

Home Builders Federation

ID:870

Matters 2 and 4

SUFFOLK COASTAL LOCAL PLAN EXAMINATION

Matter 2: The Suffolk Coastal Spatial Strategy

A: Housing Provision

Issue: Is the overall strategy and provision for housing development effective and justified?

Calculating the housing need

2.1 The PPG specifically advises that the 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes (Paragraph: 005 Reference ID: 2a-005-20190220). The Council's response to my initial questions, calculates the figure of 542 homes per annum needed on this basis, using the latest published affordability ratio. Is this figure justified as the minimum number of homes needed in the Plan area on an annualised basis?

Using the standard methodology set out in Planning Practice Guidance and the latest median affordability ratio for the Borough would result in a local housing need of 542 dwellings per annum (dpa). This represents the minimum number of homes that need to be planned for. In addition, the Council need to consider whether there are any unmet need arising in neighbouring authorities. At present each neighbouring authority is proposing to meet needs and are preparing plans on this basis. However, until these local plans have been examined and found to be sound it is not possible to say with certainty that there will not be any unmet needs. Ipswich for example is a tightly bound authority and as such will find it more challenging to meet its housing needs. As such it may be prudent for the Council to include a review mechanism within policy SCLP3.1 to ensure that should any unmet needs arise in a neighbouring authority a partial review of the Suffolk Coastal Local Plan will take place.



Such an approach was used in Oxfordshire which has resulted in both the Cherwell and Vale of White Horse Local Plans being reviewed once the unmet needs of Oxford was identified. We would suggest the following wording being included:

“Should any unmet needs be identified following the examination of a local plan in a neighbouring authority the Council will review its local plan and submit it for examination within two years the unmet need being identified.”

We recognise that the Council are required to review their plans within five years of adoption but we would suggest that given there are neighbouring authorities still to adopt local plans that will ensure needs are met it is essential that a solid early review mechanism is included in the plan.

2.2 What implications (direct and consequential) for the Plan would arise from the use of a housing need figure derived using the 2014 based household projections?

The implications of using the 2014-based projections would be to reduce the minimum number of homes required to be met from 582 dpa to 542 dpa – 9,756 homes across the plan period. However, it must be remembered that this is the minimum number of homes that the Council are required to deliver. As we set out in our representation in order to ensure delivery of this many homes will require the Council to identify provision for at least 20% more homes.

2.3 The Plan seeks to provide for a contingency above the minimum housing need requirement. What is the overall provision for contingency (including the windfall allowance and contributions from Neighbourhood Plans) proposed and is it justified?

On the basis of the local housing needs assessment calculated using the 2014-based household projections and the delivery estimates in Appendix D of the local plan there is a contingency (with windfall) of 1,964 homes (11,720-9,756). This provides a 20% buffer and reflects the level of contingency we would expect to see in any plan to ensure the housing requirement is met. In our representation we set out that there are a number of reasons why local plans should identify delivery beyond their housing requirement - these include slow delivery rates, lapsed applications, and reduced delivery on sites. The Government considered that in a single year delivery will be around 30% to 40% below the number of permissions granted. Delays to delivery from sites that do not come forward as expected will mean that the Council need more supply across the plan period in order address any gaps in delivery. As such the buffer ensures that there is sufficient flexibility to adapt to rapid change – a key requirement of local plans as set out in paragraph 11 of the NPPF – and ensure that the Council will maintain a five-year housing land supply throughout the plan period.

Scale and location of growth

2.4 Does Policy SCLP2.1 serve a clear purpose and would it be effective?

No comment

Housing needs

2.5 Does the Plan adequately address the needs of different groups in the community as set out in paragraph 61 of the Framework?

It will be important for the Council to consider the latest guidance in PPG on housing for older people and the need to establish how specialist accommodation will be provided to meet their needs. In particular it will be important for the Council to identify sites that will allow for the delivery of retirement accommodation that will meet the needs of many older people seeking to move house in order to meet their needs. Paragraph 63-013 of PPG states that it is up to the plan making body as to whether to allocate sites for such development but where it does it is important to recognise that allocated sites should be in proximity to good public transport, amenities, health services and town centres.

The supply of housing and housing trajectory

2.7 Given historic levels of housing completions in the Plan area, are numbers of units to be built envisaged per annum realistic and achievable?

The level of delivery anticipated early in the plan period is ambitious and as such it will be important to maintain a good supply of homes across the whole Borough to ensure that there is sufficient flexibility to offset slower delivery in any one particular area. This is one of the reasons why a buffer in excess of 20% is necessary as it provides the flexibility in supply that ensures delivery should delivery in any one site, or area, not come forward as expected. This is particularly important for local plans, such as the Suffolk Coastal local plan, that are seeking to deliver a significant amount of development on a small number of large sites or in a specific growth area.

2.8 Is the rate of delivery envisaged for the proposed allocations as set out in the trajectory realistic and justified?

The HBF does not comment upon the individual site allocations. However, we would stress that it is important for all the sites contained within the Plan to be deliverable over the plan period and that a cautious approach is taken to delivery trajectories.

2.9 The housing trajectory assumes provision of 50 dwellings per annum by way of windfalls. What is the justification for this figure and is it realistic for the duration of the plan period?

No comment.

Matter 4: Policies

Issue: Are the individual policies clear, justified, and consistent with national policy and will they be effective?

Housing policies

Policy SCLP5.8: Housing Mix

4.4 The Framework in paragraph 61 states that the size, type and tenure of housing needed for different groups in the community should be assessed and be reflected in planning policies. Has the size, type and tenure of properties needed for the Plan area been adequately assessed and would the Policy be effective in meeting needs?

We do not have any concerns with the approach taken by the Council in understanding the mix of homes required to meet needs. However, such assessments indicate the need for such homes at that point in time and across the whole area and whilst a helpful guide as to the mix of houses to be provided on a strategic site they should not be used to dictate delivery on site by site basis.

4.5 Is it justified to apply the housing size requirements as set out in Table 5.1 to all proposals of 5 or more dwellings? Have the viability implications of such requirements been assessed?

No. As set out above we do not have any concerns with the approach taken by the Council in understanding the mix of homes required to meet needs, but they should not be used to dictate delivery on a site by site basis. Therefore, to require all sites to provide 40% of the homes built as 1 or 2 bedroomed properties is overly prescriptive and could prevent delivery of sites in areas where there is limited demand for such properties. In particular it will prevent smaller sites from coming forward where localised demand for the type of housing will dictate what can be built. House builders are best placed to understand the market for housing in an area and the homes the people want to buy, and Council's should provide the framework within which they can meet those needs not dictate borough wide needs on a site by site basis. We would suggest that the most effective approach would be to allocate a variety of sites across the Borough that will enable the development industry to build the homes that will meet the demands of the market. We would therefore suggest that the second paragraph of policy SCLP5.8 be deleted. The first paragraph of this policy will be sufficient to ensure that a wide variety of homes are delivered in the Borough.

4.6 Is Policy SCLP5.8 justified and consistent with national policy in applying M4(2) standards to at least 50% of dwellings and on developments of more than 10 units?

The 2019 NPPF establishes in footnote 46 on page 39 that the optional technical standards for accessible and adaptable housing must only be applied where this would address an identified need for such properties. PPG then outlines some sources

of evidence to be used when justifying needs as well as requiring LPAs to consider the impact on viability from applying the higher accessibility standards. The impact on viability has been considered in the viability assessment, however, the only justification that we could find on the need for such homes is that there will be an increase in the number of older people with a long-term limiting illness over the plan period of some 3,120 people. This the Council suggests in paragraph 5.43 of the local plan to be a clear justification for a significant proportion of the housing stock to be built to the higher accessibility standard M4(2).

However, whilst the HBF supports the provision of some adaptable homes we do not consider there to be sufficient justification for half of all homes to be built to part M4(2). Firstly, not all of these individuals with a long-term limiting illness will require their home to be adapted. The English Housing Survey last published data on the need for more accessible homes in 2016¹. This data outlined that 9% of households in the UK require some form of adaptation but of those households where an adaptation was required 81% considered their home suitable to meet their needs. The survey found that only about 9.5% of those in need of adaptations had to move to find more suitable accommodation to address their housing needs. Whilst we recognise that these are figures from a national survey it shows that the number of households who actually need to move in order to meet their needs is relatively small. It must also be remembered that all new homes will be built to part M4(1). According to Part M of the Building Regulations meeting M4(1) will ensure reasonable provision for most people with a long-term illness or disability to approach and enter the dwelling and to access habitable rooms and sanitary facilities on the entrance storey. As such we do not think that the Council has provided sufficient justification for the adoption of the optional standards for accessible and adaptable homes at the level which is set out in SCLP5.8.

4.7 Would the Policy be effective in meeting the housing needs of older people?

No comment

Policy SCLP5.9: Self Build and Custom Build Housing

4.8 Is the policy justified in terms of need, threshold and minimum target and how would it be effective in encouraging and providing for self-build and custom-build housing?

Our key concern relates to the self-build register and whether it provides an effective assessment of the demand for self-build plots. It is easy to register as a self-builder and without in proper assessment as to an individual's ability or commitment to self-building there is a real risk that self-build plots will remain vacant. There is also a risk that individuals register on more than one list inflating needs across a number of adjacent authorities further inflating needs across a much wider area. As such paragraph 2a-017 requires Councils to assess and review data held on registers to

¹ www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-adaptations-and-accessibility-of-homes-report

ensure that the evidence remains accurate. In addition, paragraph 57-011 of PPG considers it necessary to additional data to understand the need for this type of housing in future and to make reasonable assumptions to avoid double counting. We could not find any evidence to suggest that the Council had reviewed its self-build register or considered other evidence to confirm whether or not it provides an accurate assessment of demand for such plots.

In addition, the Council has focussed on a top down policy mechanism to meet its duty with regard to the delivery of self-build plots. Whilst PPG suggests using policies in local plans to support the delivery of self-build plots it also proposes in paragraph 57-025 other mechanisms including:

- Councils using their own land if available and suitable for self-build and custom housebuilding and marketing it to those on the register;
- engaging with landowners who own sites that are suitable for housing and encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested; and
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

We could find no evidence as to whether the Council has considered any of these other suggested approaches to increasing the provision of self-build plots. In order to justify the requirements, as set out in policy LP8, the Council must be able to show how it has examined other opportunities in meeting the demand for self-build plots, that it has recently reviewed its register and that it has considered other evidence with regard to demand for self-build. With such considerations the policy as presented cannot be justified. We would suggest that a more appropriate approach would be for the Council to state that it will work with landowners to secure the provision of self-build and custom build plots on appropriate sites. In particular we would expect to see the Council seeking bring forward new sites for self-build development that will boost supply.

Finally, it is essential that if residential developments are required to provide self-build plots that there is a mechanism established in policy allowing for their return to the developer should they not be sold within a reasonable time frame. Such clauses ensure that where demand is over inflated self-build plots do not remain vacant to the detriment of other homeowners and to the overall delivery of new homes. At present the policy allows plots to return to the developer after 12 months. We would recommend that the policy should include a provision for such plots to return to the developer if they are not sold within 6 months of being marketed. This shorter period will ensure that homes can be delivered quickly and without delay should demand for such plots have been overestimated.

4.9 Would self-build and custom build housing be provided through Policy SCLP5.4?

We would suggest that greater flexibility with regard to development in the countryside and on the edge of existing settlements specifically for self and custom house building

would be a better mechanism to meet the demands of self-builders rather than requiring the provision of plots on larger house building sites.

Policy SCLP5.10: Affordable Housing on Residential Developments

4.10 Is the requirement for 1 in 3 dwellings on sites of ten units or more to be affordable units and the split between affordable/social rent, shared ownership and discounted home ownership justified and consistent with national policy? Are these requirements deliverable and viable?

The 2019 NPPF places more significance on testing the viability of development at the plan making stage with a view to reducing the need for such testing on a site by site basis. This requires the full costs that are placed on development by the local planning authority through the local plan to be properly tested and for the local plan to reflect the evidence presented. However, the conclusions of the Viability Assessment (D38) are not reflected in the policy. There are evident concerns in the assessment's conclusions that development on brownfield sites in mid and lower value areas is marginal and even challenging on Greenfield sites in lower value areas.

However, rather than reduce the affordable housing contribution the viability assessment sets out in paragraphs 5.34 and 5.36 the expectation that viability could be achieved by reducing profit margins to 17%, which when blended with a 6% margin on affordable housing provision used in the viability assessment means the margin falls below the 15% minimum set out in national policy. It is also important to recognise that where development is more marginal then the return on the development needs to reflect the increased risks faced by the developer. It is therefore inappropriate to consider a reduction in profit margins on more viable development a justification for maintaining the proposed affordable housing requirement and not setting a policy that will support the delivery of development in mid to low vale areas whilst also providing an appropriate return to the developer.

We are also concerned that benchmark land values in the viability assessment are low and there must be concerns that land could not be obtained at the values suggested in the study. PPG sets out that the benchmark to land value should be established on the basis of the existing use value of land plus a premium to the landowner - referred to in PPG as EUV+. The premium should be established on the basis of the minimum return at which a reasonable landowner would be expected to sell their land. However, for brownfield land there would appear to be the expectation that such land will come forward at £85,000 per gross acre which below the majority of the values set out in table 5-15.

As such there is a concern that the Council's approach is not consistent with the 2019 NPPF which at paragraph 117 requires planning policies to promote the effective use of land in meeting the needs for homes. In addition, paragraph 118 of the NPPF sets out that substantial weight should be given to the value of using suitable brownfield land to meet development needs. If the Council are to achieve this national objective, then it must set policies that will not establish a potential barrier to the delivery of

brownfield land. As the Council's evidence suggests that a 33% affordable housing requirement could have an impact on the deliverability of development on brownfield land in mid and low value areas, we would suggest that in order for the policy to be consistent with national policy and justified a lower affordable housing threshold is required for brownfield sites. This would ensure that the policy seeks to make the most effective use of land within the Borough and limit the need for viability assessments on such sites as required by the NPPF.

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