it had been the Government's intention that generic statements about an ageing population justified adoption of higher optional accessible / adaptable standards then the logical solution would have been to incorporate the standard as mandatory via the Building Regulations which the Government has not done. The optional higher standards should only be introduced on a "need to have" rather than "nice to have" basis. With specific reference to M4(3) the NPPG confirms that the Councils should only require M4(3) standards to those dwellings where the Councils are responsible for allocating or nominating a person to live in that dwelling (ID 56-009).

With regards to NDSS the NPPG sets out that *"Where a need for internal space standards is identified, Local Planning Authorities (LPA) should provide justification for requiring internal space policies. LPAs should take account of the following areas need, viability and timing"* (ID: 56-020) :-

- Need - it is incumbent on the Councils to provide a local assessment evidencing the specific case for West Dorset and Weymouth & Portland which justifies the inclusion of the NDSS as a policy requirement. 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 ;
- Viability - the impact on viability should be considered in particular an assessment of the cumulative impact of policy burdens. There is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Councils cannot simply expect home buyers to absorb extra costs in a plan area where there exist severe affordability pressures. In 2016 the median house prices to median incomes ratio was 10.73 for West Dorset and 8.23 for Weymouth & Portland. 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 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. This may also undermine delivery of affordable housing whilst at the same time pushing additional families into affordable housing need because they can no longer afford to buy a NDSS compliant home. It is known that total projected affordable housing needs are not expected to be met over the timespan of the Local Plan Review. The Councils should undertake a full assessment of all of these potential impacts ;

- **Timing** - the Councils 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 Councils should put forward proposals for transitional arrangements. The land deals underpinning the majority of identified sites may have been secured prior to any proposed introduction of the 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 NDSS.

**Q2-xii. The supporting text to the former Policy ENV13 (now ENV15) has been redrafted to clarify how the Councils aim to achieve higher levels of environmental performance for larger developments, individual buildings and historic buildings. Do you have any comments on new Policy ENV15?**

Under Policy ENV15 new buildings are expected to achieve high standards of environmental performance and its supporting text states that for domestic buildings this will be achieved through a combination of carbon compliance and “allowable solutions”. Any local requirements for the sustainability of buildings should reflect the Government’s policy for national technical standards (para 150b). The Government has sought to set standards for energy efficiency through the national Building Regulations and to maintain this for the time being at the level of Part L 2013. Under the revised NPPF new development should be planned to help reduce greenhouse gas emissions by its location, orientation and design. The starting point for the reduction of energy consumption should be an energy hierarchy of energy reduction, energy efficiency, renewable energy and then finally low carbon energy. From the start a ‘fabric first’ approach should be emphasised which by improving fabric specification increases thermal efficiency and so reduces heating and electricity usage.

**Q2-xiii. Former Policy ENV15 (now ENV17) has been expanded to set out more clearly how the Councils will encourage the effective and efficient use of land. Do you have any comments on new Policy ENV17?**

The HBF is supportive of the effective and efficient use of land as set out in the Councils proposed new Policy ENV15.

**Q3-i. The need for 794 dwellings per annum (15,880 homes in total) has been based on the Government's proposed new standard methodology. The need for employment land (51.6 hectares) has been based on the 2016 Workspace Strategy. Do you consider that these figures represent the "objectively assessed need" for housing and employment land for the period 2016 – 2036?**

By the time of the submission of the West Dorset, Weymouth & Portland Local Plan Review for examination the Government's standard methodology for the calculation of local housing needs will have been implemented (revised NPPF para 60). The Government's proposed methodology is summarised as :-

- Demographic baseline based on annual average household growth over a 10 year period ;
- Workplace-based median house price to median earnings ratio ;
- Adjustment factor =  $\frac{\text{Local affordability ratio} - 4}{4} \times 0.25$  ;
- Local Housing Need = (1 + adjustment factor) x projected household growth.

Using this standardised methodology the OAHN for West Dorset, Weymouth & Portland is 794 dwellings per annum (based on 2014 data) equivalent to 15,880 dwellings between 2016 - 2036. However the standard methodology is only a minimum starting point. Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere are additional to this figure. The Government's objective of significantly boosting the supply of homes remains. It is important that housing need is not underestimated. The recently updated NPPG also confirms that during plan preparation housing figures should be kept under review and if necessary revised. The OAHN figure calculated using the standard methodology may change when the Office of National Statistics updates household projections (usually every 2 years) and affordability ratios (annually) (ID 2a-008 & 009).

**Q3-ii. The sites listed in Table 3-3 include both allocations from the current Local Plan and the new "preferred options" which have not previously been allocated. Do you consider that these are the most appropriate housing (or mixed use sites) sites to allocate to contribute towards meeting the objectively assessed need for housing for the period 2016 to 2036?**

The HBF submit no comments on the merits or otherwise of individual site allocations listed in Table 3-3 suffice to say that for the Councils to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increasing housing supply is increasing the number of sales outlets. Although large strategic sites may have multiple outlets usually increasing the number of sales outlets available inevitably means increasing the number of housing site

allocations. So large strategic sites should be complimented by smaller scale non-strategic sites. This approach was also advocated in the Housing White Paper (HWP) "*Fixing the Broken Housing Market*" because a good mix of sites provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

**Q3-iii. Table 3.3 (and the supporting text that follows) set out (and explains) the different sources of housing supply to meet (and exceed) the objectively assessed need for housing for the period 2016 to 2036. Do you have any comments on the overall level of provision made or the sources of supply identified?**

As set out in the revised NPPF the strategic policies of the Local Plan Review should provide a clear strategy for bringing sufficient land forward and at a sufficient rate to address housing needs over the plan period including planning for and allocating sufficient sites to deliver strategic priorities (para 23). The Councils should have a clear understanding of land availability in the plan area by preparing a Strategic Housing Land Availability Assessment (SHLAA) which should be used to identify a sufficient supply and mix of housing sites taking into account availability, suitability and economic viability. The policies of the Local Plan Review should identify a supply of specific deliverable sites for years 1 – 5 of the plan period and specific developable sites or broad locations for growth for years 6 – 10 and where possible years 11 – 15 (para 67). The identification of deliverable and developable sites should accord with the definitions set out in the revised NPPF Glossary. The Councils should also identify at least 10% of the housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68). The Local Plan Review should include a trajectory illustrating the expected rate of housing delivery over the plan period. A minimum 5 years supply of specific deliverable sites including a buffer should be maintained (paras 73 & 74).

It is noted that the Councils proposed Housing Land Supply (HLS) is 19,016 dwellings against a housing requirement of 15,880 dwellings. The HBF support the application of a flexibility contingency to the overall HLS in order that the Local Plan Review is responsive to changing circumstances and the housing requirement 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 a 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 Review Examination any of the Councils assumptions on lapse rates, windfall allowances and delivery rates were to be adjusted or any proposed housing site allocations were to be found unsound then any proposed contingency would be eroded.

**Q3-v. Policy SUS2 and supporting text have been revised: to more clearly set out how growth will be directed to different levels of the settlement hierarchy; and to set out the approach to growth at settlements where new DDBs have been introduced in Neighbourhood Development Plans. Do you have any comments to make on these changes or any other changes to Policy SUS2 and supporting text?**

The Local Plan Review should provide enough opportunities to allow identified housing needs to be met in full by providing a clear framework that ensures policies in the Local Plan Review can be effectively applied. The Councils should consider a spatial strategy that is as permissive as possible by allowing development adjacent to as well as within defined development boundaries. It is important that the Councils settlement hierarchy and proposed housing distribution recognises the difficulties facing rural communities such as acute housing supply and affordability issues. In 2016 the median household income to house price ratio was 10.73 in West Dorset and 8.23 in Weymouth & Portland. 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 Councils.

**Q3-ix. Do you have any comments on the proposed approach to establishing housing requirement figures (and indicative figures) for designated Neighbourhood Areas?**

The approach to establishing housing requirement figures for designated Neighbourhood Areas should accord with the revised NPPF (para 65 & 66).

**Q5-i. In order to reflect changes (or proposed changes) to national policy, Policy HOUS1 and supporting text have been amended to; establish thresholds above which affordable housing will be sought; offer "vacant building credit" on brownfield sites; provide greater clarity on how viability should be assessed; and reflect the proposed broader definition of affordable housing in the split of tenure models sought. Do you have any views on these changes, or any other changes, to Policy HOUS1?**

The Councils should re-consider Policy HOUS1 for its consistency with national policy. Under the revised NPPF the provision of affordable housing is a strategic policy (para 20a) and Neighbourhood Plans should be in general conformity with and not undermine strategic policies (para 29 and Footnote 16). The application of different site thresholds and different percentages of affordable housing provision via Neighbourhood Plans is inappropriate. Furthermore any policy in a currently made Neighbourhood Plan is superseded by the subsequent adoption of the Local Plan Review. Policy HOUS1 should be clearly written and unambiguous (para 16d).

As set out in the revised NPPF the Local Plan Review should set out the level and type of affordable housing provision require together with other infrastructure but such policies should not undermine the deliverability of the Local Plan Review (para 34). Viability assessment is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on the viability or otherwise of development. The cumulative burden of policy requirements should be set so that the majority of sites are deliverable without further viability assessment negotiations (para 57). It is important that the Councils understand and test the influence of all inputs on viability as this determines if land is released for development. The Harman Report highlighted that "*what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development*". The Councils should undertake an updated viability assessment to determine whether or not the proposed proportions of affordable housing provision together with the cumulative burden of other policy requirements and necessary infrastructure provision remain viable and deliverable.

**Q5-vi. Policy HOUS8 sets out the Councils approach to self-build and custom build housing; on large housing sites; outside DDBs; and in Neighbourhood Development Plans. Do you agree with the Councils proposed approach to the provision of self-build and custom build housing?**

The HBF supports the encouragement of self / custom build for its potential additional contribution to the overall housing supply. The HBF agrees with the Councils approach in Policy HOUS8 except for on strategic sites. This approach only changes housing delivery from one form of house building to another without any consequential additional contribution to boosting housing supply. If these plots are not developed by self / custom builders then these undeveloped plots are effectively removed from the HLS unless the Councils provide a mechanism by which these dwellings may be developed by the original non self / custom builder in a timely manner. Before introducing any such policy the Councils should consider the practicalities of health & safety, working hours, length of build programme, etc. as well as viability assessing any adverse impacts. The NPPG confirms that "*different types of residential development such as those wanting to build their own homes ... are funded and delivered in different ways. This should be reflected in viability assessments*" (ID 10-009). There is also the loss of Community Infrastructure Levy (CIL) contributions as



self / custom build properties are exempt. Any policy requirement for self / custom build serviced plots on strategic housing allocations should be fully justified and supported by evidence of need. The Councils should assess such housing needs in the SHMAA as set out in the NPPG (ID 2a-021) collating from reliable local information (including the number of validated registrations on the Councils Self / Custom Build Registers) the demand from people wishing to build their own homes. The Councils should analyse the preferences of entries on the Self Build Registers often only individual plots in rural locations are sought as opposed to plots on strategic housing allocations. The Registers may not provide the justification for the Councils proposed policy approach on strategic housing allocations.

**Q5-vii. Should the Councils allocate additional sites exclusively for self-build and / or custom build housing? If so which specific sites should be allocated?**

The Councils should allocate additional sites exclusively for self / custom build housing.

**Conclusion**

It is hoped that these representations will be helpful in informing the next stages of the West Dorset, Weymouth & Portland Joint Local Plan Review. If any further information or assistance is required please contact the undersigned.

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



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