

Home Builders Federation

Matter 7

STROUD LOCAL PLAN EXAMINATION

Matter 7 Housing Provision

Issue 7 – Does the Plan set out a positively prepared strategy for the supply and delivery of housing development that is justified, effective and consistent with national policy? Are the policies for housing development, including those to meet specific needs, sound?

Matter 7a Housing supply

Overall supply

Table 2 of the Plan (page 33) summarises the housing land supply for the plan period. This includes commitments, allocations, and a small sites allowance (windfall) which together form a total housing supply of 14,935 dwellings. Taking commitments of 4,595 dwellings off the housing requirement of 12,600 dwellings leaves a minimum residual housing requirement of at least 8,005 dwellings.

The Topic Paper EB8 confirms that the Housing Land Supply Assessment Update November 2020 (EB15) provides the latest evidenced schedule of large site progress and anticipated delivery from developers and site promoters for all major development sites.

1. As identified in Table 2 of the Plan, the site commitments are based on April 2020 data, except small sites which are based on April 2019.

a. Are more recent updates available listing all housing completions since the start of the plan period and commitments (sites with planning permission)?

For Council

b. Can the Council explain why sites with resolutions to grant permission are included as 'firm commitments'? Are all these sites subject to the signing of section 106 agreements or are there other reasons for the delay in granting permission? What are



the timescales for the decisions to be issued? Are such sites proposed to be within the five-year supply from adoption of the Plan and if so, are they justified?

For Council

c. The table also includes undeliverable commitments of 620 dwellings. What are the reasons for these sites to be undeliverable and is their removal from the supply justified?

For Council

2. Does the supply identify sufficient land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, in accordance with paragraph 69 of the Framework?

The Housing Needs and Supply Topic paper (EB8) indicates in Table 9 that 20% of the housing requirement will be delivered on sites no larger than one hectare. As the Council note the NPPF requirement is to identify these through the development plan and brownfield registers. Therefore, projected windfall on smaller sites cannot be considered as part of any assessment as these have not been identified by the Council and do not have any of the benefits arising from allocation or inclusion on the brownfield register – the key reason for the policy and the Government’s drive to support SME house builders.

Having said that we do note that without windfall the Council can show that 1,256 homes will be delivered on sites of no more than one hectare, just under the 1,260 homes it is required to deliver based on a housing requirement of 12,600. However, it should be noted that paragraph 69 states that it should be 10% of the housing requirement, which for this local plan will need to include the proportion of Gloucester’s unmet needs that the Council has agreed to address. Therefore, the Council should have identified small sites that would have delivered at least 1,560 homes and the HBF considers it essential that the Council meets this important requirement of national policy.

The HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure with a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or else the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have. This is why the Government, through the NPPF, now requires local authorities to allocate more sites of varying sizes.

3. Paragraph 74 of the Framework states that strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period. No such trajectory appears to be in the Plan. Is there a particular reason for this? Also has consideration been given as to 'whether it is appropriate to set out the anticipated rate of development for specific sites' within the Plan?

It is essential that the Plan sets out a trajectory showing expected housing delivery over the period. This is an important element of national policy that allows for transparency in with regard to the Council delivery expectations and whether these are met. Whilst the NPPF does not state that this should extend to allocated sites some local plans do provide this information which we consider to improve the transparency of such plans and the delivery expectations of allocated sites. As a minimum we would expect the Council to include within its evidence based annualised trajectories for all of the sites that make up the supply expectation within the local plan. Whilst the Council have set out in EB8 projected delivery of allocated sites in five year tranches this does not provide the necessary detail as to start dates and delivery rates for these to be properly scrutinised by all stakeholders. There is also no evidence we could find setting out the annual delivery expectations on existing commitments.

4. Is there sufficient flexibility in the housing trajectory to ensure that housing land supply within the Plan area will be maintained and will deliver the housing requirement?

There is an overall buffer in supply of 18.5% which is a reasonable buffer to ensure needs are met in full over the plan period. It would also appear from figure one in EB8 that the buffer in supply comes forward in the first half of the plan period. However, without detailed trajectories for each of the committed and allocated sites it is not possible to say whether the delivery expectations on these sites is reasonable and that there is sufficient flexibility in the plan. As such we may need to provide further comments at the hearing sessions as to the flexibility of the Council's housing trajectory.

5. Is there credible evidence to support the expected delivery rates set out in the housing trajectory? The annual housing requirement of 630 dpa would be a significant rise in house building rates from recent and historic trends in the borough. Does the evidence support that this is achievable?

The HBF does not comment on the delivery rates of individual sites. However, it will be important that start times and delivery rates are reasonable and are not overly ambitious, especially with regards to larger, more complex sites. Such sites can come forward quickly but as can be seen in Lichfield's Start to Finish there is significant variance in the speed at which such sites come forward and the delivery rates on such sites.

6. Does the allowance for windfall sites accord with paragraph 71 of the Framework?

The evidence on windfalls presented by the Council reflects delivery for the period 2005/06 to 2015/16. It would be helpful for the Council to provide a more up to date

position on windfall from small sites as the level of delivery in recent years may not reflect that from a period that ended over 6 years ago.

Five-year housing land supply

Within the Housing Needs and Supply Topic Paper (EB8) at Table 7, the Council suggests they are able to demonstrate a 6.57-year housing land supply. This is for the period 1 April 2020 to 31 March 2025 and is based on a minimum annual housing requirement of 630 dpa.

7. Although paragraph 68 of the Framework seeks that planning policies identify a supply of deliverable sites for 'years one to five of the plan period', the PPG advises that 'strategic policies should identify a 5-year housing land supply from the intended date of adoption of the plan'. No practical purpose is served by assessing five-year supply from an earlier date.

a. Can the Council produce a five-year supply calculation looking forward five years from around the intended date of adoption of the plan? Is it based on robust evidence and is it justified?

b. Are any adjustments necessary to take account of any shortfall or over-supply since the Plan's base date?

Without annual delivery estimates across the whole plan period the HBF cannot undertake an assessment as to the five-year housing requirement from the point of adoption. We will therefore comment on the updated evidence provided by the Council at the hearing session for this matter.

8. As identified in the Council's Five-Year Housing Land Supply document (2020) (EB14), a non-implementation rate of 22% is applied to small sites with planning permission. This appears to be based on recommendations in a 2013 report which reviewed the Council's land supply. Is there more up-to-date evidence to confirm why such a high rate is justified? Is this approach proposed for this plan period and if so, does it accord with the definition of 'deliverable' within the Framework? Overall, is the approach justified?

This level of lapse is not unreasonable. At the national level, the Department for Communities and Local Government has identified a 30–40% gap between planning permissions granted for housing and housing starts on site. They suggest that 10–20% of permissions do not materialise into a start on site at all and, in addition, an estimated 15–20% of permissions are re-engineered with a permission re-sought, which would have the effect of delaying completions and increasing the overall lead in time of the scheme and potentially altering the total number of dwellings delivered in any five year period. However, we recognise this is national data and will comment at the hearings on any new data presented by the Council in its hearing statements.

Matter 7b Meeting specific housing needs.
Supporting older people and people with mobility issues – Core Policy DCP2

10. Core Policy DCP2 sets out the modelled demand for older person homes and supports the provision of specialist older person housing. On major housing developments it expects a range of house types, including two-bedroom dwellings and bungalows. It also supports other listed initiatives and developments. It summarises the need for adapted housing as established through the LHNA.

e. As regards the inclusion of optional standards for accessible and adaptable homes:

i. Does the LHNA robustly evidence an identified need in accordance with national policy (footnote 49 relating to paragraph 130 of the Framework) and the PPG?

No further comments

ii. Does the policy accurately reflect the evidence of need?

No further comments

iii. Whilst the policy lists the needs as percentages, how many dwellings for each category are actually needed and is this clearly identified within the Plan?

For Council.

iv. Should the policy distinguish between the need for M4(3a) and M4(3b) categories? Has this been suitably assessed?

Yes. PPG makes the distinction between the two stating that only homes where the Council have nomination rights over who live in a property can seek to require that home to be wheelchair accessible (M4(3)(b)). At present this is not clear from the policy.

v. Does the policy take adequate account of any potential site constraints, such as topography, which may limit the suitability of a site?

The Council should state in policy that the requirements in DCP2 are subject to both viability and feasibility, such as topography, which can limit the ability of development to deliver both M4(2) and M4(3).

vi. The policy is unclear how relevant development schemes will be expected to meet these needs. For instance, are 67% of all homes on development sites sought for M4(2)? Does the 8% for M4(3) form part of this or is it in addition to the 67%? Is this justified and viable and is it clear within the policy? Or is this set out elsewhere in the Plan?

Clarity will need to be provided on this issue.

Affordable housing – Core Policy CP9

11. Questions on affordable housing are included under Matter 3 on the housing requirement. Our questions here relate specifically to Core Policy CP9, which requires at least 30% affordable housing on relevant sites above defined thresholds.

a. Is the requirement for at least 30% of housing on relevant sites to be affordable justified by robust evidence and is it viable for all housing types including specialist older persons' housing?

The HBF have concerns regarding the impact of policy CP9 on the viability of development. Our concerns around some of the costs in the viability study remain and should be addressed. However, even using the costs set out in the study the HBF are concerned that policy CP9, in combination with the other policy costs being imposed on development, will make some areas and development typologies unviable. As we note in our representation's, tables 10.11a to d and 12.8a to d show that whilst some development can support 30% affordable housing outside of the higher value areas of the Cotswolds or rural west of the Borough development is either unviable or at the margins of viability. The expectation in paragraph 58 of the NPPF is that decision makers should be able to assume that a development that meets all the policy costs required of it is viable, with negotiation only being required in exceptional circumstances. This expectation means that Council's should set policies that ensure the majority of development can come forward on the basis of the policies in the local plan. At present this cannot be concluded from the Council's evidence with a wide range of locations and development typologies being made unviable on the basis of the Council's policies and in particular the affordable housing policy which has the largest financial impact on development viability.

In order to address these concerns, the Council should amend policy CP9 to reflect the evidence in viability study and reduce the affordable housing contribution for those areas or typologies where development is unviable or at the margins of viability. A variable rate would allow development to come forward across the Borough without the need for further negotiation on a site by site basis. If the Council is unwilling to amend this policy it will need to consider whether other policies should be amended in order to support development viability across the Borough.

b. Why does the policy use the term 'at least' and how would provision above 30% be achieved? Is this viable?

To provide clarity to the applicant and decision maker the HBF would suggest that the prefix "at least" is removed as this suggests that an applicant may be required to go beyond the 30% that is suggested. As we note in our representations the viability study indicates that affordable housing provision beyond 30% is not viable and in reality, there will be situations where development will not be able to meet the 30% requirement set out in policy. Whilst this is a minor change the HBF do consider it necessary to ensure clarity and remove any uncertainty regarding what is required.

c. How much affordable housing will be delivered as a result of the Plan's policies?

For Council.

d. Is the requirement for sites for 4 or more dwellings, within the AONB or designated rural areas, to provide at least 30% affordable housing justified and effective? Would this mean that a site for 4 dwellings would need to provide 2 affordable units to meet the policy, effectively providing 50% affordable housing? Is this viable on these smaller sites and deliverable?

Whilst affordable housing may be viable on such sites it is often not practical to provide affordable housing on site or there are unintended consequences as alluded to in the inspector's question. The policy should be more flexible and allow for commuted payments to be made to support off site delivery.

e. The policy states that tenure, size and type of affordable housing will be negotiated on a site-by-site basis. Is this flexible approach justified and effective? Would varying tenures be viable?

On the basis of the viability assessment the Council will need to negotiate not just on tenure and type of housing but on the level of affordable housing to be provided. Whilst the HBF welcomes the flexibility provided by the Council it is necessary for the Council to consider whether it should also reduce some of the policy costs it is placing on development through this local plan.

f. Core Policy CP9 also includes a general requirement for residential development to provide an appropriate density. Does this only relate to affordable housing? If not, is it set out in other Plan policies?

No comment

g. The supporting text at paragraph 4.21 identifies that affordable housing provision may be subject to viability, but this is not set out in the policy. Should it be and if so, is such an approach justified?

Yes. Whilst national policy indicates that affordable housing requirements should be set at a level which does not require site by site negotiation it is important that where there are viability concerns due to changing markets, increasing costs or abnormal costs then these can be taken into account and that it is clear to the decision maker that this is the policy of the Council.

h. The supporting text at paragraph 4.22 states that affordable housing should be provided on site other than in 'exceptional circumstances', but this is not set out in the policy. What are the reasons for this? What would constitute 'exceptional circumstances' and is the approach justified?

Paragraph 58 of the NPPF recognises that there will be exceptional circumstances where affordable housing requirements cannot be met in full. However, the Government clearly expects these circumstances to be relatively broad and have only stated that land value cannot be considered to be a factor when considering viability. Given that these circumstances will vary from case to case we would suggest that if these are to be set out in the local plan they are provided as examples rather than a definitive list.

Self-build and custom-build housing provision – Delivery Policy HC3

20. Table 13 in EB8 provides historic data for self-build and custom-build delivery since 2016. Delivery Policy HC3 supports the provision of self-build and custom-build dwellings within SDL and adjacent to SDL subject to meeting policy criteria. On strategic sites the policy requires a minimum of 2% of the dwellings to be self-build or custom-build plots, subject to demand being demonstrated.

a. How many plots are required to meet the identified demand for this type of housebuilding during the plan period?

The Council indicate in paragraph 2.52 of the Housing Topic Paper (EB8) that there is the potential to build 162 self-build plots on the basis of policy HC3. However, the Self Build Register suggests that demand for plots is not particularly high in Stroud. Whilst it must be recognised that the register is just one source of data when assessing demand, it would appear from the evidence presented by the Council does not support the level of plot provision required through this policy. It is also notable that the number of plots granted an exemption for self-build exceeds the number of entries on the register. From this it could be concluded that those wanting to build their own home in Stroud are able to find their own plots and as such there is no need for plots to be provided on strategic development sites, or at least not at the 2% rate suggested by the Council.

b. How has the Council determined that 2% provision is appropriate to meet the evidenced demand? Is it viable and achievable?

As set outlined above there does not appear to be a link between the evidence and the level of provision required in HC3.

c. The policy states that at strategic sites, development briefs will set out how the plots will be delivered. As this is 'subject to demand being demonstrated' how will a developer and decision-maker determine whether a site needs to provide such plots? If there is no demand what happens to those plots?

This statement is unclear and alludes to the fact that there does not appear to be a strong demand for self-build plots on strategic development sites in Stroud. The Council should also be clear in the policy as to when self-build plots a developer has agreed to provide but have not been sold will revert back to the developer to be built out. It is important that self-build plots do not stay empty for long periods not only to

the detriment of residents on such sites but to those in need of a home. The HBF recommends that where plots have been marketed for a period of 6 months and remain unsold then they should revert back to the developer to be built out as part of the whole scheme.

d. The policy also states that regard will be had to site-specific circumstances and local demand in determining the nature and scale of any provision. Is it clear what such site-specific circumstances would be and how they would determine the level of provision?

It is not clear what these circumstances are and the Council should provide some examples but should also recognise that these will vary on a site by site basis.

e. Are any of the policy wording changes suggested by representors necessary for soundness?

On the basis of the evidence, we would suggest that there is no justification for 2% of dwellings on strategic sites to be provided as self-build plots. This requirement should be deleted.

Mark Behrendt MRTPI
Planning Manager – Local Plans SE and E