

Part B – Please use a separate sheet for each representation

Name or Organisation:

Home Builders Federation (HBF)

3. To which part of the Local Plan does this representation relate?

Paragraph		Policy	CP2,CP6, CP8,CP9, DCP1, DCP2, HC3, DES3, EI12, ES1, ES6 & ES16	Policies Map	
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4. Do you consider the Local Plan is :

4.(1) Legally compliant	Yes	X	No	
4.(2) Sound	Yes		No	X
4 (3) Complies with the Duty to co-operate	Yes	X	No	

Please tick as appropriate

5. Please give details of why you consider the Local Plan is not legally compliant or is unsound or fails to comply with the duty to co-operate. Please be as precise as possible.

If you wish to support the legal compliance or soundness of the Local Plan or its compliance with the duty to co-operate, please also use this box to set out your comments.

Viability and Deliverability

In plan-making, viability is inseparable from the deliverability of development. At Examination, viability will be a key issue in determining the soundness of the Stroud LPR. The viability of individual developments and plan policies should be tested at the plan making stage. As set out in the 2019 NPPF, the

contributions expected from development including the level & types of affordable housing provision required and other infrastructure for education, health, transport, flood & water management, open space, digital communication, etc. should be set out in the LPR (para 34). As stated in the 2019 NPPF, development should not be subject to such a scale of obligations that the deliverability of the LPR is threatened (para 34). Viability assessment should not be conducted on the margins of viability especially in the aftermath of uncertainties caused by the Covid-19 pandemic and Brexit. Without a robust approach to viability assessment, the LPR is unsound, land will be withheld from the market and housing delivery targets will not be achieved.

The Council's viability assessment is set out in Working Draft Local Plan Viability Assessment dated May 2021 by HDH Planning & Development. The HBF and other parties participated in the Council's draft Viability Study consultation. At which time, numerous concerns about standard inputs and the cumulative impact of policy compliant requirements were raised (see attached Appendix A & B). These concerns included (not an exclusive list) :-

- sales values ;
- land values (Benchmark & Existing Use) ;
- build costs ;
- abnormal costs ;
- professional fees ;
- contingencies ;
- interest rates ;
- developer return ;
- acquisition & sales costs ;
- CIL & S106 contributions (including education infrastructure requirements) ; and
- LPR policy requirements.

Post consultation, it is noted that some changes to assumptions were made however other concerns remain unresolved. 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. The Council's viability assessment should accurately account for all costs for affordable housing provision, CIL, S106 contributions and policy requirements sought.

One significant concern is the exclusion of abnormal costs for greenfield sites and Strategic Sites and a minimal allowance of 5% of base build costs for brownfield sites. The approach is contradictory to reality and inappropriate basis for plan wide viability testing. The Council's approach implies that all abnormal costs should be fully deducted from the assumed Benchmark Land Value (BLV). The reduction of BLV to account for site-specific abnormal costs is only valid where that reduction maintains a sufficient incentive for the landowner to sell as required by the NPPG (ID 10-013-20190509), which states that the BLV should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land. The NPPG confirms that the premium above

the Existing Use Value (EUV) should provide a reasonable incentive for the landowner to sell. Whilst the NPPG (ID 10-014-20190509) requires the BLV to reflect the implication of abnormal costs and site-specific infrastructure costs, this reflection is not equitable to full deduction because this may result in insufficient incentive for a landowner to sell, which will stagnate land supply as landowners will not bring land forward for development. The HBF acknowledge that BLV should reflect the implications of abnormal costs in accordance with NPPG, however, there is a tipping point beyond which the land value cannot fall as the landowner will not be sufficiently incentivised to release their site for development. It is noted that the greenfield BLV of £375,00 per gross hectare is not reflective of the Council's own evidence of policy compliant land sales nor "real world" evidence as submitted by other parties, which ranged between £450,000 - £775,000 per gross hectare. If the viability of sites is overstated, policy requirements will be set at unrealistic levels. This will lead to delays in sites being brought forward for development because landowners and developers will have no choice but to submit site-specific assessments to challenge inaccurate assumptions in the viability assessment and negotiate more reasonable policy requirements based on the true viability of the site.

Another significant concern is the approach to the provision of educational infrastructure. The Council's final viability assessment appraisals assume that the education requirements of the County Council are included in Community Infrastructure Levy (CIL) for non-strategic site typologies. However, the HBF are aware that Gloucestershire County Council are routinely requesting additional payments of up to £17,000 per dwelling. It is also unclear if these costs are included in the modelling assumptions for the Strategic Sites. To determine the impact on the viability of development and the deliverability of the Stroud LPR, the Council's position on education contributions sought should be absolutely clear and explicitly stated.

With regard to policy requirements sought, the Council's final viability assessment appraisals are based on the following assumptions :-

- 30% Affordable Housing (Intermediate Housing 50%, Affordable Rent 50%) ;
- 67% Accessible & Adaptable & 8% Wheelchair Accessible dwellings ;
- Nationally Described Space Standard (NDSS) ;
- Water efficiency ;
- 10% Biodiversity Net Gain ;
- Future Homes Standard Option 2.
- CIL (as per Charging Schedule - £96.44/m² / £0/m²) ; and
- S106 contributions of £5,000 per dwelling & on Strategic Sites approximately £20,000 per dwelling.

It is explicitly stated that these final viability assessment appraisals do not include costs for :-

- EVCPs (see HBF representations to **Delivery Policies ES1 & EI12**) ;

- an allowance for District Heating (see HBF representations to **Delivery Policy DES3**) ; and
- higher environmental standards above the Future Homes Standard (see HBF representations to **Core Policy DCP1, Core Policy CP8 & Delivery Policy ES1**).

For comparative purposes, the Council should provide a Table showing the final viability assessment appraisals including these excluded costs.

Tables 10.11a – 10.11d & 12.8a – 12.8d show that not all development is viable. In the higher value Cotswold area and in the Rural West of the District, greenfield typologies are viable, however the two larger greenfield typologies on the Gloucester Fringe are only marginally viable. Brownfield sites in the Rural West of the District and the Stroud Valleys including Sharpness are unviable. It is noted that 45% of proposed allocations (excluding Strategic Sites) are brownfield or mixed (Table 9.3). For the Strategic Sites, only one site (PS37) is viable. The remaining Strategic Sites are marginal and three are unviable. Table 10.12 also shows that only three out of fourteen Older Peoples Housing (Sheltered) typologies tested are viable. Table 10.13 – Older Peoples Housing (Extra-care) shows of fourteen typologies tested only 50% are viable, two are marginally viable and the remaining are unviable.

The Council's viability assessment confirms that a large proportion of typologies including Strategic Sites will be unable to bear the Council's full policy aspirations. Most sites should be deliverable at planning application stage without further viability assessment negotiations. Viability negotiations should occur occasionally rather than routinely. The Council's overall policy requirements should be revisited and reduced (**Core Policies CP6, CP8, CP9, DCP1 & DCP2 and Delivery Policies HC3, DES3, EI12, ES1, ES6 & ES16**). Without revision in many cases, trade-offs between policy requirements, affordable housing and infrastructure provision will be necessary and the Council will have to accept site specific viability assessments at development management stage. Such negotiations at planning application stage causes uncertainty for developers and may result in significant delay to housing delivery or even non-delivery.

6. Please set out the modification(s) you consider necessary to make the Local Plan legally compliant and sound, in respect of any legal compliance or soundness matters you have identified at 5 above. (Please note that non-compliance with the duty to co-operate is incapable of modification at examination). You will need to say why each modification will make the Local Plan legally compliant or sound. It will be helpful if you are able to put forward your suggested revised wording of any policy or text. Please be as precise as possible.

See above.

Please note In your representation you should provide succinctly all the evidence and supporting information necessary to support your representation and your suggested modification(s). You should not assume that you will have a further opportunity to make submissions.

After this stage, further submissions may only be made if invited by the Inspector, based on the matters and issues he or she identifies for examination.

7. If your representation is seeking a modification to the plan, do you consider it necessary to participate in examination hearing session(s)?

No, I do not wish to participate in hearing session(s)

Yes, I wish to participate in hearing session(s)

Please note that while this will provide an initial indication of your wish to participate in hearing session(s), you may be asked at a later point to confirm your request to participate.

8. If you wish to participate in the hearing session(s), please outline why you consider this to be necessary:

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. The HBF wish to attend the Stroud LPR Examination Hearing Sessions to discuss the above representations in greater detail.

Please note the Inspector will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate in hearing session(s). You may be asked to confirm your wish to participate when the Inspector has identified the matters and issues for examination.

9. Signature:

[Redacted Signature]

Date:

21/7/21